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BUENA PARK LIBRARY DISTRICT

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2024

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Chavan & Associates, LLP
Certified Public Accountants
16450 Monterey Road, Suite 5
Morgan Hill, CA 95037

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Orange County, California
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For the Year Ended June 30, 2024

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Buena Park Library District

Board of Trustees

June 30, 2024

Name	Title	Elected/Appointed	Current Term
L. Carole Jensen	President	Elected	12/20-12/24
Cheyenne Traut	President Pro Tem	Appointed	12/22-12/24
Brenda Estrada	Secretary	Appointed	12/22-12/26
Patricia Ganer	Trustee	Elected	12/20-12/24
Richard Rams	Trustee	Appointed	12/22-12/26

Chavan and Associates, llp
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of the Buena Park Library District
Buena Park, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund for Buena Park Library District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of June 30, 2024, and the respective changes in financial position and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and

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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 GAGAS, we:

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

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

Required Supplementary Information

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

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

C & A LLP

June 10, 2025
Morgan Hill, California

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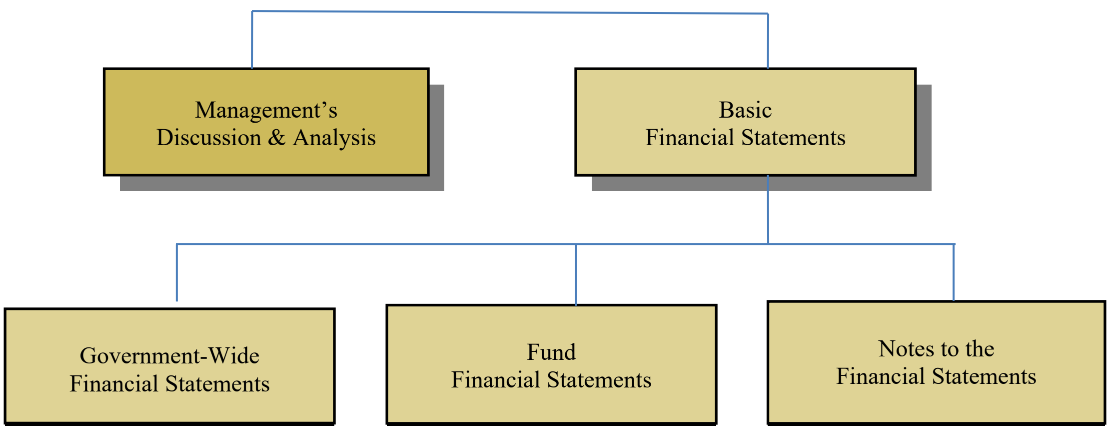
Management's Discussion and Analysis

INTRODUCTION

The purpose of the Management's Discussion and Analysis (MD&A) is to present a discussion and analysis of the District's financial performance during the year ended on June 30, 2024. This report will (1) focus on significant financial issues, (2) provide an overview of the District's financial activity, (3) identify changes in the District's financial position, (4) identify any individual fund issues or concerns, and (5) provide descriptions of significant asset and debt activity. This information, presented in conjunction with the annual Basic Financial Statements, is intended to provide a comprehensive understanding of the District's operations and financial standing.

Required Components of the Annual Financial Report



FINANCIAL HIGHLIGHTS

Key financial highlights for 2023-24 are as follows:

- Total net position increased by $1,859,143 or 14.01%, from June 30, 2023 to June 30, 2024.
- General revenues accounted for $2,600,881, which was 51.71% of all revenues. Program specific revenues in the form of operating grants and contributions, capital grants and contributions, and charges for services accounted for $2,428,991, or 48.29%, of total revenues of $5,029,872.
- The District had $3,942,289 in expenses, which was directly supported by program specific revenues.
- Total fund balances of the General Fund increased by $1,087,583 or 11%, from June 30, 2023 to June 30, 2024.
- The General Fund had $5,029,872 in revenues and 3,942,289 in expenditures.

