



City of Hanford

Hanford, California

Annual Comprehensive Financial Report

For the year ended June 30, 2024

City of Hanford, California

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For the year ended June 30, 2024

Prepared by the Finance Department

CITY OF HANFORD

Annual Comprehensive Financial Report
For the year ended June 30, 2024

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February 13, 2025

To the Honorable Mayor, Members of the City Council, and the Citizens of Hanford,

It is with pleasure that I present to you the City of Hanford audited Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. The financial statements contained in this report are presented in conformity with Generally Accepted Accounting Principles (GAAP) and have been audited in accordance with Generally Accepted Auditing Standards (GAAS) and Government Auditing Standards (GAGAS) by an independent certified public accountants firm.

This report consists of management's representations concerning the finances of the City of Hanford. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management of the City of Hanford has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Hanford' financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City of Hanford' comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Hanford' financial statements have been audited by Rogers, Anderson, Malody & Scott LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Hanford's for the fiscal year ended June 30, 2024, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the City of Hanford's financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Hanford's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

The City of Hanford, incorporated in 1891, as a general law City of the State of California, is located near the middle of the state in the San Joaquin Valley. The Central Valley is considered

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to be a national and world leader in the agricultural industry. The City of Hanford currently occupies over 17.5 square miles and serves a population of approximately 60,000.

The City of Hanford operates under the council-manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and four other members. The council is elected on a non-partisan basis. Council members serve four-year staggered terms, with two council members elected in one election and three elected in another election, separated by two years. The mayor is selected from among the council members by the council members and serves a two-year term. All five members of the governing board are elected at large. The council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City's manager and attorney. The City manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments.

The City of Hanford provides a full range of services, including police and fire protection; the construction, maintenance, and cleaning of streets and other infrastructure; planning and development services; water service; refuse collection, disposal, and recycling services; sewer service; storm drainage; recreation activities and cultural events; and general administration.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriations to the City Manager during March every two years. The City Manager uses these requests along with input from the council to develop a proposed budget. By the second Tuesday in May the proposed budget is presented to the City Council for review. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30, the close of the City of Hanford's fiscal year. The appropriated budget is prepared by fund and department. The City Manager may make transfers of appropriations within a specific fund. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

THE REPORTING ENTITY

This report includes all activities carried out by the City as a legal entity, including its component units and is financially accountable as determined under the guidelines of the Governmental Accounting Standards Board (GASB). Basic City operations are accounted for in the City's General Fund, with other activities accounted for in separate funds as required by law or determined by management discretion.

ACCOUNTING SYSTEMS AND BUDGETARY CONTROL

The City's fund accounting records are maintained using a modified accrual basis of accounting as explained in the Notes to the Financial Statements, following the accounting practices for governmental units as mandated by the Governmental Accounting Standards Board (GASB).



The Government-Wide financial statements (Statement of Net Position and Statement of Activities) follow the accrual basis of accounting. As required by GASB, an accompanying summary reconciliation schedule is presented following the Governmental fund financial statements.

The Finance Director/City Treasurer is charged with the responsibility for the receipt and disbursement of all monies and to maintain control over all expenditures to ensure that budget appropriations are not exceeded. The level of budgetary control, that is, the level at which expenditures are not to exceed Council-approved appropriations is established at the department level. Adjustments within the same fund and major categories of expenditures are permissible with the department head and Finance Director recommendation and City Manager approval. Adjustments between funds and additional supplemental appropriation funding require City Council approval. Appropriations lapse at year-end unless encumbered and become available for re-appropriation the following year. Capital project appropriations shall continue until the project is completed or no longer determined feasible by the City Manager. City Council is also presented with regular updates on the budget in addition to original budget adoption at mid-year (usually in February or March) and mid-cycle in June.

SIGNIFICANT EVENTS AND ACCOMPLISHMENTS

The City of Hanford has achieved several significant milestones and accomplishments in recent years, reflecting its commitment to development, public engagement, and community spirit.

Community Engagement and Technological Advancements

The city launched the "My Hanford" app available on phone and the city website, a citizen request management tool designed to enhance communication between residents and city officials. This platform allows residents to report various issues directly from their mobile devices, streamlining the process of addressing community concerns.

Cultural Events and Community Programs

The Hanford Parks and Community Services Department organized several holiday events during the 2023/2024 Hanford Winter Wonderland season, fostering community spirit and providing family-friendly entertainment. Additionally, the city's Kids Winter Camp offered engaging activities for children, supporting youth development and parental support during the holiday season.

Infrastructure and Public Safety

The city has had success in application and award of several grants of millions of dollars, and started on various projects with the funding including Heroes Park, rehabilitation of East Lacey Boulevard Improvement Project, a urban greening grant for trees throughout the city, Sustainable Communities Competitive Grant intended for the development of the Kings-Tulare High-Speed Rail Station Transit-Oriented Development and Connectivity Plan.



In addition to the success of grant awards, the city formed a Proposed Revenue Measure Committee in January 2024, that recommended to City Council to present a 1% Transactions and Use Tax Measure to the voters of the city. The City Council approved this recommendation, which was presented to voters in November 2024. The measure passed, which is anticipated to bring in approximately \$19 million annually for additional city needs and services which would not otherwise be funded, including a new Public Safety Building (Police Headquarters and Fire Administration offices) and a fourth fire station to help improve 9-1-1 response times and public safety.

Financial Transparency and Planning

During the Fiscal Year 2023/2024, Hanford maintained its commitment to financial transparency by publishing key financial documents, including the Fiscal Year 2022/23 audited financial statements, single audit and Transportation Development Act Audit. In addition, ARPA fund reports were completed timely and submitted to the US Treasury for viewing on the Treasury's website. The City has maintained these reports on its website as well. These publications provide residents with insights into the city's financial health, strategic planning efforts and use of public funds.

These steps underscore Hanford's dedication to fostering a connected, informed, and vibrant community.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Hanford operates.

LOCAL ECONOMY AND PROSPECTS FOR THE FUTURE

The City's unemployment rate in June of 2024 was 7% and has held steady this past year. The City is beginning to see a decline in historically high sales tax revenue from last year as residents struggle with the impacts of high inflation and rapidly increasing interest rates. The City has also enjoyed higher than average retail sales when compared to other cities and the state, and steady occupancy at hotels than experienced elsewhere. This increased City revenues, but the rate of increase is proving to be unsustainable and has begun to drop off. The pandemic recovery was coupled with historic inflation rates, nearing 10% and coming down to 4% in June of 2024. This inflationary pressure pushed the Federal Reserve to make rapid increases in interest rates to moderate demand.

The national economy is predicted to slow, but a recession is not being forecasted in the next year. However, some signs of slowing are evident. The City's efforts over many years to build a strong and diverse economy that attracts high quality businesses, employees, and residents to our community will be key in walking through more uncertainty.



In addition, the City is faced with a rapidly changing environment. The method of product delivery is transitioning to non-taxable digital services and delivery services rather than brick and mortar locations. Many employees are continuing to telecommute, changing daily traffic patterns, and finding labor is a continued challenge. This has resulted in changes in real estate demand. In this, there are opportunities for the City to address the changes in the next General Plan Update and projects such as the East Lacey Avenue rehabilitation project being developed.

As we gain deeper knowledge of the economic shifts that rapidly occurred during the pandemic, it has confirmed that the City is on solid ground economically with new businesses, ideas, and ways of doing business to keep Hanford strong for the long run despite short term challenges in the labor market, inflationary pressures, and monetary policy. The fundamentals of a well-educated community, excellent infrastructure, good land use policies, and a heritage of planning for tomorrows will provide for an economic engine that gives hope for the future. Continuing a spirit of partnership with Hanford businesses is going to be critical in reaching mutual goals of a vibrant community that allows for success of all residents.

The City of Hanford is part of the Hanford-Corcoran Metropolitan Area. This includes the City of Hanford and the developed areas of the County of Kings. The population of Kings County is 152,627 as of January 1, 2024. The City's population of 59,286 experienced a .4% growth in 2024 compared to a .7% growth rate in the County. There are approximately 46,271 jobs in Kings County. The City of Hanford has 24,400 employed out of a total labor force of 26,200.

Major employers include Central Valley Meat Co, Costco, Del Monte Foods, Keller Ford, Marquez Brothers International, Nichols Farms, Olam Spices and Vegetables, Pioneer Union Elementary School, Shelly Baird School, TC Transcontinental Packaging, Walmart Supercenter, Warmerdam Packing, and the County of Kings largest employer, Hanford Unified School District with over 1,400 employees.

LONG-TERM FINANCIAL PLANNING AND FINANCIAL POLICIES

As part of the City of Hanford land use planning process, the City's completed General Plan is at the top of the City's land use regulation hierarchy. It is the foundation for most of the Council's budgeting decisions in terms of capital facilities, staffing, programs, utility infrastructure, and levels of service; it establishes a land use pattern for lands beyond the City limit; it provides the vision and guidance for capital improvements and the development of City infrastructure; and it is used to create development impact fees and provides the basis for environmental analysis of the growth of the City. The plan is intended to guide development for a period of ten years and will be the basis of the City's annual 5 year operating and capital forecast. To finance current growth, the City has in place a variety of user and developer fees to pay for streets, parks, water wells and lines, and sewer lines. The City reviews these fees on an annual basis to assure that the fee structure is in line with the cost of construction. The Water and Sewer Funds have approved annual increases of at least 5% into the future if necessary, and 4% for Refuse.



Structurally Balanced Budget Policy

The efforts of the Council to develop a “structurally balanced budget” has paid off and the reserve has been rebuilt from 5.2% of expenditures in 2021/22 to 28% of the 2024/25 General Fund budgeted expenditures. The Council is determined to maintain a structurally balanced budget where current estimated expenditures are within projected current revenues in order to provide budgetary stability for all operating budgets.

Assigned for Emergencies

The City currently has a reserve policy with a goal of 35% unrestricted General Fund balance of budgeted expenditures. A portion (15%) of the fund balance is for emergencies. These emergencies can range from major catastrophic incidents to significant economic downturns. The City Council annually considers an increase in the fund balance assigned for emergencies whenever there is unexpected or one-time revenue or expenditure savings are realized.

INDEPENDENT AUDIT

An independent audit of the City’s records was performed for the year ended June 30, 2024, by the certified public accounting firm Rogers, Anderson, Malody & Scott, LLP. The auditor’s report on the basic financial statements (government-wide financial statements and the fund financial statements), the notes to the basic financial statements and supplementary information is included in the Financial Section of the ACFR.

In general, the auditors concluded that the basic financial statements and supplementary information referred to above present fairly, in all material respects, the financial position of the City of Hanford and its component units, as of June 30, 2024, and the results of its operations and cash flows of its proprietary fund types for the year ended in accordance with accounting principles generally accepted in the United States of America. The professionalism and knowledge by Rogers, Anderson, Malody & Scott, LLP during the audit is appreciated.

AWARDS AND ACKNOWLEDGEMENTS

The preparation of this report has been accomplished with the efficient and dedicated service of the City’s Finance Department. I would like to express my appreciation to everyone who assisted in its preparation, especially, Destiny Borba, Aubrey Balbina and David Chang.

Respectfully submitted,

Chris Tavarez, CPA Finance Director

CITY OF HANFORD

PRINCIPAL CITY OFFICIALS

JUNE 30, 2024

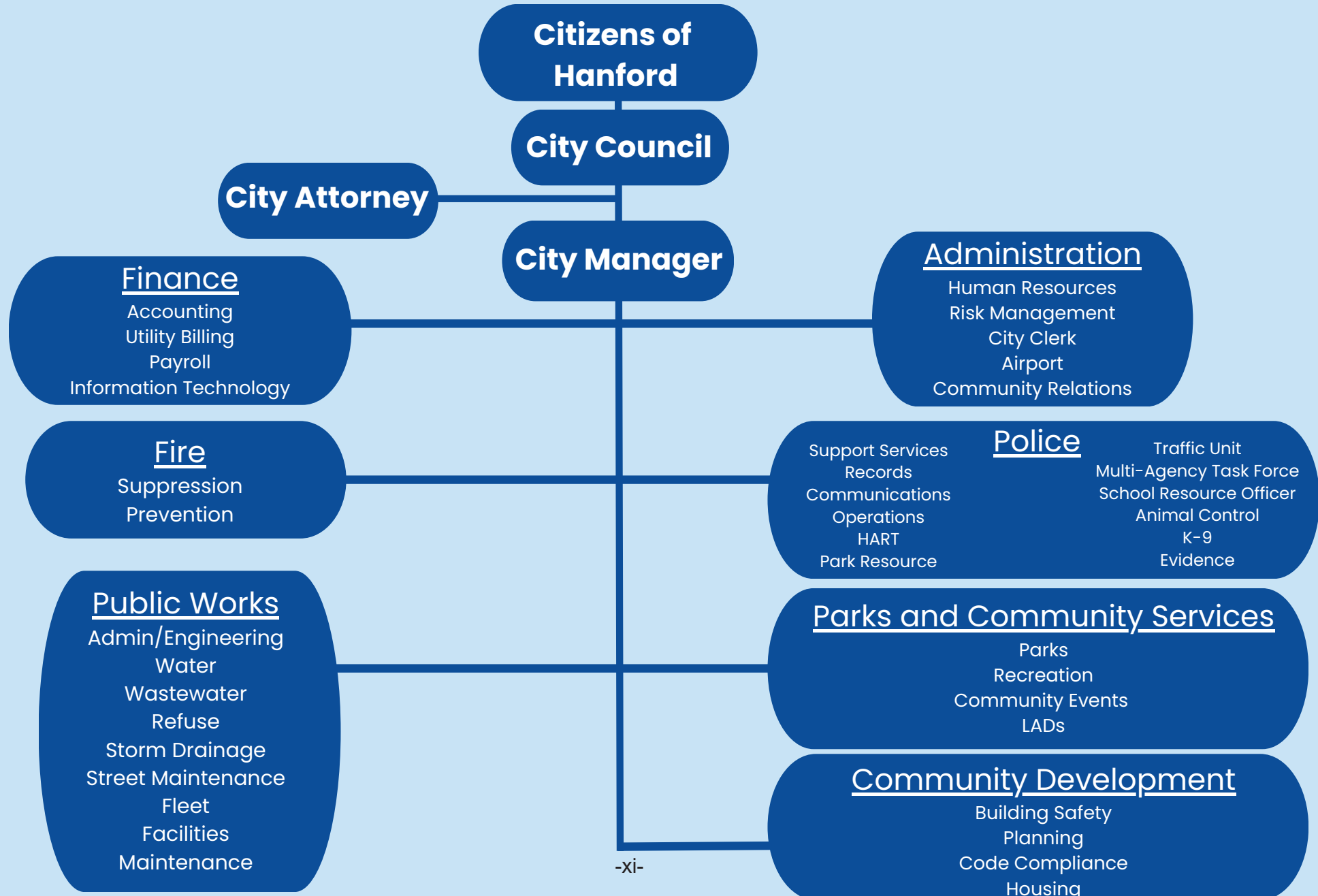
CITY COUNCIL

<u>NAME</u>	<u>POSITION</u>
Travis Paden	Mayor
Mark Kairis	Vice Mayor
Vacant	Council Member
Vacant	Council Member
Lou Martinez	Council Member

ADMINISTRATION

Mario Cifuentez	City Manager
Griswold, LaSalle, Cobb, Dowd & Ginn, LLP	City Attorneys
Natalie Corral	City Clerk
Christopher Tavarez	Treasurer/Finance Director
Jason Waters	Community Development Director
Daniel Perkins	Fire Chief
Stephanie Huddleston	Police Chief
Russell Sterling	Public Works Director
Francisco Senteno	Utilities & Engineering Director
Bradley Albert	Parks and Community Services Director
Sarah Cardoza	Human Resources Manager

CITY OF HANFORD ORGANIZATIONAL CHART



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ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
909 889 5361 F
ramscpa.net

Independent Auditor's Report

PARTNERS

Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST
Gardenya Duran, CPA, CGMA
Brianna Schultz, CPA, CGMA
Brenda L. Odle, CPA, MST (Partner Emeritus)
Terry P. Shea, CPA (Partner Emeritus)

MANAGERS / STAFF

Seong-Hyea Lee, CPA, MBA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Laura Arvizu, CPA
John Maldonado, CPA, MSA
Julia Rodriguez Fuentes, CPA, MSA
Demi Hite, CPA
Jeffrey McKennan, CPA
Monica Wysocki, CPA
Jacob Weatherbie, CPA, MSA
Bolim Han, CPA, MAcc
Anny Gonzalez, CPA

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

California Society of
Certified Public Accountants



To the Honorable Mayor and Members of the City Council
City of Hanford, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hanford (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, including the management's discussion and analysis and the schedules listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual comprehensive financial report (ACFR). The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2025 on our consideration of the City of Hanford'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 City of Hanford's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
February 13, 2025

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City of Hanford

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024

This discussion and analysis of the City of Hanford's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements and the accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

- Assets and deferred outflows of the City exceed its liabilities and deferred inflows at the close of the most recent fiscal year 2024 by \$381.1 million. Of this amount, about \$42.8 million in unrestricted net position may be used to meet the City's ongoing obligation to citizens and creditors.
- As of June 30, 2024, the City's governmental funds reported combined ending fund balances of \$74.8 million.
- Approximately 17% of the combined governmental fund balances is considered available for spending at the City's discretion.
- As of June 30, 2024, unassigned fund balance in the General Fund was \$12.6 million, or 28% of total General Fund Expenditures.
- The City's total debt decreased by \$4.6 million during fiscal year 2024, which is due to the normal maturity of debt in the water system, the wastewater system, the citywide solar energy system, and the Pension Obligation Bond.
- The following pension liabilities totaling \$24,554,484 are included in the financial statements as required by generally accepted accounting principles: General Government \$21,716,597; Water System Enterprise \$644,974; Wastewater Enterprise \$515,979; Storm Drainage \$257,990; Refuse Enterprise \$773,969; Computer Maintenance \$128,995; Building \$257,990; and Fleet Management \$257,990.

THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the City of Hanford, California (the City) and its component units, using the integrated approach as prescribed by generally accepted accounting principles. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

These Government-Wide Financial Statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately. Additionally, certain eliminations have occurred as prescribed by the GASB statements regarding interfund activity, payables and receivables.

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

The Fund Financial Statements include statements for each of the three categories of activities governmental, business-type and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The business-type activities are prepared using the economic resources measurement focus and the accrual basis of accounting. The fiduciary activities are agency funds, which report a fiduciary net position and a statement of changes in net position and do not have a measurement focus. Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach.

OVERVIEW OF THE FINANCIAL STATEMENTS

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities

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

These two statements reports the City's net position and changes in them. Net position is the difference between assets and liabilities, which is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the City's property tax base and sales tax base.

In the Statement of Net Position and the Statement of Activities, we separate the City activities as follows:

Governmental Activities - Most of the City's basic services are reported in this category, including General Government, Police, Fire, Public Works, Parks and Community Services, and Community Development. Property and sales taxes, user fees, interest income, franchise fees, and state and federal shared revenues and grants generally finance these activities.

Business-Type Activities - The City charges a fee to customers to cover all or most of the cost of certain services it provides. The City's Water, Sewer, Storm Drain, Refuse, Airport, Intermodal, Courthouse Square Funds and Building Safety are reported in this category.

FUND FINANCIAL STATEMENTS

The City, like other state and local governments, uses fund accounting to account for a number of funding sources and activities. In general, fund accounting provides a mechanism for separately accounting for a variety of different funding sources, and enables the City to demonstrate compliance with legal and/or contractual requirements that may be associated with these funds.

City of Hanford

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024

Thus, the accompanying fund financial statements present individual funds, organized into one of three groups based on the nature of the activities and their purpose: Governmental, funds. In addition, the fund financial statements include a schedule that reconciles the fund financial statements to the Government-Wide Financial Statements. This is designed to explain the difference created by the integrated approach.

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

Proprietary Funds – When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Fund Net Position. In fact, the City's enterprise funds are the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities – such as the City's self-insurance, fleet maintenance, and computer maintenance funds. The internal service funds are reported with governmental activities in the government-wide financial statements.

Fiduciary Funds – The City is the trustee, or fiduciary, for certain funds held on behalf of various third parties. The City's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Financial Statement – The notes to the financial statements provide information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain "required supplementary information" concerning the City's progress in funding its obligation to provide pension benefits to its employees, budgetary comparison schedules for the general fund and other major funds.

City of Hanford

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City presents its financial statements under the reporting model required by Governmental Accounting Standards Board (GASB) Statement No. 34. The City is presenting prior fiscal years' data for the purpose of providing comparative information for the Management Discussion and Analysis (MD&A).

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$381,065,202 at the close of the 2023-2024 fiscal year.

By far, the largest portion of the City's net position, 81%, reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure and equipment), less any outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, their value is not available for future spending. Although the City's investment in the capital assets is reported net of related debt, it should be noted that the sources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Of the total current assets totaling \$139,375,396, approximately 86.7% or \$120,823,563, consists of unrestricted cash and investments. These funds are invested in accordance with State law and the City's investment policy and include funds legally and/or contractually restricted as to their use.

STATEMENT OF NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
ASSETS						
Current assets	\$ 84,679,531	\$ 72,898,212	\$ 54,695,865	\$ 48,793,546	\$ 139,375,396	\$ 121,691,758
Capital and non-current assets (net of depreciation)	191,642,952	183,061,930	143,660,523	141,608,046	335,303,475	324,669,976
Total Assets	<u>276,322,483</u>	<u>255,960,142</u>	<u>198,356,388</u>	<u>190,401,592</u>	<u>474,678,871</u>	<u>446,361,734</u>
Deferred outflows of resources	<u>18,945,144</u>	<u>23,984,845</u>	<u>1,903,416</u>	<u>4,251,547</u>	<u>20,848,560</u>	<u>28,236,392</u>
LIABILITIES						
Current and other liabilities	13,613,178	16,763,306	5,559,050	6,912,906	19,172,228	23,676,212
Long-term liabilities	56,560,553	52,567,500	26,112,733	32,258,119	82,673,286	84,825,619
Total Liabilities	<u>70,173,731</u>	<u>69,330,806</u>	<u>31,671,783</u>	<u>39,171,025</u>	<u>101,845,514</u>	<u>108,501,831</u>
Deferred inflows of resources	<u>11,762,775</u>	<u>15,349,043</u>	<u>853,940</u>	<u>856,016</u>	<u>12,616,715</u>	<u>16,205,059</u>
NET POSITION						
Net investment in capital assets	165,368,191	155,203,294	121,203,106	141,608,046	286,571,297	296,811,340
Restricted	29,207,622	23,285,547	-	4,743	29,207,622	23,290,290
Unrestricted	18,755,308	16,776,297	46,530,975	13,013,309	65,286,283	29,789,606
Total Net Position	<u>\$ 213,331,121</u>	<u>\$ 195,265,138</u>	<u>\$ 167,734,081</u>	<u>\$ 154,626,098</u>	<u>\$ 381,065,202</u>	<u>\$ 349,891,236</u>

City of Hanford

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024

An additional portion of the City's net position of \$29,207,622 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$42,828,866, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report an overall positive balance in net position. This means the City has sufficient current assets to satisfy both its current and long-term liabilities and fulfill its obligations pursuant to external restriction imposed on City assets. In short, the City is in sound financial condition.

Statement of Activities

As discussed earlier, the Statement of Net Position provides a measure of the financial health of an entity at a specific date in time. The Statement of Activities provides details of how net position changed from the beginning of the year to the end of the year, and whether net assets increased or decreased. From June 30, 2023 to June 30, 2024, the net position of the City as a whole increased, due to decrease in expenses in General Government and Public Safety.

	STATEMENT OF ACTIVITIES					
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
REVENUES						
Program Revenues:						
Charges for services	\$ 4,544,558	\$ 6,491,551	\$ 32,097,134	\$ 26,733,436	\$ 36,641,692	\$ 33,224,987
Operating grants and contributions	12,658,886	8,160,718	-	-	12,658,886	8,160,718
Capital grants and contributions	16,354,756	15,030,908	4,431,308	5,154,104	20,786,064	20,185,012
General Revenues:						
Taxes	35,942,896	35,942,897	-	-	35,942,896	35,942,897
Investment earnings	2,947,174	976,872	2,735,869	871,114	5,683,043	1,847,986
Other revenues	558,387	413,009	2,701,155	2,384,559	3,259,542	2,797,568
Lease revenue	-	-	111,166	193,373	111,166	193,373
Total Revenues	<u>73,006,657</u>	<u>67,015,955</u>	<u>42,076,632</u>	<u>35,336,586</u>	<u>115,083,289</u>	<u>102,352,541</u>
EXPENSES						
Governmental Activities:						
General government	7,755,643	8,647,803	-	-	7,755,643	8,647,803
Public safety	26,472,385	36,761,886	-	-	26,472,385	36,761,886
Public works	10,096,705	4,151,802	-	-	10,096,705	4,151,802
Parks and recreation	5,483,946	4,163,652	-	-	5,483,946	4,163,652
Community development	2,890,465	2,468,828	-	-	2,890,465	2,468,828
Interest expense	1,086,925	1,140,021	-	-	1,086,925	1,140,021
Business-type Activities:						
Water system	-	-	7,711,131	10,805,234	7,711,131	10,805,234
Wastewater system	-	-	7,506,365	7,127,609	7,506,365	7,127,609
Storm drain	-	-	1,680,905	1,624,217	1,680,905	1,624,217
Refuse	-	-	10,852,999	10,388,974	10,852,999	10,388,974
Airport	-	-	558,304	671,372	558,304	671,372
Intermodal	-	-	56,256	56,589	56,256	56,589
Courthouse square	-	-	107,624	63,436	107,624	63,436
Building safety	-	-	1,649,670	-	1,649,670	-
Total Expenses	<u>53,786,069</u>	<u>57,333,992</u>	<u>30,123,254</u>	<u>30,737,431</u>	<u>83,909,323</u>	<u>88,071,423</u>
Increase in Net Position Before Transfers	19,220,588	9,681,963	11,953,378	4,599,155	31,173,966	14,281,118
Transfers	(1,154,605)	(243,210)	1,154,605	243,210	-	-
Loss on lease termination	-	-	-	(724,690)	-	(724,690)
Change in Net Position	<u>18,065,983</u>	<u>9,438,753</u>	<u>13,107,983</u>	<u>4,117,675</u>	<u>31,173,966</u>	<u>13,556,428</u>
Net Position, Beginning of Year, Restated	<u>195,265,138</u>	<u>185,826,385</u>	<u>154,626,098</u>	<u>150,508,423</u>	<u>349,891,236</u>	<u>336,334,808</u>
Net Position, End of Year	<u>\$ 213,331,121</u>	<u>\$ 195,265,138</u>	<u>\$ 167,734,081</u>	<u>\$ 154,626,098</u>	<u>\$ 381,065,202</u>	<u>\$ 349,891,236</u>

City of Hanford

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024

The City's revenue totaled \$115,083,289 with 31.8% generated from charges for services and 31.2% generated from taxes. The largest source of revenues in governmental activities comes from taxes at 49.2%. This is typical in that traditional services provided by a city, such as public safety, parks, recreation, and public works, are primarily funded from property, sales, transient occupancy, and other local taxes. The largest source of revenues in Business-Type Activities comes from charges for services at 76.3%. The Business-Type Activities include enterprise fund operations, such as Water, Sewer, Refuse, Storm Drain, Airport, Courthouse Square, Intermodal Funds and Building Safety, all of which recover their costs through fees and charges just like a normal business.

Expenses of the City totaled \$83,909,323. The two largest categories of expenses in governmental activities are public safety, which represents 31.6% of total costs, and public works which represents 12% of total costs. However, in relation to Governmental Activity totals only, public safety makes up 49.2% of the total and public works makes up 18.8% of the total.

As shown in the Statement of Activities, net position increased from the prior year. In the funds included within the Governmental Activities category, net position increased by \$18,065,983, or 9.3% due to revenues exceeding expenses. In the funds included within the Business-Type Activities category, net position increased by \$13,107,983, or 8.5% mostly due to the increase in charges for services and investment earnings.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As previously noted, the City of Hanford uses fund accounting to demonstrate compliance with legal and contractual requirements. This section provides an analysis and discussion of individual funds and fund types presented in the financial statements.

Governmental Funds – The focus of the City of Hanford's governmental funds is on short-term inflows and outflows and balances of spendable resources. Such information is useful in assessing the City's financial requirements. In particular, unreserved fund balance may serve a spending at the end of the fiscal year. The remainder of fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed to a specific future use.

The General Fund is the primary operating fund of the City of Hanford. At the end of the fiscal year, unassigned fund balance of the General Fund was \$12,610,835 while total fund balance was \$12,942,192. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total expenditures. The unassigned fund balance of the General Fund represents approximately 28% of General Fund expenditures.

Capital Improvement Funds, which are categorized as governmental funds, show fluctuations in their ending fund balances because they are primarily used to account for capital improvement projects that span more than one year. Therefore, the change in fund balance is generally due to the timing of funding, which generally occurs in one year, in relation to the timing of expenditures, which occur over more than one year. Any remaining fund balances are either reserved or earmarked specifically for the continuing cost of the related projects.

City of Hanford

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024

CDBG/HOME/Housing Fund- The Community Development Block Grant (CDBG) and Home Investment Partnerships Program (HOME) are federal grants that fund affordable housing and community development projects. The grants are administered by the U.S. Department of Housing and Urban Development (HUD). Funds are used for developing and maintaining affordable housing, financing public improvements, funding public service agencies that serve lower income households, etc.

Transportation Development Act Fund- A state level funding sources that provides funding for public transit operations, including bus and rail projects, as well as some non-transit related transportation projects like bike paths and specialized services for people with disabilities, funded through a dedicated quarter-cent sales tax collected statewide; it consists of two main components: the Local Transportation Fund (LTF) and the State Transit Assistance (STA) fund.

American Resue Plan Act- In March of 2021, the ARPA or also known as the COVID-19 Stimulus Package was signed into law to aid to aid economic recovery and emergency response to COVID-19, The City of Hanford was allocated \$13,077,740 million in federal aid. The Act states that funding can be used to respond to COVID-19 or its economic impacts.

Proprietary Funds - The City's proprietary funds include the Water, Wastewater, Storm Drain, Refuse, Airport, Intermodal, Courthouse Square Funds and Building Safety. All of the proprietary funds are highly capital intensive, requiring a significant investment in capital equipment and facilities to conduct their operations, whether it be in water and sewer lines, water and wastewater treatment facilities or runways.

The Water System Fund has a total net position of \$71,127,519 at the end of the fiscal year. Total net position includes \$54,346,048 invested in capital assets which are not available to pay for current expenses. The remaining net position of \$16,781,471 is unrestricted and available to pay for current operating and capital needs of the fund.

The Wastewater Fund has a total net position of \$46,196,128 at the end of the fiscal year. Total net position includes \$53,022,768 invested in capital assets, which are not available to pay for current expenses.

The Storm Drain Fund has a total net position of \$28,529,759 at the end of the fiscal year. Total net position includes \$22,947,657 invested in capital assets, which are not available to pay for current expenses. The remaining net position of \$5,582,102 is unrestricted and available to pay for current operating and capital needs of the fund.

The Refuse Fund has a total net position of \$3,650,778 at the end of the fiscal year. Total net position includes \$6,322,922 invested in capital assets, which are not available to pay for current expenses.

City of Hanford

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – The City of Hanford's investment in capital assets for governmental and business type activities as of June 30, 2024 amounts to \$315,801,507 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities and roads. The net increase in the City's investment in capital assets for the current fiscal year was \$11,509,805. This increase is a net result of annual depreciation, land acquisition, normal equipment replacement, and construction of typical capital assets. Significant capital asset events during the fiscal year included the following:

CIP OBJ #	DESCRIPTION	PROJECT COST
822649	HEROES PARK	\$ 4,471,714
824301	FIRE ENGINE PUMPER/REPL 161	1,008,656
824312	FIRE ENGINE PUMPER/REPL	960,544
823609	PARK DEV OVERSIZING REQUIREMNT	672,608
823606	CIVIC AUD IMPROVEMENTS	638,409
824613	T929 U1 PARK LAND ACQ&IMP	546,798
823618	PAVEMENT RESURFACING TREATMENT	711,743
824309	REFUSE FRONT LOAD TRUCK#1	457,669
824310	REFUSE FRONT LOAD TRUCK#2	457,669
824311	REFUSE FRONT LOAD TRUCK#3	457,669

	CAPITAL ASSETS (Net of Depreciation)					
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 61,094,107	\$ 60,455,620	\$ 11,966,873	\$ 11,950,873	\$ 73,060,980	\$ 72,406,493
Construction in progress	6,947,608	817,424	509,213	4,044,330	7,456,821	4,861,754
Buildings and improvements	14,572,268	15,049,886	115,852,898	111,167,236	130,425,166	126,217,122
Infrastructure	80,766,404	76,738,687	-	-	80,766,404	76,738,687
Machinery and equipment	7,635,602	9,193,868	15,311,073	14,445,607	22,946,675	23,639,475
Right to use leased asset	927,235	33,223	20,466	-	947,701	33,223
Right to use SBITA asset	197,760	394,948	-	-	197,760	394,948
Total Capital Assets	\$ 172,140,984	\$ 162,683,656	\$ 143,660,523	\$ 141,608,046	\$ 315,801,507	\$ 304,291,702

Long-Term Debt - At the end of the current fiscal year, the City had a total debt outstanding of \$51,203,654.

	OUTSTANDING DEBT					
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Pension obligation bonds payable	\$ 23,922,715	\$ 25,460,230	\$ 4,006,284	\$ 4,263,770	\$ 27,928,999	\$ 29,724,000
Bonds payable	-	-	12,725,000	14,530,000	12,725,000	14,530,000
Unamortized bond premium	-	-	409,811	483,118	409,811	483,118
Lease payable	638,867	34,041	20,742	-	659,609	34,041
SBITA payable	178,371	353,827	-	-	178,371	353,827
Notes payable	-	-	3,890,840	4,306,151	3,890,840	4,306,151
Finance purchase arrangement	-	-	5,411,024	6,341,947	5,411,024	6,341,947
Total Outstanding Debt	\$ 24,739,953	\$ 25,848,098	\$ 26,463,701	\$ 29,924,986	\$ 51,203,654	\$ 55,773,084

City of Hanford

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024

In the Business-Type Activities, the revenue bonds payable consists of four bond issues. In 2013, for the water system, the City received \$12,725,000 from the issuance of Water Revenue Bonds for the purpose of refinancing a 2003 Revenue Bond and 2007 note payable, of which \$4,125,000 remains. For the sewer system there remains a 2015 \$2,220,000 Refunding Revenue Bond, and a 2012 \$6,379,998 Refunding Revenue Bond. In 2022, the City issued Pension Obligation Bonds of which \$4,006,286 is payable from the Business-Type Activities.