OVERVIEW AND USE OF THE FINANCIAL STATEMENTS

This annual report consists of a series of basic financial statements and notes. The statements are organized so the reader can understand the District as an entire operating entity by providing an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities is comprised of the government-wide financial statements and provides information about the activities of the District as a whole, presenting both an aggregate view of the District's finances as well as a longer-term view of those finances. Fund Financial Statements provide the next level of detail. For governmental funds, these statements reflect how services were financed in the short-term as well as what remains for future spending. The Basic Financial Statements also include notes that explain some of the information in the financial statements and provide more detailed data.

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

- Government-wide financial statements, which comprise the first two statements, provide both short-term and long-term information about the District's overall financial position.

- Individual parts of the District, which are reported as fund financial statements, focus on reporting the District's operations in more detail. These fund financial statements comprise the remaining statements.

- Notes to the financial statements, provide more detailed data and provide explanations to some of the information in the statements. The required supplementary information section provides further explanations and additional support for the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS - STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES

The view of the District looks at all financial transactions and asks the question, "How did we do financially during the fiscal year 2023-2024?". The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting like the accounting practices used by most private-sector companies. This basis of accounting considers all the current year revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Activities, the District reports governmental activities which reflect the District's programs and services. The District does not have any business type activities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

Fund financial reports provide detailed information about the District's major funds. The District uses one operating fund, the General Fund, to account for a multitude of financial transactions.

Governmental Funds

The General Fund is a governmental fund type and is reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

THE DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the District as a whole. Table 1 provides a summary of the District's net position as compared to last period:

Table 1 - Summary of Statement of Net Position

	2024	2023	Change	Percentage Change
Assets				
Current Assets	$ 11,559,168	$ 10,448,299	$ 1,110,869	10.63%
Other Noncurrent Assets	441,942	33,190	408,752	1231.55%
Capital Assets	3,390,230	2,828,522	561,708	19.86%
Total Assets	$ 15,391,340	$ 13,310,011	$ 2,081,329	15.64%
Total Deferred Outflows of Resources	$ 1,654,589	$ 1,087,019	$ 567,570	52.21%
Liabilities				
Current Liabilities	$ 138,225	$ 114,939	$ 23,286	20.26%
Noncurrent Liabilities	818,091	554,112	263,979	47.64%
Total Liabilities	$ 956,316	$ 669,051	$ 287,265	42.94%
Total Deferred Inflows of Resources	$ 963,896	$ 461,405	$ 502,491	108.90%
Net Position				
Net Investment in Capital Assets	$ 3,390,228	$ 2,828,522	$ 561,706	19.86%
Unrestricted	11,735,489	10,438,052	1,297,437	12.43%
Total Net Position	$ 15,125,717	$ 13,266,574	$ 1,859,143	14.01%

Total net position increased by $1.86 million, as revenues exceeded expenses. Current assets have increased mainly due to an increase in cash and investments. Capital assets increased by $561,708 mostly from the purchase of improvements to current library facilities.

Table 2 shows the changes in net position for 2024 as compared to period 2023.

Table 2 - Summary of Changes in Net Position

	2024	2023	Change	Percentage Change
Revenues				
Program revenues	$ 2,428,991	$ 2,511,326	$ (82,335)	-3.28%
General revenues:				
Property taxes	2,340,180	2,275,404	64,776	2.85%
Investment earnings (losses)	257,258	99,696	157,562	158.04%
Miscellaneous	3,443	6,194	(2,751)	-44.41%
Total Revenues	5,029,872	4,892,620	137,252	2.81%
Program Expenses				
Library operations	3,170,729	3,775,356	(604,627)	-16.02%
Total Expenses	3,170,729	3,775,356	(604,627)	-16.02%
Change in Net Position	1,859,143	1,117,264	741,879	66.40%
Beginning Net Position	13,266,574	12,149,310	1,117,264	9.20%
Ending Net Position	$ 15,125,717	$ 13,266,574	$ 1,859,143	14.01%

There was a surplus change in net position of $1.86 million, as revenues exceeded expenses. Program revenues decreased by $82,335 mostly due to a decrease in charges for services. Property taxes increased because property values in Orange County increased. Expenses decreased mostly because of a decrease in capital outlay spending for the year.

CAPITAL ASSETS

Table 3 shows 2024 capital asset balances as compared to 2023.

Table 3 - Summary of Capital Assets Net of Depreciation

	2024	2023	Change	Percentage Change
Land	$ 186,335	$ 186,335	$ -	0.00%
Construction-in-Progress	-	13,132	(13,132)	-100.00%
Improvements	3,047,021	2,423,446	623,575	25.73%
Equipment	153,181	180,996	(27,815)	-15.37%
Furniture and fixtures	3,693	24,613	(20,920)	-85.00%
Total Capital Assets - Net	$ 3,390,230	$ 2,828,522	$ 561,708	19.86%

Additional details and information on capital asset activity is described in the notes to the financial statements, note 3.

LONG TERM LIABILITIES

Table 4 summarizes the changes in long-term liabilities from 2024 to 2023.

Table 4 - Summary of Long-term Liabilities

	2024	2023	Change	Percentage Change
Net Pension Liability	$ 737,855	$ 477,633	$ 260,222	54.48%
Compensated Absences	80,236	76,479	3,757	4.91%
Total Long-term Liabilities	$ 818,091	$ 554,112	$ 263,979	47.64%

Additional detail and information on long-term liabilities activity is described in the notes to the financial statements, note 4 and note 5.

GENERAL FUND BUDGETARY HIGHLIGHTS

In the fiscal year 2024, actual expenditures at year end were $547,889 more than budgeted. The variance is primarily due to the increase in capital outlay expenditures. Actual Revenues were $1,557,472 more than budgeted. The increase in revenues is primarily due to an increase in operating grants and contributions as part of the RDA funding. The General Fund budget to actual comparison schedule can be found on page 46.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Management is unaware of any conditions, which could have a significant impact on the District's current financial position/net position, operating results in terms of past, present, and future.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, participants, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Library Director, Helen Medina, Buena Park Library District, 7150 La Palma Avenue, Buena Park, California 90620, telephone at (714) 826-4100.

Basic Financial Statements

Buena Park Library District

Statement of Net Position

June 30, 2024

Assets		
Current assets:		
Cash and investments	$	11,369,913
Accounts receivable		53,409
Due from grantor government		31,836
Taxes receivable		43,623
Prepaid expenditures and deposits		60,387
Total current assets		11,559,168
Noncurrent assets:		
Capital assets, net of depreciation		3,390,230
Net other post-employment benefits asset		441,942
Total noncurrent assets		3,832,172
Total Assets	$	15,391,340
Deferred Outflows of Resources		
OPEB adjustments	$	357,877
Pension adjustments		1,296,712
Total Deferred Outflows of Resources	$	1,654,589
Liabilities		
Current liabilities:		
Accounts payable	$	56,352
Deposits payable		97
Payroll and other liabilities		81,776
Total current liabilities		138,225
Noncurrent liabilities:		
Compensated absenses		80,236
Net pension liabilities		737,855
Total noncurrent liabilities		818,091
Total Liabilities	$	956,316
Deferred Inflows of Resources		
OPEB adjustments	$	403,851
Pension adjustments		560,045
Total Deferred Inflows of Resources	$	963,896
Net Position		
Net investment in capital assets	$	3,390,230
Unrestricted		11,735,487
Total Net Position	$	15,125,717

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

Buena Park Library District

Statement of Activities

For the Fiscal Year Ended June 30, 2024

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities:				
Library operations	$ 3,170,729	$ 267,581	$ 2,161,410	$ (741,738)
Total governmental activities	$ 3,170,729	$ 267,581	$ 2,161,410	(741,738)
General revenues:				
Property taxes				2,340,180
Investment earnings (losses)				257,258
Other revenues				3,443
Total general revenues				2,600,881
Change in net position				1,859,143
Net position beginning				13,266,574
Net position ending				$ 15,125,717

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

Buena Park Library District

Balance Sheet
Governmental Funds
June 30, 2024

	General Fund
Assets	
Cash and investments	$ 11,369,913
Accounts receivable	53,409
Taxes receivable	43,623
Due from grantor government	31,836
Prepaid expenditures and deposits	60,387
Total Assets	$ 11,559,168
Liabilities	
Accounts payable	$ 56,352
Deposits payable	97
Payroll and other liabilities	81,776
Total Liabilities	138,225
Fund Balance	
Nonspendable:	
Prepaid expenditures	60,387
Unassigned	11,360,556
Total Fund Balance	11,420,943
Total Liabilities and Fund Balance	$ 11,559,168