The notes payable portion of the outstanding debt totaling \$3,890,840 consists of one loan. In 2002, the City obtained a \$10,000,000 loan for the purpose of expanding the wastewater treatment plant.

The outstanding lease purchase amount, \$5,411,024, is comprised of two different finance purchase arrangements. The first lease was for an energy efficient solar tracker system at the wastewater treatment plant for \$4,325,556. The second lease was for a second energy efficient solar tracking system in the amount of \$8,495,138. This system is located at the wastewater treatment plant but is serving the whole city.

For detail information regarding each of these bonds or notes, please refer to Note 5 Long-Term Debt.

GENERAL FUND BUDGETARY HIGHLIGHTS

The fiscal year budget did not have significant net changes throughout the year with the exception of appropriation roll-over for capital projects or capital projects appropriated in the 5-year Capital Improvement Plan. However, if funding is not available to pay for projects or a grant to cover the expense of the capital project is not received as forecasted in the plan, then the purchase is not approved.

Actual revenues were \$7.5 million over estimated budget amounts. This was mainly due to grant reimbursement and an increase in interest income.

Federal funding in the amount of \$833,334 was used to cover eligible costs of public safety workers performing essential work during Covid-19.

Expenditures were significantly under budget in the amount of \$8.8 million. This was primarily due to capital projects are budgeted but expenditures have not occurred. In addition, unfilled positions throughout the year and some operational savings also attributed to lower expenditures.

Overall, the unrestricted fund balance of the General Fund increased by approximately \$2.4 million.

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The key assumptions and considerations in the General Fund revenue forecast for fiscal year 2024-2025 budget process were:

- Budget was balanced per Resolution 23-19-R
- Conservative revenue projections due to limited financial resources and fiscal prudence
- Reduction of non-essential expenditures
- No annual increases in staffing (unless offset by grants or revenue increases)
- Budget salaries at projected steps versus top step
- Limited allocations to infrastructure reserves
- Limited options to engage in special projects or one-time expenses

Per policy, continue to strive for 35% goal of General Fund Reserve of unrestricted fund balance to budgeted expenditures in preparation of financial pressures or emergencies. As of fiscal year 2024 reserve increased from 26.1% to 28%.

Items addressed in the budget were:

General Fund Operations – Maintain current services and increase efficiency in operations, decrease expenses where possible and anticipate minimal revenue growth with no draw from reserves. No capital projects unless offset by grants or related revenue. Accumulated capital outlay fund was used when a special revenue or restricted fund was not available for use.

Parks and Community Services – Continue with a variety of recreation programs and activities. Budget was increased for City's third annual Winter Wonderland Event, which drew in many visitors from the region. Completed installing parks cameras and solar powered lights for overall park safety, funded by grant. Purchased the Heroes Park land for approximately \$4.6 million. Reimbursed developers for park development oversizing requirements and other contributed park capital as required by the City.

Fire – Purchased two new fire engine pumpers as replacements at approximately \$2 million dollars total. Grant funding was received for one of them. Delivery takes approximately 36 months. Purchased a new Chevy Tahoe for daily operations and emergency response. Land purchased for a future Station 5.

Police – Completed parking lot improvements at the Police Activities League Building and purchased a new citation system software. With grant funding purchased a new traffic message board.

Community Development – Purchased four new electric vans for inspections with grant funding. Currently working on scanning project of historical building plans.

Airport – Replaced roof at the Fixed Base Operations building.

City of Hanford

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024

Water – The completion of various water main replacements and additions, and the continuation of meter replacement and automated meter reading device replacement. There were several well repairs/rehabs and media filtration necessary and new water supply wells as this is an ongoing project.

Wastewater – Sewer main oversizing, extension and replacement, sewer video inspection, manhole repair/coating, maintain inventory of interchangeable spare pumps, purchased truck for daily operations monitoring.

Refuse – Replaced automated refuse containers and commercial/recycle dumpsters. Purchased three new front load trucks and a front loader as a replacement.

Storm Drain – Continued curb and gutter installation, increased flow capacity in Peoples Ditch, storm drain repairs, tree trimming and removal for the effectiveness of drains.

Streets – Resurfacing, sealing, and maintenance on several streets, replacing curb, gutters, and sidewalks, lane widening, installing/replacing traffic signals at various locations. Replaced streets water truck.

Building – Renovated the Civic Auditorium including interior re-paint, new hardwood floors, and acoustic ceiling replacement.

REQUESTS FOR INFORMATION

This Financial Report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in the report or requests for additional financial information can be sent via e-mail to finance@hanfordca.gov. Formal written requests should be addressed to: City of Hanford, Attn: Finance Department, 315 N. Douty Street, Hanford, California 93230.

FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Hanford

Statement of Net Position June 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 80,056,658	\$ 40,766,905	\$ 120,823,563
Receivables	11,306,307	4,617,606	15,923,913
Leases receivables	854,343	602,175	1,456,518
Interest receivable	1,038	1,275	2,313
Internal balances	(8,396,369)	8,396,369	-
Inventory	309,722	248,482	558,204
Deposits	289,500	14,000	303,500
Prepaid expenses and other assets	258,332	49,053	307,385
Loan receivables	19,501,968	-	19,501,968
Capital Assets:			
Capital assets, not being depreciated	68,041,715	12,476,086	80,517,801
Capital assets, net of accumulated depreciation	104,099,269	131,184,437	235,283,706
Total assets	<u>276,322,483</u>	<u>198,356,388</u>	<u>474,678,871</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	17,717,762	1,372,128	19,089,890
Deferred outflows related to OPEB	1,227,382	531,288	1,758,670
Total deferred outflows of resources	<u>18,945,144</u>	<u>1,903,416</u>	<u>20,848,560</u>
LIABILITIES			
Accounts payable	2,059,111	1,195,388	3,254,499
Salary and benefits payable	464,738	110,229	574,967
Accrued interest payable	3,105	242,355	245,460
Deposits and unearned revenue	5,093,744	265,847	5,359,591
Compensated absences - current portion	360,581	39,483	400,064
Compensated absences - noncurrent portion	1,055,394	279,383	1,334,777
Long-term debt - current	1,744,484	3,667,580	5,412,064
Long-term debt - noncurrent	22,995,469	22,796,121	45,791,590
Claims payable	6,999,000	-	6,999,000
Total OPEB liability - current	137,415	38,168	175,583
Total OPEB liability - noncurrent	3,149,118	844,317	3,993,435
Net pension liability	22,361,572	2,192,912	24,554,484
Settlement liability - current	3,750,000	-	3,750,000
Total liabilities	<u>70,173,731</u>	<u>31,671,783</u>	<u>101,845,514</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	10,358,579	125,579	10,484,158
Deferred inflows related to OPEB	575,657	172,527	748,184
Deferred inflows related to leases	828,539	555,834	1,384,373
Total deferred inflows of resources	<u>11,762,775</u>	<u>853,940</u>	<u>12,616,715</u>
NET POSITION			
Net investment in capital assets	165,368,191	121,203,106	286,571,297
Restricted for:			
Street and Roads	20,079,629	-	20,079,629
Recreation	5,975,177	-	5,975,177
Landscape Maintenance	2,046,521	-	2,046,521
Public Safety	1,106,295	-	1,106,295
Unrestricted	18,755,308	46,530,975	65,286,283
Total net position	<u>\$ 213,331,121</u>	<u>\$ 167,734,081</u>	<u>\$ 381,065,202</u>

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

City of Hanford

Statement of Activities For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 7,755,643	\$ 209,316	\$ 1,285,867	\$ -	\$ (6,260,460)	\$ -	\$ (6,260,460)
Public safety	26,472,385	1,000,728	3,366,256	10,153,425	(11,951,976)	-	(11,951,976)
Public works	10,096,705	1,175,292	2,770,198	4,695,118	(1,456,097)	-	(1,456,097)
Recreation	5,483,946	886,951	4,844,105	1,506,213	1,753,323	-	1,753,323
Community development	2,890,465	1,272,271	392,460	-	(1,225,734)	-	(1,225,734)
Interest expense	1,086,925	-	-	-	(1,086,925)	-	(1,086,925)
Total governmental activities	<u>53,786,069</u>	<u>4,544,558</u>	<u>12,658,886</u>	<u>16,354,756</u>	<u>(20,227,869)</u>	<u>-</u>	<u>(20,227,869)</u>
Business-type activities:							
Water system	7,711,131	11,504,822	-	2,090,441	-	5,884,132	5,884,132
Wastewater system	7,506,365	6,721,978	-	1,233,324	-	448,937	448,937
Storm drain	1,680,905	1,445,451	-	1,015,237	-	779,783	779,783
Refuse	10,852,999	9,915,250	-	-	-	(937,749)	(937,749)
Airport	558,304	154,968	-	75,000	-	(328,336)	(328,336)
Intermodal	56,256	706	-	-	-	(55,550)	(55,550)
Courthouse square	107,624	55,016	-	-	-	(52,608)	(52,608)
Building safety	1,649,670	2,298,943	-	17,306	-	666,579	666,579
Total business-type activities	<u>30,123,254</u>	<u>32,097,134</u>	<u>-</u>	<u>4,431,308</u>	<u>-</u>	<u>6,405,188</u>	<u>6,405,188</u>
Total Primary Government	<u>\$ 83,909,323</u>	<u>\$ 36,641,692</u>	<u>\$ 12,658,886</u>	<u>\$ 20,786,064</u>	<u>(20,227,869)</u>	<u>6,405,188</u>	<u>(13,822,681)</u>
General Revenues:							
Taxes:							
Property taxes					15,019,781	-	15,019,781
Sales and use tax					16,772,531	-	16,772,531
Franchise taxes					1,310,678	-	1,310,678
Transfer taxes					235,563	-	235,563
Transient occupancy taxes					750,696	-	750,696
Other taxes					1,853,648	-	1,853,648
Investment earnings					2,947,174	2,735,869	5,683,043
Gain on disposal of capital assets					18,741	85,400	104,141
Miscellaneous/other					539,645	2,615,755	3,155,400
Lease revenue					-	111,166	111,166
Transfers - interfund					(1,154,605)	1,154,605	-
Total General Revenues and Transfers					<u>38,293,852</u>	<u>6,702,795</u>	<u>44,996,647</u>
Change in Net Position					<u>18,065,983</u>	<u>13,107,983</u>	<u>31,173,966</u>
Net Position							
Beginning of year					<u>195,265,138</u>	<u>154,626,098</u>	<u>349,891,236</u>
End of year					<u>\$ 213,331,121</u>	<u>\$ 167,734,081</u>	<u>\$ 381,065,202</u>

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

GOVERNMENTAL FUNDS
FINANCIAL STATEMENTS

City of Hanford

Balance Sheet – Governmental Funds
June 30, 2024

	General Fund	Special Revenue			All Other Non-Major Governmental Funds	Total
		CDBG/HOME/Housing Fund	Transportation Development Act Fund	American Rescue Plan Act		
ASSETS						
Cash and investments	\$ 8,050,776	\$ 2,516,511	\$ 7,737,365	\$ 5,016,996	\$ 27,276,749	\$ 50,598,397
Receivables, net:						
Accounts	7,259,133	183,359	-	-	2,635,637	10,078,129
Interest	1,038	-	-	-	-	1,038
Taxes	-	-	1,213,113	-	-	1,213,113
Leases	854,343	-	-	-	-	854,343
Loans	-	17,695,752	-	-	1,806,216	19,501,968
Due from other funds	2,311,944	-	-	-	-	2,311,944
Deposits	104,500	-	-	-	-	104,500
Prepaid expenses and other assets	226,857	-	-	-	1,100	227,957
Advances to other funds	-	-	-	-	1,659,026	1,659,026
Total assets	\$ 18,808,591	\$ 20,395,622	\$ 8,950,478	\$ 5,016,996	\$ 33,378,728	\$ 86,550,415
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 876,100	\$ 55,657	\$ -	\$ 73,099	\$ 411,387	\$ 1,416,243
Accrued wages payable	408,625	-	-	-	3,136	411,761
Advance from other governments	-	-	-	5,090,609	-	5,090,609
Consumer deposits	3,135	-	-	-	-	3,135
Settlement liability	3,750,000	-	-	-	-	3,750,000
Due to other funds	-	-	-	-	207,346	207,346
Total liabilities	5,037,860	55,657	-	5,163,708	621,869	10,879,094
Deferred Inflows of Resources:						
Deferred inflows from leases	828,539	-	-	-	-	828,539
Total deferred inflows of resources	828,539	-	-	-	-	828,539
Fund Balances (deficit):						
Nonspendable:						
Loans receivable	-	17,695,752	-	-	1,806,216	19,501,968
Prepaid expenses	226,857	-	-	-	1,100	227,957
Deposits	104,500	-	-	-	-	104,500
Restricted for:						
Street and roads	-	2,644,213	8,950,478	-	8,484,938	20,079,629
Recreation	-	-	-	-	5,975,177	5,975,177
Landscape maintenance	-	-	-	-	2,046,521	2,046,521
Public Safety	-	-	-	-	1,106,295	1,106,295
Committed for:						
Parking and business improvement	-	-	-	-	2,986,008	2,986,008
Community development	-	-	-	-	10,152,998	10,152,998
Cannabis	-	-	-	-	197,606	197,606
Unassigned	12,610,835	-	-	(146,712)	-	12,464,123
Total fund balances	12,942,192	20,339,965	8,950,478	(146,712)	32,756,859	74,842,782
Total liabilities and fund balances	\$ 18,808,591	\$ 20,395,622	\$ 8,950,478	\$ 5,016,996	\$ 33,378,728	\$ 86,550,415

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

City of Hanford

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2024

Total Fund Balances Governmental Funds		\$ 74,842,782
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets: In governmental funds, only current assets are reported. In the Statement of Net Position, all assets are reported, including capital assets and accumulated depreciation:		
Capital assets at historical cost	\$ 319,976,880	
Right to use asset	1,462,696	
Accumulated depreciation	(148,960,891)	
Accumulated amortization	(337,701)	
Adjustments for Internal Service Fund capital assets, net	<u>(5,955,555)</u>	166,185,429
Internal service funds are used by management to charge the costs of fleet maintenance, purchasing, risk management, building usage, and computer maintenance to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.		
		14,585,741
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:		
Compensated absences	(1,415,975)	
Pension obligation bonds	(23,922,715)	
Lease payable	(638,867)	
SBITA payable	(178,371)	
OPEB liability	(3,286,533)	
Net pension liability	(22,361,572)	
Adjustments for Internal Service Fund long term debt	<u>1,876,924</u>	(49,927,109)
Deferred outflows related to pensions and OPEB	18,945,144	
Adjustment for Internal Service Fund Deferred outflows related to pension	<u>(403,565)</u>	18,541,579
Deferred inflows related to pensions and OPEB	(10,934,236)	
Adjustment for Internal Service Fund Deferred inflows related to pension	<u>36,935</u>	(10,897,301)
Total Net Position - Governmental Activities		<u>\$ 213,331,121</u>

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

City of Hanford

**Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2024**

	Special Revenue				All Other Non-Major Governmental Funds	Total
	General Fund	CDBG/HOME/Housing Fund	Transportation Development Act Fund	American Rescue Plan Act		
REVENUES						
Taxes and special assessments	\$ 33,745,197	\$ -	\$ 1,213,113	\$ -	\$ 9,236,203	\$ 44,194,513
Aid from other government agencies	8,365,595	625,740	-	1,267,331	186,562	10,445,228
Licenses and permits	86,270	-	-	-	-	86,270
Fines and forfeitures	132,724	-	-	-	48,591	181,315
Charges for services	2,991,009	-	-	-	-	2,991,009
Lease revenue	137,197	-	-	-	-	137,197
Revenue from use of money and property	694,590	(290,281)	488,629	-	1,767,702	2,660,640
Miscellaneous	73,625	1,193	-	-	436,579	511,397
Total revenues	<u>46,226,207</u>	<u>336,652</u>	<u>1,701,742</u>	<u>1,267,331</u>	<u>11,675,637</u>	<u>61,207,569</u>
EXPENDITURES						
Current:						
General government	3,781,636	-	41,589	-	27,499	3,850,724
Public safety	23,950,549	-	-	-	-	23,950,549
Public works	2,548,966	-	-	-	729,738	3,278,704
Recreation	4,995,392	-	-	-	-	4,995,392
Community development	963,665	665,994	-	50,000	351,756	2,031,415
Debt service:						
Principal	1,596,228	-	-	-	-	1,596,228
Interest	1,086,925	-	-	-	-	1,086,925
Capital outlay	6,073,304	-	239,075	383,997	3,522,336	10,218,712
Total expenditures	<u>44,996,665</u>	<u>665,994</u>	<u>280,664</u>	<u>433,997</u>	<u>4,631,329</u>	<u>51,008,649</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,229,542</u>	<u>(329,342)</u>	<u>1,421,078</u>	<u>833,334</u>	<u>7,044,308</u>	<u>10,198,920</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	1,817,486	-	-	-	359,387	2,176,873
Transfers out	(1,318,520)	(155,640)	-	(833,334)	(1,001,663)	(3,309,157)
Lease and SBITA acquisition	675,857	-	-	-	-	675,857
Proceeds from sale of assets	18,741	-	-	-	-	18,741
Total other financing sources (uses)	<u>1,193,564</u>	<u>(155,640)</u>	<u>-</u>	<u>(833,334)</u>	<u>(642,276)</u>	<u>(437,686)</u>
Net change in fund balances	<u>2,423,106</u>	<u>(484,982)</u>	<u>1,421,078</u>	<u>-</u>	<u>6,402,032</u>	<u>9,761,234</u>
FUND BALANCE (DEFICIT)						
Beginning of year	<u>10,519,086</u>	<u>20,824,947</u>	<u>7,529,400</u>	<u>(146,712)</u>	<u>26,354,827</u>	<u>65,081,548</u>
End of year	<u>\$ 12,942,192</u>	<u>\$ 20,339,965</u>	<u>\$ 8,950,478</u>	<u>\$ (146,712)</u>	<u>\$ 32,756,859</u>	<u>\$ 74,842,782</u>

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

City of Hanford

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
For the Year Ended June 30, 2024**

Total net changes in fund balances - governmental funds \$ 9,761,234

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation and disposals in the current period.

Capital outlay expense, net of disposals	\$ 8,481,781	
Depreciation expense (net of internal service funds)	<u>(7,690,893)</u>	10,594,267

The issuance of long term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance cost, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the net effect of these differences in the treatments of long-term debt and related items

Principal payments on long term liabilities, net of internal service funds	1,775,356	
Lease & SBITA acquisition, net of internal se	<u>(675,857)</u>	1,099,499

Internal Service funds are used by management to charge the costs of fleet maintenance, purchasing, employee welfare, workers' compensation, general and unemployment insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities:

1,139,310

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

26,030

Pension expenditures reported in the governmental funds includes the annual required contributions. In the statement of activities, pension expense includes the net change in the net pension liability, and related change in pension amounts for deferred outflows of resources and deferred inflows of resources.

(4,198,610)

OPEB expenditures reported in the governmental funds includes the actual premium payments. In the statement of activities, OPEB expense includes the net change in the net OPEB liability and related change in OPEB amounts for deferred outflows deferred inflows of

(355,747)

Changes in net position of governmental activities

\$ 18,065,983

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

PROPRIETARY FUNDS
FINANCIAL STATEMENTS

City of Hanford

Statement of Net Position Proprietary Funds June 30, 2024

	Water System Fund	Sewer Improvement Funds		Refuse Fund	Total Non-major Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
		Wastewater Fund	Storm Drain Fund				
ASSETS							
Current assets:							
Cash and investments	\$ 26,167,474	\$ 7,416,092	\$ 5,829,038	\$ 462,672	\$ 891,629	\$ 40,766,905	\$ 29,458,261
Receivables, net:							
Accounts	1,903,621	1,089,675	210,929	1,296,189	117,192	4,617,606	15,065
Leases	-	437,641	-	-	164,534	602,175	-
Interest	-	946	-	-	329	1,275	-
Deposits	10,000	4,000	-	-	-	14,000	185,000
Prepaid expenses	9,879	39,064	55	55	-	49,053	30,375
Inventory	248,482	-	-	-	-	248,482	309,722
Total current assets	<u>28,339,456</u>	<u>8,987,418</u>	<u>6,040,022</u>	<u>1,758,916</u>	<u>1,173,684</u>	<u>46,299,496</u>	<u>29,998,423</u>
Noncurrent assets:							
Capital Assets:							
Land	362,350	4,141,540	4,587,476	-	2,875,507	11,966,873	-
Construction in progress	408,989	-	26,177	7,816	66,231	509,213	152,733
Buildings and improvements	68,372,226	90,402,005	24,542,025	1,400,645	11,429,558	196,146,459	670,777
Machinery and equipment	18,313,421	2,480,484	1,182,028	11,200,033	416,111	33,592,077	15,803,447
Right to use assets	25,726	-	-	-	-	25,726	237,867
Less accumulated depreciation/amortization	(33,136,664)	(44,001,261)	(7,390,049)	(6,285,572)	(7,766,279)	(98,579,825)	(10,909,269)
Capital assets, net	<u>54,346,048</u>	<u>53,022,768</u>	<u>22,947,657</u>	<u>6,322,922</u>	<u>7,021,128</u>	<u>143,660,523</u>	<u>5,955,555</u>
Total noncurrent assets	<u>54,346,048</u>	<u>53,022,768</u>	<u>22,947,657</u>	<u>6,322,922</u>	<u>7,021,128</u>	<u>143,660,523</u>	<u>5,955,555</u>
Total assets	<u>82,685,504</u>	<u>62,010,186</u>	<u>28,987,679</u>	<u>8,081,838</u>	<u>8,194,812</u>	<u>189,960,019</u>	<u>35,953,978</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows related to pensions	403,568	322,853	161,426	484,281	-	1,372,128	403,565
Deferred outflows related to OPEB	163,573	137,893	-	229,822	-	531,288	-
Total Deferred Outflows of Resources	<u>567,141</u>	<u>460,746</u>	<u>161,426</u>	<u>714,103</u>	<u>-</u>	<u>1,903,416</u>	<u>403,565</u>
LIABILITIES							
Current liabilities:							
Accounts payable	631,803	185,507	6,369	326,454	45,255	1,195,388	642,868
Salaries and benefits payable	29,947	25,352	9,132	34,230	11,568	110,229	52,977
Interest payable	72,034	170,321	-	-	-	242,355	3,105
Deposits and unearned revenue	264,708	420	275	444	-	265,847	-
Due to other funds	-	-	-	1,890,481	214,117	2,104,598	-
Advances to other funds	-	-	-	-	1,659,026	1,659,026	-
Compensated absences - current portion	9,083	12,820	1,416	13,415	2,749	39,483	12,181
Bonds and notes payable - current portion	1,816,193	1,731,616	19,202	95,586	-	3,662,597	63,247
Total OPEB liability - current portion	12,070	9,847	-	16,251	-	38,168	-
Lease payable	4,983	-	-	-	-	4,983	-
SBITA payable	-	-	-	-	-	-	77,208
Total current liabilities	<u>2,840,821</u>	<u>2,135,883</u>	<u>36,394</u>	<u>2,376,861</u>	<u>1,932,715</u>	<u>9,322,674</u>	<u>851,586</u>
Noncurrent liabilities:							
Compensated absences payable	91,254	44,567	23,459	85,316	34,787	279,383	55,632
Claims payable	-	-	-	-	-	-	6,999,000
Lease payable	15,759	-	-	-	-	15,759	-
SBITA payable	-	-	-	-	-	-	79,275
Bonds and notes payable, net	8,175,518	12,890,811	286,729	1,427,304	-	22,780,362	944,406
Total OPEB liability	267,047	214,697	-	362,573	-	844,317	-
Net pension liability	644,974	515,979	257,990	773,969	-	2,192,912	644,975
Total noncurrent liabilities	<u>9,194,552</u>	<u>13,666,054</u>	<u>568,178</u>	<u>2,649,162</u>	<u>34,787</u>	<u>26,112,733</u>	<u>8,723,288</u>
Total liabilities	<u>12,035,373</u>	<u>15,801,937</u>	<u>604,572</u>	<u>5,026,023</u>	<u>1,967,502</u>	<u>35,435,407</u>	<u>9,574,874</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows related to pensions	36,935	29,548	14,774	44,322	-	125,579	36,935
Deferred inflows related to OPEB	52,818	44,891	-	74,818	-	172,527	-
Deferred inflows related to leases	-	398,428	-	-	157,406	555,834	-
Total deferred inflows of resources	<u>89,753</u>	<u>472,867</u>	<u>14,774</u>	<u>119,140</u>	<u>157,406</u>	<u>853,940</u>	<u>36,935</u>
NET POSITION (DEFICIT)							
Net investment in capital assets	45,679,885	39,231,514	22,947,657	6,322,922	7,021,128	121,203,106	5,955,555
Unrestricted	25,447,634	6,964,614	5,582,102	(2,672,144)	(951,224)	34,370,982	20,790,179
Total net position	<u>\$ 71,127,519</u>	<u>\$ 46,196,128</u>	<u>\$ 28,529,759</u>	<u>\$ 3,650,778</u>	<u>\$ 6,069,904</u>	<u>155,574,088</u>	<u>\$ 26,745,734</u>
						Adjustment to reflect the consolidation of internal service fund activities	12,159,993
						Net Position of Business-type Activities	<u>\$ 167,734,081</u>

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

City of Hanford

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2024**

	Water Fund	Sewer Improvement Funds		Refuse Fund	Total Non-major Enterprise Funds	Total Enterprise	Governmental Activities Internal Service Funds
		Wastewater Fund	Storm Drain Fund				
OPERATING REVENUES							
Charges for services	\$ 11,504,822	\$ 6,721,978	\$ 1,445,451	\$ 9,915,250	\$ 2,509,633	\$ 32,097,134	\$ 12,707,902
Other revenues	868,877	900,946	238,849	234,276	372,807	2,615,755	58,610
Total operating revenues	12,373,699	7,622,924	1,684,300	10,149,526	2,882,440	34,712,889	12,766,512
OPERATING EXPENSES							
Personnel services	1,791,068	1,543,120	664,958	2,468,577	840,731	7,308,454	1,801,714
Services and supplies	3,332,116	3,698,443	850,399	7,689,529	1,174,835	16,745,322	9,549,369
Depreciation and amortization	2,323,115	1,818,715	379,462	723,599	370,523	5,615,414	1,157,139
Total operating expenses	7,446,299	7,060,278	1,894,819	10,881,705	2,386,089	29,669,190	12,508,222
Operating income (loss)	4,927,400	562,646	(210,519)	(732,179)	496,351	5,043,699	258,290
NONOPERATING REVENUES (EXPENSES)							
Interest income	933,551	339,502	216,963	88,728	8,880	1,587,624	1,075,153
Unrealized gain (loss) on investments	755,627	237,398	188,112	(37,909)	5,017	1,148,245	901,815
Interest expense	(385,153)	(523,544)	(14,294)	(71,152)	-	(994,143)	(50,184)
Lease revenue	-	71,810	-	-	39,356	111,166	-
Gain/(loss) on disposal of capital assets	-	-	-	85,400	-	85,400	(483,364)
Federal grant	-	-	-	-	75,000	75,000	-
Total Nonoperating Revenues (Expenses)	1,304,025	125,166	390,781	65,067	128,253	2,013,292	1,443,420
Income (Loss) Before Capital Contributions and Transfers	6,231,425	687,812	180,262	(667,112)	624,604	7,056,991	1,701,710
CAPITAL CONTRIBUTIONS AND TRANSFERS							
Capital contributions	2,090,441	1,233,324	1,015,237	-	17,306	4,356,308	-
Transfers in (out)	252,903	(28,125)	-	934,839	(5,012)	1,154,605	(22,321)
Total Capital Contributions and Transfers	2,343,344	1,205,199	1,015,237	934,839	12,294	5,510,913	(22,321)
Change in Net Position	8,574,769	1,893,011	1,195,499	267,727	636,898	12,567,904	1,679,389
NET POSITION (DEFICIT)							
Beginning of year	62,552,750	44,303,117	27,334,260	3,383,051	5,433,006		25,066,345
End of year	\$ 71,127,519	\$ 46,196,128	\$ 28,529,759	\$ 3,650,778	\$ 6,069,904		\$ 26,745,734
						Adjustment to reflect the consolidation of internal service fund activities	380,143
						Net Position of Business-type Activities	\$ 12,948,047

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

City of Hanford

Statement of Cash Flows Proprietary Funds For the Year Ended June 30, 2024

	Sewer Improvement Funds			
	Water System Fund	Wastewater Fund	Storm Drain Fund	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for current services	\$ 10,936,998	\$ 6,323,640	\$ 1,423,254	\$ 9,769,231
Cash received for other operating revenues	868,877	900,946	238,849	234,276
Cash paid to suppliers for goods and services	(4,863,117)	(3,329,559)	(856,385)	(7,615,244)
Cash paid for salaries and benefits	(2,090,387)	(1,627,913)	(614,508)	(2,637,914)
Net cash provided (used) by operating activities	<u>4,852,371</u>	<u>2,267,114</u>	<u>191,210</u>	<u>(249,651)</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES				
Transfers (to) from other funds	252,903	(28,125)	-	934,839
Loans from/(to) other funds	-	(316,887)	-	1,890,481
Intergovernmental revenue	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>252,903</u>	<u>(345,012)</u>	<u>-</u>	<u>2,825,320</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal payments on long-term debt	(1,672,920)	(1,618,263)	(19,662)	(97,877)
Interest payments on long-term debt	(437,221)	(570,091)	(14,294)	(71,152)
Payments for capital asset acquisition	(403,226)	(98,655)	(41,769)	(2,349,482)
Lease payments	20,742	-	-	-
SBITA payments	-	-	-	-
Lease income	-	31,651	-	-
Proceeds from the sale of capital assets	-	-	-	-
Net cash provided (used) by capital and related financing activities	<u>(2,492,625)</u>	<u>(2,255,358)</u>	<u>(75,725)</u>	<u>(2,518,511)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Unrealized gain (loss) on investments	755,627	237,398	188,112	(37,909)
Interest received on investments	933,551	339,502	216,963	88,728
Net cash provided (used) by investing activities	<u>1,689,178</u>	<u>576,900</u>	<u>405,075</u>	<u>50,819</u>
Net increase (decrease) in cash and investments	4,301,827	243,644	520,560	107,977
Cash and investments, beginning of year	<u>21,865,647</u>	<u>7,172,448</u>	<u>5,308,478</u>	<u>354,695</u>
Cash and investments, end of year	<u>\$ 26,167,474</u>	<u>\$ 7,416,092</u>	<u>\$ 5,829,038</u>	<u>\$ 462,672</u>
Reconciliation to Statement of Net Position:				
Cash and investments	<u>\$ 26,167,474</u>	<u>\$ 7,416,092</u>	<u>\$ 5,829,038</u>	<u>\$ 462,672</u>
Total cash and investments	<u>\$ 26,167,474</u>	<u>\$ 7,416,092</u>	<u>\$ 5,829,038</u>	<u>\$ 462,672</u>

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

City of Hanford

Statement of Cash Flows Proprietary Funds For the Year Ended June 30, 2024

	Total Non-major Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received for current services	\$ 2,435,186	\$ 30,888,309	\$ 12,794,559
Cash received for other operating revenues	372,807	2,615,755	58,610
Cash paid to suppliers for goods and services	(1,136,488)	(17,800,793)	(8,752,917)
Cash paid for salaries and benefits	(792,290)	(7,763,012)	(2,345,498)
Net cash provided (used) by operating activities	<u>879,215</u>	<u>7,940,259</u>	<u>1,754,754</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES			
Transfers (to) from other funds	(5,012)	1,154,605	(22,321)
Loans from/(to) other funds	61,055	1,634,649	(475,636)
Intergovernmental revenue	75,000	75,000	-
Net cash provided (used) by noncapital financing activities	<u>131,043</u>	<u>2,864,254</u>	<u>(497,957)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal payments on long-term debt	-	(3,408,722)	(64,762)
Interest payments on long-term debt	-	(1,092,758)	(47,079)
Payments for capital asset acquisition	(333,051)	(3,226,183)	(383,370)
Lease payments	-	20,742	-
SBITA payments	-	-	(81,384)
Lease income	38,421	70,072	-
Proceeds from the sale of capital assets	-	-	17,306
Net cash provided (used) by capital and related financing activities	<u>(294,630)</u>	<u>(7,636,849)</u>	<u>(559,289)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Unrealized gain (loss) on investments	5,017	1,148,245	901,815
Interest received	8,551	1,587,295	1,075,153
Net cash provided (used) by investing activities	<u>13,568</u>	<u>2,735,540</u>	<u>1,976,968</u>
Net increase (decrease) in cash and investments	729,196	5,903,204	2,674,476
Cash and investments, beginning of year	<u>162,433</u>	<u>34,863,701</u>	<u>26,783,785</u>
Cash and investments, end of year	<u>\$ 891,629</u>	<u>\$ 40,766,905</u>	<u>\$ 29,458,261</u>
Reconciliation to Statement of Net Position:			
Cash and investments	<u>\$ 891,629</u>	<u>\$ 40,766,905</u>	<u>\$ 29,458,261</u>
Total cash and investments	<u>\$ 891,629</u>	<u>\$ 40,766,905</u>	<u>\$ 29,458,261</u>

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

City of Hanford

Statement of Cash Flows Proprietary Funds For the Year Ended June 30, 2024

	Water System Fund	Sewer Improvement Funds		Refuse Fund
		Wastewater Fund	Storm Drain Fund	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 4,927,400	\$ 562,646	\$ (210,519)	\$ (732,179)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	2,323,115	1,818,715	379,462	723,599
Changes in assets, liabilities, and deferred resources in:				
Receivables	(492,293)	(397,940)	(22,062)	(145,490)
Prepaid expenses	(1,744)	321,750	(55)	(55)
Inventory	116,667	-	-	-
Deferred outflows of resources	990,832	512,787	(10,991)	855,503
Accounts payable	(1,645,924)	47,134	(5,931)	74,340
Salaries and benefits payable	(1,783)	4,998	3,503	(2,188)
Interest payable	(15,720)	-	-	-
Compensated absences	(27,835)	2,293	(1,584)	1,333
Deposits and unearned revenue	(59,811)	(398)	(135)	(529)
Claims payable	-	-	-	-
Net OPEB liability	391,777	305,285	-	434,479
Net pension liability	(1,507,024)	(830,277)	64,346	(1,327,305)
Deferred inflows of resources	(145,286)	(79,879)	(4,824)	(131,159)
Net cash provided (used) by operating activities	<u>\$ 4,852,371</u>	<u>\$ 2,267,114</u>	<u>\$ 191,210</u>	<u>\$ (249,651)</u>
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Contributed Capital	\$ 2,090,441	\$ 1,233,324	\$ 1,015,237	\$ -

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

City of Hanford

**Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024**

(concluded)

	<u>Total Non-major Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Governmental Activities Internal Fund</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 496,351	\$ 5,043,699	\$ 258,290
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	370,523	5,615,414	1,157,139
Changes in assets, liabilities, and deferred resources in:			
Receivables	(71,966)	(1,129,751)	86,657
Prepaid expenses	-	319,896	(25,575)
Inventory	-	116,667	9,987
Deferred outflows of resources	-	2,348,131	246,765
Accounts payable	38,347	(1,492,034)	(410,960)
Salaries and benefits payable	10,905	15,435	(559,554)
Interest payable	-	(15,720)	-
Compensated absences	37,536	11,743	8,941
Deposits and unearned revenue	(2,481)	(63,354)	-
Claims payable	-	-	1,223,000
Net OPEB liability	-	1,131,541	-
Net pension liability	-	(3,600,260)	(192,147)
Deferred inflows of resources	-	(361,148)	(47,789)
Net cash provided (used) by operating activities	<u>\$ 879,215</u>	<u>\$ 7,940,259</u>	<u>\$ 1,754,754</u>
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Contributed Capital	\$ 17,306		\$ -

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

FIDUCIARY FUNDS
FINANCIAL STATEMENTS

City of Hanford

**Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024**

	Redevelopment Successor Agency Private Purpose Trust Fund	Trust and Custodial Funds
ASSETS		
Cash and investments	\$ 258,181	\$ 1,323,931
Accounts receivable	-	488,539
Assets held for resale	38,192	-
Total assets	<u>296,373</u>	<u>1,812,470</u>
LIABILITIES		
Accounts payable	-	1,382,916
Deposits held for others	-	415,697
Total liabilities	<u>-</u>	<u>1,798,613</u>
FIDUCIARY NET POSITION		
Held in trust for the retirement of obligations of the former Hanford Redevelopment Agency and other purposes	296,373	-
Restricted	-	13,857
Total fiduciary net position	<u>\$ 296,373</u>	<u>\$ 13,857</u>

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

City of Hanford

**Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024**

	Redevelopment Successor Agency Private-Purpose Trust Fund	Trust and Custodial Fund
ADDITIONS		
Investment earnings	\$ 9,629	\$ -
Unrealized gain/(loss) on investments	8,569	-
Total additions	<u>18,198</u>	<u>-</u>
DEDUCTIONS		
General government	97,268	9,887
Total deductions	<u>97,268</u>	<u>9,887</u>
Change in fiduciary net position	(79,070)	(9,887)
NET POSITION (DEFICIT)		
Beginning of year	<u>375,443</u>	<u>23,744</u>
End of year	<u>\$ 296,373</u>	<u>\$ 13,857</u>

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

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the City of Hanford, California (the City) have been prepared in conformity with U.S. Generally Accepted Accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

The accompanying financial statements present the financial position of the City and the various funds and fund types, the results of operations of the City and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2024 and for the year then ended.