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

Buena Park Library District

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

Total fund balance - governmental funds		$ 11,420,943
Amounts reported in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Capital assets at cost	$ 6,571,785	
Accumulated depreciation	(3,181,555)	3,390,230
The difference between OPEB plan assumptions and estimates versus actuals are not included in the plan's actuarial study until the next fiscal year and are reported as deferred outflows or inflows of resources in the statement of net position.		(45,974)
The difference between pension plan assumptions and estimates versus actuals are not included in the plan's actuarial study until the next fiscal year and are reported as deferred outflows or inflows of resources in the statement of net position.		736,667
Long-term liabilities are not due and payable in the current year and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consists of:		
Net pension liability	737,855	
Compensated absences	80,236	
Net OPEB liability (asset)	(441,942)	(376,149)
Total net position - governmental activities		$ 15,125,717

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

Buena Park Library District

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2024

	General Fund
Revenues:	
Property taxes	$ 2,340,180
Grant revenue	2,161,410
Charges for services	267,581
Investment earnings (losses)	257,258
Other revenues	3,443
Total revenues	5,029,872
Expenditures:	
Salaries and employee benefits	2,059,326
Services and supplies	681,455
Facilities	84,411
Loss on investments	330,967
Capital outlay	786,130
Total expenditures	3,942,289
Net changes in fund balance	1,087,583
Fund balance beginning	10,333,360
Fund balance ending	$ 11,420,943

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

Buena Park Library District

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

Total net change in fund balance - governmental funds			$ 1,087,593
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.			
Capital asset additions	$ 786,130		
Depreciation expense	(224,421)		$ 561,709
In the Statement of Activities, compensated absences are measured by the amount earned during the year. In governmental funds, however, expenditures for those items are measured by the amount of financial resources used (essentially the amounts paid). This year, vacation earned exceeded the amounts used.			(3,757)
In governmental funds, actual contributions to pension and OPEB plans are reported as expenditures in the year incurred. However, in the government-wide statement of activities, only the current year pension and OPEB expense as noted in the plans' valuation reports is reported as an expense, as adjusted for deferred inflows and outflows of resources.			213,598
Change in net position of governmental activities			$ 1,859,143

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

Notes to Financial Statements

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A. General

Buena Park Library District (the "District") was organized in 1919 under the Education Code of California, Section 19600-19734. The District is a public library providing free services to the community and is governed by an elected, independent Board of Trustees. The District makes every effort to maximize services provided to the community as taxpayers of the District. Basic library services are always provided free of charge and costs of selected peripheral programs are held to a minimum. Materials and services are prioritized based on the needs of the Buena Park community. Competently trained library professionals are employed to bring people and the resources of the library together.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Standards Board No. 14 and 39 (an amendment of No. 14). The District is the primary governmental unit based on the foundation of a separately elected governing board. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable if it appoints a voting majority of the organization’s governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

The Volunteer Guild of the Buena Park Library (Guild) was incorporated on May 14, 2001. The Guild is a California nonprofit public benefit corporation formed to maintain an association of persons committed to the enrichment of the community by raising funds to assist the Buena Park Library in acquiring material and equipment, completing projects or presenting public programs. The Guild operates the District’s used bookstore and solicits donations and grants for the District. Although the Guild is legally separate, it is included as a blended component unit of the District, as it is in substance part of the District’s operations. On November 30, 2023, the District directed the Guild to shut down their bookstore and the District ceased supporting the Guild’s operations.

B. Accounting Principles

The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

C. Basis of Presentation

Government-wide Financial Statements:

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

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

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

Fund Financial Statements:

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

D. Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal period in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal period or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal period. For the District, "available" means collectible within the current period or within 60 days after period-end.

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

Deferred Outflows/Deferred Inflows:

A deferred outflow of resources is defined as a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure) until then. A deferred inflow of resources is defined as an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time.

When applicable, unamortized portions of the gain and loss on refunding debt are reported as deferred inflows and deferred outflows of resources, respectively. Deferred outflows and inflows of resources are reported for the changes related to benefit plans. In addition, when an asset is recorded in governmental fund financial statements but the revenue is not available, a deferred inflow of resources is reported until such time as the revenue becomes available.