Description of the Reporting Entity

The City was incorporated as a General Law city in 1891. The City operates under a Council-Administrator form of government and provides the following services: Public safety (police and fire), community development, community services, public works, cultural, general administrative services, and capital improvements.

As required by accounting principles generally accepted in the United States of America, these financial statements present the City (the primary government) and its component units. The component units discussed below is included in the City's reporting entity because of the significance of their operational or financial relationship with the City. However, elected officials of the City have a continuing accountability for fiscal matters of the other entities. The financial reporting entity consists of: (1) the City (2) organizations for which the City is financially accountable and (3) organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete.

An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the primary government. In a blended presentation, component unit balances and transactions are reported in a manner similar to the balances and transactions of the City. A component unit is presented on a blended basis component unit's governing body is substantially the same as the City's or the component unit provides services almost entirely to the City; otherwise, the component unit is presented discretely.

Blended Component Unit

The financial statements of the City include the financial activities of the City as well as of the Hanford Improvement Corporation. Although the Hanford Improvement Corporation is a legally distinct unit from the City, their financial operations are overseen by the City and the City Council is the board of directors of the Corporation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

Government-Wide Financial Statements

The Government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information of all of the non-fiduciary activities of the primary government and its component units. For the most part, eliminations have been made to minimize the double counting on internal activities. These statements distinguish between the governmental and business type activities of the City. Governmental activities, which normally are supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and of each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Net Position are restricted when constraints placed on them are either externally imposed or are imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net position. When both restricted and unrestricted resources are available for use, generally it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental Fund Financial Statements

The fund financial statements provide information about the City's funds, with separate statements presented for each fund category - *governmental, proprietary, and fiduciary*. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The City reports the following major governmental funds:

General Fund – The General Fund is the principle operating fund of the City. It is used to account for all financial resources except those required to be accounted for in other funds. For the City, the General Fund includes basic governmental activities such as general government, public safety, public works, recreation and community development.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

CDBG Home/Housing Fund – This fund is used to receive and disburse funds in accordance with grants received from the Department of Housing and Urban Development for the repair and improvement of targeted housing areas.

Transportation Development Act Fund – This fund is used to account for financial resources to be used for transit and non-transit related purposes that comply with regional transportation plans. The City has elected to present this fund as a major fund.

American Rescue Plan Act Fund – This fund is used to account for financial resources provided by the American Rescue Plan Act.

The City reports the following major enterprise funds:

Water System Fund – The Water System Fund is used to account for the financial activities of water utility of the City.

Wastewater Fund – The Wastewater Fund is used to account for financial activities of sewage collection and wastewater treatment utility of the City.

Storm Drain Fund – The Storm Drain Fund is used to account for the financial activities of the City's storm drains.

Refuse Fund – The Refuse Fund is used to account for the financial activities of the collection of solid waste and disposal utility of the City.

The City presents the following non-major enterprise funds:

Airport Fund – To account for all activities necessary to provide an airport to the residents of the City and surroundings areas.

Intermodal Fund – The Intermodal Fund is used to account for the financial activities of a building used to support state regional and local transportation.

Courthouse Square Fund – The Courthouse Square Fund is used to account for the financial activities of the maintenance and improvement of the property known as the Courthouse Square in downtown Hanford.

Building Safety Fund – The Building Safety Fund is used to account for the financial activities of the City's review of building plans from developers, contractors and/or property owners and inspectors of buildings. Revenue is provided by the permit and review fees.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

The City reports the following fund types in aggregate as part of other non-major governmental funds:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Fund – *Capital Projects* Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

Additionally, the City reports the following fund types:

Internal Service Funds – Internal Service Funds are used to account for the financing of goods or services provided by one department or agency of the City to another on a cost-reimbursement basis.

Private-Purpose Trust Fund – The Private Purpose Trust Fund is used to account for the activities of the former Hanford Redevelopment Agency during the wind down period.

Custodial Funds – Custodial Funds are used to account for assets held by the City in a purely custodial capacity or as an agent for individuals, private organizations and/or other governments.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

In accordance with generally accepted accounting principles the Statement of Net Position reports separate sections for Deferred Outflows of Resources and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources – This amount represents outflows of resources (consumption of net assets) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources – This amount represents inflows of resources (acquisition of net assets) that apply to future periods and that, therefore, are not recognized as a revenue until that time.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be both measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. Revenues and expenses not meeting this definition are reported as non-operating.

Assets, Liabilities, Net Assets or Fund Balance, and Other Financial Statement Items

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the City considers all short term and highly liquid investments (including restricted assets) to be cash and cash equivalents, as reported on the Statement of Net Position and Balance Sheet as cash and investments.

Investments

Investments are stated at fair value (the value at which a financial instrument could be exchanged in a current transaction between willing parties, other than a forced or liquidation sale).

Further cash and investment disclosures are presented in Note 2.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Assets, Liabilities, Net Assets or Fund Balance, and Other Financial Statement Items
(Continued)**

Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government wide financial statement as “internal balances.” Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be a market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are 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 between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include intergovernmental and tax revenue receivable. Business-type activities report trade and intergovernmental revenue as their major receivables.

Inventory

Inventories of materials and supplies in the proprietary and internal services funds are valued at the lower of cost or market, carried on a first-in, first-out (FIFO) basis.

Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements and proprietary fund statements, capital assets are presented on the statement of net position and valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at acquisition value at the date of acquisition.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Net Assets or Fund Balance, and Other Financial Statement Items (Continued)

The City's capitalization threshold is \$10,000. In other words, capital assets are capitalized only if they have a cost in excess of \$10,000 and have an expected useful life of three years or more. Capital assets that have a cost below \$10,000 are expensed during the fiscal year they are acquired.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized.

Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of assets is as follows:

Infrastructure	20 to 50 years
Buildings	20 to 50 years
Improvements other than buildings	20 to 50 years
Machinery and equipment	3 to 20 years

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unsaved vacation, sick pay benefits and compensatory time. All vacation and compensatory pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements. For additional information regarding compensated absences, see Note 7.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Assets, Liabilities, Net Assets or Fund Balance, and Other Financial Statement Items
(Continued)**

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Debt principal payments of both government and business-type activities are reported as decreases in the balance of the liability on the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid. Governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether withheld from the actual debt proceeds received or not, are reported as debt service expenditures.

Leases

The City is a lessee for noncancelable leases of copiers and recognizes the liability and an intangible right-to-use lease asset at the inception of the lease agreement at the current present value of future payments, in the government-wide and proprietary fund financial statements. The City recognizes lease liabilities with an initial, individual value of \$25,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Net Assets or Fund Balance, and Other Financial Statement Items (Continued)

Key estimates and judgements related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases, which it has determined is the prime rate at the inception of the lease.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

The City is a lessor for noncancelable leases of the Hanford train station, hotel parking spaces, and agricultural ground leases. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide, proprietary fund, and governmental fund financial statements at the inception of the lease agreement at current present value of all future payments.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses the interest rate charges to the lessees as the discount rate. When the interest rate charged the lessees is not provided, the City generally uses the implied rate of return as the discount rate for leases. When the implied rate of return cannot be determined, the City uses its estimated incremental borrowing rate which it has determined is the prime rate at the inception of the lease.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Net Assets or Fund Balance, and Other Financial Statement Items (Continued)

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of lease receivable.

Right-to-Use Lease / Subscription Based Information Technology Arrangements (SBITA) Assets

Right-to-use lease/SBITA assets are recorded at the amount of the initial measurement of the lease/SBITA liabilities and modified by any lease payment made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service.

Right-to-use lease/SBITA assets are amortized using the straight-line method over the shorter of the lease term or the useful life on the underlying asset, unless the lease contains a purchase option that the City has determined is reasonably certain of being exercised.

Other Post-employment Benefits (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined by an independent actuary.

For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

<u>OPEB</u>	
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	June 30, 2023 to June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Assets, Liabilities, Net Assets or Fund Balance, and Other Financial Statement Items
(Continued)**

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

<u>CalPERS</u>	
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	June 30, 2022 to June 30, 2023

Net Position

In the government-wide financial statements and proprietary fund financial statements, net position is classified as follows:

- *Net investment in capital assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted net position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments and restrictions imposed by law through constructional provisions or enabling legislation.
- *Unrestricted net position* – This category represents net position of the City, not restricted for any project or other purpose.

When expenses are incurred for purposes for which both restricted and unrestricted net position is available, the City's policy is to apply restricted net position first.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Assets, Liabilities, Net Assets or Fund Balance, and Other Financial Statement Items
(Continued)**

Fund Balance

In the fund financial statements, governmental funds report fund balances as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the City is bound to honor constraints on how specific amounts can be spent.

- *Nonspendable fund balance* – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- *Restricted fund balance* – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed fund balance* – amounts that can only be used for specific purposes determined by formal action of the City's highest level of decision-making authority (the City Council) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- *Assigned fund balance* – amounts that are constrained by the City's intent to be used for specific purposes. The intent can be established by either the highest level of decision making, or by a body or an official designated for that purpose.
- *Unassigned fund balance* – the residual classification for the City's General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The City Council establishes, modifies or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the City's policy is to apply restricted fund balances first, then unrestricted fund balances as they are needed. When expenditures are incurred for purposes where only unrestricted fund balances are available, the City uses the unrestricted resources in the following order: committed, assigned, and unassigned.

Property Taxes

In 1978, a state constitutional amendment (Proposition 13) provided that the tax rate be limited to 1% of market value, levied only by the County and shared with all other jurisdictions. Such limitation on the rate may only be increased through voter approval. The County Collects property taxes and distributes them to taxing-approved debt. In the fund financial statements, property tax is recorded as revenue in the period levied to the extent they are collected within 60 days of year-end.

**Notes to the Financial Statements
For the Year Ended June 30, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Assets, Liabilities, Net Assets or Fund Balance, and Other Financial Statement Items
(Continued)**

The property tax calendar for the City is as follows:

Lien date	January 1
Levy dates	September 1
Due dates	November 1 - 1st installment February 1 - 2nd installment
Collection dates	December 10 - 1st installment April 10 - 2nd installment

Advances from other Governments

The City reports advances from other governments in its financial statements. These advances arise when resources are received by the government before it has legal claim to them.

Use of Estimates

The preparation 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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Stewardship, Compliance, and Accountability

Budgets and Budgetary Accounting

The procedures established by the City Council in adopting the budgetary data reflected in the financial statements are as follows:

On or before the second meeting in May, the City Manager submits to the City Council a proposed operating and capital projects budget for the fiscal year commencing the following July 1. Following publication and public hearings, the budget is legally enacted by resolution.

The City Manager is authorized to transfer funds appropriated with respect to all classifications within the same department. The City Manager may transfer appropriated funds from any classification within other expenditure categories to existing capital outlay and capital projects classifications within the same department only; however, any revisions that alter the total expenditures of any department or create additional projects must be approved by the City Council.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Net Assets or Fund Balance, and Other Financial Statement Items (Continued)

Supplemental budgetary appropriations were negligible for the fiscal year ended June 30, 2024. All unencumbered appropriations lapse at year-end.

For budgeting purposes, the General Fund is composed of several departments while all other budgeted funds are considered a single department. Revenues are budgeted on a line-item basis. A comparison of budgeted and actual revenues by line item would be too voluminous for this report.

Budgets for the General and major Special Revenue Funds are presented in the accompanying general purpose financial statements on a basis consistent with accounting principles generally accepted in the United States of America. No budgets are adopted for the Proprietary and Fiduciary Fund types.

Reclassification and Eliminations

Interfund balances must generally be eliminated in the government-wide financial statements, except for net residual amounts due between governmental activities. Amounts involving fiduciary funds should be reported as external transactions. Any allocations must reduce the expense of the function from which the expenses are being allocated, so that expenses are reported only once in the function in which they are allocated.

Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

The City has implemented GASB No. 100, *Accounting Changes and Error Corrections*. There was no effect on the current year financial statements due to this pronouncement.

Governmental Accounting Standards Update

The City is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB statements:

GASB Statement No. 101, Compensated Absences is effective for fiscal years beginning after December 15, 2023.

GASB Statement No. 102, Certain Risk Disclosures is effective for fiscal years beginning after June 15, 2024

GASB Statement No. 103, Financial Reporting Model Changes is effective for fiscal years beginning after June 15, 2025.

GASB Statement No. 104, Disclosure of Certain Capital Assets is effective for fiscal years beginning after June 15, 2025.

City of Hanford

**Notes to the Financial Statements
For the Year Ended June 30, 2024**

NOTE 2 - CASH AND INVESTMENTS

Cash and investments as of June 30, 2024 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 120,823,563
Fiduciary funds:	
Cash and investments	1,582,112
Total Cash and Investments	<u>\$ 122,405,675</u>

Cash and investments as of June 30, 2024 consist of the following:

Cash on hand	\$ 1,700
Deposits with financial institutions	6,670,591
Investments	115,733,384
Total Cash and Investments	<u>\$ 122,405,675</u>

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City’s investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City’s investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City’s investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Bankers' Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	None	None
Repurchase Agreements	1 year	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Local Agency Investment Fund (LAIF)	N/A	None	None
Corporate Investments	N/A	None	None
County Investment Pool	N/A	None	None

City of Hanford

Notes to the Financial Statements For the Year Ended June 30, 2024

NOTE 2 - CASH AND INVESTMENTS (Continued)

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Bankers' Acceptances	180 days	40%	None
Commercial Paper	270 days	40%	None
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Mutual Funds	N/A	20%	None
Money Market Mutual Funds	N/A	20%	None
Local Agency Investment Fund (LAIF)	N/A	None	None

Disclosure Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of short term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing and coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Total	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
U.S. Treasury Obligations	\$ 1,471,830	\$ 1,471,830	\$ -	\$ -	\$ -
U.S. Agency Securities	17,917,964	10,435,269	4,492,125	2,990,570	-
Negotiable Certificates of Deposits	8,563,757	5,291,780	3,271,977	-	-
Corporate Investments	1,803,518	969,320	-	834,198	-
Held by bond trustee:					
Money Market Funds	4,003,638	4,000,738	-	2,900	-
Local Agency Investment Funds (LAIF)	22,859,838	22,859,838	-	-	-
County Investment Pool	965,090	965,090	-	-	-
California Class	58,147,749	58,147,749	-	-	-
Total	<u>\$ 115,733,384</u>	<u>\$ 104,141,614</u>	<u>\$ 7,764,102</u>	<u>\$ 3,827,668</u>	<u>\$ -</u>

City of Hanford

Notes to the Financial Statements For the Year Ended June 30, 2024

NOTE 2 - CASH AND INVESTMENTS (Continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented on the following page is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements and the actual rating as of year-end for each investment type.

Investment Type	Amount	Standard's & Poor's Ratings as of Year End			
		Minimum Legal Rating	A/A+	AA+	Unrated
U.S. Treasury Obligations	\$ 1,471,830	AA	\$ -	\$ -	\$ 1,471,830
U.S. Agency Securities	17,917,964	N/A	-	17,917,964	-
Negotiable Certificates of Deposits	8,563,757	N/A	-	-	8,563,757
Corporate Investments	1,803,518	N/A	1,803,518	-	-
Held by bond trustee:					
Money Market Funds	4,003,638	N/A	-	-	4,003,638
Local Agency Investment Funds (LAIF)	22,859,838	N/A	-	-	22,859,838
County Investment Pool	965,090	N/A	-	-	965,090
California Class	58,147,749	N/A	-	-	58,147,749
Total	<u>\$ 115,733,384</u>		<u>\$ 1,803,518</u>	<u>\$ 17,917,964</u>	<u>\$ 96,011,902</u>

Concentration of Credit Risk

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

Custodial Credit Risk

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

City of Hanford

**Notes to the Financial Statements
For the Year Ended June 30, 2024**

NOTE 2 - CASH AND INVESTMENTS (Continued)

Investment in State and County Investment Pools

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code under the oversight of the Treasurer of State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amount based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. For withdrawals over \$10,000,000 LAIF requires at least 24-hour notice. Also, there is a \$5,000 minimum and a limit of 15 transactions per month.

The City is also a voluntary participant in the County of Tulare Investment Pool. Assumptions made in determining the fair value of the investment portfolio are available from the County Treasurer.

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2024:

Investment type	Level 1	Level 2	Level 3	Total
U.S. Treasury Obligations	\$ -	\$ 1,471,830	\$ -	\$ 1,471,830
U.S. Agency Securities	-	17,917,964	-	17,917,964
Negotiable Certificates of Deposits	-	8,563,757	-	8,563,757
Corporate Investments	-	1,803,518	-	1,803,518
	\$ -	\$ 29,757,069	\$ -	29,757,069

Investments not subject to fair value hierarchy:

Local Agency Investment Funds (LAIF)	22,859,838
County Investment Pool	965,090
California Class	58,147,749
Money Market Funds	4,003,638
Total	\$ 115,733,384

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. There have been no changes in fair value measurement classifications from the prior year.

City of Hanford

Notes to the Financial Statements For the Year Ended June 30, 2024

NOTE 3 - RECEIVABLES

Receivables as of June 30, 2024 for the City's individual major funds, nonmajor funds and internal service funds in the aggregate are as follows:

	Accounts	Interest	Taxes	Loans	Leases	Total
Governmental Funds						
General	\$ 7,259,133	\$ 1,038	\$ -	\$ -	\$ 854,343	\$ 8,114,514
CDBG Home/Housing	183,359	-	-	17,695,752	-	17,879,111
Transportation Development Act	-	-	1,213,113	-	-	1,213,113
Nonmajor and Other	2,635,637	-	-	1,806,216	-	4,441,853
	<u>10,078,129</u>	<u>1,038</u>	<u>1,213,113</u>	<u>19,501,968</u>	<u>854,343</u>	<u>31,648,591</u>
Enterprise Funds						
Water System	1,903,621	-	-	-	-	1,903,621
Wastewater	1,089,675	-	-	-	437,641	1,527,316
Storm Drain	210,929	-	-	-	-	210,929
Refuse	1,296,189	-	-	-	-	1,296,189
Airport Fund	22,695	-	-	-	-	22,695
Intermodal	39,528	-	-	-	164,534	204,062
Courthouse Square	5,347	-	-	-	-	5,347
Building Safety	49,622	-	-	-	-	49,622
	<u>4,617,606</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>602,175</u>	<u>5,219,781</u>
Internal Service Funds						
Risk Management Fund	13,214	-	-	-	-	13,214
Computer Maintenance Fund	57	-	-	-	-	57
Building Fund	1,269	-	-	-	-	1,269
Fleet Management	223	-	-	-	-	223
Medical Fund	302	-	-	-	-	302
	<u>15,065</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,065</u>
Total	<u>\$ 14,710,800</u>	<u>\$ 1,038</u>	<u>\$ 1,213,113</u>	<u>\$ 19,501,968</u>	<u>\$ 1,456,518</u>	<u>\$ 36,883,437</u>

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City of Hanford

Notes to the Financial Statements For the Year Ended June 30, 2024

NOTE 4 - CAPITAL ASSETS

Capital assets activities for the year ended June 30, 2024 were as follows:

	Balance July 1, 2023	Additions/ Completions	Retirements/ Adjustments	Balance June 30, 2024
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 60,455,620	\$ 638,487	\$ -	\$ 61,094,107
Construction in progress	817,424	6,140,205	(10,021)	6,947,608
Total capital assets not being depreciated	<u>61,273,044</u>	<u>6,778,692</u>	<u>(10,021)</u>	<u>68,041,715</u>
Capital assets being depreciated/amortized:				
Buildings	25,261,269	-	-	25,261,269
Infrastructure	193,146,692	10,657,026	-	203,803,718
Equipment	24,280,951	467,565	(1,878,338)	22,870,178
Right to use leased equipment	69,534	998,088	-	1,067,622
Right to use SBITA asset	809,556	237,867	(652,349)	395,074
Total capital assets being depreciated/amortized	<u>243,568,002</u>	<u>12,360,546</u>	<u>(2,530,687)</u>	<u>253,397,861</u>
Less accumulated depreciation/amortization:				
Buildings	(10,211,383)	(477,618)	-	(10,689,001)
Infrastructure	(116,408,005)	(6,629,309)	-	(123,037,314)
Equipment	(15,087,083)	(1,525,161)	1,377,668	(15,234,576)
Right to use leased equipment	(36,311)	(104,076)	-	(140,387)
Right to use SBITA asset	(414,608)	(111,868)	329,162	(197,314)
Total accumulated depreciation/amortization	<u>(142,157,390)</u>	<u>(8,848,032)</u>	<u>1,706,830</u>	<u>(149,298,592)</u>
Total capital assets being depreciated, net	<u>101,410,612</u>	<u>3,512,514</u>	<u>(823,857)</u>	<u>104,099,269</u>
Governmental Activities capital assets, net	<u>\$ 162,683,656</u>	<u>\$ 10,291,206</u>	<u>\$ (833,878)</u>	<u>\$ 172,140,984</u>
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 11,950,873	\$ 16,000	\$ -	\$ 11,966,873
Construction in progress	4,044,330	451,624	(3,986,741)	509,213
Total capital assets not being depreciated	<u>15,995,203</u>	<u>467,624</u>	<u>(3,986,741)</u>	<u>12,476,086</u>
Capital assets being depreciated:				
Buildings and improvements	187,856,815	8,289,644	-	196,146,459
Machinery and equipment	30,818,214	3,006,044	(232,181)	33,592,077
Right to use leased equipment	-	25,726	-	25,726
Total capital assets being depreciated	<u>218,675,029</u>	<u>11,321,414</u>	<u>(232,181)</u>	<u>229,764,262</u>
Less accumulated depreciation:				
Buildings and improvements	(76,689,579)	(3,470,293)	(133,689)	(80,293,561)
Machinery and equipment	(16,372,607)	(2,139,861)	231,464	(18,281,004)
Right to use leased equipment	-	(5,260)	-	(5,260)
Total accumulated depreciation	<u>(93,062,186)</u>	<u>(5,615,414)</u>	<u>97,775</u>	<u>(98,579,825)</u>
Total capital assets being depreciated, net	<u>125,612,843</u>	<u>5,706,000</u>	<u>(134,406)</u>	<u>131,184,437</u>
Business-type Activities capital assets, net	<u>\$ 141,608,046</u>	<u>\$ 6,173,624</u>	<u>\$ (4,121,147)</u>	<u>\$ 143,660,523</u>

City of Hanford

**Notes to the Financial Statements
For the Year Ended June 30, 2024**

NOTE 4 - CAPITAL ASSETS (Continued)

Depreciation expense for the fiscal year ending June 30, 2024 was charged to the following activities:

Governmental Activities:

General governmental	\$ 5,921,988
Public safety	230,727
Public works	1,230,543
Recreation	230,727
Community development	76,909
Capital assets held by the internal service funds that were charged to the various functions based on their usage	1,157,139
Total	<u>\$ 8,848,032</u>

Business-type Activities:

Water system	\$ 2,323,115
Wastewater	1,818,715
Storm drain	379,462
Refuse	723,599
Airport	319,509
Intermodal	26,117
Building Safety	24,897
Total	<u>\$ 5,615,414</u>

NOTE 5 - LONG-TERM DEBT

The following is a summary of the long-term debt activity for the year ended June 30, 2024:

	Balance July 1, 2023	Additions	Deletions/ Adjustments	Balance June 30, 2024	Due Within One Year
Governmental Activities					
Pension obligation bonds payable	\$ 25,460,230	\$ -	\$ (1,537,515)	\$ 23,922,715	\$ 1,500,683
Lease payable	34,041	675,857	(71,031)	638,867	144,704
SBITA payable	353,827	237,867	(413,323)	178,371	99,097
Total Governmental Activities	<u>25,848,098</u>	<u>913,724</u>	<u>(2,021,869)</u>	<u>24,739,953</u>	<u>1,744,484</u>
Business-type Activities					
Pension obligation bonds payable	4,263,770	-	(257,486)	4,006,284	251,316
Bonds payable	14,530,000	-	(1,805,000)	12,725,000	1,880,145
Bond premiums	483,118	-	(73,307)	409,811	73,307
Note payable - direct	4,306,151	-	(415,311)	3,890,840	429,847
Finance purchase arrangement - direct borrowing	6,341,947	-	(930,923)	5,411,024	1,027,984
Lease payable	-	25,725	(4,983)	20,742	4,983
Total Business-type Activities	<u>29,924,986</u>	<u>25,725</u>	<u>(3,487,010)</u>	<u>26,463,701</u>	<u>3,667,582</u>
Total Primary Government	<u>\$ 55,773,084</u>	<u>\$ 939,449</u>	<u>\$ (5,508,879)</u>	<u>\$ 51,203,654</u>	<u>\$ 5,412,066</u>

City of Hanford

Notes to the Financial Statements For the Year Ended June 30, 2024

NOTE 5 - LONG-TERM DEBT (Continued)

Governmental Activities

Bonds Payable

On May 23, 2022, the City of Hanford issued \$30,946,000 Pension Obligation Bonds bearing interest of 4.39% payable annually on June 1 commencing June 1, 2023. The bonds mature annually at various amounts through June 1, 2039. The bonds are payable from net revenues in both the governmental activities and business-type activities created under the Indenture.

The Bonds were issued to pay the City's unfunded accrued actuarial liability (UAAL), now known as Net Pension Liability, to the California Public Employees' Retirement System (CalPERS).

Significant terms that pertain to the Pension Obligation Bonds are as follows. If the City fails to make the payment of principal or interest when due and payable; if the City fails to observe and perform any of the covenants, agreements, or conditions required in the bond agreement; if the City commences a voluntary case under Title 11 of the United States Code or any substitute or successor statute; the City shall be considered in default. In the event of a default, the Trustee may declare the principal and interest of the bond immediately due and payable. The revenues pledge from the bond are the revenues payable from the various funds allocated the issuance of the debt.

Pension obligation bonds outstanding on June 30, 2024 for governmental activities are \$23,922,715.

The future maturities of the pension obligation bonds payable for governmental activities are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,500,683	\$ 1,050,206	\$ 2,550,889
2026	1,506,678	984,289	2,490,967
2027	1,498,113	918,146	2,416,259
2028	1,564,068	852,378	2,416,446
2029	1,286,544	783,716	2,070,260
2030-2034	6,977,489	3,042,925	10,020,414
2035-2038	9,589,140	1,337,575	10,926,715
Totals	<u>\$ 23,922,715</u>	<u>\$ 8,969,235</u>	<u>\$ 32,891,950</u>

City of Hanford

Notes to the Financial Statements For the Year Ended June 30, 2024

NOTE 5 - LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

Leases Payable

The City entered into several lease agreements for the use of various types of equipment. The lease agreements range from 12 to 60 months. The City is required to make annual fixed payments ranging from \$4,046 to \$13,001. The agreements have interest rates ranging from 0.2% to 2.63%. As of June 30, 2024, the City had total outstanding lease payable of \$638,867 and right to use asset of \$927,235, net of amortization.

The future principal and interest lease payments as of June 30, 2024, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 144,704	\$ 12,815	\$ 157,519
2026	131,763	10,802	142,565
2027	135,145	7,407	142,552
2028	135,686	3,946	139,632
2029	91,569	977	92,546
Totals	<u>\$ 638,867</u>	<u>\$ 35,947</u>	<u>\$ 674,814</u>

Subscription based IT arrangement (SBITA) payable

The City entered into several subscription-based IT arrangements for the use of various types of software. The SBITA'S agreements range from 12 to 24 months. The City is required to make annual fixed payments ranging from \$4,380 to \$81,385. The agreements have interest rates ranging from 0.2% to 2.63%. As of June 30, 2024, the City had total outstanding SBITA payable of \$178,371 and right to use asset of \$197,760, net of amortization.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 99,097	\$ 2,647	\$ 101,744
2026	79,274	543	79,817
Totals	<u>\$ 178,371</u>	<u>\$ 3,190</u>	<u>\$ 181,561</u>

City of Hanford

Notes to the Financial Statements For the Year Ended June 30, 2024

NOTE 5 - LONG-TERM DEBT (Continued)

Business-type Activities

Bonds Payable

On July 1, 2012, the City of Hanford issued \$13,165,000 Wastewater Revenue Refunding Bonds Series 2012 bearing interest of 3.0% to 5.0% payable semi-annually on April 1 and October 1 commencing October 1, 2012. The bonds mature annually at various amounts through October 1, 2032. The bonds are payable from net revenues of the City's Wastewater System and from amounts on deposit in certain funds and accounts created under the Indenture.

The Bonds were issued to refinance the City's previously issued \$5,000,000 CSCDA Water and Wastewater Revenue Bonds, dated October 1, 1999 and the \$10,555,000 CSCDA Water and Wastewater Revenue Bonds dated April 16, 2002. As a result, the 1999 and 2002 Revenue Bonds are considered to be defeased and the liability for those bonds has been removed from the long-term liabilities of the Business Activities Debt.

The aggregate debt service payments of the new debt is \$2,121,034 less than the old debt. The issuance of the new debt and refunding of the old debt resulted in an economic gain (the difference between the present value of the old debt and new debt payments) of approximately \$1,537,677.

Significant terms that pertain to the Wastewater Revenue Refunding Bonds Series 2012 are as follows. If the City fails to make the payment of principal or interest when due and payable; if the City fails to observe and perform any of the covenants, agreements, or conditions required in the bond agreement; if the City files a petition or answer seeking reorganization or arrangement under the Federal bankruptcy laws; the City shall be considered in default. In the event of a default, the Trustee may declare the principal and interest of the bonds immediately due and payable. The revenues pledged of the bond are the revenues payable from the City's Wastewater fund for the life of the bonds.

Wastewater revenue bonds outstanding on June 30, 2024 are \$6,380,000.

The future maturities of the wastewater revenue bonds payable are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 695,145	\$ 214,063	\$ 909,208
2026	725,000	201,375	926,375
2027	750,000	175,563	925,563
2028	785,000	148,209	933,209
2029	805,000	119,390	924,390
2030-2033	2,619,855	197,200	2,817,055
Totals	<u>\$ 6,380,000</u>	<u>\$ 1,055,800</u>	<u>\$ 7,435,800</u>

City of Hanford

Notes to the Financial Statements For the Year Ended June 30, 2024

NOTE 5 - LONG-TERM DEBT (Continued)

Business-type Activities (Continued)

On July 1, 2013, the City of Hanford issued \$12,725,000 Water Revenue Refunding Bonds Series 2013 bearing interest of 2.0% to 5.0% payable semi-annually on April 1 and October 1, commencing October 1, 2013. The bonds mature annually at various amounts through October 1, 2028. The bonds are payable from net revenues of the City's Water System and from amounts on deposit in certain funds and accounts created under the Indenture.

The Bonds are being issued to refinance the City's previously issued to refinance the City's previously issued \$8,925,000 CSDA Water and Wastewater Revenue Bonds, dated December 9, 2003 and the \$8,150,000 Installment Sale Agreement Water System dated December 20, 2007. As a result the 2003 Revenue Bond and 2007 Installment Sale Agreement are considered defeased and the liability for those issues has been removed from the long-term liabilities of the Business Activities Debt.

The aggregate debt service payments of the new debt are \$1,430,167 less than the old debt. The issuance of the new debt and refunding of the old debt resulted in an economic gain (the difference between the present value of the old debt and new debt payments) of approximately \$567,774.

Significant terms that pertain to the Water Revenue Refunding Bonds Series 2013 are as follows. If the City fails to make the payment of principal or interest when due and payable; if the City fails to observe and perform any of the covenants, agreements, or conditions required in the bond agreement; if the City files a petition or answer seeking reorganization or arrangement under the Federal bankruptcy laws; the City shall be considered in default. In the event of a default, the Trustee may declare the principal and interest of the bonds immediately due and payable. The revenues pledged for the bond are the revenues payable from the City's Water fund for the life of the bonds.

Water revenue bonds outstanding on June 30, 2024 are \$4,125,000.

The future maturities of the water revenue bonds payable are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 970,000	\$ 157,425	\$ 1,127,425
2026	1,015,000	115,075	1,130,075
2027	1,055,000	68,600	1,123,600
2028	530,000	36,238	566,238
2029	555,000	12,488	567,488
Totals	<u>\$ 4,125,000</u>	<u>\$ 389,826</u>	<u>\$ 4,514,826</u>

City of Hanford

Notes to the Financial Statements For the Year Ended June 30, 2024

NOTE 5 - LONG-TERM DEBT (Continued)

Business-type Activities (Continued)

On January 28, 2015, the City of Hanford issued \$3,885,000 Wastewater Revenue Refunding Bonds Series 2015, bearing interest of 2.0% to 4.0% payable semi-annually on April 1 and October 1, commencing April 1, 2015. The bonds mature annually at various amounts through October 1, 2032. The bonds are payable from net revenues of derived from charges and revenues received by the City from the operation of the Wastewater System.

The bonds are being issued to provide funds to refund the City's outstanding City of Hanford, Variable Rate Demand Sewer System Refunding Revenue Bonds, 1996 Series A, to purchase a reserve fund municipal bond insurance policy in lieu of cash funding a bond reserve fund for the Bonds, and to pay the cost of issuing the Bonds. As a result, the 1996 Revenue Bonds are considered to be defeased and the liability for those bonds has been removed from the long-term liabilities of the Business Activities Debt.

The aggregate debt service payments of the new debt are \$644,540 more than the old debt. The issuance of the new debt and refunding of the old debt resulted in an economic loss (the difference between the present value of the old debt and new debt payments) of approximately \$621,656.

Significant terms that pertain to the Wastewater Revenue Refunding Bonds Series 2015 are as follows. If the City fails to make the payment of principal or interest when due and payable; if the City fails to observe and perform any of the covenants, agreements, or conditions required in the bond agreement; if the City abandons a substantial part that shall continue for a period of sixty consecutive days; if the City files a petition or answer seeking reorganization or arrangement under the Federal bankruptcy laws; the City shall be considered in default. In the event of a default, the Trustee may declare the principal and interest of the bonds immediately due and payable. The revenue pledged for the bond are the revenues payable from the City's Wastewater fund for the life of the bonds.

Wastewater revenue bonds outstanding on June 30, 2024 are \$2,220,000.

The future maturities of the wastewater revenue bonds payable are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 215,000	\$ 78,975	\$ 293,975
2026	220,000	72,450	292,450
2027	225,000	65,775	290,775
2028	235,000	57,700	292,700
2029	245,000	48,100	293,100
2030-2033	1,080,000	88,400	1,168,400
Totals	<u>\$ 2,220,000</u>	<u>\$ 411,400</u>	<u>\$ 2,631,400</u>

City of Hanford

Notes to the Financial Statements For the Year Ended June 30, 2024

NOTE 5 - LONG-TERM DEBT (Continued)

Business-type Activities (Continued)

On May 23, 2022, the City of Hanford issued \$30,946,000 Pension Obligation Bonds bearing interest of 4.39% payable annually on June 1 commencing June 1, 2023. The bonds mature annually at various amounts through June 1, 2039. The bonds are payable from net revenues in both the governmental activities and business-type activities created under the Indenture.

Pension obligation bonds outstanding on June 30, 2024 for business-type activities are \$4,006,284.

The future maturities of the pension obligation bonds payable for business activities are as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 251,316	\$ 175,876	\$ 427,192
2026	252,320	164,837	417,157
2027	250,886	153,760	404,646
2028	261,931	142,746	404,677
2029	215,455	131,247	346,702
2030-2034	1,168,505	509,592	1,678,097
2035-2039	1,605,871	223,999	1,829,870
Totals	<u>\$ 4,006,284</u>	<u>\$ 1,502,057</u>	<u>\$ 5,508,341</u>

Notes Payable – direct borrowing

On May 28, 2002, the City of Hanford obtained a loan from the California Infrastructure and Economic Development Bank in the amount of \$10,000,000. The term of the agreement is thirty (30) years with a maturity date of February 1, 2034, and an annual interest rate of 3.50%. Prior to the Bond Date, there is a .26% reduction in the interest rate, resulting in an initial rate of 3.24%. Interest on the loan is payable semi-annually on each February 1 and August 1, commencing August 1, 2003. As of June 30, 2024, the balance outstanding was \$3,890,840.

Significant terms that pertain to the California Infrastructure and Economic Development Bank loan are as follows. If the City fails to make the payment of principal or interest when due and payable; if the City fails to observe and perform any of the covenants, agreements, or conditions required in the note agreement; if the City made any representation or other written statement contained in the agreement that was incorrect in any material respect; if the City files a petition or answer seeking reorganization or arrangement under the Federal bankruptcy laws; the City shall be considered in default. In the event of a default, the CIEDB may declare the principal and interest of the bonds immediately due and payable. Additionally, revenues pledged for the note are the revenues payable from the City's Wastewater fund.

City of Hanford

Notes to the Financial Statements For the Year Ended June 30, 2024

NOTE 5 - LONG-TERM DEBT (Continued)

Business-type Activities (Continued)

The future maturities of the note payable are as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 429,847	\$ 128,657	\$ 558,504
2026	444,892	113,349	558,241
2027	460,463	97,505	557,968
2028	476,579	81,107	557,686
2029	493,259	64,135	557,394
2030-2032	1,585,800	84,528	1,670,328
Totals	<u>\$ 3,890,840</u>	<u>\$ 569,281</u>	<u>\$ 4,460,121</u>

Finance Purchase Arrangements – direct borrowing

In November, 2011, the City entered into a finance purchase arrangement with Bank of America to design and construct an energy efficient tracker system for the City's wastewater treatment plant. The purchase price of this project is \$4,325,556, with annual payments in varying amounts including interest at 3.33% commencing on July 8, 2012 with a final payment in July, 2026. The balance outstanding as of June 30, 2024 was \$999,544.

Significant terms that pertain to the 2011 Finance Purchase Arrangement are as follows. If the City fails to make the payment of principal or interest when due and payable; if the City fails to observe and perform any of the covenants, agreements, or conditions required in the agreement; if the City had a statement, representation, or warranty that was proven to be false, incorrect, misleading, or breached; if the City defaults on any other agreement for borrowing money, lease financing of property, or other credit under which the City is an obligor; if the City files a petition or answer seeking reorganization or arrangement under the Federal bankruptcy laws; the City shall be considered in default. In the event of a default, the Lessor may take whatever action necessary or desirable to collect each rental payment as they become due and payable, or they may enter the premises where the equipment is located and retake possession or they may take whatever action at law or in equity may appear necessary or desirable to enforce. The collateral pledged for the lease is the equipment noted in the capital lease.

City of Hanford

Notes to the Financial Statements For the Year Ended June 30, 2024

NOTE 5 - LONG-TERM DEBT (Continued)

Business-type Activities (Continued)

The annual debt service requirements for the 2011 Finance Purchase Arrangement outstanding on June 30, 2024 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 302,640	\$ 33,285	\$ 335,925
2026	332,549	23,207	355,756
2027	364,355	12,133	376,488
Totals	<u>\$ 999,544</u>	<u>\$ 68,625</u>	<u>\$ 1,068,169</u>

In March 2014, the City entered into a finance purchase arrangement with Bank of America National Association to design and construct a solar photovoltaic energy system using an energy service contract with Chevron Energy Solutions Company for several facilities throughout the City. The purchase price of this contract is \$8,495,138, with semi-annual payments in varying amounts including interest at 3.54% commencing on October 26, 2014 with a final payment in April, 2029. The balance outstanding as of June 30, 2024 was \$4,411,480.

Significant terms that pertain to the 2014 Finance Purchase Arrangement are as follows. If the City fails to make the payment of principal or interest within 10 days after the date when due; if the City fails to observe and perform any of the covenants, agreements, or conditions required in the agreement; if the City had a statement, representation, or warranty that was proven to be false, incorrect, misleading, or breached; if the City defaults on any other agreement for borrowing money, lease financing of property, or other credit under which the City is an obligor; the City shall be considered in default. In the event of a default, the Lessor may take whatever action necessary or desirable to collect each rental payment as they become due and payable or they may enter the premises where the equipment is located and retake possession or they may take whatever action at law or in equity may appear necessary or desirable to enforce. The collateral pledged for the lease is the equipment noted in the capital lease.

The annual debt service requirements for the 2014 Finance Purchase Arrangement outstanding on June 30, 2024 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 725,344	\$ 149,803	\$ 875,147
2026	798,858	123,481	922,339
2027	877,195	94,514	971,709
2028	960,630	62,730	1,023,360
2029	1,049,453	27,946	1,077,399
Totals	<u>\$ 4,411,480</u>	<u>\$ 458,474</u>	<u>\$ 4,869,954</u>

City of Hanford

Notes to the Financial Statements For the Year Ended June 30, 2024

NOTE 5 - LONG-TERM DEBT (Continued)

Business-type Activities (Continued)

Leases Payable

The City entered into a lease agreements for the use of equipment. The lease agreement ranges from 12 to 60 months. The City is required to make annual fixed payments ranging from \$5,814 to \$6,291. The agreement has an interest rate of 2.63%. As of June 30, 2024, the City had total outstanding lease payable of \$20,742 and right to use asset of \$20,466, net of amortization.

The future principal and interest lease payments as of June 30, 2024, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 4,983	\$ 470	\$ 5,453
2026	5,115	336	5,451
2027	5,252	199	5,451
2028	5,392	59	5,451
Totals	<u>\$ 20,742</u>	<u>\$ 1,064</u>	<u>\$ 21,806</u>

NOTE 6 - LEASE RECEIVABLE

Lease Receivables

The City has entered into various lease agreement as the lessor. The leases range from 12 to 108 months. The lessees are required to make monthly fixed payments ranging from \$3,511 to \$90,643. The leases have interest rates ranging from 0.2% to 2.63%. The combined value of lease receivables and deferred inflow of resources as of June 30, 2024 was \$1,456,518 and \$1,384,373, respectively. In addition, the City recognized lease revenue of \$248,359 during the fiscal year related to these leases.

Payments for the lease receivables are expected to be received in the following subsequent years:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 293,103	\$ 17,940	\$ 311,043
2026	242,412	13,307	255,719
2027	252,666	8,886	261,552
2028	263,322	4,292	267,614
2029	143,872	786	144,658
2030-2033	261,143	1,131	262,274
Totals	<u>\$ 1,456,518</u>	<u>\$ 46,342</u>	<u>\$ 1,502,860</u>

**Notes to the Financial Statements
For the Year Ended June 30, 2024**

NOTE 7 - CHANGES IN OTHER LONG-TERM LIABILITIES

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year
Governmental Activities					
Compensated absences	\$ 1,433,064	\$ 528,430	\$ (545,519)	\$ 1,415,975	\$ 360,581
Total Governmental Activities	\$ 1,433,064	\$ 528,430	\$ (545,519)	\$ 1,415,975	\$ 360,581
Business-type Activities					
Compensated absences	\$ 307,123	\$ 135,702	\$ (123,959)	\$ 318,866	\$ 39,483
Total Business-type Activities	\$ 307,123	\$ 135,702	\$ (123,959)	\$ 318,866	\$ 39,483

Compensated Absences

The City accounts for compensated absences (unpaid vacation, sick leave, and compensatory time) in accordance with generally accepted accounting principles. In governmental funds, compensated absences are recorded as expenditures in the year paid, as it is the City’s intention to liquidate any unpaid compensated absences as of June 30 from future resources, rather than current available financial resources. Accordingly, the unpaid liability for governmental funds is recorded in the government-wide statement of net assets. The General Fund typically liquidates governmental funds compensated absences.

NOTE 8 - PENSION PLAN

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan or PERF C) administered by the California Public Employees’ Retirement System (CalPERS.) The Plan consists of a miscellaneous pool and a safety pool (also referred to as “risk pools”), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under generally accepted accounting principles. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City participates in three rate plans (one miscellaneous and two safety). The miscellaneous plan is an agent multiple-employer plan and the police and fire safety plans are cost-sharing multiple employer plans. Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS’ website, at www.calpers.ca.gov.

NOTE 8 - PENSION PLAN (Continued)

Benefits Provided (Continued)

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 5 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 each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

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City of Hanford

**Notes to the Financial Statements
For the Year Ended June 30, 2024**

NOTE 8 - PENSION PLAN (Continued)

Benefits Provided (Continued)

The Plan's provisions and benefits in effect as of June 30, 2024, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	PEPRA
		On or After January 1, 2013
Benefit formula	3.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years' service	5 years' service
Benefit payments	monthly for life	monthly for life
Retirement age	50	52
Monthly benefits as a % of eligible compensation	2.000% - 3.000%	1.000% - 2.500%
Required employee contribution rates	8.00%	7.50%
Required employer contribution rates	14.04%	8.25%
	Safety Police	
	Prior to January 1, 2013	PEPRA
		On or After January 1, 2013
Benefit formula	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years' service	5 years' service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50
Monthly benefits as a % of eligible compensation	2.400%-3.000%	2.000% - 2.700%
Required employee contribution rates	9.00%	13.75%
Required employer contribution rates	26.11%	14.50%
	Safety Fire	
	Prior to January 1, 2013	PEPRA
		On or After January 1, 2013
Benefit formula	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years' service	5 years' service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50
Monthly benefits as a % of eligible compensation	2.400%-3.000%	2.000% - 2.700%
Required employee contribution rates	9.00%	13.75%
Required employer contribution rates	26.11%	14.50%

**Notes to the Financial Statements
For the Year Ended June 30, 2024**

NOTE 8 - PENSION PLAN (Continued)

As of the June 30, 2022 actuarial valuation, the following current and former City employees were covered by the agent-multiple employer miscellaneous plan:

Inactive employees or beneficiaries currently receiving benefits	220
Inactive employees entitled to but not yet receiving benefits	206
Active employees	191
Total	<u>617</u>

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2024, were \$1,897,812 for the Miscellaneous plan and \$2,004,715 for the Safety plan. The actual employer payments of \$2,442,956 made to CalPERS by the City for the Safety plan during the measurement period ended June 30, 2023 differed from the City's proportionate share of the employer's contributions of \$4,182,755 by \$1,739,799, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

Net Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

**Notes to the Financial Statements
For the Year Ended June 30, 2024**

NOTE 8 - PENSION PLAN (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2022 valuation was rolled forward to determine the June 30, 2023 total pension liability, based on the following actuarial methods and assumptions:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Actuarial cost method	Entry Age Actuarial Cost Method
Asset valuation method	Fair value of assets
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies by Entry Age and Service
Mortality rate table ⁽¹⁾	Derived using CalPERS' membership data for all funds
Post retirement benefit	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

⁽¹⁾ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 Experience Study report from November 2021 that can be found on the CalPERS website.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

**Notes to the Financial Statements
For the Year Ended June 30, 2024**

NOTE 8 - PENSION PLAN (Continued)

The expected real rates of return by asset class are as follows:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return^{1,2}</u>
Global equity - cap-weighted	30.00%	4.54%
Global equity - non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021 Asset Liability Management study.

Change of Assumptions

There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (June 30, 2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Hanford

**Notes to the Financial Statements
For the Year Ended June 30, 2024**

NOTE 8 - PENSION PLAN (Continued)

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Pension Plan Fiduciary Net Position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

Proportionate Share of Net Pension Liability

The following table shows the Safety Plan's proportionate share of the net pension liability over the measurement period.

	Miscellaneous	Safety
Proportion - June 30, 2022	N/A	0.16430%
Proportion - June 30, 2023	N/A	0.15592%
Change - Increase (Decrease)	N/A	<u>-0.00838%</u>

The City's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov. The City's proportionate share of the net pension liability/(asset) for the Safety Plan as of June 30, 2022 and 2023 measurement dates was as follows:

	Increase(Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Safety			
Balance at: 6/30/22 (Valuation date)	\$ 108,292,236	\$ 97,002,100	\$ 11,290,136
Balance at: 6/30/23 (Measurement date)	116,617,770	104,962,766	11,655,004
Net changes during 2022-2023	<u>\$ 8,325,534</u>	<u>\$ 7,960,666</u>	<u>\$ 364,868</u>

City of Hanford

**Notes to the Financial Statements
For the Year Ended June 30, 2024**

NOTE 8 - PENSION PLAN (Continued)

Change in agent-multiple employer plan

The following table shows the changes in net pension liability of the Miscellaneous Plan over the measurement period:

	Increase (Decrease)		Net Pension Liability / (Asset) (c) = (a) - (b)
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	
Balance at: 6/30/2022 (VD)	<u>\$ 123,327,742</u>	<u>\$ 111,300,142</u>	<u>\$ 12,027,600</u>
Changes recognized for the measurement period:			
Service cost	2,525,214	-	2,525,214
Interest on the Total Pension Liability	8,376,796	-	8,376,796
Changes of assumptions	133,790	-	133,790
Differences between expected and actual experience	(34,421)	-	(34,421)
Net plan to plan resource movement	-	52,804	(52,804)
Contributions from the employer	-	2,415,486	(2,415,486)
Contributions from employees	-	1,006,834	(1,006,834)
Net investment income	-	6,736,220	(6,736,220)
Benefit payments, including refunds of employee contributions	(6,573,779)	(6,573,779)	-
Administrative expense	-	(81,845)	81,845
Other miscellaneous income/(expense) ¹	-	-	-
Net Changes during 2022-23	<u>4,427,600</u>	<u>3,555,720</u>	<u>871,880</u>
Balance at: 6/30/2023 (MD)	<u>\$ 127,755,342</u>	<u>\$ 114,855,862</u>	<u>\$ 12,899,480</u>

¹ During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

**Notes to the Financial Statements
For the Year Ended June 30, 2024**

NOTE 8 - PENSION PLAN (Continued)

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

The following presents the City's net pension liabilities as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

	Miscellaneous	Safety
1% Decrease	5.90%	5.90%
Net Pension Liability	\$ 30,227,311	\$ 27,652,887
Current Discount Rate	6.90%	6.90%
Net Pension Liability	\$ 12,899,480	\$ 11,655,004
1% Increase	7.90%	7.90%
Net Pension Liability/(Asset)	\$ (1,326,066)	\$ (1,424,404)

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5-year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lives (EARSL) of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for PERF C for the measurement period ending June 30, 2023 is 3.8 years, which was obtained by dividing the total service years of 600,538 (the sum of remaining service lifetimes of the active employees) by 160,073 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

City of Hanford

**Notes to the Financial Statements
For the Year Ended June 30, 2024**

NOTE 8 - PENSION PLAN (Continued)

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

As of the start of the measurement period (July 1, 2022), the City's net pension liabilities were \$12,027,600 and \$11,290,136, for the Miscellaneous and Safety plans, respectively. For the measurement period ending June 30, 2023 (the measurement date), the City incurred a pension expense of \$3,577,031 and \$3,962,306 for the Miscellaneous and Safety Plans, respectively. The pension expense of the Miscellaneous Plan was as follows:

Description	Amount
Service cost	\$ 2,525,214
Interest on total pension liability	8,376,796
Changes in benefit terms	133,790
Recognized changes of assumptions	483,691
Recognized differences between expected and actual experience	(513,003)
Net plan to plan movement	(52,804)
Employee contributions	(1,006,834)
Projected earnings on pension plan investments	(7,565,601)
Recognized difference between projected and actual earnings on plan investments	1,113,937
Administrative expense	81,845
Total pension expense	<u>\$ 3,577,031</u>

As of June 30, 2024, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

Miscellaneous Plan		
	Deferred Outflows	Deferred Inflows
Changes of assumptions	\$ 919,011	\$ -
Differences between expected and actual experiences	-	738,707
Net differences between projected and actual earnings on investments	5,254,517	-
Pension contributions subsequent to measurement date	1,897,812	-
Total	<u>\$ 8,071,340</u>	<u>\$ 738,707</u>
Safety Plan		
	Deferred Outflows	Deferred Inflows
Changes in assumptions	\$ 680,202	\$ -
Differences between expected and actual experience	782,436	-
Net differences between projected and actual earnings on investments	1,594,984	-
Adjustment due to differences in proportions	5,956,213	-
Change in employer's proportion	-	9,745,451
Pension contributions subsequent to measurement date	2,004,715	-
Total	<u>\$ 11,018,550</u>	<u>\$ 9,745,451</u>

**Notes to the Financial Statements
For the Year Ended June 30, 2024**

NOTE 8 - PENSION PLAN (Continued)

*Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions
(Continued)*

The amounts above are net of outflows and inflows recognized in the 2022-23 measurement period expense. Contributions subsequent to the measurement date of \$1,897,812 and \$2,004,715, for the Miscellaneous and Safety Plans, respectively reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

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

Fiscal year ended June 30	Deferred Outflows (Inflows) of Resources	
	Miscellaneous Plan	Safety Plan
2025	\$ 1,071,632	\$ (735,811)
2026	789,719	(749,796)
2027	3,407,593	709,471
2028	165,877	44,520
Total	<u>\$ 5,434,821</u>	<u>\$ (731,616)</u>

Payable to the Pension Plan

The City had no outstanding amounts owed to the pension plan for contributions for the year ended June 30, 2024.

NOTE 9 - POST EMPLOYMENT HEALTH CARE BENEFITS

Plan Description: the City participates in the CalPERS medical program under the Public Employees’ Medical and Hospital and Care Act (PEMHCA). As such, the City is obligated to contribute toward the cost of retiree medical coverage for the retiree’s lifetime or until coverage is discontinued. The City has selected the equal contribution method, where it resolves to contribute the same amount for retirees as is contributed toward active employee medical plan coverage. The City currently pays the minimum employer contribution (MEC) for both active and retired employees as well as their survivors, if covered at the time of the employees’ death. The MEC is \$119 per month for 2024. The plan does not issue separate standalone financial statements.

Dental insurance is available to retired employees as well, though the cost of coverage is paid entirely by the retiree. Once the retiree reaches age 65 the City no longer allows the retiree to stay on the dental plan.

The above coverage is available for employees who satisfy the requirements for retirement under CalPERS (attained age 50 with 5 years of State or public agency service or approved disability retirement). An employee cannot terminate employment before meeting the age condition and be entitled to receive benefits. As of January 1, 2016, the City terminated its healthcare contract with CalPERS. No future retirees are eligible for healthcare coverage or benefits from the City toward the cost of retiree medical coverage.

City of Hanford

Notes to the Financial Statements For the Year Ended June 30, 2024

NOTE 9 - POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)

Employees Covered

As of the June 30, 2023 actuarial valuation, the following current and former City employees were covered by the OPEB plan membership:

Inactive employees or beneficiaries currently receiving benefit payments	43
Inactive employees entitled to, but not yet receiving benefits	1
Active employees	291
Total employees covered by the OPEB plan membership	<u>335</u>

Contributions

Currently the City funds retiree healthcare benefits on a pay-as-you-go basis, paying a maximum of \$119 per month for retiree benefits from the City funds as they are due with no prefunding for future years. The City recognizes expenditures for its share of the annual premiums as these benefits become due. For fiscal year 2023-2024, the City paid approximately \$45,696 for benefits of 44 retirees or their beneficiaries receiving benefits.

Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023, based on the following actuarial methods and assumptions.

Valuation Date	June 30, 2023
Funding Method	Entry Age Normal Cost, level of pay
Asset Valuation Method	Fair value of assets
Discount Rate	3.97% as of June 30, 2024 3.86% as of June 30, 2023
Participants Valued	Only current active employees, retired participants and covered dependents are valued. No future entrants are
Salary Increase	3.0% per year. Since benefits do not depend on salary, this is used to allocate the cost of benefits between service years.
General Inflation Rate	2.5% per year
Mortality	CalPERS 2021 Experienced Study
Mortality Improvement	MacLeod Watts Scale 2022 applied generationally from 2022
Healthcare Trend	6.8% in 2024, step down to 3.9% by 2076

City of Hanford

**Notes to the Financial Statements
For the Year Ended June 30, 2024**

NOTE 9 - POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 3.97 percent. The projection of the cash flows used to determine the discount rate assumed that the City contributions will be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the OPEB City's net position was projected to be available to make all projected OPEB payments for inactive employees and beneficiaries based on the "pay as you go" annual contributions.

Changes in the total OPEB Liability

The change in the total OPEB liability for the year ended June 30, 2024 is as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2023 (6/30/23 measurement date)	\$ 3,938,192	\$ -	\$ 3,938,192
Changes in the year:			
Service cost	288,001	-	288,001
Interest	159,742	-	159,742
Employer contribution	-	175,583	(175,583)
Benefit payments	(175,583)	(175,583)	-
Changes in assumptions	(41,334)	-	(41,334)
Net change	230,826	-	230,826
Balance at June 30, 2024 (6/30/24 measurement date)	\$ 4,169,018	\$ -	\$ 4,169,018

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

The following presents the total OPEB liability of the Plan as of the measurement date, calculated using the discount rate of 3.97%, if it were calculated using a discount rate that is 1 percentage-point lower (2.97%) or 1 percentage-point higher (4.97%) than the current rate:

	Discount Rate	Current Discount Rate	Discount Rate
	-1% (2.97%)	3.97%	+1% (4.97%)
Total OPEB Liability	\$ 4,561,126	\$ 4,169,018	\$ 3,812,283

City of Hanford

**Notes to the Financial Statements
For the Year Ended June 30, 2024**

NOTE 9 - POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)

Change in Assumptions

The discount rate changed from a rate of 3.86% on June 30, 2023, to a rate of 3.97% on June 30, 2024.

Sensitivity of the total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability of the Plan if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 3,740,354	\$ 4,169,018	\$ 4,679,812

OPEB Expense

As of the start of the measurement period (July 1, 2023), the total OPEB liability was \$3,938,192. For the measurement period ended June 30, 2024 (the measurement date), the City incurred an OPEB expense of \$631,671. The pension expense was as follows:

OPEB Expense	\$ 631,671
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As of June 30, 2024, the City has deferred outflows and deferred inflows of resources related to the total OPEB liability as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 668,070	\$ 113,939
Changes in assumptions or other inputs	1,090,600	634,245
Total	\$ 1,758,670	\$ 748,184

**Notes to the Financial Statements
For the Year Ended June 30, 2024**

NOTE 9 - POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)

OPEB Expense (Continued)

Other amounts reported as deferred inflows of resources related to pensions will be recognized in the future pension expense as follows:

Fiscal Year ended June 30,	Recognized Net Deferred Outflows (Inflows) of Resources
2025	\$ 183,928
2026	183,928
2027	183,928
2028	183,928
2029	183,928
Thereafter	90,846
	<u>\$ 1,010,486</u>

NOTE 10 - RISK MANAGEMENT

The City participates in a public entity risk pool for workers' compensation and general liability insurance above our self-insured retention limits. For workers' compensation, the City is individually liable for claims up to \$250,000 per occurrence. Coverage in excess of the City's self-insured retention is then obtained through Public Risk Innovation, Solutions, and Management (PRISM) excess workers' compensation program up to the statutory limits. The City participates in a risk pool for general liability claims through PRISM above the City's self-insured retention of \$100,000 up to \$25,000,000 per occurrence, subject to certain exclusions. For both excess workers' compensation and general liability covered occurrences, PRISM coordinates reimbursement of costs incurred for covered actions in excess of each member's self-insured retention. While there were no reductions in excess coverage from the prior year and there were no settlements that exceeded excess pool layer of coverage for the past three fiscal years, given marketing challenges in California, additional coverage exclusions continue to apply.

The City participates in a number of supplemental insurance programs through Alliant. Alliant Property Insurance Program (APIP) is for city owned buildings and structures. In 2022 a city-wide site inspection was conducted to appraise city owned buildings and structures. The APIP deductible is \$10,000.00 per covered occurrence. APIP insurance includes elected coverage for Boiler & Machinery, Cyber Security, and Pollution Coverage. Claim reporting timeframe limitations apply to both Cyber Coverage and Pollution Coverage policies.

Also, the City participate in Alliant's Motor Vehicle Program (AMVP) in an effort to reduce the loss of replacement values for approximately 90 City owned vehicles and equipment.

Worker's compensation and general liability claims incurred prior to July 1, 2012 were covered through the City's participation in the Central San Joaquin Valley Risk Management Authority (CSJVRMA), a public entity risk pool.

City of Hanford

**Notes to the Financial Statements
For the Year Ended June 30, 2024**

NOTE 11 - INTERFUND TRANSACTIONS

Interfund transactions are reported as either loans, service 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 or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

As of June 30, 2024 the City interfund due from/to other funds were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Governmental Funds		
General Fund	\$ 2,311,944	\$ -
CDBG Home/Housing Fund		
Non-major funds	-	207,346
Proprietary Funds		
Refuse	-	1,890,481
Non-major funds	-	214,117
Total	<u>\$ 2,311,944</u>	<u>\$ 2,311,944</u>

These balances are to cover deficit cash balances and for short-term loans.

As of June 30, 2024 the City's interfund advances to/from other funds were as follows:

	<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>
Governmental Funds		
Capital Projects Fund	\$ 1,659,026	\$ -
Proprietary Funds		
Non-major enterprise funds		
Airport fund	-	375,468
Intermodal fund	-	261,224
Courthouse square	-	1,022,334
Total	<u>\$ 1,659,026</u>	<u>\$ 1,659,026</u>

These balances are for long-term financing between funds.

City of Hanford

**Notes to the Financial Statements
For the Year Ended June 30, 2024**

NOTE 11 - INTERFUND TRANSACTIONS (Continued)

Interfund transfers consist of operating transfers from funds receiving resources to funds through which the resources are to be expended. Interfund transfers for the year-ended June 30, 2024 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds		
General Fund	\$ 1,817,486	\$ 1,318,520
CDBG Home/Housing Fund	-	155,640
ARPA Fund	-	833,334
Non-major Governmental Funds	359,387	1,001,663
Proprietary Funds		
Water System Fund	252,903	-
Wastewater Fund	-	28,125
Refuse Fund	934,839	-
Non-major enterprise fund types		
Airport Fund	-	5,012
Risk Management Fund	-	11,428
Building Fund	-	50,024
Fleet Management Fund	992,504	953,373
Total	<u>\$ 4,357,119</u>	<u>\$ 4,357,119</u>

These balances are for funding of capital projects, operating expenses and debt service payments.

NOTE 12 - DEFICIT FUND BALANCE/NET POSITION

The American Rescue Plan Act Fund has a fund balance deficit of \$146,712, mainly attributable to the unearned revenues. The deficient will be recovered as the City continues to spend and earn the revenue.

The Courthouse Square Fund has a fund balance deficit of \$1,234,767, mainly attributable to the due to other funds balance. The deficit will be recovered through grant support received from other government agencies.