Unearned Revenue:

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

Expenses/Expenditures:

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

E. Fund Accounting

The accounts of the District are organized into four funds with a separate set of self-balancing accounts that comprise of the District's assets, deferred outflows, liabilities, deferred inflows, fund balance, revenues, and expenditures. The District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The District may also select other funds it believes should be presented as major funds.

The District reports the following major governmental fund:

General Fund. The General Fund is the general operating fund of the District. It is used to account for all financial resources.

F. Budgets and Budgetary Accounting

The District's Board of Directors adopts an annual operating budget for the District by major fund, on or before June 30, for the ensuing fiscal period. The Board of Directors may amend the budget by resolution during the fiscal period. The legal level of control, the level at which expenditures may not legally exceed the budget, is at the category level.

G. Assets, Liabilities, and Equity

1. Cash and Cash Equivalents

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

2. Investments

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

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

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

3. Prepaid Items

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

4. Capital Assets

Capital assets, which include land, buildings and improvements, furniture, equipment, and construction in progress, are reported in the government-wide financial statements. Capital assets are valued at cost when historical records are available and at an estimated historical cost when no historical records exist. Donated capital assets are valued at their acquisition value at the time of acquisition plus ancillary charges, if any. Donated works of art and similar items and capital assets received in service concession arrangements are reported at acquisition value. The District utilizes a capitalization threshold of $5,000 for land, equipment, fixtures and vehicles, infrastructure, improvements, buildings and structures.

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

Intangible right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the university has determined is reasonably certain of being exercised, then the lease asset is amortized over the useful life of the underlying asset. Intangible right-to-use subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying IT asset. All capital assets, except land and construction in progress, are depreciated/amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50
Improvements	20
Equipment	5
Furniture and fixtures	7

5. Compensated Absences

It is the District's policy to allow vacation pay between ten (10) and twenty (20) working days per year of employment. Vacation time may be accumulated from year to year. Employees are allowed to accumulate and carry forward a maximum of two hundred (200) hours at the end of each year. Sick leave is granted at a rate of 12 days per calendar year and may be used for sickness, injury, or disability. Sick leave may be accumulated beyond the year in which it is earned.

6. Long-Term/Noncurrent Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position.

7. Fund Balance Classifications

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

- *Restricted* fund balance includes amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

- *Unassigned* fund balance includes positive amounts within the general fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

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

8. Net Position

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

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

9. Pension

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

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

Valuation Date (VD) .... June 30, 2022
Measurement Date (MD) .... June 30, 2023
Measurement Period (MP) .... July 1, 2022 to June 30, 2023

10. Other Postemployment Benefits Oher Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources, and OPEB expense, information about the fiduciary net position of the District's Retiree Benefits Plan (the OPEB Plan) and additions to/deductions are based on the when they are due and payable in accordance with the benefit terms for the measurement period included in the OPEB plan's actuarial reports. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

11. Property Taxes

Property taxes attach an enforceable lien on property as of January 1, each year. Secured property taxes are levied on July 1, and are payable in two installments, on December 10 and April 10. The County of Orange Assessor's Office assesses all real and personal property within the County each year. The County of Orange Tax Collector's Office bills and collects the District's share of property taxes. The County of Orange Treasurer's Office remits current and delinquent property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations.

Property taxes and special assessments receivable at year-end are related to property taxes collected by the County of Orange, which have not been credited to the District's cash balance as of June 30. The property tax calendar is as follows:

Lien date	March 1
Levy date	July 1
Due dates	November 1 and February 1
Collection dates	December 10 and April 10

12. Accounting Estimates

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

H. Implementation of New Accounting Pronouncements

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

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections in previously issued financial statements. This statement did not have a material impact on the financial statements.

I. Upcoming Accounting and Reporting Changes

The District is currently analyzing its accounting practices to determine the potential impact on the financial statements of the following recent GASB Statements:

GASB Statement No. 101, *Compensated Absences*

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences - including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. However, the District implemented GASB 101 as of June 30, 2024. This statement did not have a material impact on the financial statements.