**Notes to the Financial Statements
For the Year Ended June 30, 2024**

NOTE 13 - EXCESS EXPENDITURES OVER APPROPRIATIONS

For the fiscal year ended June 30, 2024, expenditures exceeded appropriations as follows:

Major Funds:		
General Fund		
Public works	\$	(68,831)
Debt service - principal		(102,953)
Debt service - interest		(16,175)
Transportation Development Act Fund		
General government		(1,229)
Non-major Funds:		
Park Impact Fees		
General government		(857)
Parking Fund		
General government		(175)
Downtown Reinvestment Fund		
General government		(5)
City Housing Fund		
General government		(15)
Central Parking and Business Improvement Fund		
General government		(43)
Fire Protection Impact Fees		
General government		(321)
Traffic Safety		
General government		(69)
State Gas Tax Fund		
General government		(2,203)
Transportation Impact Fees		
General government		(1,961)
Cannabis Operation		
Community development		(25,000)
Capital Projects		
General government		(7,936)

City of Hanford

Notes to the Financial Statements For the Year Ended June 30, 2024

NOTE 14 - NET POSITION

Net Investments in Capital Assets

Net position for governmental activities and business-type activities is classified as 1) net investments in capital assets, 2) restricted or 3) unrestricted. Net position that was classified as net investments in capital assets as of June 30, 2024, was determined as follows:

	Governmental Activities
Capital assets, net of accumulated depreciation	\$ 166,185,429
Less: Lease liability	(638,867)
Subscription liability	(178,371)
	<u>\$ 165,368,191</u>

	Business-type Activities				Non-major Enterprise Funds	Total Enterprise Funds
	Water System Fund	Wastewater Fund	Storm Drain Fund	Refuse Fund		
Capital assets, net of accumulated depreciation	\$ 54,346,048	\$ 53,022,768	\$ 22,947,657	\$ 6,322,922	\$ 7,021,128	\$ 143,660,523
Less capital related debt balances:						
Outstanding principal balance of:						
Bonds payable	(4,125,000)	(8,600,000)	-	-	-	(12,725,000)
Finance lease	(4,411,478)	(999,546)	-	-	-	(5,411,024)
Note payable	-	(3,890,840)	-	-	-	(3,890,840)
Unamortized bond premium	(108,943)	(300,868)	-	-	-	(409,811)
Lease payable	(20,742)	-	-	-	-	(20,742)
Net investment in capital assets	<u>\$ 45,679,885</u>	<u>\$ 39,231,514</u>	<u>\$ 22,947,657</u>	<u>\$ 6,322,922</u>	<u>\$ 7,021,128</u>	<u>\$ 121,203,106</u>

**REQUIRED SUPPLEMENTARY
INFORMATION**

**Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Last Ten Fiscal Years**

Miscellaneous Plan

Fiscal Year	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 2,525,214	\$ 2,629,757	\$ 2,307,283	\$ 2,151,214	\$ 2,064,352	\$ 2,105,925	\$ 2,090,309	\$ 1,914,877	\$ 1,859,399	\$ 1,803,855
Interest	8,376,796	8,080,540	8,011,156	7,725,010	7,440,145	7,031,320	7,021,932	6,976,069	6,689,193	6,381,234
Change in benefit terms	133,790	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(34,421)	(1,259,145)	(436,335)	(410,579)	1,398,071	(1,511,015)	(3,768,183)	(831,190)	(443,007)	-
Changes in assumptions	-	1,886,393	-	-	-	(3,087,527)	6,006,913	-	(1,698,571)	-
Benefit payments, including refunds of employees contributions	(6,573,779)	(6,353,883)	(5,729,725)	(5,302,018)	(5,004,441)	(4,588,971)	(4,191,413)	(4,206,587)	(3,783,672)	(3,644,252)
Net change in total pension liability	4,427,600	4,983,662	4,152,379	4,163,627	5,898,127	(50,268)	7,159,558	3,853,169	2,623,342	4,540,837
Total pension liability- beginning	123,327,742	118,344,080	114,191,701	110,028,074	104,129,947	104,180,215	97,020,657	93,167,488	90,544,146	86,003,309
Total pension liability-ending (a)	127,755,342	123,327,742	118,344,080	114,191,701	110,028,074	104,129,947	104,180,215	97,020,657	93,167,488	90,544,146
Plan Fiduciary Net Position										
Contributions-employer	2,415,486	15,804,838	4,300,785	4,072,920	3,791,023	3,415,348	3,213,198	295,917	2,937,484	2,451,408
Contributions-employees	1,006,834	903,798	908,516	852,662	874,603	796,926	760,087	709,460	712,929	686,870
Net plan to plan resource movement	52,804	(52,804)	-	-	-	(188)	-	-	-	-
Net investment income	6,736,220	(8,335,831)	20,183,976	4,294,558	5,316,832	6,405,074	7,625,528	366,113	1,494,371	10,020,177
Benefit payments	(6,573,779)	(6,353,883)	(5,729,725)	(5,302,018)	(5,004,441)	(4,588,971)	(4,191,413)	(4,206,587)	(3,783,672)	(3,644,252)
Administrative expense	(81,845)	(68,151)	(89,733)	(121,281)	(57,883)	(340,724)	(100,570)	(41,645)	(76,906)	-
Other miscellaneous income/(expense)	-	-	-	-	186	-	-	-	-	-
Net change in plan fiduciary net position	3,555,720	1,897,967	19,573,819	3,796,841	4,920,320	5,687,465	7,306,830	(2,876,742)	1,284,206	9,514,203
Total plan fiduciary net position-beginning	111,300,142	109,402,175	89,828,356	86,031,515	81,111,195	75,423,730	68,116,900	68,331,642	67,147,436	57,633,233
Total plan fiduciary net position-ending (b)	114,855,862	111,300,142	109,402,175	89,828,356	86,031,515	81,111,195	75,423,730	65,454,900	68,431,642	67,147,436
Net pension liability-ending (a)-(b)	\$ 12,899,480	\$ 12,027,600	\$ 8,941,905	\$ 24,363,345	\$ 23,996,559	\$ 23,018,752	\$ 28,756,485	\$ 31,565,757	\$ 24,735,846	\$ 23,396,710
Plan fiduciary net position as a percentage of the total pension liability	89.90%	90.25%	92.44%	78.66%	78.19%	77.39%	72.40%	70.21%	73.34%	74.16%
City's covered-employee payroll	\$ 13,183,736	\$ 12,146,682	\$ 11,735,924	\$ 10,586,681	\$ 10,064,610	\$ 10,080,535	\$ 9,434,933	\$ 9,643,787	\$ 9,090,194	\$ 8,260,542
Net pension liability as a percentage of covered-employee payroll	97.84%	99.02%	76.19%	230.13%	238.43%	228.35%	304.79%	299.71%	273.22%	283.23%

1 Net of administrative expenses.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the measurement date. However, offers of Two Years/Additional Service Credit (a.k.a Golden Handshakes) that occurred after the valuation date are not included in the figures above unless the liability impacts is deemed to be material by the plan actuary.

Changes of assumptions: There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (June 30, 2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014.

*The pension schedules are required to show ten years of data and the additional years' information will be displayed as it becomes available

City of Hanford

**Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years**

Safety Plan

Measurement Date	Employer's Proportion of the Collective Net Pension Liability (Asset) ¹	Employer's Proportion Share of the Collective Net Pension Liability (Asset)	Covered Payroll	Employer's Proportionate Share of the Collection Net Pension Liability (Asset) as a Percentage of Covered Payroll	Pension's Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
6/30/2014	0.2402%	\$ 14,946,492	\$ 5,581,396	267.79%	77.21%
6/30/2015	0.2194%	14,547,172	6,602,409	220.33%	78.71%
6/30/2016	0.2137%	18,487,608	6,897,272	268.04%	74.41%
6/30/2017	0.2115%	20,972,245	6,409,767	327.19%	74.07%
6/30/2018	0.2153%	20,744,090	6,692,475	309.96%	75.73%
6/30/2019	0.2161%	22,146,339	6,673,847	331.84%	75.21%
6/30/2020	0.2249%	24,469,454	6,889,321	355.18%	74.04%
6/30/2021	0.3957%	13,888,402	9,140,252	151.95%	86.06%
6/30/2022	0.1643%	11,290,136	8,109,211	139.23%	90.25%
6/30/2023	0.1559%	11,655,004	8,109,211	143.73%	89.90%

*The pension schedules are required to show ten years of data and the additional years' information will be displayed as it becomes available

¹ Proportion of the net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

City of Hanford

Required Supplementary Information Schedule of Plan Contributions Last Ten Years*

Miscellaneous Plan

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 2,415,486	\$ 4,261,698	\$ 4,300,785	\$ 4,072,920	\$ 3,791,023	\$ 3,415,348	\$ 3,213,198	\$ 2,957,917	\$ 2,837,484	\$ 2,451,408
Contributions in relation to the actuarially determined contribution	(2,415,486)	(15,804,838)	(4,300,785)	(4,072,920)	(3,791,023)	(3,415,348)	(3,213,198)	(2,957,917)	(2,837,484)	(2,451,408)
Contribution deficiency (excess)	\$ -	\$ (11,543,140)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 13,183,736	\$ 12,146,682	\$ 11,735,924	\$ 10,586,681	\$ 10,064,610	\$ 10,080,535	\$ 9,434,933	\$ 9,643,787	\$ 9,090,194	\$ 8,260,542
Contributions as a percentage of covered-employee payroll	20.61%	130.12%	36.65%	38.47%	37.67%	33.88%	34.06%	30.67%	31.21%	29.68%

Safety Plan

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 2,004,715	\$ 2,422,956	\$ 22,748,720	\$ 4,062,968	\$ 3,451,832	\$ 3,067,990	\$ 3,064,625	\$ 3,728,697	\$ 2,859,367	\$ 1,937,233
Contributions in relation to the actuarially determined contribution	(2,004,715)	(2,422,956)	(22,748,720)	(4,062,968)	(3,451,832)	(3,067,990)	(3,064,625)	(3,728,697)	(2,859,367)	(1,937,233)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 8,835,591	\$ 8,109,211	\$ 8,109,211	\$ 9,140,252	\$ 6,889,321	\$ 6,673,847	\$ 6,692,475	\$ 6,409,767	\$ 6,897,272	\$ 6,602,409
Contributions as a percentage of covered-employee payroll	22.69%	29.88%	280.53%	44.45%	50.10%	45.97%	45.79%	58.17%	41.46%	29.34%

Notes to Schedule:

Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

*The pension schedules are required to show ten years of data and the additional years' information will be displayed as it becomes available.

City of Hanford

Required Supplementary Information Schedule of Changes in Total OPEB Liability and Related Ratios Last Ten Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 288,001	\$ 235,139	\$ 310,994	\$ 120,203	\$ 105,251	\$ -	\$ -
Interest on total OPEB liability	159,742	151,238	88,810	63,027	74,534	47,002	50,391
Differences between expected and actual experience	-	(131,402)		283,719	(1,034,539)	1,034,539	-
Changes in assumptions	(41,334)	(100,260)	(699,772)	1,541,087	141,650	39,397	(6,734)
Benefit payments, including refunds of employee contributions	(175,583)	(159,927)	(142,193)	(149,569)	(136,950)	(153,422)	(168,043)
Net change in total OPEB liability	230,826	(5,212)	(442,161)	1,858,467	(850,054)	967,516	(124,386)
Total Net OPEB liability - beginning	3,938,192	3,943,404	4,385,565	2,527,098	2,342,613	1,375,097	1,499,483
Total Net OPEB liability- ending (a)	4,169,018	3,938,192	3,943,404	4,385,565	1,492,559	2,342,613	1,375,097
Plan Fiduciary Net Position							
Contributions- employer	175,583	154,219	142,193	149,569	136,950	153,422	168,043
Benefit payments	(175,583)	(154,219)	(142,193)	(149,569)	(136,950)	(153,422)	(168,043)
Net change in plan fiduciary net position	-	-	-	-	-	-	-
Total plan fiduciary net position - beginning	-	-	-	-	-	-	-
Total plan fiduciary net position - ending (b)	-	-	-	-	-	-	-
Net OPEB liability - ending (a)-(b)	<u>\$ 4,169,018</u>	<u>\$ 3,938,192</u>	<u>\$ 3,943,404</u>	<u>\$ 4,385,565</u>	<u>\$ 1,492,559</u>	<u>\$ 2,342,613</u>	<u>\$ 1,375,097</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%	0%	0%	0%	0%
City's covered-employee payroll	\$ 26,822,825	\$ 26,307,809	\$ 18,572,290	\$ 19,345,356	\$ 18,420,461	\$ 19,211,409	\$ -
Net OPEB liability as a percentage of covered-employee payroll	15.54%	14.97%	21.23%	22.67%	13.72%	12.19%	0%

Notes to Schedule:

*Historical information is required only for measurement periods for which GASB 75 applicable. Future years' information will be displayed up to ten years as information becomes available.

City of Hanford

Required Supplementary Information Schedule of Contributions – OPEB Last Ten Fiscal Years*

	2023	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 175,583	\$ 154,219	\$ 142,193	\$ 149,569	\$ 136,950	\$ 153,422	\$ 168,043
Contributions in relation to the actuarially determined contribution	(175,583)	(154,219)	(142,193)	(149,569)	(136,950)	(153,422)	(168,043)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 26,822,825	\$ 26,307,809	\$ 18,572,290	\$ 19,345,356	\$ 18,420,461	\$ 19,211,409	\$ -
Contributions as a percentage of covered-employee payroll	0.65%	0.59%	0.77%	0.77%	0.74%	0.80%	-

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-2022 were as follows for the June 30, 2021 measurement date actuarial valuations.

Valuation Date	June 30, 2023
Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation	Fair value of assets
Discount Rate	3.97% as of June 30, 2024 3.86% as of June 30, 2023
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.
Salary Increase	3.00% per year, since benefits do not depend on salary, this is used only to allocate the cost of benefits between service years.
General Inflation Rate	2.50% per year.
Mortality	CalPERS 2017 Experience Study
Mortality Improvement	MacLeod Watts 2022 Scale Generationally
Healthcare Trend	6.8% in 2024, step down to 3.9%% by 2076

*Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to ten years as information becomes available.

City of Hanford

Required Supplementary Information Budgetary Comparison Schedule – (GAAP Basis) General Fund For the Year Ended June 30, 2024

	General Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes and special assessments	\$ 33,177,780	\$ 33,177,780	\$ 33,745,197	\$ 567,417
Aid from other government agencies	1,109,500	2,876,361	8,365,595	5,489,234
Licenses and permits	47,700	47,700	86,270	38,570
Fines and forfeitures	118,500	118,500	132,724	14,224
Charges for services	2,452,410	2,452,410	2,991,009	538,599
Lease revenue	-	-	137,197	137,197
Revenue from use of money and property	62,800	62,800	694,590	631,790
Miscellaneous	8,500	8,500	73,625	65,125
Total revenues	<u>36,977,190</u>	<u>38,744,051</u>	<u>46,226,207</u>	<u>7,482,156</u>
EXPENDITURES				
Current:				
General government	4,052,623	4,907,348	3,781,636	1,125,712
Public safety	23,786,298	24,251,873	23,950,549	301,324
Public works	2,428,253	2,480,135	2,548,966	(68,831)
Recreation	4,741,662	8,410,212	4,995,392	3,414,820
Community development	1,099,055	1,099,055	963,665	135,390
Debt service:				
Principal	1,493,275	1,493,275	1,596,228	(102,953)
Interest	1,070,750	1,070,750	1,086,925	(16,175)
Capital outlay	52,292	10,133,615	6,073,304	4,060,311
Total expenditures	<u>38,724,208</u>	<u>53,846,263</u>	<u>44,996,665</u>	<u>8,849,598</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>(1,747,018)</u>	<u>(15,102,212)</u>	<u>1,229,542</u>	<u>16,331,754</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,129,334	2,129,334	1,817,486	(311,848)
Transfers out	(342,007)	(342,007)	(1,318,520)	(976,513)
Lease and other financing proceeds	-	-	675,857	675,857
Proceeds from sale of assets	-	-	18,741	18,741
Total other financing sources (uses)	<u>1,787,327</u>	<u>1,787,327</u>	<u>1,193,564</u>	<u>(593,763)</u>
Net change in fund balance	40,309	(13,314,885)	2,423,106	15,737,991
FUND BALANCE				
Beginning of year	<u>10,519,086</u>	<u>10,519,086</u>	<u>10,519,086</u>	<u>-</u>
End of year	<u>\$ 10,559,395</u>	<u>\$ (2,795,799)</u>	<u>\$ 12,942,192</u>	<u>\$ 15,737,991</u>

City of Hanford

**Required Supplementary Information
Budgetary Comparison Schedule – (GAAP Basis) CDBG Home/Housing Fund
For the Year Ended June 30, 2024**

	CDBG/Home/Housing Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual	
REVENUES				
Aid from other government agencies	\$ 1,095,000	\$ 1,095,000	\$ 625,740	\$ (469,260)
Revenue from use of money and property	83,150	83,150	(290,281)	(373,431)
Miscellaneous	360,000	360,000	1,193	(358,807)
Total revenues	<u>1,538,150</u>	<u>1,538,150</u>	<u>336,652</u>	<u>(1,201,498)</u>
EXPENDITURES				
Current:				
Community development	1,381,440	1,855,094	665,994	1,189,100
Total expenditures	<u>1,381,440</u>	<u>1,855,094</u>	<u>665,994</u>	<u>1,189,100</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>156,710</u>	<u>(316,944)</u>	<u>(329,342)</u>	<u>(12,398)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(400,000)</u>	<u>(400,000)</u>	<u>(155,640)</u>	<u>244,360</u>
Total other financing sources (uses)	<u>(400,000)</u>	<u>(400,000)</u>	<u>(155,640)</u>	<u>244,360</u>
Net change in fund balance	(243,290)	(716,944)	(484,982)	231,962
FUND BALANCE				
Beginning of year	<u>20,824,947</u>	<u>20,824,947</u>	<u>20,824,947</u>	<u>-</u>
End of year	<u>\$ 20,581,657</u>	<u>\$ 20,108,003</u>	<u>\$ 20,339,965</u>	<u>\$ 231,962</u>

City of Hanford

**Required Supplementary Information
Budgetary Comparison Schedule – (GAAP Basis) Transportation Development Act Fund
For the Year Ended June 30, 2024**

	<u>Transportation Development Act Fund</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual Amount</u>	
REVENUES				
Taxes and special assessments	\$ 821,000	\$ 821,000	\$ 1,213,113	\$ 392,113
Revenue from use of money and property	39,000	39,000	488,629	449,629
Total revenues	<u>860,000</u>	<u>860,000</u>	<u>1,701,742</u>	<u>841,742</u>
EXPENDITURES				
Current:				
General government	4,000	40,360	41,589	(1,229)
Capital outlay	-	402,743	239,075	163,668
Total expenditures	<u>4,000</u>	<u>443,103</u>	<u>280,664</u>	<u>162,439</u>
Net change in fund balance	856,000	416,897	1,421,078	1,004,181
FUND BALANCE				
Beginning of year	<u>7,529,400</u>	<u>7,529,400</u>	<u>7,529,400</u>	<u>-</u>
End of year	<u>\$ 8,385,400</u>	<u>\$ 7,946,297</u>	<u>\$ 8,950,478</u>	<u>\$ 1,004,181</u>

City of Hanford

**Required Supplementary Information
Budgetary Comparison Schedule – (GAAP Basis) American Rescue Plan Act Fund
For the Year Ended June 30, 2024**

	American Rescue Plan Act			Variance with Final Budget
	Original Budget	Final Budget	Actual	
REVENUES				
Aid from other government agencies	\$ 3,552,011	\$ 3,552,011	\$ 1,267,331	\$ (2,284,680)
Total revenues	<u>3,552,011</u>	<u>3,552,011</u>	<u>1,267,331</u>	<u>(2,284,680)</u>
EXPENDITURES				
Current:				
Community development	-	50,000	50,000	-
Capital outlay	-	5,321,625	383,997	4,937,628
Total expenditures	<u>-</u>	<u>5,371,625</u>	<u>433,997</u>	<u>4,937,628</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>3,552,011</u>	<u>(1,819,614)</u>	<u>833,334</u>	<u>2,652,948</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(833,334)</u>	<u>(833,334)</u>	<u>(833,334)</u>	<u>-</u>
Total other financing sources (uses)	<u>(833,334)</u>	<u>(833,334)</u>	<u>(833,334)</u>	<u>-</u>
Net change in fund balance	2,718,677	(2,652,948)	-	2,652,948
FUND BALANCE				
Beginning of year	<u>(146,712)</u>	<u>(146,712)</u>	<u>(146,712)</u>	<u>-</u>
End of year	<u>\$ 2,571,965</u>	<u>\$ (2,799,660)</u>	<u>\$ (146,712)</u>	<u>\$ 2,652,948</u>

City of Hanford

Notes to Budgetary Comparison Required Supplementary Information For the Year Ended June 30, 2024

Budget and Budgetary Accounting

The procedures established by the City Council in adopting the budgetary data are as follows:

On or before the second meeting in May, the City Manager submits to the City Council a proposed operating and capital projects budget for the fiscal year commencing the following July 1. Following publication and public hearings, the budget is legally enacted by resolution with a copy available on the City's website.

The City Manager is authorized to transfer funds appropriated with respect to all classifications within the same department. The City Manager may transfer appropriated funds from any classification within other expenditure categories to existing capital outlay and capital projects classifications within the same department only; however, any revisions that alter the total expenditures of any department or create additional projects must be approved by the City Council.

Supplemental budgetary appropriations were negligible for the fiscal year ended June 30, 2024. All unencumbered appropriations lapse at year-end. Budgets were legally adopted for all governmental funds with the exception of the Special Aviation Fund and Street Tree Committee Fund.

See note 1 for more information regarding the City's budgetary process.

Excess of expenditures over appropriations

<u>Fund</u>	<u>Amount</u>
Major Funds:	
General Fund	
Public works	\$ (68,831)
Debt service - principal	(102,953)

SUPPLEMENTARY INFORMATION

City of Hanford

**Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2024**

	Special Revenue				
	CMAQ Transportation Fund	Park Impact Fees	Parking Fund	Downtown Reinvestment Fund	Landscaping Assessment District
ASSETS					
Cash and investments	\$ -	\$ 5,876,629	\$ 480,199	\$ 166,532	\$ 1,704,678
Receivables:					
Accounts	167,521	110,758	-	-	558,505
Loans	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Total Assets	\$ 167,521	\$ 5,987,387	\$ 480,199	\$ 166,532	\$ 2,263,183
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 12,210	\$ -	\$ -	\$ 114,837
Accrued wages payable	-	-	-	-	-
Due to other funds	-	-	-	-	103,043
Total Liabilities	-	12,210	-	-	217,880
Fund Balances (deficit):					
Nonspendable:					
Loan receivable	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Restricted for:					
Streets and roads	167,521	-	-	-	-
Recreation	-	5,975,177	-	-	-
Landscape maintenance	-	-	-	-	2,045,303
Public safety	-	-	-	-	-
Committed for:					
Parking and business improvement	-	-	480,199	166,532	-
Community development	-	-	-	-	-
Cannabis	-	-	-	-	-
Total Fund Balances	167,521	5,975,177	480,199	166,532	2,045,303
Total Liabilities and Fund Balances	\$ 167,521	\$ 5,987,387	\$ 480,199	\$ 166,532	\$ 2,263,183

City of Hanford

**Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2024**

(continued)

	Special Revenue				
	City Housing Fund	Central Parking and Business Improvement	Fire Protection Impact Fees	Police Protection Impact Fees	Special Aviation
ASSETS					
Cash and investments	\$ 626,271	\$ 127,139	\$ 768,441	\$ -	\$ -
Receivables:					
Accounts	-	6,601	151,853	130,495	18,536
Loans	1,806,216	-	-	-	-
Prepaid expenses	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Total Assets	\$ 2,432,487	\$ 133,740	\$ 920,294	\$ 130,495	\$ 18,536
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 647	\$ -	\$ -	\$ -
Accrued wages payable	-	-	-	-	-
Due to other funds	-	-	-	104,303	-
Total Liabilities	-	647	-	104,303	-
Fund Balances (deficit):					
Nonspendable:					
Loan receivable	1,806,216	-	-	-	-
Prepaid expenses	-	-	-	-	-
Restricted for:					
Streets and roads	-	-	-	-	18,536
Recreation	-	-	-	-	-
Landscape maintenance	-	-	-	-	-
Public safety	-	-	920,294	26,192	-
Committed for:					
Parking and business improvement	-	133,093	-	-	-
Community development	626,271	-	-	-	-
Cannabis	-	-	-	-	-
Total Fund Balances	2,432,487	133,093	920,294	26,192	18,536
Total Liabilities and Fund Balances	\$ 2,432,487	\$ 133,740	\$ 920,294	\$ 130,495	\$ 18,536

City of Hanford

**Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2024**

(continued)

	Special Revenue				
	Traffic Safety	Street Tree Committee	State Gas Tax Fund	Public Housing Authority	Transportation Impact Fees
ASSETS					
Cash and investments	\$ 154,457	\$ 1,218	\$ 7,384,931	\$ 161,660	\$ 8,970,951
Receivables:					
Accounts	5,352	-	913,966	-	424,123
Loans	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Total Assets	\$ 159,809	\$ 1,218	\$ 8,298,897	\$ 161,660	\$ 9,395,074
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 16	\$ 622	\$ 26,249
Accrued wages payable	-	-	-	3,136	-
Due to other funds	-	-	-	-	-
Total Liabilities	-	-	16	3,758	26,249
Fund Balances (deficit):					
Nonspendable:					
Loan receivable	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Restricted for:					
Streets and roads	-	-	8,298,881	-	-
Recreation	-	-	-	-	-
Landscape maintenance	-	1,218	-	-	-
Public safety	159,809	-	-	-	-
Committed for:					
Parking and business improvement	-	-	-	-	-
Community development	-	-	-	157,902	9,368,825
Cannabis	-	-	-	-	-
Total Fund Balances	159,809	1,218	8,298,881	157,902	9,368,825
Total Liabilities and Fund Balances	\$ 159,809	\$ 1,218	\$ 8,298,897	\$ 161,660	\$ 9,395,074

City of Hanford

**Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2024**

(concluded)

	<u>Special Revenue</u>		<u>Total Non-Major Special Revenue Funds</u>
	<u>Cannabis Operations</u>	<u>Capital Projects Fund</u>	
ASSETS			
Cash and investments	\$ 49,679	\$ 803,964	\$ 27,276,749
Receivables:			
Accounts	147,927	-	2,635,637
Loans	-	-	1,806,216
Prepaid expenses	-	1,100	1,100
Advances to other funds	-	1,659,026	1,659,026
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 197,606</u>	<u>\$ 2,464,090</u>	<u>\$ 33,378,728</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 256,806	\$ 411,387
Accrued wages payable	-	-	3,136
Due to other funds	-	-	207,346
Total Liabilities	<u>-</u>	<u>256,806</u>	<u>621,869</u>
Fund Balances (deficit):			
Nonspendable:			
Loan receivable	-	-	1,806,216
Prepaid expenses	-	1,100	1,100
Restricted for:			
Streets and roads	-	-	8,484,938
Recreation	-	-	5,975,177
Landscape maintenance	-	-	2,046,521
Public safety	-	-	1,106,295
Committed for:			
Parking and business improvement	-	2,206,184	2,986,008
Community development	-	-	10,152,998
Cannabis	197,606	-	197,606
Total Fund Balances	<u>197,606</u>	<u>2,207,284</u>	<u>32,756,859</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 197,606</u>	<u>\$ 2,464,090</u>	<u>\$ 33,378,728</u>

City of Hanford

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended June 30, 2024**

	Special Revenue				
	CMAQ Transportation Fund	Park Impact Fees	Parking Fund	Downtown Reinvestment Fund	Landscaping Assessment District
REVENUES					
Taxes and special assessments	\$ -	\$ 1,073,614	\$ -	\$ -	\$ 1,136,595
Aid from other government agencies	168,026	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Revenue from use of money and property	-	432,600	30,476	6,857	107,700
Miscellaneous	-	-	-	-	-
Total revenues	<u>168,026</u>	<u>1,506,214</u>	<u>30,476</u>	<u>6,857</u>	<u>1,244,295</u>
EXPENDITURES					
Current:					
General government	-	4,657	325	105	14
Public works	-	-	-	-	648,648
Community development	-	-	-	-	531
Capital outlay	205,830	1,231,616	-	-	-
Total expenditures	<u>205,830</u>	<u>1,236,273</u>	<u>325</u>	<u>105</u>	<u>649,193</u>
Excess (deficiency) of revenues over expenditures	<u>(37,804)</u>	<u>269,941</u>	<u>30,151</u>	<u>6,752</u>	<u>595,102</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	45,000	-	-
Transfers out	(2,473)	-	-	-	-
Total other financing sources (uses)	<u>(2,473)</u>	<u>-</u>	<u>45,000</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(40,277)</u>	<u>269,941</u>	<u>75,151</u>	<u>6,752</u>	<u>595,102</u>
FUND BALANCE (DEFICIT)					
Beginning of year	<u>207,798</u>	<u>5,705,236</u>	<u>405,048</u>	<u>159,780</u>	<u>1,450,201</u>
End of year	<u>\$ 167,521</u>	<u>\$ 5,975,177</u>	<u>\$ 480,199</u>	<u>\$ 166,532</u>	<u>\$ 2,045,303</u>

City of Hanford

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended June 30, 2024**

(continued)

	Special Revenue				
	City Housing Fund	Central Parking and Business Improvement	Fire Protection Impact Fees	Police Protection Impact Fees	Special Aviation
REVENUES					
Taxes and special assessments	\$ -	\$ 117,271	\$ 191,390	\$ 106,885	\$ -
Aid from other government agencies	-	-	-	-	18,536
Fines and forfeitures	-	-	-	-	-
Revenue from use of money and property	53,802	14,583	59,307	(7,535)	-
Miscellaneous	2,177	-	161,608	144,379	-
Total revenues	<u>55,979</u>	<u>131,854</u>	<u>412,305</u>	<u>243,729</u>	<u>18,536</u>
EXPENDITURES					
Current:					
General government	485	143	671	-	-
Public works	-	81,090	-	-	-
Community development	4,256	9,640	-	-	-
Capital outlay	-	45,000	232,800	47,140	-
Total expenditures	<u>4,741</u>	<u>135,873</u>	<u>233,471</u>	<u>47,140</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>51,238</u>	<u>(4,019)</u>	<u>178,834</u>	<u>196,589</u>	<u>18,536</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	(45,000)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(45,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>51,238</u>	<u>(49,019)</u>	<u>178,834</u>	<u>196,589</u>	<u>18,536</u>
FUND BALANCE (DEFICIT)					
Beginning of year	2,381,249	182,112	741,460	(170,397)	-
End of year	<u>\$ 2,432,487</u>	<u>\$ 133,093</u>	<u>\$ 920,294</u>	<u>\$ 26,192</u>	<u>\$ 18,536</u>

City of Hanford

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended June 30, 2024**

(continued)

	Special Revenue				
	Traffic Safety	Street Tree Committee	State Gas Tax Fund	Public Housing Authority	Transportation Impact Fees
REVENUES					
Taxes and special assessments	\$ -	\$ -	\$ 3,582,140	\$ -	\$ 2,114,724
Aid from other government agencies	-	-	-	-	-
Fines and forfeitures	40,522	-	-	-	-
Revenue from use of money and property	8,456	-	427,261	-	545,132
Miscellaneous	-	-	-	415	-
Total revenues	<u>48,978</u>	<u>-</u>	<u>4,009,401</u>	<u>415</u>	<u>2,659,856</u>
EXPENDITURES					
Current:					
General government	99	-	4,803	-	6,061
Public works	-	-	-	-	-
Community development	-	-	-	312,329	-
Capital outlay	-	-	967,514	-	99,435
Total expenditures	<u>99</u>	<u>-</u>	<u>972,317</u>	<u>312,329</u>	<u>105,496</u>
Excess (deficiency) of revenues over expenditures	<u>48,879</u>	<u>-</u>	<u>3,037,084</u>	<u>(311,914)</u>	<u>2,554,360</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	311,914	2,473
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>311,914</u>	<u>2,473</u>
Net change in fund balance	<u>48,879</u>	<u>-</u>	<u>3,037,084</u>	<u>-</u>	<u>2,556,833</u>
FUND BALANCE (DEFICIT)					
Beginning of year	110,930	1,218	5,261,797	157,902	6,811,992
End of year	<u>\$ 159,809</u>	<u>\$ 1,218</u>	<u>\$ 8,298,881</u>	<u>\$ 157,902</u>	<u>\$ 9,368,825</u>

City of Hanford

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended June 30, 2024**

(concluded)

	<u>Special Revenue</u>		<u>Total Non-Major Special Revenue Funds</u>
	<u>Cannabis Operations</u>	<u>Capital Projects Fund</u>	
REVENUES			
Taxes and special assessments	\$ 913,584	\$ -	\$ 9,236,203
Aid from other government agencies	-	-	186,562
Fines and forfeitures	8,069	-	48,591
Revenue from use of money and property	888	88,175	1,767,702
Miscellaneous	128,000	-	436,579
Total revenues	<u>1,050,541</u>	<u>88,175</u>	<u>11,675,637</u>
EXPENDITURES			
Current:			
General government	-	10,136	27,499
Public works	-	-	729,738
Community development	25,000	-	351,756
Capital outlay	-	693,001	3,522,336
Total expenditures	<u>25,000</u>	<u>703,137</u>	<u>4,631,329</u>
Excess (deficiency) of revenues over expenditures	<u>1,025,541</u>	<u>(614,962)</u>	<u>7,044,308</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	359,387
Transfers out	(954,190)	-	(1,001,663)
Total other financing sources (uses)	<u>(954,190)</u>	<u>-</u>	<u>(642,276)</u>
Net change in fund balance	<u>71,351</u>	<u>(614,962)</u>	<u>6,402,032</u>
FUND BALANCE (DEFICIT)			
Beginning of year	<u>126,255</u>	<u>2,822,246</u>	<u>26,354,827</u>
End of year	<u>\$ 197,606</u>	<u>\$ 2,207,284</u>	<u>\$ 32,756,859</u>

City of Hanford

**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual
CMAQ Transportation Fund
For the Year Ended June 30, 2024**

	CMAQ Transportation Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual	
REVENUES				
Aid from other government agencies	\$ 167,186	\$ 167,186	\$ 168,026	\$ 840
Total revenues	167,186.00	167,186	168,026	840
EXPENDITURES				
Current:				
Capital outlay	-	366,414	205,830	160,584
Total expenditures	-	366,414	205,830	160,584
Excess (deficiency) of revenues over (under) expenditures	167,186	(199,228)	(37,804)	161,424
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	(2,473)	(2,473)
Total other financing sources (uses)	-	-	(2,473)	(2,473)
Net change in fund balance	167,186	(199,228)	(40,277)	158,951
FUND BALANCE				
Beginning of year	207,798	207,798	207,798	-
End of year	\$ 374,984	\$ 8,570	\$ 167,521	\$ 158,951

City of Hanford

**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual
Park Impact Fees Fund
For the Year Ended June 30, 2024**

	Park Impact Fees			Variance with Final Budget
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes and special assessments	\$ 750,000	\$ 750,000	\$ 1,073,614	\$ 323,614
Revenue from use of money and property	38,000	38,000	432,600	394,600
Total revenues	<u>788,000</u>	<u>788,000</u>	<u>1,506,214</u>	<u>718,214</u>
EXPENDITURES				
Current:				
General government	3,800	3,800	4,657	(857)
Capital outlay	-	3,399,264	1,231,616	2,167,648
Total expenditures	<u>3,800</u>	<u>3,403,064</u>	<u>1,236,273</u>	<u>2,166,791</u>
Net change in fund balance	784,200	(2,615,064)	269,941	2,885,005
FUND BALANCE				
Beginning of year	<u>5,705,236</u>	<u>5,705,236</u>	<u>5,705,236</u>	<u>-</u>
End of year	<u>\$ 6,489,436</u>	<u>\$ 3,090,172</u>	<u>\$ 5,975,177</u>	<u>\$ 2,885,005</u>