GASB Statement No. 102*, Certain Risk Disclosures*

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosure should include descriptions for (1) the concentration or constraint (2) each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements (3) actions taken by the government prior to the issuance of the financial statements to mitigate the risk. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

GASB Statement No. 103, *Financial Reporting Model Improvements*

This Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement establishes new accounting and financial reporting requirements or modifies existing requirements related to (a) Management's discussion and analysis (MD&A) (b) Unusual or infrequent items (c) Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position (d) Information about major component units in basic financial statements (5) Budgetary comparison information (6) Financial trend information in the statistical section. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

NOTE 2 - CASH AND INVESTMENTS

Summary of Cash and Investments

The following summarizes deposits as of June 30, 2024:

Cash and Investments	Total
Cash Deposits:	
Cash in Banks	$ 5,267,897
Petty Cash	200
Total Cash Deposits	5,268,097
Investments:	
Orange County Investment Pool (OCIP)	6,101,816
Total Investments	6,101,816
Total Cash and Investments	$ 11,369,913

Cash in Banks

Cash balances in banks are insured up to $250,000 per insured bank by the Federal Deposit Insurance Corporation ("FDIC"). The District’s accounts are held with various banks. As of June 30, 2024, the District’s bank balances exceeded FDIC coverage by $5,219,881.

Fair Value Measurements

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

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

Cash in Orange County Investment Pool

Orange County is a fiscal agent of the District. The fair value of the District's investment in the county pool is reported at amounts based on the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of the portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized costs basis. Orange County investment pool funds were available for withdrawal on demand and had an average maturity date of less than one year. All cash and investments are stated at fair value. Pooled investment earnings are allocated monthly based on the average cash and investment balances of the various funds of the County.

The District’s deposit and withdrawal restrictions and limitations are as follows:

- Same day transaction processing occurs for orders received before 9:30am.
- Next day transaction processing occurs for orders received after 9:30am.
- Withdrawals of $5 million or more require 24 hours advance notice.
- Transactions may be requested 10 calendar days in advance of the effective date of the transaction.

a) Interest Rate Risk
Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to the changes in market interest rates. The District manages its exposure to interest rate risk by investing in the Orange County investment pool and LAIF, which had fair values of approximately $15 billion and $178 billion, respectively as of June 30, 2024, and diversifying its investments, as noted above, through the utilization of brokers.

b) Credit Risk
Credit risk is the risk of loss due to the failure of the security issuer. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investment with the County’s investment pool is governed by the County’s general investment policy. The County’s investments in 2024 included U.S. government securities or obligations explicitly guaranteed by the

U.S. government that are not considered to have credit risk exposure. See the schedule above for a summary of the District's ratings by investment type.

c) Custodial Credit Risk – Deposits

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

d) Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an investor's holdings in a single issuer. The District's investment in the County's commingled pool is diversified by the County Treasurer by limiting the percentage of the portfolio that can be invested in any one issuer's name. Investments in U.S. Treasuries, U.S. Agency securities explicitly backed by the U.S., and mutual and pooled funds are not subject to this limitation. More than 5% of the County's commingled pooled investments are invested with the Federal National Mortgage Association, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal Farm Credit Bank.

NOTE 3 - CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the period ended June 30, 2024 is shown below:

Capital Assets	Balance June 30, 2023	Additions	Deletions/ Adjustments	Balance June 30, 2024
Non-depreciable:				
Land	$ 186,335	$ -	$ -	$ 186,335
Construction in Progress	13,132	-	(13,132)	-
Total Non-Depreciable	199,467	-	(13,132)	186,335
Depreciable:				
Buildings	891,592	-	-	891,592
Building Improvements	3,861,654	793,010	-	4,654,664
Equipment	583,875	6,249	-	590,124
Furniture and Fixtures	249,070	-	-	249,070
Total Depreciable	5,586,191	799,259	-	6,385,450
Less Accumulated Depreciation for:				
Buildings	(891,592)	-	-	(891,592)
Building Improvements	(1,438,208)	(169,435)	-	(1,607,643)
Equipment	(402,879)	(34,064)	-	(436,943)
Furniture and Fixtures	(224,457)	(20,920)	-	(245,377)
Total Accumulated Depreciation	(2,957,136)	(224,419)	-	(3,181,555)
Total Depreciable Capital Assets - Net	2,629,055	574,840	-	3,203,895
Total Capital Assets - Net	$ 2,828,522	$ 574,840	$ (13,132)	$ 3,390,230

NOTE 4 – COMPENSATED ABSENCES

The following is a summary of the changes in compensated absences for the period ended June 30, 2024:

	Beginning Balance	Additions	Deductions	Ending Balance
Compensated Absences	$ 76,479	$ 71,947	$ 68,190	$ 80,236

NOTE 5 - CALPERS PENSION PLAN

Pension Plan

General Information about the Pension Plans

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

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 55 with statutorily reduced benefits. All members are eligible for non-industrial disability benefits after 10 years of service. The death benefit is the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for the Plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2024, are summarized as follows:

	Miscellaneous		
	Tier 1	Tier 2	PEPRA
Benefit formula	2% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 Years	5 Years	5 Years
Benefit payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement age	50 - 55	55 - 60	57 - 62
Monthly benefits as a % of eligible compensation	1.4% to 2.4%	1.1% to 2.4%	1% to 2.5%
Required employee contribution rates	6.75%	7.00%	7.00%
Required employer contribution rates	7.732%	8.794%	10.34%

Employees Covered – At June 30, 2024, the following employees were covered by the benefit terms for the Plan:

	Miscellaneous
Active	18
Transferred	7
Separated	9
Retired	35
Total	69

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Contributions to the plan for the year totaled $116,262.

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

As of June 30, 2024, the District reported net pension liabilities for its proportionate shares of the net pension liability as follows:

	Proportionate Share of Net Pension Liability/(Asset)
Miscellaneous	$ 737,855

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2023, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 using standard procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions into the pension plan relative to the projected contributions of all participating employers, as actuarially determined. The District's proportionate share of the net pension liability for the Plan as of fiscal years June 30, 2023 and 2024 was as follows:

	Miscellaneous
Proportion - June 30, 2023	0.01022%
Proportion - June 30, 2024	0.01476%
Change - Increase/(Decrease)	0.00453%

For the fiscal year ended June 30, 2024, the District recognized pension expense of $828,115.

At fiscal year June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	$ 44,548	$ -
Differences between Expected and Actual Experience	37,694	5,847
Differences between Projected and Actual Investment Earnings	119,465	-
Differences between Employer's Contributions and Proportionate Share of Contributions	-	554,198
Change in Employer's Proportion	978,743	-
Pension Contributions Made Subsequent to Measurement Date	116,262	-
Total	$ 1,296,712	$ 560,045

The District reported $116,262 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

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

Fiscal Year Ending June 30:	Deferred Outflows/ (Inflows) of Resources
2025	$ 358,977
2026	217,338
2027	40,662
2028	3,428
2029	-
Thereafter	-
Total	$ 620,405

Actuarial Assumptions - The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.80%
Projected Salary Increase	(1)
Investment Rate of Return	6.8% (2)
Mortality	(3)

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

Discount Rate - The discount rate used to measure the total pension liability was 6.9 percent for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.9 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.9 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS' website.

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 as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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

Asset Class (a)	Assumed Asset Allocation	Long-Term Expected Real Return (1)(2)
Global Equity Cap Weighted	30.00%	4.54%
Global Equity NonCap Weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

(1) An expected inflation of 2.3% used for this period.
(2) Figures are based on the 2021-22 Asset Liability Study.

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

	Miscellaneous
1% Decrease	5.90%
Net Pension Liability	$ 2,398,802
Current	6.90%
Net Pension Liability	$ 737,855
1% Increase	7.90%
Net Pension Liability	$ (629,246)

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

NOTE 6 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description - The District joined the California Employers' Retiree Benefit Trust (CERBT), an agent multiple-employer defined benefit postemployment healthcare plan administered by CalPERS. See eligibility requirements below. Retiree benefit continues to surviving spouse if retiree elects survivor annuity under CalPERS retirement plan. The OPEB plan's audited financial statements are available at https://www.calpers.ca.gov.