City of Hanford

**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual
Parking Fund
For the Year Ended June 30, 2024**

	Parking Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual	
REVENUES				
Revenue from use of money and property	\$ 1,100	\$ 1,100	\$ 30,476	\$ 29,376
Total revenues	1,100	1,100	30,476	29,376
EXPENDITURES				
Current:				
General government	150	150	325	(175)
Total expenditures	150	150	325	(175)
Excess (deficiency) of revenues over (under) expenditures	950	950	30,151	29,201
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	45,000	45,000
Lease acquisition	19,496	19,496	-	(19,496)
Total other financing sources (uses)	19,496	19,496	45,000	25,504
Net change in fund balance	20,446	20,446	75,151	54,705
FUND BALANCE				
Beginning of year	405,048	405,048	405,048	-
End of year	\$ 425,494	\$ 425,494	\$ 480,199	\$ 54,705

City of Hanford

**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual
Downtown Reinvestment Fund
For the Year Ended June 30, 2024**

	Downtown Reinvestment Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual	
REVENUES				
Revenue from use of money and property	\$ 1,300	\$ 1,300	\$ 6,857	\$ 5,557
Miscellaneous	2,500	2,500	-	(2,500)
Total revenues	<u>3,800</u>	<u>3,800</u>	<u>6,857</u>	<u>3,057</u>
EXPENDITURES				
Current:				
General government	100	100	105	(5)
Total expenditures	<u>100</u>	<u>100</u>	<u>105</u>	<u>(5)</u>
Net change in fund balance	3,700	3,700	6,752	3,052
FUND BALANCE				
Beginning of year	159,780	159,780	159,780	-
End of year	<u>\$ 163,480</u>	<u>\$ 163,480</u>	<u>\$ 166,532</u>	<u>\$ 3,052</u>

City of Hanford

**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual
Landscaping Assessment District Fund
For the Year Ended June 30, 2024**

	Landscaping Assessment District			Variance with Final Budget
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes and special assessments	\$ 1,038,707	\$ 1,038,707	\$ 1,136,595	\$ 97,888
Revenue from use of money and property		4,640	107,700	103,060
Total revenues	<u>1,038,707</u>	<u>1,043,347</u>	<u>1,244,295</u>	<u>200,948</u>
EXPENDITURES				
Current:				
General government	30	30	14	16
Public works	741,799	741,799	648,648	93,151
Community development	2,540	2,540	531	2,009
Total expenditures	<u>744,369</u>	<u>744,369</u>	<u>649,193</u>	<u>95,176</u>
Net change in fund balance	294,338	298,978	595,102	296,124
FUND BALANCE				
Beginning of year	<u>1,450,201</u>	<u>1,450,201</u>	<u>1,450,201</u>	<u>-</u>
End of year	<u>\$ 1,744,539</u>	<u>\$ 1,749,179</u>	<u>\$ 2,045,303</u>	<u>\$ 296,124</u>

City of Hanford

**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual
City Housing Fund
For the Year Ended June 30, 2024**

	City Housing Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual	
REVENUES				
Revenue from use of money and property	\$ 4,200	\$ 4,200	\$ 53,802	\$ 49,602
Miscellaneous	10,000	10,000	2,177	(7,823)
Total revenues	14,200	14,200	55,979	41,779
EXPENDITURES				
Current:				
General government	470	470	485	(15)
Community development	20,000	20,000	4,256	15,744
Total expenditures	20,470	20,470	4,741	15,729
Excess (deficiency) of revenues over (under) expenditures	(6,270)	(6,270)	51,238	57,508
OTHER FINANCING SOURCES (USES)				
Transfers out	10,000	10,000	-	(10,000)
Total other financing sources (uses)	10,000	10,000	-	(10,000)
Net change in fund balance	3,730	3,730	51,238	47,508
FUND BALANCE				
Beginning of year	2,381,249	2,381,249	2,381,249	-
End of year	\$ 2,384,979	\$ 2,384,979	\$ 2,432,487	\$ 47,508

City of Hanford

**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual
Central Parking and Business Improvement Fund
For the Year Ended June 30, 2024**

	Central Parking and Business Improvement Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes and special assessments	\$ 105,000	\$ 105,000	\$ 117,271	\$ 12,271
Revenue from use of money and property	1,000	1,000	14,583	13,583
Total revenues	<u>106,000</u>	<u>106,000</u>	<u>131,854</u>	<u>25,854</u>
EXPENDITURES				
Current:				
General government	100	100	143	(43)
Public works	81,090	81,090	81,090	-
Community development	15,000	15,000	9,640	5,360
Capital outlay	-	45,000	45,000	-
Total expenditures	<u>96,190</u>	<u>141,190</u>	<u>135,873</u>	<u>5,317</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,810</u>	<u>(35,190)</u>	<u>(4,019)</u>	<u>31,171</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(45,000)	(45,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(45,000)</u>	<u>(45,000)</u>
Net change in fund balance	9,810	(35,190)	(49,019)	(13,829)
FUND BALANCE				
Beginning of year	<u>182,112</u>	<u>182,112</u>	<u>182,112</u>	<u>-</u>
End of year	<u>\$ 191,922</u>	<u>\$ 146,922</u>	<u>\$ 133,093</u>	<u>\$ (13,829)</u>

City of Hanford

**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual
Fire Protection Impact Fees Fund
For the Year Ended June 30, 2024**

	Fire Protection Impact Fees			Variance with Final Budget
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes and special assessments	\$ 170,000	\$ 170,000	\$ 191,390	\$ 21,390
Revenue from use of money and property	3,400	3,400	59,307	55,907
Miscellaneous	-	-	161,608	161,608
Total revenues	<u>173,400</u>	<u>173,400</u>	<u>412,305</u>	<u>238,905</u>
EXPENDITURES				
Current:				
General government	350	350	671	(321)
Capital outlay	-	232,800	232,800	-
Total expenditures	<u>350</u>	<u>233,150</u>	<u>233,471</u>	<u>(321)</u>
Net change in fund balance	173,050	(59,750)	178,834	238,584
FUND BALANCE				
Beginning of year	<u>741,460</u>	<u>741,460</u>	<u>741,460</u>	<u>-</u>
End of year	<u>\$ 914,510</u>	<u>\$ 681,710</u>	<u>\$ 920,294</u>	<u>\$ 238,584</u>

City of Hanford

**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual
Police Protection Impact Fees Fund
For the Year Ended June 30, 2024**

	Police Protection Impact Fees			Variance with Final Budget
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes and special assessments	\$ 103,000	\$ 103,000	\$ 106,885	\$ 3,885
Revenue from use of money and property	1,000	1,000	(7,535)	(8,535)
Miscellaneous	-	-	144,379	144,379
Total revenues	<u>104,000</u>	<u>104,000</u>	<u>243,729</u>	<u>139,729</u>
EXPENDITURES				
Current:				
General government	80	80	-	80
Capital outlay	-	47,140	47,140	-
Total expenditures	<u>80</u>	<u>47,220</u>	<u>47,140</u>	<u>80</u>
Net change in fund balance	103,920	56,780	196,589	139,809
FUND BALANCE (DEFICIT)				
Beginning of year	<u>(170,397)</u>	<u>(170,397)</u>	<u>(170,397)</u>	<u>-</u>
End of year	<u>\$ (66,477)</u>	<u>\$ (113,617)</u>	<u>\$ 26,192</u>	<u>\$ 139,809</u>

City of Hanford

**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual
Traffic Safety Fund
For the Year Ended June 30, 2024**

	Traffic Safety			Variance with Final Budget
	Original Budget	Final Budget	Actual	
REVENUES				
Fines and forfeitures	\$ 36,000	\$ 36,000	\$ 40,522	\$ 4,522
Revenue from use of money and property	300	300	8,456	8,156
Total revenues	<u>36,300</u>	<u>36,300</u>	<u>48,978</u>	<u>12,678</u>
EXPENDITURES				
Current:				
General government	30	30	99	(69)
Total expenditures	<u>30</u>	<u>30</u>	<u>99</u>	<u>(69)</u>
Net change in fund balance	36,270	36,270	48,879	12,609
FUND BALANCE				
Beginning of year	110,930	110,930	110,930	-
End of year	<u>\$ 147,200</u>	<u>\$ 147,200</u>	<u>\$ 159,809</u>	<u>\$ 12,609</u>

City of Hanford

**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual
State Gas Tax Fund
For the Year Ended June 30, 2024**

	State Gas Tax Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes and special assessments	\$ 3,394,300	\$ 3,394,300	\$ 3,582,140	\$ 187,840
Revenue from use of money and property	24,800	24,800	427,261	402,461
Total revenues	<u>3,419,100</u>	<u>3,419,100</u>	<u>4,009,401</u>	<u>590,301</u>
EXPENDITURES				
Current:				
General government	2,600	2,600	4,803	(2,203)
Capital outlay	<u>425,000</u>	<u>3,198,301</u>	<u>967,514</u>	<u>2,230,787</u>
Total expenditures	<u>427,600</u>	<u>3,200,901</u>	<u>972,317</u>	<u>2,228,584</u>
Net change in fund balance	2,991,500	218,199	3,037,084	2,818,885
FUND BALANCE				
Beginning of year	<u>5,261,797</u>	<u>5,261,797</u>	<u>5,261,797</u>	<u>-</u>
End of year	<u>\$ 8,253,297</u>	<u>\$ 5,479,996</u>	<u>\$ 8,298,881</u>	<u>\$ 2,818,885</u>

City of Hanford

**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual
Public Housing Authority Fund
For the Year Ended June 30, 2024**

	Public Housing Authority			Variance with Final Budget
	Original Budget	Final Budget	Actual	
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 415	\$ 415
Total revenues	-	-	415	415
EXPENDITURES				
Current:				
Community development	316,761	336,761	312,329	24,432
Debt service:				
Principal	836	836	-	836
Interest	6	6	-	6
Total expenditures	317,603	337,603	312,329	25,274
Excess (deficiency) of revenues over (under) expenditures	(317,603)	(337,603)	(311,914)	25,689
OTHER FINANCING SOURCES (USES)				
Transfers in	317,603	317,603	311,914	(5,689)
Lease acquisition	3,844	3,844	-	(3,844)
Total other financing sources (uses)	321,447	321,447	311,914	(9,533)
Net change in fund balance	3,844	(16,156)	-	16,156
FUND BALANCE				
Beginning of year	157,902	157,902	157,902	-
End of year	\$ 161,746	\$ 141,746	\$ 157,902	\$ 16,156

City of Hanford

**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual
Transportation Impact Fees Fund
For the Year Ended June 30, 2024**

	Transportation Impact Fees			Variance with Final Budget
	Original	Final	Actual Amount	
REVENUES				
Taxes and special assessments	\$ 1,430,000	\$ 1,430,000	\$ 2,114,724	\$ 684,724
Revenue from use of money and property	41,000	41,000	545,132	504,132
Total revenues	<u>1,471,000</u>	<u>1,471,000</u>	<u>2,659,856</u>	<u>1,188,856</u>
EXPENDITURES				
Current:				
General government	4,100	4,100	6,061	(1,961)
Capital outlay	-	2,892,987	99,435	2,793,552
Total expenditures	<u>4,100</u>	<u>2,897,087</u>	<u>105,496</u>	<u>2,791,591</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,466,900</u>	<u>(1,426,087)</u>	<u>2,554,360</u>	<u>3,980,447</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	2,473	2,473
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,473</u>	<u>2,473</u>
Net change in fund balance	1,466,900	(1,426,087)	2,556,833	3,982,920
FUND BALANCE				
Beginning of year	<u>6,811,992</u>	<u>6,811,992</u>	<u>6,811,992</u>	<u>-</u>
End of year	<u>\$ 8,278,892</u>	<u>\$ 5,385,905</u>	<u>\$ 9,368,825</u>	<u>\$ 3,982,920</u>

City of Hanford

**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual
Cannabis Operations Fund
For the Year Ended June 30, 2024**

	Cannabis Operations			Variance with Final Budget
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes and special assessments	\$ 1,200,000	\$ 1,200,000	\$ 913,584	\$ (286,416)
Fines and forfeitures	-	-	8,069	8,069
Revenue from use of money and property	2,700	2,700	888	(1,812)
Miscellaneous	96,000	96,000	128,000	32,000
Total revenues	1,298,700	1,298,700	1,050,541	(248,159)
EXPENDITURES				
Current:				
General government	300	300	-	300
Community development	-	-	25,000	(25,000)
Total expenditures	300	300	25,000	(24,700)
Excess (deficiency) of revenues over (under) expenditures	1,298,400	1,298,400	1,025,541	(272,859)
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,296,000)	(1,296,000)	(954,190)	341,810
Total other financing sources (uses)	(1,296,000)	(1,296,000)	(954,190)	341,810
Net change in fund balance	2,400	2,400	71,351	68,951
FUND BALANCE				
Beginning of year	126,255	126,255	126,255	-
End of year	\$ 128,655	\$ 128,655	\$ 197,606	\$ 68,951

City of Hanford

**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual
Capital Projects Fund
For the Year Ended June 30, 2024**

	Capital Projects Fund			Variance with Final Budget
	Original	Final	Actual Amount	
REVENUES				
Taxes and special assessments	\$ 50,000	\$ 50,000	\$ -	\$ (50,000)
Revenue from use of money and property	22,000	22,000	88,175	66,175
Total revenues	72,000	72,000	88,175	16,175
EXPENDITURES				
General Government	2,200	2,200	10,136	(7,936)
Capital outlay	-	1,114,227	693,001	421,226
Total expenditures	2,200	1,116,427	703,137	413,290
Net change in fund balance	69,800	(1,044,427)	(614,962)	429,465
FUND BALANCE				
Beginning of year	2,822,246	2,822,246	2,822,246	-
End of year	\$ 2,892,046	\$ 1,777,819	\$ 2,207,284	\$ 429,465

City of Hanford

Combining Statement of Net Position Non-major Enterprise Funds June 30, 2024

	Non-major Funds				Totals
	Airport Fund	Intermodal Fund	Courthouse Square	Building Safety Fund	
ASSETS					
Current assets					
Cash and investments	\$ 268,658	\$ 45,579	\$ -	\$ 577,392	\$ 891,629
Receivables:					
Accounts	22,695	39,528	5,347	49,622	117,192
Leases	-	164,534	-	-	164,534
Interest	-	329	-	-	329
Total current assets	<u>291,353</u>	<u>249,970</u>	<u>5,347</u>	<u>627,014</u>	<u>1,173,684</u>
Noncurrent assets					
Capital assets:					
Land	2,596,623	278,884	-	-	2,875,507
Construction in progress	66,231	-	-	-	66,231
Building and improvements	10,123,741	1,305,817	-	-	11,429,558
Machinery and equipment	81,851	-	-	334,260	416,111
Accumulated depreciation/amortization	(6,948,049)	(743,199)	-	(75,031)	(7,766,279)
Total capital assets (net of accumulated depreciation)	<u>5,920,397</u>	<u>841,502</u>	<u>-</u>	<u>259,229</u>	<u>7,021,128</u>
Total noncurrent assets	<u>5,920,397</u>	<u>841,502</u>	<u>-</u>	<u>259,229</u>	<u>7,021,128</u>
Total assets	<u>6,211,750</u>	<u>1,091,472</u>	<u>5,347</u>	<u>886,243</u>	<u>8,194,812</u>
LIABILITIES					
Current Liabilities					
Accounts payable	5,576	2,104	3,663	33,912	45,255
Salaries and benefits payable	-	-	-	11,568	11,568
Due to other funds	-	-	214,117	-	214,117
Advances to other funds	375,468	261,224	1,022,334	-	1,659,026
Compensated absences - current portion	-	-	-	2,749	2,749
Total current liabilities	<u>381,044</u>	<u>263,328</u>	<u>1,240,114</u>	<u>48,229</u>	<u>1,932,715</u>
Noncurrent Liabilities					
Compensated absences payable	-	-	-	34,787	34,787
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,787</u>	<u>34,787</u>
Total liabilities	<u>381,044</u>	<u>263,328</u>	<u>1,240,114</u>	<u>83,016</u>	<u>1,967,502</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to leases	-	157,406	-	-	157,406
Total deferred inflows of resources	<u>-</u>	<u>157,406</u>	<u>-</u>	<u>-</u>	<u>157,406</u>
NET POSITION (DEFICIT)					
Net investment in capital assets	5,920,397	841,502	-	259,229	7,021,128
Unrestricted	(89,691)	(170,764)	(1,234,767)	543,998	(951,224)
Total net position	<u>\$ 5,830,706</u>	<u>\$ 670,738</u>	<u>\$ (1,234,767)</u>	<u>\$ 803,227</u>	<u>\$ 6,069,904</u>

City of Hanford

**Combining Statement of Revenues, Expenses and Changes in Net Position
Non-major Enterprise Funds
For the Year Ended June 30, 2024**

	Non-major Funds				Totals
	Airport Fund	Intermodal Fund	Courthouse Square	Building Safety Fund	
OPERATING REVENUES					
Charges for services	\$ 154,968	\$ 706	\$ 55,016	\$ 2,298,943	\$ 2,509,633
Other revenues	239,850	1,024	6	131,927	372,807
Total operating revenues	<u>394,818</u>	<u>1,730</u>	<u>55,022</u>	<u>2,430,870</u>	<u>2,882,440</u>
OPERATING EXPENSES					
Personnel services	46,426	-	-	794,305	840,731
Services and supplies	201,859	30,139	112,369	830,468	1,174,835
Depreciation and amortization	319,509	26,117	-	24,897	370,523
Total operating expenses	<u>567,794</u>	<u>56,256</u>	<u>112,369</u>	<u>1,649,670</u>	<u>2,386,089</u>
Operating income (loss)	<u>(172,976)</u>	<u>(54,526)</u>	<u>(57,347)</u>	<u>781,200</u>	<u>496,351</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest income	7,519	2,841	(6,201)	4,721	8,880
Unrealized gain (loss) on investments	3,952	1,065	-	-	5,017
Lease revenue	-	39,356	-	-	39,356
Federal grant	75,000	-	-	-	75,000
Total non-operating revenue (expenses)	<u>86,471</u>	<u>43,262</u>	<u>(6,201)</u>	<u>4,721</u>	<u>128,253</u>
Income (loss) before capital contributions and transfers	<u>(86,505)</u>	<u>(11,264)</u>	<u>(63,548)</u>	<u>785,921</u>	<u>624,604</u>
Capital contributions	-	-	-	17,306	17,306
Transfers in/(out)	(5,012)	-	-	-	(5,012)
Total Capital Contributions and Transfers	<u>(5,012)</u>	<u>-</u>	<u>-</u>	<u>17,306</u>	<u>12,294</u>
Change in net position	(91,517)	(11,264)	(63,548)	803,227	636,898
NET POSITION (DEFICIT)					
Beginning of year	5,922,223	682,002	(1,171,219)	-	5,433,006
End of year	<u>\$ 5,830,706</u>	<u>\$ 670,738</u>	<u>\$ (1,234,767)</u>	<u>\$ 803,227</u>	<u>\$ 6,069,904</u>

City of Hanford

Combining Statement of Cash Flows Non-major Enterprise Funds For the Year Ended June 30, 2024

	Non-major Funds				Totals
	Airport Fund	Intermodal Fund	Courthouse Square	Building Safety Fund	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received for current services	\$ 134,919	\$ (494)	\$ 51,440	\$ 2,249,321	\$ 2,435,186
Cash received for other operating revenues	239,850	1,024	6	131,927	372,807
Cash paid for services and supplies	(198,804)	(28,626)	(112,502)	(796,556)	(1,136,488)
Cash paid for salaries and benefits	(47,089)	-	-	(745,201)	(792,290)
Net cash provided (used) by operating activities	128,876	(28,096)	(61,056)	839,491	879,215
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers (to)/from other funds	(5,012)	-	-	-	(5,012)
Loans from/(to) other funds	-	-	61,055	-	61,055
Intergovernmental revenue	75,000	-	-	-	75,000
Net cash provided (used) by non-capital financing activities	69,988	-	61,055	-	131,043
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Payments for capital asset acquisition	(66,231)	-	-	(266,820)	(333,051)
Lease income	-	38,421	-	-	38,421
Net cash provided (used) by capital and related financing activities	(66,231)	38,421	-	(266,820)	(294,630)
CASH FLOWS FORM INVESTING ACTIVITIES					
Unrealized gain (loss) on investments	3,952	1,065	-	-	5,017
Interest received	7,519	2,512	(6,201)	4,721	8,551
Net cash provided (used) by investing activities	11,471	3,577	(6,201)	4,721	13,568
Net increase (decrease) in cash and investments	144,104	13,902	(6,202)	577,392	729,196
Cash and investments, beginning of year	124,554	31,677	6,202	-	162,433
Cash and investments, end of year	\$ 268,658	\$ 45,579	\$ -	\$ 577,392	\$ 891,629
Reconciliation to Statement of Net Position:					
Cash and investments	\$ 268,658	\$ 45,579	\$ -	\$ 577,392	\$ 891,629
Total cash and investments	\$ 268,658	\$ 45,579	\$ -	\$ 577,392	\$ 891,629
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ (172,976)	\$ (54,526)	\$ (57,347)	\$ 781,200	\$ 496,351
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	319,509	26,117	-	24,897	370,523
(Increase) decrease in:					
Receivables	(17,568)	(1,200)	(3,576)	(49,622)	(71,966)
Accounts payable	3,055	1,513	(133)	33,912	38,347
Salaries and benefits payable	(663)	-	-	11,568	10,905
Compensated absences	-	-	-	37,536	37,536
Deposits and unearned revenue	(2,481)	-	-	-	(2,481)
Total Adjustments	301,852	26,430	(3,709)	58,291	382,864
Net cash provided (used) by operating activities	\$ 128,876	\$ (28,096)	\$ (61,056)	\$ 839,491	\$ 879,215
Noncash from Capital and Related Financing Activities					
Capital Contributions	\$ -	\$ -	\$ -	\$ 17,306	\$ 17,306

City of Hanford

Combining Statement of Net Position Internal Service Funds June 30, 2024

	City Payroll Fund	Risk Management Fund	Computer Maintenance Fund
ASSETS			
Current assets			
Cash and investments	\$ 337,757	\$ 8,066,273	\$ 381,381
Receivables	-	13,214	57
Deposits	-	185,000	-
Prepaid expenses	-	-	-
Inventory	-	-	-
Total current assets	337,757	8,264,487	381,438
Noncurrent assets			
Capital assets:			
Construction in progress	-	-	-
Building and improvements	-	-	-
Machinery and equipment	-	-	1,771,281
Right to use assets	-	-	237,867
Accumulated depreciation/amortization	-	-	(1,186,684)
Total capital assets (net of accumulated depreciation)	-	-	822,464
Total noncurrent assets	-	-	822,464
Total assets	337,757	8,264,487	1,203,902
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	-	-	80,713
Total deferred outflows of resources	-	-	80,713
LIABILITIES			
Current Liabilities			
Accounts payable	235,856	195,024	10,096
Salaries and benefits payable	25,589	-	5,962
Interest payable	-	-	3,105
Compensated absences - current portion	-	-	6,683
Bonds and notes payable - current portion	-	-	9,389
SBITA payable - current portion	-	-	77,208
Total current liabilities	261,445	195,024	112,443
Noncurrent Liabilities			
Compensated absences payable	-	-	14,100
Claims payable	-	6,999,000	-
Bonds and notes payable	-	-	140,201
Net pension liability	-	-	128,995
SBITA payable	-	-	79,275
Total noncurrent liabilities	-	6,999,000	362,571
Total liabilities	261,445	7,194,024	475,014
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	-	-	7,387
Total deferred inflows of resources	-	-	7,387
NET POSITION (DEFICIT)			
Net investment in capital assets	-	-	822,464
Unrestricted	76,312	1,070,463	(20,250)
Total net position	\$ 76,312	\$ 1,070,463	\$ 802,214

(concluded)

<u>Building Fund</u>	<u>Fleet Management Fund</u>	<u>Medical Fund</u>	<u>Totals</u>
\$ 1,591,856	\$ 18,140,776	\$ 940,218	\$ 29,458,261
1,269	223	302	15,065
-	-	-	185,000
-	30,375	-	30,375
-	309,722	-	309,722
<u>1,593,125</u>	<u>18,481,096</u>	<u>940,520</u>	<u>29,998,423</u>
152,733	-	-	152,733
644,586	26,191	-	670,777
229,583	13,802,583	-	15,803,447
-	-	-	237,867
(371,350)	(9,351,235)	-	(10,909,269)
<u>655,552</u>	<u>4,477,539</u>	<u>-</u>	<u>5,955,555</u>
<u>655,552</u>	<u>4,477,539</u>	<u>-</u>	<u>5,955,555</u>
<u>2,248,677</u>	<u>22,958,635</u>	<u>940,520</u>	<u>35,953,978</u>
161,426	161,426	-	403,565
<u>161,426</u>	<u>161,426</u>	<u>-</u>	<u>403,565</u>
61,944	40,442	99,506	642,868
8,732	12,694	-	52,977
-	-	-	3,105
2,800	2,698	-	12,181
22,293	31,565	-	63,247
-	-	-	77,208
<u>95,769</u>	<u>87,399</u>	<u>99,506</u>	<u>851,586</u>
11,606	29,926	-	55,632
-	-	-	6,999,000
332,880	471,325	-	944,406
257,990	257,990	-	644,975
-	-	-	79,275
<u>602,476</u>	<u>759,241</u>	<u>-</u>	<u>8,723,288</u>
<u>698,245</u>	<u>846,640</u>	<u>99,506</u>	<u>9,574,874</u>
14,774	14,774	-	36,935
<u>14,774</u>	<u>14,774</u>	<u>-</u>	<u>36,935</u>
655,552	4,477,539	-	5,955,555
<u>1,041,532</u>	<u>17,781,108</u>	<u>841,014</u>	<u>20,790,179</u>
<u>\$ 1,697,084</u>	<u>\$ 22,258,647</u>	<u>\$ 841,014</u>	<u>\$ 26,745,734</u>

City of Hanford

**Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2024**

	City Payroll Fund	Risk Management Fund	Computer Maintenance Fund
OPERATING REVENUES			
Charges for services	\$ -	\$ 985,532	\$ 1,313,825
Other revenues	-	36,133	-
Total operating revenues	<u>-</u>	<u>1,021,665</u>	<u>1,313,825</u>
OPERATING EXPENSES			
Personnel services	-	-	374,053
Services and supplies	573	1,015,137	418,088
Depreciation and amortization	-	-	303,154
Total operating expenses	<u>573</u>	<u>1,015,137</u>	<u>1,095,295</u>
Operating income (loss)	<u>(573)</u>	<u>6,528</u>	<u>218,530</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest income	26,200	248,313	12,777
Interest expense	-	-	(10,094)
Unrealized gain (loss) on investments	41,640	219,643	9,708
Gain/(loss) on disposals	-	-	-
Total non-operating revenue (expenses)	<u>67,840</u>	<u>467,956</u>	<u>12,391</u>
Income (loss) before capital contributions and transfers	<u>67,267</u>	<u>474,484</u>	<u>230,921</u>
Transfers in/(out)	<u>-</u>	<u>(11,428)</u>	<u>-</u>
Change in net position	67,267	463,056	230,921
NET POSITION (DEFICIT)			
Beginning of year	<u>9,045</u>	<u>607,407</u>	<u>571,293</u>
End of year	<u>\$ 76,312</u>	<u>\$ 1,070,463</u>	<u>\$ 802,214</u>

(concluded)

<u>Building Fund</u>	<u>Fleet Management Fund</u>	<u>Medical Fund</u>	<u>Totals</u>
\$ 1,405,358	\$ 5,763,340	\$ 3,239,847	\$ 12,707,902
273	18,126	4,078	58,610
<u>1,405,631</u>	<u>5,781,466</u>	<u>3,243,925</u>	<u>12,766,512</u>
602,181	825,480	-	1,801,714
417,263	4,466,412	3,231,896	9,549,369
73,728	780,257	-	1,157,139
<u>1,093,172</u>	<u>6,072,149</u>	<u>3,231,896</u>	<u>12,508,222</u>
<u>312,459</u>	<u>(290,683)</u>	<u>12,029</u>	<u>258,290</u>
43,452	662,755	81,656	1,075,153
(16,594)	(23,496)	-	(50,184)
31,688	599,136	-	901,815
-	(483,364)	-	(483,364)
<u>58,546</u>	<u>755,031</u>	<u>81,656</u>	<u>1,443,420</u>
<u>371,005</u>	<u>464,348</u>	<u>93,685</u>	<u>1,701,710</u>
<u>(50,024)</u>	<u>39,131</u>	<u>-</u>	<u>(22,321)</u>
320,981	503,479	93,685	1,679,389
<u>1,376,103</u>	<u>21,755,168</u>	<u>747,329</u>	<u>25,066,345</u>
<u>\$ 1,697,084</u>	<u>\$ 22,258,647</u>	<u>\$ 841,014</u>	<u>\$ 26,745,734</u>

City of Hanford

Combining Statement of Cash Flows Internal Service Funds For the Year Ended June 30, 2024

	City Payroll Fund	Risk Management Fund	Computer Maintenance Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received for current services	\$ 45,205	\$ 1,018,146	\$ 1,313,768
Cash received for other operating revenues	-	36,133	-
Cash paid for services and supplies	(262,677)	225,781	(411,553)
Cash paid for salaries and benefits	(560,994)	-	(361,704)
Net cash provided (used) by operating activities	(778,466)	1,280,060	540,511
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers (to)/from other funds	-	(11,428)	-
Loans from/(to) other funds	-	-	(337,695)
Net cash provided (used) by non-capital financing activities	-	(11,428)	(337,695)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal payments on long-term debt	-	-	(9,614)
Interest payments on long-term debt	-	-	(6,989)
Payments for capital asset acquisition	-	-	(29,305)
SBITA payments	-	-	(81,384)
Proceeds from the sale of capital assets	-	-	-
Net cash provided (used) by capital and related financing activities	-	-	(127,292)
CASH FLOWS FORM INVESTING ACTIVITIES			
Unrealized gain (loss) on investments	41,640	219,643	9,708
Interest received	26,200	248,313	12,777
Net cash provided (used) by investing activities	67,840	467,956	22,485
Net increase (decrease) in cash and investments	(710,626)	1,736,588	98,009
Cash and investments, beginning of year	1,048,383	6,329,685	283,372
Cash and investments, end of year	\$ 337,757	\$ 8,066,273	\$ 381,381
Reconciliation to Statement of Net Position:			
Cash and investments	\$ 337,757	\$ 8,066,273	\$ 381,381
Total cash and investments	\$ 337,757	\$ 8,066,273	\$ 381,381
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (573)	\$ 6,528	\$ 218,530
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	-	303,154
(Increase) decrease in:			
Receivables	45,205	32,614	(57)
Prepays	-	4,800	-
Inventory	-	-	-
Deferred outflow of resources	-	-	33,282
Accounts payable	(262,104)	13,118	6,535
Salaries and benefits payable	(560,994)	-	613
Compensated absences	-	-	3,661
Claims payable	-	1,223,000	-
Net pension liability	-	-	(17,743)
Deferred inflow of resources	-	-	(7,464)
Total Adjustments	(777,893)	1,273,532	321,981
Net cash provided (used) by operating activities	\$ (778,466)	\$ 1,280,060	\$ 540,511

(concluded)

<u>Building Fund</u>	<u>Fleet Management Fund</u>	<u>Medical Fund</u>	<u>Totals</u>
\$ 1,410,230	\$ 5,767,059	\$ 3,240,151	\$ 12,794,559
273	18,126	4,078	58,610
(390,000)	(4,514,677)	(3,399,791)	(8,752,917)
(581,152)	(841,648)	-	(2,345,498)
<u>439,351</u>	<u>428,860</u>	<u>(155,562)</u>	<u>1,754,754</u>
(50,024)	39,131	-	(22,321)
-	(137,941)	-	(475,636)
<u>(50,024)</u>	<u>(98,810)</u>	<u>-</u>	<u>(497,957)</u>
(22,827)	(32,321)	-	(64,762)
(16,594)	(23,496)	-	(47,079)
(152,733)	(201,332)	-	(383,370)
-	-	-	(81,384)
-	17,306	-	17,306
<u>(192,154)</u>	<u>(239,843)</u>	<u>-</u>	<u>(559,289)</u>
31,688	599,136	-	901,815
<u>43,452</u>	<u>662,755</u>	<u>81,656</u>	<u>1,075,153</u>
<u>75,140</u>	<u>1,261,891</u>	<u>81,656</u>	<u>1,976,968</u>
<u>272,313</u>	<u>1,352,098</u>	<u>(73,906)</u>	<u>2,674,476</u>
<u>1,319,543</u>	<u>16,788,678</u>	<u>1,014,124</u>	<u>26,783,785</u>
<u>\$ 1,591,856</u>	<u>\$ 18,140,776</u>	<u>\$ 940,218</u>	<u>\$ 29,458,261</u>
<u>\$ 1,591,856</u>	<u>\$ 18,140,776</u>	<u>\$ 940,218</u>	<u>\$ 29,458,261</u>
<u>\$ 1,591,856</u>	<u>\$ 18,140,776</u>	<u>\$ 940,218</u>	<u>\$ 29,458,261</u>
<u>\$ 312,459</u>	<u>\$ (290,683)</u>	<u>\$ 12,029</u>	<u>\$ 258,290</u>
73,728	780,257	-	1,157,139
4,872	3,719	304	86,657
-	(30,375)	-	(25,575)
-	9,987	-	9,987
49,744	163,739	-	246,765
27,263	(27,877)	(167,895)	(410,960)
758	69	-	(559,554)
(2,903)	8,183	-	8,941
-	-	-	1,223,000
(13,833)	(160,571)	-	(192,147)
(12,737)	(27,588)	-	(47,789)
<u>126,892</u>	<u>719,543</u>	<u>(167,591)</u>	<u>1,496,464</u>
<u>\$ 439,351</u>	<u>\$ 428,860</u>	<u>\$ (155,562)</u>	<u>\$ 1,754,754</u>

City of Hanford

**Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2024**

	Civil Subpoena	Renters' Insurance Deposits	COE Park Deposits	Miscellaneous Deposits Trust	Total
ASSETS					
Cash and investments	\$ 278,150	\$ 4,034	\$ 488	\$ 1,041,259	\$ 1,323,931
Accounts receivable	-	-	-	488,539	488,539
Total Assets	<u>278,150</u>	<u>4,034</u>	<u>488</u>	<u>1,529,798</u>	<u>1,812,470</u>
LIABILITIES					
Accounts payable	-	-	-	1,382,916	1,382,916
Deposits held for others	<u>348,233</u>	<u>835</u>	<u>-</u>	<u>66,629</u>	<u>415,697</u>
Total Liabilities	<u>348,233</u>	<u>835</u>	<u>-</u>	<u>1,449,545</u>	<u>1,798,613</u>
NET POSITION (DEFICIT)					
Restricted	(70,083)	3,199	488	80,253	13,857
Total Net Position	<u>\$ (70,083)</u>	<u>\$ 3,199</u>	<u>\$ 488</u>	<u>\$ 80,253</u>	<u>\$ 13,857</u>

City of Hanford

**Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2024**

	Civil Subpoena	Renters' Insurance Deposits	COE Park Deposits	Miscellaneous Deposits Trust	Total
ADDITIONS					
Other additions	\$ -	\$ -	\$ -	\$ -	\$ -
Total Additions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEDUCTIONS					
General government	9,887	-	-	-	9,887
Total Deductions	<u>9,887</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,887</u>
Change in Fiduciary Net Position	(9,887)	-	-	-	(9,887)
NET POSITION (DEFICIT)					
Beginning of year, as restated	(60,196)	3,199	488	80,253	23,744
End of year	<u>\$ (70,083)</u>	<u>\$ 3,199</u>	<u>\$ 488</u>	<u>\$ 80,253</u>	<u>\$ 13,857</u>

STATISTICAL SECTION

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City of Hanford

Net Position by Component Last Ten (10) Fiscal Years (accrual basis of accounting)

Fiscal Year	2015	2016	2017	2018
Governmental activities				
Net investment in capital assets	\$ 137,807,121	\$ 138,153,691	\$ 143,053,747	\$ 147,136,482
Restricted	45,230,167	44,303,261	40,033,008	37,759,964
Unrestricted	(7,767,187)	(4,230,067)	(11,322,040)	(11,446,292)
Total governmental activities net position	<u>\$ 175,270,101</u>	<u>\$ 178,226,885</u>	<u>\$ 171,764,715</u>	<u>\$ 173,450,154</u>
Business-type activities				
Net investment in capital assets	\$ 72,850,892	\$ 79,775,875	\$ 80,951,839	\$ 86,648,028
Restricted	3,124,917	324	2,420	2,419
Unrestricted	15,364,950	17,620,112	21,659,423	28,437,335
Total business-type activities net position	<u>\$ 91,340,759</u>	<u>\$ 97,396,311</u>	<u>\$ 102,613,682</u>	<u>\$ 115,087,782</u>
Primary government				
Net investment in capital assets	\$ 210,658,013	\$ 217,929,566	\$ 224,005,586	\$ 233,784,510
Restricted	48,355,084	44,303,585	40,035,428	37,762,383
Unrestricted	7,597,763	13,390,045	10,337,383	16,991,043
Total primary government net position	<u>\$ 266,610,860</u>	<u>\$ 275,623,196</u>	<u>\$ 274,378,397</u>	<u>\$ 288,537,936</u>

Source: City of Hanford Finance Department

City of Hanford

**Net Position by Component, (Continued)
Last Ten (10) Fiscal Years
(accrual basis of accounting)**

	2019	2020	2021	2022	2023	2024
\$	152,623,126	\$ 158,401,312	\$ 157,116,548	\$ 153,865,284	\$ 155,203,294	\$ 165,368,191
	36,912,718	31,543,209	39,517,385	44,531,429	23,285,547	29,207,622
	(10,241,262)	(13,031,815)	(16,865,455)	(20,739,018)	16,776,297	18,755,308
\$	179,294,582	\$ 176,912,706	\$ 179,768,478	\$ 177,657,695	\$ 195,265,138	\$ 213,331,121
\$	92,471,031	\$ 96,648,645	\$ 108,641,344	\$ 104,136,670	\$ 141,608,046	\$ 121,203,106
	2,419	2,379	2,379	2,379	4,743	-
	32,334,598	37,049,575	36,037,365	46,369,374	13,013,309	46,530,975
\$	124,808,048	\$ 133,700,599	\$ 144,681,088	\$ 150,508,423	\$ 154,626,098	\$ 167,734,081
\$	245,094,157	\$ 255,049,957	\$ 265,757,892	\$ 258,001,954	\$ 296,811,340	\$ 286,571,297
	36,915,137	31,545,588	39,519,764	44,533,808	23,290,290	29,207,622
	22,093,336	24,017,760	19,171,910	25,630,356	29,789,606	65,286,283
\$	304,102,630	\$ 310,613,305	\$ 324,449,566	\$ 328,166,118	\$ 349,891,236	\$ 381,065,202

City of Hanford

Changes in Net Position Last Ten (10) Fiscal Years (accrual basis of accounting)

Fiscal Year	2015	2016	2017	2018
Expenses				
Governmental activities:				
General government	\$ 2,377,309	\$ 1,985,661	\$ 1,834,286	\$ 2,411,345
Public safety	14,386,240	14,331,789	16,605,006	17,908,901
Public works	7,110,149	8,587,563	7,970,040	9,665,063
Parks and recreation	3,327,204	2,992,500	3,577,165	2,986,101
Community development	2,134,853	3,602,920	9,419,387	5,255,402
Interest expense	-	-	-	-
Total governmental activities expenses	<u>29,335,755</u>	<u>31,500,433</u>	<u>39,405,884</u>	<u>38,226,812</u>
Business-type activities:				
Water system	6,490,128	6,416,603	7,038,650	6,897,804
Wastewater system	6,213,253	5,104,626	5,543,929	5,917,049
Storm drain	909,360	1,087,813	1,109,392	415,192
Refuse	6,535,528	6,524,554	7,116,048	8,488,643
Airport	428,542	401,980	366,610	408,718
Intermodal	78,241	107,976	111,455	68,237
Courthouse square	205,220	266,876	238,637	111,060
Building Safety	-	-	-	-
Total business-type activities expenses	<u>20,860,272</u>	<u>19,910,428</u>	<u>21,524,721</u>	<u>22,306,703</u>
Total primary government expenses	<u>\$ 50,196,027</u>	<u>\$ 51,410,861</u>	<u>\$ 60,930,605</u>	<u>\$ 60,533,515</u>
Program Revenues				
Governmental activities:				
Charges for services	\$ 5,119,281	\$ 8,174,050	\$ 7,378,383	\$ 5,117,638
Operating grants and contributions	1,252,929	981,843	474,195	1,244,656
Capital grants and contributions	914,526	1,435,941	754,175	1,745,470
Total governmental activities program revenues	<u>7,286,736</u>	<u>\$ 10,591,834</u>	<u>\$ 8,606,753</u>	<u>8,107,764</u>
Business-type activities:				
Charges for services	19,793,536	20,332,313	23,361,084	25,347,121
Capital grants and contributions	3,388,446	1,096,236	763,709	-
Total business-type activities program revenues	<u>23,181,982</u>	<u>\$ 21,428,549</u>	<u>\$ 24,124,793</u>	<u>25,347,121</u>
Total primary government revenues	<u>\$ 30,468,718</u>	<u>\$ 32,020,383</u>	<u>\$ 32,731,546</u>	<u>\$ 33,454,885</u>
Net (expense)/revenue				
Governmental activities	\$ (22,049,019)	\$ (20,908,599)	\$ (30,799,131)	\$ (30,119,048)
Business-type activities	2,321,710	1,518,121	2,600,072	3,040,418
Total primary government net (expense)/revenue	<u>\$ (19,727,309)</u>	<u>\$ (19,390,478)</u>	<u>\$ (28,199,059)</u>	<u>\$ (27,078,630)</u>

Source: City of Hanford Finance Department

City of Hanford

Changes in Net Position, (Continued) Last Ten (10) Fiscal Years (accrual basis of accounting)

2019	2020	2021	2022	2023	2024
\$ 1,818,009	\$ 7,424,876	\$ 7,777,169	\$ 6,839,279	\$ 8,647,803	\$ 7,755,643
20,415,070	22,348,294	21,878,581	21,556,505	36,761,886	26,472,385
8,608,632	5,328,310	4,310,762	4,644,058	4,151,802	10,096,705
2,681,282	3,628,645	3,290,716	3,280,139	4,163,652	5,483,946
4,140,104	2,780,857	2,636,159	2,248,980	2,468,828	2,890,465
-	-	-	-	1,140,021	1,086,925
<u>37,663,097</u>	<u>41,510,982</u>	<u>39,893,387</u>	<u>38,568,961</u>	<u>57,333,992</u>	<u>53,786,069</u>
6,097,140	7,430,096	7,613,367	8,418,232	10,805,234	7,711,131
4,738,256	5,375,459	5,830,921	5,776,311	7,127,609	7,506,365
(112,831)	747,116	1,082,412	945,288	1,624,217	1,680,905
8,281,902	8,478,104	8,173,990	9,019,863	10,388,974	10,852,999
429,455	505,212	645,131	769,767	671,372	558,304
50,808	57,761	57,818	49,616	56,589	56,256
177,774	79,642	102,750	97,270	63,436	107,624
-	-	-	-	-	1,649,670
<u>19,662,504</u>	<u>22,673,390</u>	<u>23,506,389</u>	<u>25,076,347</u>	<u>30,737,431</u>	<u>30,123,254</u>
<u>\$ 57,325,601</u>	<u>\$ 64,184,372</u>	<u>\$ 63,399,776</u>	<u>\$ 63,645,308</u>	<u>\$ 88,071,423</u>	<u>\$ 83,909,323</u>
\$ 8,160,049	\$ 7,235,394	\$ 5,962,037	\$ 6,970,563	\$ 6,491,551	\$ 4,544,558
1,402,082	1,606,323	1,908,465	4,897,714	8,160,718	12,658,886
710,585	416,429	780,926	531,131	15,030,908	16,354,756
<u>10,272,716</u>	<u>9,258,146</u>	<u>8,651,428</u>	<u>12,399,408</u>	<u>29,683,177</u>	<u>33,558,200</u>
24,277,814	25,726,945	26,671,382	27,232,541	26,733,436	32,097,134
-	-	-	-	5,154,104	4,431,308
<u>24,277,814</u>	<u>25,726,945</u>	<u>26,671,382</u>	<u>27,232,541</u>	<u>31,887,540</u>	<u>36,528,442</u>
<u>\$ 34,550,530</u>	<u>\$ 34,985,091</u>	<u>\$ 35,322,810</u>	<u>\$ 39,631,949</u>	<u>\$ 61,570,717</u>	<u>\$ 70,086,642</u>
\$ (27,390,381)	\$ (32,252,836)	\$ (31,241,959)	\$ (26,169,553)	\$ (27,650,815)	\$ (20,227,869)
4,615,310	3,053,555	3,164,993	2,156,194	1,150,109	6,405,188
<u>\$ (22,775,071)</u>	<u>\$ (29,199,281)</u>	<u>\$ (28,076,966)</u>	<u>\$ (24,013,359)</u>	<u>\$ (26,500,706)</u>	<u>\$ (13,822,681)</u>

City of Hanford

Changes in Net Position (Continued) Last Ten (10) Fiscal Years (accrual basis of accounting)

Fiscal Year	2015	2016	2017	2018
Government activities:				
Taxes				
Property Taxes	\$ 11,013,069	\$ 10,201,145	\$ 10,019,733	\$ 11,369,719
Sales and use tax	8,405,169	9,552,912	13,287,020	13,737,784
Franchise tax	1,057,300	1,030,056	952,304	1,080,031
Other taxes	2,383,057	2,281,349	2,164,133	1,056,995
Revenue from use of money and property	689,100	1,657,481	809,857	796,670
Impact Fees	-	-	-	2,602,398
Contributed capital	-	-	-	4,993,434
Miscellaneous/other	875,621	283,381	334,227	1,077,706
Transfers - Interfund	(138,102)	(1,140,941)	(506,048)	(1,825,044)
Investment earnings	-	-	-	-
Gain (Loss) on disposal of assets	-	-	-	-
Total governmental activities	24,285,214	23,865,383	27,061,226	34,889,693
Business-type activities:				
Revenue from use of money and property	93,420	153,781	186,871	169,094
Impact fees	1,829,015	2,676,359	1,619,558	1,543,490
Contributed Capital	-	-	-	1,591,676
Impairment loss	-	-	-	-
Miscellaneous/other	551,634	566,350	304,822	1,095,274
Transfers - Interfund	138,102	1,140,941	506,048	1,825,044
Investment Earnings	-	-	-	-
Lease Revenue	-	-	-	-
Loss on lease termination	-	-	-	-
Gain (Loss) on sale of capital assets	(111,708)	-	-	-
Total business-type activities	2,500,463	4,537,431	2,617,299	6,224,578
Total primary government	\$ 26,785,677	\$ 28,402,814	\$ 29,678,525	\$ 41,114,271
Extraordinary Items (Governmental Activities)				
Settlement expenditures	-	-	-	-
Total primary government	\$ -	\$ -	\$ -	\$ -
Change in Net Position				
Governmental activities	\$ 2,236,195	\$ 2,956,784	\$ (3,737,905)	\$ 4,770,645
Business-type activities	4,822,173	6,055,552	5,217,371	9,264,996
Total primary government	\$ 7,058,368	\$ 9,012,336	\$ 1,479,466	\$ 14,035,641

Source: City of Hanford Finance Department

City of Hanford

Changes in Net Position, (Concluded) Last Ten (10) Fiscal Years (accrual basis of accounting)

	2019	2020	2021	2022	2023	2024
\$	11,901,159	\$ 12,295,760	\$ 13,414,233	\$ 14,205,410	\$ 13,988,031	\$ 15,019,781
	14,006,613	14,103,551	16,332,234	18,199,243	18,011,255	16,772,531
	900,895	998,402	1,152,391	1,141,696	1,256,488	1,310,678
	1,183,139	1,239,906	1,292,189	2,735,498	2,696,299	1,853,648
	1,685,494	917,907	936,759	(1,478,136)	-	-
	1,876,232	1,720,516	1,098,344	3,372,830	-	-
	3,014,556	6,196,908	2,233,673	-	-	-
	377,283	370,256	374,064	111,176	124,250	539,645
	(1,039,937)	(1,004,179)	(1,861,652)	(924,456)	(243,210)	(1,154,605)
	-	-	-	-	976,872	2,947,174
	-	(993,957)	(8,936)	21,714	279,583	18,741
	<u>33,905,434</u>	<u>35,845,070</u>	<u>34,963,299</u>	<u>37,384,975</u>	<u>37,089,568</u>	<u>37,307,593</u>
	863,991	714,727	243,843	(643,781)	-	-
	1,413,423	1,369,100	2,220,328	2,916,474	-	-
	1,447,855	3,424,285	885,641	-	-	-
	-	(974,950)	-	-	-	-
	286,931	352,995	3,014,868	15,138	2,384,559	2,615,755
	1,039,937	1,004,179	1,861,652	924,456	243,210	1,154,605
	-	-	-	-	871,114	2,735,869
	-	-	-	610,805	193,373	111,166
	-	-	-	-	(724,690)	-
	-	-	(134,464)	-	-	85,400
	<u>5,052,137</u>	<u>5,890,336</u>	<u>8,091,868</u>	<u>3,823,092</u>	<u>2,967,566</u>	<u>6,702,795</u>
\$	<u>38,957,571</u>	<u>41,735,406</u>	<u>43,055,167</u>	<u>41,208,067</u>	<u>40,057,134</u>	<u>44,010,388</u>
	-	-	-	(12,500,000)	-	-
\$	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,500,000)</u>	<u>-</u>	<u>-</u>
\$	6,515,053	\$ 3,592,234	\$ 3,721,340	\$ (1,284,578)	\$ 9,438,753	\$ 17,079,724
	9,667,447	8,943,891	11,256,861	5,979,286	4,117,675	13,107,983
\$	<u>16,182,500</u>	<u>12,536,125</u>	<u>14,978,201</u>	<u>4,694,708</u>	<u>13,556,428</u>	<u>30,187,707</u>

City of Hanford

Governmental Activities Tax and Assessments Revenues by Source Last Ten (10) Fiscal Years (modified accrual basis of accounting)

Fiscal Year	Property Taxes	Sales & Use Tax	Franchise Taxes	Transfer Taxes	Transient Occupancy Taxes	Other Taxes	Total
2015	\$ 10,959,966	\$ 8,405,169	\$ 1,057,300	\$ 129,784	\$ 352,149	\$ 542,024	\$ 21,446,392
2016	10,147,678	9,552,912	1,030,056	154,528	380,945	569,721	21,835,840
2017	9,968,170	13,287,020	952,304	165,387	381,106	589,580	25,343,567
2018	10,704,232	12,620,519	1,080,031	163,628	391,743	685,830	25,645,983
2019	11,217,176	12,941,563	900,896	155,791	519,663	682,518	26,417,607
2020	11,514,040	12,896,552	998,401	163,345	534,169	1,041,783	27,148,290
2021	12,565,022	15,086,391	1,152,391	214,997	506,042	813,256	30,338,099
2022	13,043,532	16,887,598	1,141,696	266,734	633,951	2,107,462	34,080,973
2023	13,755,470	18,011,255	1,256,488	232,561	770,144	1,926,155	35,952,073
2024	15,019,781	16,772,531	1,310,678	235,563	750,696	1,853,648	35,942,897

Includes General Fund, Special Revenue, Capital Projects Funds,

Source: City of Hanford Finance Department

City of Hanford

Fund Balances of Governmental Funds Last Ten (10) Fiscal Years (modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General fund				
Non Spendable:				
Long-term receivables	\$ 7,736,418	\$ 6,551,252	\$ -	\$ -
Land for resale	246,450	246,450	246,450	-
Prepaid expenses	-	-	-	-
Deposits	-	-	-	-
Insurance deposits	100,000	102,500	102,500	102,500
Committed for:				
Community development	-	-	223,841	-
Capital Projects	1,123,971	361,571	410,805	-
Unassigned	6,336,292	7,588,301	8,243,676	8,504,194
Total general fund	<u>15,543,131</u>	<u>14,850,074</u>	<u>9,227,272</u>	<u>8,606,694</u>
All other governmental funds				
Non Spendable:				
Long-term receivables	\$ 2,568,908	\$ 2,327,669	\$ 2,308,419	\$ 2,252,474
Loan receivable	-	-	-	-
Lease receivable	-	-	-	-
Land for resale	-	-	-	-
Prepaid expenses	-	-	-	-
Deposits	-	-	-	-
Insurance deposits	-	-	-	-
Restricted for:				
Community development	17,733,678	18,024,438	18,828,294	19,451,267
Streets and roads	8,619,104	9,235,637	3,163,348	3,150,066
Recreation	2,574,664	3,438,237	3,883,314	3,442,097
Landscape Maintenance	753,691	633,978	570,497	470,405
Public safety	2,132,681	1,860,328	1,901,468	847,555
Committed for:				
Parking and business improvement	9,212,800	7,715,855	7,271,925	7,529,338
Community development	1,146,655	1,154,093	2,490,055	616,762
Cannabis	-	-	-	-
Unassigned	(21,428)	(49,932)	(1,627,279)	(15,381)
Total all other governmental funds	<u>44,720,753</u>	<u>44,340,303</u>	<u>38,790,041</u>	<u>37,744,583</u>
Total fund balance all governmental funds	<u>\$ 60,263,884</u>	<u>\$ 59,190,377</u>	<u>\$ 48,017,313</u>	<u>\$ 46,351,277</u>

Source: City of Hanford Finance Department

City of Hanford

**Fund Balances of Governmental Funds (Continued)
Last Ten (10) Fiscal Years
(modified accrual basis of accounting)**

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
384,221	92,744	6,302	144,650	199,992	226,857
-	-	-	104,500	104,500	104,500
180,950	104,500	104,500	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,884,054	5,383,628	10,926,987	3,031,928	10,214,594	12,610,835
<u>7,449,225</u>	<u>5,580,872</u>	<u>11,037,789</u>	<u>3,281,078</u>	<u>10,519,086</u>	<u>12,942,192</u>
\$ 2,252,416	\$ 2,252,415	\$ 20,503,159	\$ -	\$ -	\$ -
-	-	-	20,346,974	20,378,274	19,501,968
-	-	-	557,209	-	-
-	-	-	-	-	-
1,686	1,722	1,722	1,722	1,100	1,100
-	-	-	-	-	-
-	-	-	-	-	-
19,909,210	20,434,281	1,646,956	1,870,075	-	-
6,810,336	5,744,795	6,522,042	10,075,783	15,276,502	20,079,629
3,701,300	4,204,305	4,322,904	5,107,894	5,705,236	5,975,177
526,765	581,818	731,600	968,179	1,451,419	2,046,521
452,490	636,174	399,646	713,464	852,390	1,106,295
5,882,433	5,154,829	4,931,758	3,902,047	3,537,705	2,986,008
442,281	460,475	552,161	722,548	7,550,690	10,152,998
-	-	124,305	121,818	126,255	197,606
(16,291)	(269,568)	(109,905)	(583,155)	(317,109)	(146,712)
<u>39,962,626</u>	<u>39,201,246</u>	<u>39,626,348</u>	<u>43,804,558</u>	<u>54,562,462</u>	<u>61,900,590</u>
\$ <u>47,411,851</u>	\$ <u>44,782,118</u>	\$ <u>50,664,137</u>	\$ <u>47,085,636</u>	\$ <u>65,081,548</u>	\$ <u>74,842,782</u>

City of Hanford

Changes in Fund Balances of Governmental Funds Last Ten (10) Fiscal Years (modified accrual basis of accounting)

Fiscal Year	2015	2016	2017	2018
Revenues				
Taxes and special assessments	\$ 24,888,688	\$ 27,293,684	\$ 29,647,843	\$ 30,598,941
Aid from other government agencies	3,210,188	3,755,254	2,896,846	4,691,907
Licenses and permits	769,258	1,106,359	1,038,419	844,802
Fines and forfeitures	286,060	212,736	185,641	183,604
Charges for services	1,015,014	1,233,071	1,171,293	1,377,615
Lease Revenue	-	-	-	-
Revenue from use of money and property	750,596	1,723,563	866,874	865,159
Miscellaneous	790,248	282,591	367,111	1,641,647
Total Revenues	31,710,052	35,607,258	36,174,027	40,203,675
Expenditures				
General government	2,425,078	2,218,049	1,864,740	2,787,272
Public safety	14,696,077	16,220,588	16,880,475	17,772,608
Public works	3,095,492	4,294,423	3,454,560	4,105,399
Recreation	2,815,731	2,699,506	3,037,478	4,318,774
Community development	2,070,679	3,777,870	9,365,735	2,803,849
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	4,278,701	6,772,187	10,235,425	7,185,808
Total Expenditures	29,381,758	35,982,623	44,838,413	38,973,710
Excess of revenues over (under) expenditures	2,328,294	(375,365)	(8,664,386)	1,229,965
Other Financing Sources (Uses)				
Transfers in	2,371,171	304,218	2,503,606	5,172,191
Transfers out	(2,472,098)	(1,002,360)	(2,288,019)	(8,095,493)
Proceeds from issuance of bonds	-	-	-	-
Lease and SBITA acquisition	-	-	-	-
Loss on lease termination	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Total Other Financing Sources (Uses)	(100,927)	(698,142)	215,587	(2,923,302)
Net Change in Fund Balances Before Extraordinary Item	2,227,367	(1,073,507)	(8,448,799)	(1,693,337)
Extraordinary Item	-	-	-	-
Net Change in Fund Balances	\$ 2,227,367	\$ (1,073,507)	\$ (8,448,799)	\$ (1,693,337)
Debt Service as a percentage of non-capital expenditures	0.00%	0.00%	0.00%	0.00%

Source: City of Hanford Finance Department

City of Hanford

Changes in Fund Balances of Governmental Funds (Continued) Last Ten (10) Fiscal Years (modified accrual basis of accounting)

	2019	2020	2021	2022	2023	2024
\$	31,610,153	\$ 31,981,731	\$ 34,967,879	\$ 41,422,170	\$ 43,260,146	\$ 44,194,513
	6,078,876	3,516,928	3,097,879	5,380,585	6,208,765	10,445,228
	938,841	1,105,993	1,052,363	1,797,872	1,849,277	86,270
	170,956	171,876	163,068	224,399	242,675	181,315
	1,275,044	1,787,004	2,494,238	3,128,433	3,205,579	2,991,009
	-	-	-	19,496	-	137,197
	1,233,994	1,559,423	761,614	(847,591)	1,335,944	2,660,640
	439,602	434,160	605,185	194,405	149,569	511,397
	<u>41,747,466</u>	<u>40,557,115</u>	<u>43,142,226</u>	<u>51,319,769</u>	<u>56,251,955</u>	<u>61,207,569</u>
	1,762,734	2,666,323	2,134,148	4,162,723	3,042,292	3,850,724
	19,357,821	20,484,238	20,775,293	42,528,787	23,465,277	23,950,549
	3,337,476	4,753,648	3,731,386	6,192,054	3,770,437	3,278,704
	3,618,014	3,510,358	3,441,612	5,662,458	4,670,976	4,995,392
	2,868,807	2,790,439	2,758,705	3,508,200	2,716,570	2,031,415
	-	-	-	22,193	1,243,300	1,596,228
	-	-	-	513	1,140,021	1,086,925
	7,995,534	7,643,581	3,255,771	4,623,507	6,362,118	10,218,712
	<u>38,940,386</u>	<u>41,848,587</u>	<u>36,096,915</u>	<u>66,700,435</u>	<u>46,410,991</u>	<u>51,008,649</u>
	<u>2,807,080</u>	<u>(1,291,472)</u>	<u>7,045,311</u>	<u>(15,380,666)</u>	<u>9,840,964</u>	<u>10,198,920</u>
	1,962,967	320,279	1,583,169	6,194,001	4,627,696	2,176,873
	(3,381,448)	(825,757)	(2,767,302)	(7,508,224)	(4,934,143)	(3,309,157)
	-	-	-	25,390,437	-	-
	-	-	-	89,571	-	675,857
	-	-	-	-	(11,319)	-
	-	-	-	21,716	304,024	18,741
	<u>(1,418,481)</u>	<u>(505,478)</u>	<u>(1,184,133)</u>	<u>24,187,501</u>	<u>(13,742)</u>	<u>(437,686)</u>
	1,388,599	(1,796,950)	5,861,178	8,806,835	9,827,222	9,761,234
	-	-	-	(12,500,000)	-	-
\$	<u>1,388,599</u>	<u>\$ (1,796,950)</u>	<u>\$ 5,861,178</u>	<u>\$ (3,693,165)</u>	<u>\$ 9,827,222</u>	<u>\$ 9,761,234</u>
	0.00%	0.00%	0.00%	0.03%	5.07%	5.44%

City of Hanford

General Fund Tax Revenue by Source Last Ten (10) Fiscal Years (modified accrual basis of accounting)

Fiscal Year	Sales & Use Tax	Property Taxes	Franchise Fees	Transfer Tax	Transient Tax	Business License	Misc. Taxes	Total
2015	\$ 8,405,169	\$ 11,357,154	\$ 1,057,300	\$ 129,784	\$ 352,149	\$ 542,024	\$ 3,044,861	\$ 24,888,441
2016	9,552,912	10,601,898	1,030,056	154,528	380,945	569,721	5,003,623	27,293,683
2017	13,287,020	10,470,392	952,304	165,387	381,106	589,580	3,802,054	29,647,843
2018	12,620,519	11,225,844	1,080,031	163,628	391,743	645,499	4,471,677	30,598,941
2019	12,941,563	11,767,502	900,896	155,791	519,663	644,074	4,680,385	31,609,874
2020	12,896,552	12,152,049	998,401	163,345	534,170	686,180	4,551,031	31,981,728
2021	15,086,391	13,345,637	1,152,392	214,997	506,042	735,628	3,926,792	34,967,879
2022	16,887,597	13,965,637	1,141,697	266,734	633,951	1,259,122	7,267,433	41,422,171
2023	18,011,255	14,879,090	1,256,488	232,561	770,144	825,848	7,284,761	43,260,147
2024	16,772,531	16,202,645	1,310,678	235,563	750,696	940,064	7,982,336	44,194,513

Source: City of Hanford Finance Department

City of Hanford

Top 25 Sales Tax Producers As of June 30, 2024, and Ten Years Ago

2023-24		2014-15	
Taxpayers	Business Type	Taxpayers	Business Type
7-Eleven Food Stores	Food Markets	AT & T Mobility	Miscellaneous Retail
Arco AM/PM Mini Marts	Service Stations	Chevron Service Stations	Service Stations
Buford Oil Company	Energy Sales	Crop Production Services	Florist/Nursery
Chevron Service Stations	Service Stations	Foods Co.	Food Markets
Costco Wholesale	Department Stores	Freeway Toyota of Hanford	Auto Sales - New
Crop Production Services	Florist/Nursery	Hanford Chrysler Dodge Jeep Ram	Auto Sales - New
Freeway Toyota of Hanford	Auto Sales - New	Hanford Equipment Company	Heavy Industry
Hanford Chrysler Dodge Jeep Ram	Auto Sales - New	Hanford Petroleum	Service Stations
Hanford Hyundai	Auto Sales - New	Helena Industries Company	Chemical Products
Helena Industries Company	Chemical Products	Home Depot	Bldg.Matls-Retail
Herbjoy - MMD	Drug Stores	J C Penney Company	Department Stores
Home Depot	Bldg.Matls-Retail	Keller Motors	Auto Sales - New
Keller Motors	Auto Sales - New	Kohl's Department Stores	Department Stores
Kohl's Department Stores	Department Stores	Lawrence Tractor Services	Heavy Industry
Lawrence Tractor Services	Heavy Industry	Lowe's Home Centers	Bldg.Matls-Retail
Lowe's Home Centers	Bldg.Matls-Retail	Marshall's Stores	Apparel Stores
Marshall's Stores	Apparel Stores	McDonald's Restaurants	Restaurants
McDonald's Restaurants	Restaurants	North Pointe Chevron	Service Stations
McLellan Industries	Heavy Industry	Ross Stores	Apparel Stores
Ross Stores	Apparel Stores	Sears Roebuck & Company	Department Stores
Sinclair Service Stations	Service Stations	Simplot	Food Processing Eqp
Target Stores	Department Stores	Target Stores	Department Stores
Ulta	Miscellaneous Retail	Valero Service Stations	Service Stations
Valley Ford Lincoln Mercury	Auto Sales - New	Valley Ford Lincoln Mercury	Auto Sales - New
Wal Mart Stores	Department Stores	Wal Mart Stores	Department Stores

Source: MuniServices, LLC/Avenue Insights & Analytics

City of Hanford

Assessed Value and Estimated Actual Value of Taxable Property Last Ten (10) Fiscal Years

Fiscal Year End	Residential Property	Commercial Property	Industrial Property	Other Property (1)	Unsecured Property	Less: Exemptions	Assessed Value	Total Direct Tax Rate (2)	Actual Taxable Value (3)	Taxable Assessed	Value as a Percentage of
2014-15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1.13936	\$ -	-	-
2015-16	-	-	-	-	-	-	-	1.13927	-	-	-
2016-17	-	-	-	-	-	-	-	1.12922	-	-	-
2017-18	2,783,525,089	493,114,270	269,659,726	508,752,105	N/A	363,949,952	3,691,101,238	1.12180	-	-	-
2018-19	2,935,804,163	618,989,482	180,727,792	544,280,676	N/A	392,514,570	3,887,287,543	1.11679	-	-	-
2019-20	3,105,274,399	647,007,412	164,095,505	555,146,633	173,827,008	387,715,607	4,257,635,350	1.12726	-	-	-
2020-21*	3,303,584,068	595,201,875	196,957,330	545,065,531	210,480,516	397,812,626	4,453,476,694	1.12388	6,179,434,682	1.387553	72.07%
2021-22	3,439,245,034	591,513,846	207,542,829	386,937,678	194,560,522	181,073,610	4,638,726,299	1.10065	5,971,265,535	1.287264	77.68%
2022-23	3,736,548,034	600,258,781	214,282,452	575,008,635	229,719,368	441,361,676	4,914,455,594	1.10284	7,111,767,664	1.447112	69.10%
2023-24	4,066,427,682	647,434,977	221,963,517	590,350,261	360,905,703	435,786,167	5,451,295,973	1.08077	6,593,766,045	1.209577	82.67%

Source: County Assessor data, MuniServices, LLC / Avenu Insights & Analytics

Table is formatted to comply with GASB No. 44 and include estimated actual value.

1.) 2022-23 Value includes state utility in the amount of \$15,834,471.

2.) Total direct tax rate is for TRA 2-000.

3.) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices. Based on these calculations a multiplier value was extrapolated and applied to current assessed values.

*2020-21 is the City's first ACFR Statistical publication, therefore, historical data is limited.

Source: County Assessor data, MuniServices, LLC / Avenu Insights & Analytics

Use code categories are based on County Assessor's data

1.) 2022-23 Secured Value land use distribution includes state utility in the amount of \$17,434,471.

City of Hanford

Direct and Overlapping Property Tax Rates (Rate per \$100 of Taxable Property) Last Ten (10) Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Basic Levy	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Hanford EL 93 GOB	0.031113	0.037628	0.035433	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Hanford EL 16C BD	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.010798	0.009860	0.007687
Hanford EL 16B BD	0.000000	0.000000	0.000000	0.000000	0.000000	0.017096	0.026207	0.003109	0.008020	0.006794
Hanford EL 98 BD	0.023435	0.022953	0.019416	0.017975	0.018392	0.017350	0.016614	0.016477	0.014979	0.000000
Hanford EL 16 BD	0.000000	0.000000	0.000000	0.021672	0.013150	0.008930	0.009275	0.009021	0.008302	0.009728
Hanford HI 10 R	0.010074	0.009540	0.008344	0.008064	0.008234	0.007731	0.007221	0.006449	0.006862	0.000000
Hanford HI 98 B	0.014429	0.013678	0.012028	0.011343	0.011780	0.011000	0.010566	0.010136	0.009644	0.008166
Hanford HI 98 C	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Hanford HI 14 REF GOB	0.002994	0.002899	0.002581	0.002460	0.002509	0.002211	0.002144	0.002009	0.001863	0.005645
Hanford HI 04 A	0.030983	0.030043	0.029459	0.028500	0.023573	0.023189	0.023042	0.023370	0.022949	0.020446
Hanford HI 04 B	0.002429	0.002224	0.001763	0.001785	0.001801	0.001564	0.001454	0.001366	0.001325	0.001137
Hanford HI 16 A	0.000000	0.000000	0.000000	0.000000	0.007351	0.008184	0.005545	0.002542	0.003053	0.002246
Hanford HI 16 B	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.001810	0.000369	0.000987	0.000755
Hanford HI GOB 16-C	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.003164
COS/ HFD 06- A&B GOB	0.023900	0.020300	0.020200	0.009800	0.015600	0.015000	0.020000	0.015000	0.015000	0.015000
COS/ HFD 06- C GOB	0.000000	0.000000	0.000000	0.020200	0.014400	0.015000	0.000000	0.000000	0.000000	0.000000
Overlapping Rates	0.139357	0.139265	0.129224	0.121799	0.116790	0.127255	0.123878	0.100646	0.102844	0.080768
Total Tax Rates	<u>1.139357</u>	<u>1.139265</u>	<u>1.129224</u>	<u>1.121799</u>	<u>1.116790</u>	<u>1.127255</u>	<u>1.123878</u>	<u>1.100646</u>	<u>1.102844</u>	<u>1.080768</u>

Source: County Auditor/Controller data, MuniServices, LLC / Avenu Insights & Analytics
TRA 2-000 is represented for this report.

City of Hanford

Principal Property Taxpayers As of June 30, 2024, and Ten Years Ago

Taxpayer	2023-24		2014-15	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Faraday & Future Inc	\$ 55,695,070	1.02%		
Tessengerlo Kerley Inc	51,914,116	0.95%		
Hanford Mill	41,049,240	0.75%		
Centennial-Hanford Center II LLC	36,231,064	0.66%	\$ 31,427,489	1.05%
Marquez Brothers Hanford Cheese Plant	35,074,030	0.64%		
Edgewater Isle Apartments LLC	34,757,810	0.64%		
545 Centennial Lp	28,947,489	0.53%		
Costco Wholesale Corporation	28,031,855	0.51%		
Wal-Mart Real Estate Business Trust	27,238,097	0.50%	22,201,352	0.74%
Bels Poultry LLC	25,579,742	0.47%	6,818,638	0.23%
Hood Packaging Corp	21,669,695	0.40%		
Forebay Farms LLC	18,527,168	0.34%		
SNR 27 The Remington Owner LLC	18,444,875	0.34%		
Marquez Investment Group LLC	18,300,506	0.34%	25,945,096	0.87%
Target Corporation	18,215,930	0.33%	13,018,644	0.43%
ARHC AHHFD CA01 LLC	17,327,718	0.32%		
3902 Annadale Lane LP	17,304,499	0.32%		
Keller, Jon & Valerie Rev Trust	14,873,323	0.27%	12,394,149	0.41%
Centennial Capital LP	14,707,813	0.27%	15,125,674	
Lowe's HIW Inc	14,614,290	0.27%	15,090,642	0.50%
Berkshire Crossing LLC	14,045,880	0.26%		
River Oaks Holdings LLC	13,231,720	0.24%	10,716,493	0.36%
361 E Grangeville Blvd LLC	12,230,144	0.22%		
Anand Hospitality LLC	12,022,311	0.22%		
HD Development Of Maryland Inc	11,650,461	0.21%	9,253,706	0.31%
Passco Hanford Mall LLC			46,275,460	1.54%
GWF Energy LLC-Hanford			41,100,000	1.37%
Wasatch Pool Holdings LLC			28,830,470	0.96%
Steiner L J LLC			15,613,413	0.52%
South Auto Holdings LLC			11,182,820	0.37%
Ricchiuti Patrick V Family Trust			9,017,061	0.30%
Exopack LLC			8,927,233	0.30%
Hanford Retirement Residence Ltd			8,548,258	0.29%
ELS Properties Corporation			8,187,001	0.27%
Forever 21 Real Estate Holdings LLC			7,629,764	0.25%
Kings Residential Limited Partnership			7,101,982	0.24%
Realty Income Properties 23 LLC			6,681,196	0.22%
Hanford Partners LLC			6,664,883	0.22%
Calcot Ltd			6,634,592	0.22%
Hanford Center LLC			6,529,510	0.22%
Total Top 25 Taxpayers	601,684,846	11.04%	380,915,526	12.20%
Total Taxable Value	5,451,295,973	100.00%	2,999,213,188	100.00%

Source: County Assessor data, MuniServices, LLC / Avenu Insights & Analytics
 Note: 2014-15 represents Secured data only. Unsecured data: N/A

City of Hanford

Property Tax Levies and Collections Last Ten (10) Calendar Years

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Current Tax Collections	Percent of Current Taxes Collected		Amount	Percentage of Levy
2014	\$ 2,831,669	\$ 2,884,144	101.9%	\$ 128,141	\$ 3,012,285	106.4%
2015	3,350,921	3,321,742	99.1%	139,009	3,460,751	103.3%
2016	3,687,940	3,578,931	97.0%	132,853	3,711,784	100.6%
2017	3,961,411	3,908,158	98.7%	129,042	4,037,200	101.9%
2018	4,310,908	4,644,611	107.7%	131,947	4,776,558	110.8%
2019	4,747,511	5,054,013	106.5%	143,229	5,197,242	109.5%
2020	5,269,297	5,474,560	103.9%	159,844	5,634,404	106.9%
2021	6,021,646	6,684,394	111.0%	100,766	6,785,160	112.7%
2022	6,581,880	7,015,381	106.6%	91,862	7,107,243	108.0%
2023	7,330,939	7,932,822	108.2%	99,955	8,032,777	109.6%

Source: Kings County Property Tax Division

City of Hanford

Assessed Value of Property by Use Code Last Seven (7) Fiscal Years

<u>Category</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Residential	\$ 2,770,795,326	\$ 2,935,804,163	\$ 3,105,274,399
Commercial	584,514,310	618,989,482	647,007,412
Institution	260,490,264	262,841,798	265,695,795
Industrial	174,965,382	180,727,792	164,095,505
Professional	143,476,958	157,209,582	164,062,839
Agricultural	39,328,210	44,504,943	54,144,413
Vacant	14,992,337	20,844,947	20,914,525
Miscellaneous	13,564,257	14,317,952	17,663,084
Unitary	37,802,543	28,502,543	17,502,543
Unknown	565,393	558,878	28,945
Recreation	6,840,139	6,948,353	7,008,610
Transportation	5,140,280	5,317,392	5,465,167
Manufacturing	2,558,841	2,591,251	2,643,076
Government	16,950	643,037	17,636
Gross Secured Value	4,055,051,190	4,279,802,113	4,471,523,949
Unsecured	N/A	N/A	173,827,008
Exemptions	363,949,952	392,514,570	387,715,607
Net Taxable Value	<u>\$ 3,691,101,238</u>	<u>\$ 3,887,287,543</u>	<u>\$ 4,257,635,350</u>

Source: County Assessor data, MuniServices, LLC / Avenu Insights & Analytics
Use code categories are based on County Assessor's data

1.) 2022-23 Secured Value land use distribution includes state utility in the amount of \$17,434,471.

City of Hanford

**Assessed Value of Property by Use Code (Continued)
Last Seven (7) Fiscal Years**

2020-21	2021-22	2022-23 (1)	2023-24
\$ 3,303,584,068	\$ 3,439,245,034	\$ 3,736,548,034	\$ 4,066,427,682
595,201,875	591,513,846	600,258,781	647,434,977
270,104,292	110,839,263	270,904,019	248,596,282
196,957,330	207,542,829	214,282,452	221,963,517
171,077,019	152,716,479	179,659,340	190,079,979
39,038,322	53,375,249	55,327,923	46,591,484
16,904,742	18,955,327	34,327,433	45,546,300
15,088,912	15,429,051	100,956	17,129,784
15,602,543	14,534,471	-	15,834,471
451,243	6,819,191	17,464,896	8,830,158
7,257,204	5,518,186	7,387,479	7,162,119
6,845,317	6,026,595	7,058,248	7,129,783
2,695,937	2,723,866	2,778,341	3,449,901
-	-	-	-
<hr/> 4,640,808,804	<hr/> 4,625,239,387	<hr/> 5,126,097,902	<hr/> 5,526,176,437
210,480,516	194,560,522	229,719,368	360,905,703
397,812,626	181,073,610	441,361,676	435,786,167
<hr/> \$ 4,453,476,694	<hr/> \$ 4,638,726,299	<hr/> \$ 4,914,455,594	<hr/> \$ 5,451,295,973

City of Hanford

Ratios of Outstanding Debt by Type Last Ten (10) Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita ¹
	Pension Obligation Bonds	Lease Payable	SBITA Payable	Notes Payable	Revenue Bonds	Notes Payable	Finance Purchase Agreements	Lease Payable			
2015	\$ -	\$ -	\$ -	\$ 246,450	\$26,820,000	\$ 7,160,982	\$12,209,027	\$ -	\$ 46,436,459	0.88%	\$ 662
2016	-	-	-	246,450	25,455,000	6,845,590	11,293,114	-	43,840,154	0.81%	625
2017	-	-	-	246,450	24,055,000	6,519,159	10,748,627	-	41,569,236	0.74%	592
2018	-	-	-	-	22,605,000	6,181,303	10,015,715	-	38,802,018	0.67%	553
2019	-	-	-	-	21,110,000	5,831,622	9,210,709	-	36,152,331	0.61%	515
2020	-	-	-	-	19,560,000	5,469,703	8,610,970	-	33,640,673	0.55%	479
2021	-	-	-	-	17,945,000	5,095,115	7,936,377	-	30,976,492	0.49%	441
2022	26,506,940	67,378	67,378	-	20,709,060	4,707,418	7,181,833	-	59,240,007	0.92%	844
2023	25,460,230	387,868	387,868	-	18,793,770	4,306,151	6,341,947	-	55,677,834	0.84%	793
2024	23,922,715	638,867	178,371	-	4,416,095	3,890,840	5,411,024	20,742	38,478,654	0.56%	548

Note:

Details regarding the government's outstanding debt can be found in the notes to the financial statements.

¹ See the Schedule of Demographic and Economic Statistics for personal income and population

Source: City of Hanford Finance Department

City of Hanford

**Ratios of General Bonded Debt Outstanding
Last Ten (10) Fiscal Years**

Fiscal Year	Pension Obligation Bonds	Revenue Bonds	Total	Percentage of Estimated Actual Taxable Value of Property ¹	Per Capita ²
2015	\$ -	\$ 26,820,000	\$ 26,820,000	0.89%	\$ 382.18
2016	-	25,455,000	25,455,000	0.80%	362.73
2017	-	24,055,000	24,055,000	0.72%	342.78
2018	-	22,605,000	22,605,000	0.63%	322.11
2019	-	21,110,000	21,110,000	0.56%	300.81
2020	-	19,560,000	19,560,000	0.49%	278.72
2021	-	17,945,000	17,945,000	0.43%	255.71
2022	26,506,940	20,709,060	47,216,000	1.01%	672.81
2023	25,460,230	18,793,770	44,254,000	0.89%	630.61
2024	23,922,715	16,731,285	40,654,000	0.74%	579.31

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for the property value data.

² Population data can be found in the schedule of Demographic and Economic Statistics page

Source: City of Hanford Finance Department

City of Hanford

Direct and Overlapping Governmental Activities Debt As of June 30, 2024

2023-2024 Assessed Valuation \$ 5,496,538,395

	Total Debt	Percent	
	6/30/24	Applicable (1)	Debt 6/30/24
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:			
College of the Sequoias Hanford Campus Improvement District No. 1	\$ 13,170,778	67.604%	\$ 8,903,973
Hanford Joint Union High School District	56,273,758	67.604%	38,043,311
Armona School District	7,588,712	31.032%	2,354,929
Hanford School District	21,620,000	96.740%	20,915,188
Pioneer Union School District	11,378,571	85.444%	9,722,306
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			<u>\$ 79,939,707</u>
DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:			
Kings County General Fund Obligations	\$ 6,660,000	38.433%	\$ 2,559,638
Hanford Joint Union High School District Certificates of Participation	17,845,000	67.604%	12,063,934
Kings River Hardwick Union School District Certificates of Participation	3,900,000	21.829%	851,331
Pioneer Union School District Certificates of Participation	4,900,000	85.444%	4,186,756
City of Hanford Pension Obligations Bonds	23,922,715	100.000%	23,922,715
City of Hanford Lease payable	638,867		638,867
City of Hanford SBITA payable	178,371		178,371
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT			<u>\$ 44,401,612</u>
OVERLAPPING TAX INCREMENT DEBT:			
TOTAL DIRECT DEBT			24,739,953
TOTAL OVERLAPPING OBLIGATION DEBT			<u>99,601,366</u>
COMBINED TOTAL DEBT			<u>\$ 124,341,319 (2)</u>

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2023-24 Assessed Valuation:

Total Overlapping Debt (excluding tax increment).....	1.45%
Total Direct Debt (\$27,929,000)	0.51%
Combined Total Debt (excluding tax increment).....	2.32%

AB: (\$550)

Source: California Municipal Statistics and City of Hanford Finance Department

City of Hanford

Computation of Legal Debt Margin Last Ten (10) Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Assessed valuation	\$ 3,025,217,697	\$ 3,188,163,290	\$ 3,353,705,246	\$3,582,257,800
Conversion percentage	25%	25%	25%	25%
Adjusted assessed value	<u>\$ 756,304,424</u>	<u>\$ 797,040,823</u>	<u>\$ 838,426,312</u>	<u>\$ 895,564,450</u>
Debt limit percentage	15%	15%	15%	15%
Debt limit	<u>\$ 113,445,664</u>	<u>\$ 119,556,123</u>	<u>\$ 125,763,947</u>	<u>\$ 134,334,668</u>
Total net debt applicable to limit:				
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Legal debt margin	<u>\$ 113,445,664</u>	<u>\$ 119,556,123</u>	<u>\$ 125,763,947</u>	<u>\$ 134,334,668</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

Source: Kings County Auditor-Controller Property Tax Division

Note:

The government code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

City of Hanford

**Computation of Legal Debt Margin (Continued)
Last Ten (10) Fiscal Years**

2019	2020	2021	2022	2023	2024
\$ 3,775,010,700	\$ 4,005,538,197	\$ 4,203,023,242	\$ 4,676,333,377	\$ 4,952,642,565	\$ 5,484,273,569
25%	25%	25%	25%	25%	25%
\$ 943,752,675	\$ 1,001,384,549	\$ 1,050,755,811	\$ 1,169,083,344	\$ 1,238,160,641	\$ 1,371,068,392
15%	15%	15%	15%	15%	15%
\$ 141,562,901	\$ 150,207,682	\$ 157,613,372	\$ 175,362,502	\$ 185,724,096	\$ 205,660,259
\$ -	\$ -	\$ -	\$ 26,506,940	\$ 25,460,230	\$ 23,922,715
\$ 141,562,901	\$ 150,207,682	\$ 157,613,372	\$ 148,855,562	\$ 160,263,866	\$ 181,737,544
0.00%	0.00%	0.00%	15.12%	13.71%	11.63%

City of Hanford

Pledged Revenue Coverage Last Ten (10) Fiscal Years (modified accrual basis of accounting)

Fiscal Year	2015	2016	2017	2018
Wastewater:				
Revenues	\$ 6,955,953	\$ 7,061,335	\$ 6,596,108	\$ 7,159,145
Less: Operating Expenses	(3,944,064)	(2,826,302)	(3,299,395)	(3,616,935)
Net Available Revenue	<u>3,011,889</u>	<u>4,235,033</u>	<u>3,296,713</u>	<u>3,542,210</u>
Water:				
Revenues	6,817,507	7,781,934	10,069,044	10,847,684
Less: Operating Expenses	(4,741,532)	(4,619,316)	(4,727,413)	(4,421,848)
Net Available Revenue	<u>2,075,975</u>	<u>3,162,618</u>	<u>5,341,631</u>	<u>6,425,836</u>
Total Utility Systems Revenues	13,773,460	14,843,269	16,665,152	18,006,829
Less: Total Utility Systems Operating Expenses	(8,685,596)	(7,445,618)	(8,026,808)	(8,038,783)
Total Utility Systems Net Revenue Available	<u>\$ 5,087,864</u>	<u>\$ 7,397,651</u>	<u>\$ 8,638,344</u>	<u>\$ 9,968,046</u>
Debt Service Requirements	\$ 2,610,006	\$ 2,358,656	\$ 2,355,806	\$ 2,362,131
Coverage	1.95	3.14	3.67	4.22

Note: Excludes depreciation and amortization

City of Hanford

**Pledged Revenue Coverage (Continued)
Last Ten (10) Fiscal Years**

2019	2020	2021	2022	2023	2024
\$ 6,712,173	\$ 6,592,213	\$ 6,488,656	\$ 7,134,563	\$ 6,832,219	\$ 8,271,634
(3,356,489)	(3,337,601)	(3,688,293)	(3,501,738)	(4,827,492)	(7,060,278)
<u>3,355,684</u>	<u>3,254,612</u>	<u>2,800,363</u>	<u>3,632,825</u>	<u>2,004,727</u>	<u>1,211,356</u>
10,746,302	11,179,262	12,307,644	12,413,643	11,541,239	14,062,877
(4,419,503)	(4,949,316)	(4,983,238)	(5,638,433)	(8,072,888)	(7,446,299)
<u>6,326,799</u>	<u>6,229,946</u>	<u>7,324,406</u>	<u>6,775,210</u>	<u>3,468,351</u>	<u>6,616,578</u>
17,458,475	17,771,475	18,796,300	19,548,206	18,373,458	22,334,511
(7,775,992)	(8,286,917)	(8,671,531)	(9,140,171)	(12,900,380)	(14,506,577)
<u>\$ 9,682,483</u>	<u>\$ 9,484,558</u>	<u>\$ 10,124,769</u>	<u>\$ 10,408,035</u>	<u>\$ 5,473,078</u>	<u>\$ 7,827,934</u>
\$ 2,357,406	\$ 2,354,131	\$ 2,354,756	\$ 2,351,881	\$ 2,351,635	\$ 2,343,188
4.11	4.03	4.30	4.43	2.33	3.34

City of Hanford

Demographic and Economic Statistics Last Ten (10) Fiscal Years

Fiscal Year	Population ¹	Personal Income ²	Capita Personal Income ²	City Unemployment Rate ³	County Unemployment Rate ³	County Population	School Enrollment	Median Age
2015	55,844	\$ 1,719,548,448	\$ 30,792	9.0%	10.0%	\$ 149,275	9,779	31.7
2016	56,192	1,764,934,528	31,409	8.5%	8.8%	149,042	9,662	31.5
2017	57,011	1,796,302,588	31,508	5.9%	8.1%	148,731	9,753	31.4
2018	57,915	1,840,828,275	31,785	5.0%	6.9%	150,807	9,775	31.9
2019	58,742	1,905,590,480	32,440	5.1%	6.8%	152,762	9,934	32.9
2020	58,121	1,911,192,843	32,883	14.5%	15.2%	152,486	9,944	32.9
2021	58,627	2,101,895,204	35,852	8.0%	9.7%	150,750	9,746	33.5
2022	58,312	2,295,218,632	39,361	5.0%	6.2%	151,494	9,688	33.4
2023	58,893	2,703,814,733	45,911	6.3%	8.0%	151,018	9,762	32.8
2024	59,286	3,041,599,458	51,304	6.0%	7.4%	152,327	9,748	32.5

Sources: ¹ State of California Department of Finance

² U.S. Census Bureau, adjusted for inflation

³ State of California Employment Development Department

City of Hanford

Principal Employers Current Fiscal Year and Ten Years Ago

Business Name	2024			2015		
	Employees	Rank	Percentage of total City Employment	Employees	Rank	Percentage of total City Employment
Adventist Health Hanford Hospital	1,636	1	6.29%	N/A	N/A	N/A
Del Monte Foods Co*	1,012	2	3.89%	N/A	N/A	N/A
Central Valley Meat Co	805	3	3.10%	N/A	N/A	N/A
Hanford Elementary School District	734	4	2.82%	N/A	N/A	N/A
Hanford Joint Union High School District	458	5	1.76%	N/A	N/A	N/A
Walmart Supercenter	400	6	1.54%	N/A	N/A	N/A
City of Hanford	305	7	1.17%	N/A	N/A	N/A
Costco Wholesale	234	8	0.90%	N/A	N/A	N/A
Marquez Brothers International	230	9	0.88%	N/A	N/A	N/A
Hacienda Post Acute	203	10	0.78%	N/A	N/A	N/A
	<u>6,017</u>		<u>23.13%</u>	<u>0</u>		<u>0</u>
Total City Labor Force ⁽¹⁾	26,000					

Source: MuniServices, LLC/ Avenu Insights & Analytics

¹ Total City Labor Force provided by EDD Labor Force Data

Results based on direct correspondence with city's local businesses.

Note: 2015 Historical data is not available.

*Employer has not responded to Avenu's inquiries, previous year employee count applied

City of Hanford

Full-Time Equivalents City Government Employees by Function Last Ten (10) Fiscal Years

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Administration										
Administration	17.00	11.00	11.00	17.00	9.00	9.00	8.00	8.00	6.00	6.00
City Clerk	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
City Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Finance	0.00	0.00	0.00	0.00	7.00	7.00	7.00	7.00	8.00	8.00
Human Resources	0.00	0.00	0.00	0.00	2.00	2.00	2.00	3.00	3.75	3.75
Information Technology	0.00	0.00	0.00	0.00	1.00	1.00	3.00	4.00	5.00	5.00
Public safety										
Animal Control	4.00	3.00	2.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00
Police Officers	42.00	37.00	38.00	43.00	43.00	43.00	43.00	49.00	54.00	54.00
Police Support	15.50	12.00	16.00	16.00	16.50	16.50	17.00	18.00	23.00	23.00
Community Development										
Planning	1.00	3.00	2.00	7.00	7.00	7.00	7.00	7.00	5.50	5.50
Community Enhancement	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Building and Safety	5.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	7.00	7.00
Community Services										
Parks and Recreation	19.00	15.00	16.00	8.50	8.00	8.00	5.00	5.00	7.50	7.50
Grounds Maintenance	11.50	5.50	7.50	19.00	20.00	20.00	20.00	20.00	19.50	19.50
Building Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.00	4.00
Public Works										
Public Works	2.00	2.00	2.00	3.00	2.75	3.50	6.50	6.50	9.00	9.00
Street Maintenance	2.00	2.00	1.50	5.00	5.00	5.00	5.00	7.00	7.00	7.00
Wastewater	0.00	0.00	2.50	7.00	7.25	12.00	10.50	14.50	17.00	17.00
Total	127.00	102.50	110.50	141.50	143.50	149.00	150.00	165.00	187.25	187.25

Source: City of Hanford Human Resources

City of Hanford

Operating Indicators by Function Last Ten (10) Fiscal Years

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Calls for services	40,671	40,982	39,921	40,924	41,885	45,613	42,938	42,971	44,989	46,975
Incidents created by Officers	17,354	191,180	19,688	17,700	17,498	17,783	17,540	15,366	23,407	15,276
Physical arrests	4,958	5,116	4,967	3,886	3,466	4,369	4,669	3,276	4,295	3,371
Citations issued by Officers										
Fire										
Total number of calls for service	5,280	5,490	5,695	6,296	6,433	6,460	6,382	6,526	6,109	6,428
% of calls for medical aid	70.04%	65.88%	63.39%	56.78%	59.26%	55.11%	61.36%	59.81%	57.59%	56.39%
Number of fires extinguished	161	183	166	197	171	232	250	262	247	269
Parks										
Park shelter rentals at various citywide parks	844	787	750	742	689	768	105	377	514	404
Amount of rentals	206	259	226	240	277	251	150	159	186	132
Number of programs(Children)	6	6	6	6	6	7	6	6	6	6
Number of programs(Adults)	6	6	6	7	7	7	7	7	7	7
Building Permits										
Residential	1,379	1,862	1,836	1,690	1,865	2,156	2,629	3,037	3,045	3,061
Commercial	193	199	223	176	161	163	170	165	199	276
Public Works										
Permits Issued	400	454	509	441	600	777	721	494	494	468
Waste Collected										
Trash (Tons)	24,737	25,657	26,060	24,867	27,189	29,144	29,875	29,518	30,266	30,119
Recycables (Tons)	3,674	3,459	3,763	3,557	3,927	3,764	4,200	5,445	5,445	5,317
Green Waste (Tons)	8,654	822	8,482	6,840	8,022	8,412	8,489	8,679	9,781	10,196
Street Resurfacing (SF)	219	219	222	222	225	225	225	231	231	231
Crack Sealant Applied (Lbs)	41,125	34,475	32,795	32,235	87,150	92,058	17,640	14,366	19,740	5,600
Curb and Gutter (LF)	N/A	N/A	60	157	1,684	248	60	194	80	247
Sidewalk (SF)	3,686	1,222	2,759	3,646	5,537	3,688	2,261	8,224	6,030	4,124
ADA Ramps	9	3	10	10	13	12	1	8	8	6
Deap Patching (SF)	25,162	22,080	7,266	7,416	4,150	2,089	7,663	60,177	84,194	56,091
Leaf Pick Up (Tons)	931	658	665	1,304	1,455	641	N/A	N/A	N/A	N/A
Signal Calls	541	415	520	438	464	524	541	496	512	361
	47	47	48	47	47	51	51	51	51	73

City of Hanford

Capital Asset Statistics by Function Last Ten (10) Fiscal Years

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government:										
Number of general government buildings	3	3	3	3	3	3	3	3	3	3
Public Safety:										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of fire stations	2	2	2	2	2	3	3	3	3	3
Public Works:										
Number of public works buildings	11	12	12	12	13	13	13	13	13	13
Miles of streets	219	219	222	222	225	225	225	231	231	231
Miles of sanitary streets	215	218	220	220	220	227	227	227	227	231
Miles of storm water drains	58	58	58	59	59	60	62	64	65	67
Recreation and Parks:										
Number of parks and recreation facilities*	25	26	26	26	26	27	27	27	28	29
Acres of parks*	81	84	84	84	84	87	87	87	90	96
Water										
Miles of water mains	206	206	208	208	210	212	218	223	224	229
Number of fire hydrants**	-	-	-	-	-	-	-	-	-	2,583

* Does not include leased properties

** Did not start tracking until 2024

Sources: City of Hanford Finance Department

City of Hanford
Hanford, California

Single Audit Report on Federal Awards
Year Ended June 30, 2024



ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

City of Hanford
Single Audit Report on Federal Awards
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735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
909 889 5361 F
ramscpa.net

**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**

PARTNERS

Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST
Gardenya Duran, CPA, CGMA
Brianna Schultz, CPA, CGMA
Brenda L. Odle, CPA, MST (Partner Emeritus)
Terry P. Shea, CPA (Partner Emeritus)

Independent Auditor's Report

To the Honorable City Council
City of Hanford
Hanford, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate remaining fund information and each major fund of the City of Hanford (the entity) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements, and have issued our report thereon dated February 13, 2025.

MANAGERS / STAFF

Seong-Hyea Lee, CPA, MBA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Laura Arvizu, CPA
John Maldonado, CPA, MSA
Julia Rodriguez Fuentes, CPA, MSA
Demi Hite, CPA
Jeffrey McKennan, CPA
Monica Wysocki, CPA
Jacob Weatherbie, CPA, MSA
Bolim Han, CPA, MAcc
Anny Gonzalez, CPA

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the entity's internal control over financial reporting (internal control) as a basis for designing 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 entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

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for CPA Firms*

*Governmental Audit
Quality Center*

California Society of
Certified Public Accountants

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



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

Report on Compliance and Other Matters

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

We noted certain matters that we have reported to management of the entity in a separate letter dated February 13, 2025

Purpose of this Report

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

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
February 13, 2025



735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
909 889 5361 F
ramscca.net

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Independent Auditor's Report

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To the Honorable City Council
City of Hanford, California

Report of Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Hanford's (the City's) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the 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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon, dated February 13, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California

March 26, 2025, except for our report on the Schedule of Expenditures of Federal Awards, for which the date is February 13, 2025

City of Hanford
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Agency or Pass-Through Number	Federal Expenditures	Amount Provided to Subrecipients
U.S. Department of Agriculture				
<i>Passed through California Office of Emergency Service</i>				
Flat Fire Reimbursement	10.703	N/A	\$ 61,739	\$ -
South Fork Fire Reimbursement	10.703	N/A	35,781	-
Total - Assistance Listing 10.703			<u>97,520</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>97,520</u>	<u>-</u>
U.S. Department of Homeland Security				
<i>Passed through California Office of Emergency Service</i>				
Homeland Security Grant Program	97.067	N/A	11,477	-
Total - Assistance Listing 97.067			<u>11,477</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>11,477</u>	<u>-</u>
U.S. Department of Housing and Urban Development				
<i>Direct Assistance:</i>				
<i>CDBG - Entitlement Grants Cluster</i>				
Community Development Block Grant	14.218	B-16-MC-06-0061	-	-
Community Development Block Grant	14.218	B-17-MC-06-0061	21,500	-
Community Development Block Grant	14.218	B-18-MC-06-0061	-	-
Community Development Block Grant	14.218	B-19-MC-06-0061	-	-
Community Development Block Grant	14.218	B-20-MC-06-0061	8,872	-
Community Development Block Grant	14.218	B-21-MC-06-0061	-	-
Community Development Block Grant	14.218	B-22-MC-06-0061	182,984	-
Community Development Block Grant	14.218	B-23-MC-06-0061	182,849	-
Community Development Block Grant	14.218	Program Income	208,797	-
CDBG-CV 3 - Corona Virus	14.218	B-20-MW-06-0061	233,702	-
Total - Assistance Listing 14.218			<u>838,704</u>	<u>-</u>
<i>Passed through the State of California Department of Housing and Community Development</i>				
Community Development Block Grants/State's Program	14.228	21-CDBG-HK-00014	2,110,180	-
Total - Assistance Listing 14.228			<u>2,110,180</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>2,948,884</u>	<u>-</u>
U.S. Department of Justice				
<i>Direct Assistance:</i>				
Bulletproof Vest Partnership Program	16.607	NA	9,174	-
Total - Assistance Listing 16.607			<u>9,174</u>	<u>-</u>
Total U.S. Department of Justice			<u>9,174</u>	<u>-</u>
U.S. Department of Transportation				
<i>Passed through the State of California Department of Transportation</i>				
12th Avenue and Hume Signal	20.205	CMAQ 5091-065	36,708	-
9th Avenue and Lacey Signal	20.205	CMAQ 5091-064	6,691	-
East Lacey Widening	20.205	CMAQ 5091-066	124,627	-
Total - Assistance Listing 20.205			<u>168,026</u>	<u>-</u>
Total U.S. Department of Transportation			<u>168,026</u>	<u>-</u>
U.S. Department of Transportation Federal Aviation Administration				
<i>Direct Assistance</i>				
CARES Act Grant	20.106	3-06-0098-028-2020	30,000	-
CARES Act Grant	20.106	3-06-0098-029-2021	13,000	-
CARES Act Grant	20.106	3-06-0098-030-2022	32,000	-
Total - Assistance Listing 20.106			<u>75,000</u>	<u>-</u>
Total U.S. Department of Transportation Federal Aviation Administration			<u>75,000</u>	<u>-</u>
U.S. Department of Transportation Federal Railroad Administration				
<i>Direct Assistance</i>				
HPD Police Railroad Trespassing Project	20.325	NA	10,064	-
Total - Assistance Listing 20.325			<u>10,064</u>	<u>-</u>
Total U.S. Department of Transportation Federal Railroad Administration			<u>10,064</u>	<u>-</u>
U.S. Department of Treasury				
<i>Direct Assistance:</i>				
American Rescue Plan Act	21.027	NA	1,267,331	-
Total - Assistance Listing 21.027			<u>1,267,331</u>	<u>-</u>
Total U.S. Department of Treasury			<u>1,267,331</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 4,587,476</u>	<u>\$ -</u>

See accompanying notes to the schedule of expenditures of federal awards.

City of Hanford
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal award activity of the City of Hanford (the City) that are reimbursable under federal programs of the federal government for the year ended June 30, 2024. The information in this SEFA is presented in accordance with Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or fund balance, or cash flows of the City. For the purposes of this schedule, federal financial assistance includes both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by the City from a nonfederal agency or other organization. Only that portion of program expenditures reimbursable with such federal funds are reported in the accompanying schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with state, local or other non-federal funds are excluded from the accompanying schedule.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the SEFA 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 allowable or are limited as to reimbursement. Negative amounts shown on the SEFA, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The City did not elect to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**City of Hanford
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2024**

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness identified?	_____	Yes	<u> X </u>	No
Significant deficiencies identified that are not considered to be material weaknesses?	_____	Yes	<u> X </u>	None Reported
Noncompliance material to financial statements noted?	_____	Yes	<u> X </u>	No

Federal Awards

Internal control over major programs:

Material weakness identified?	_____	Yes	<u> X </u>	No
Significant deficiencies identified that are not considered to be material weaknesses?	_____	Yes	<u> X </u>	None Reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____	Yes	<u> X </u>	No
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Identification of major programs:

<u>Assistance Hosting Number</u>	<u>Name of Federal Program</u>
21.027	American Rescue Plan Act
14.228	CDBG/State's Program

Dollar threshold used to distinguish between type A and type B programs:	<u> \$750,000 </u>
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Auditee qualified as low-risk auditee?	_____	Yes	<u> X </u>	No
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City of Hanford
Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2024

Section II: Financial Statement Findings

No findings to report.

Section III: Federal Awards Findings and Questioned Costs

No findings to report.

**City of Hanford
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024**

Financial Statement Findings

No prior year findings to report.

Federal Awards Findings and Questioned Costs

Finding 2023-001: Corrected.

Finding 2023-002: Corrected.