Benefits Provided - The following is a summary of the plan benefits provided:

Eligibility:	Retire directly from the District under CalPER (age 50 and 5 years of service) Continue participation in PEMHCA
Retiree Medical Benefit:	District pays retiree medical premiums up to: - $380/month effective 7/1/21 Must be at least equal to statutory PEMHCA minimum
PEMHCA Administrative Fee:	District pays CalPERS administrative fees
Surviving Spouse Continuation:	Retiree beneift continues to surviving spouse if retiree elects survivor annuity under CalPERS retirement plan
Minimum Age:	Retirement under CalPERS

Employees Covered by Benefit Terms - At June 30, 2023, the plan valuation date, the benefit terms covered the following employees:

Active employees	19
Inactive employees	14
Total employees	33

Contributions - The District makes contributions based on an actuarially determined rate and are approved by the authority of the District's Board. Total contributions during the year were $419,281. Total contributions included in the measurement period were $119,919. The actuarially determined contribution for the measurement period was $49,558. The District's contributions were 1.84% of covered payroll during the measurement period June 30, 2023 (reporting period June 30, 2024). Employees are not required to contribute to the plan.

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

Valuation Date:	June 30, 2023
Measurement Date:	June 30, 2023
Actuarial Cost Method:	Entry age normal, level precentage of payroll
Amortization Period:	4.8-year average remaining period
Asset Valuation Method:	Investment gains and loses spread over 5-year rolling period
Actuarial Assumptions:	
Discount Rate	6.15%
General Inflation	2.50%
Salary Increases	2.75%
Medical Trend	Non-Medicare - 6.5% for 2023, decreasing to an ultimate rate of 3.75% in 2076. Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076. Medicare (Kaiser) - 4.6% for 2023, decreasing to an ultimate rate of 3.75% in 2076.
PEMHCA Minimum Increases	4.00%
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 experience study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021

Discount Rate - The projection of cash flows used to determine the discount rate assumed that the District contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to cover all future OPEB payments. Therefore, the discount rate was set to be equal to the long-term expected rate of return which was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-Term Expected Rate of Return - The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage of Portfolio	Long-Term Expected Rate of Return
Global Equity	49%	4.56%
Fixed Income	23%	1.56%
TIPS	5%	-0.08%
Commodities	3%	1.22%
REITs	20%	4.06%
Total	100%	

The Overall Expected Long-Term Rate of Return is 6.25%

Net OPEB Liability - The District's net OPEB liability was measured as of June 30, 2023 (measurement date), and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023 (valuation date) for the fiscal year ended June 30, 2024 (reporting date). The following summarizes the changes in the net OPEB liability during the year ended June 30, 2024:

Fiscal Year Ended June 30, 2024	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2023	$ 2,398,283	$ 2,431,473	$ (33,190)
Service cost	78,588	-	78,588
Interest in Total OPEB Liability	148,640	-	148,640
Employer contributions	-	119,919	(119,919)
Balance of diff between actual and exp experience	(334,161)	-	(334,161)
Balance of changes in assumptions	(26,472)	-	(26,472)
Actual investment income	-	6,620	(6,620)
Administrative expenses	-	(706)	706
Benefit payments	(119,919)	(119,919)	-
Net changes	(253,324)	155,428	(408,752)
Balance at June 30, 2024	$ 2,144,959	$ 2,586,901	$ (441,942)

Covered Employee Payroll	$ 1,109,224
Total OPEB Liability as a % of Covered Employee Payroll	193.37%
Plan Fid. Net Position as a % of Total OPEB Liability	120.60%
Service Cost as a % of Covered Employee Payroll	7.08%
Net OPEB Liability as a % of Covered Employee Payroll	-39.84%

Deferred Inflows and Outflows of Resources - At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	$ -	$ 403,851
Difference between actual and expected earnings	167,833	-
Change in assumptions	145,422	-
OPEB contribution subsequent to measurement date	44,622	-
Totals	$ 357,877	$ 403,851

Of the total amount reported as deferred outflows of resources related to OPEB, $0 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2025	$ (30,320)
2026	(11,080)
2027	79,876
2028	(29,050)
2029	(26,747)
Thereafter	(73,275)
Total	$ (90,596)

OPEB Expense - The following summarizes the OPEB expense by source during the year ended June 30, 2024:

Service cost	$ 78,588
Interest in TOL	148,640
Expected investment income	(149,514)
Difference between actual and expected experience	(96,159)
Difference between actual and expected earnings	39,852
Change in assumptions	27,445
Administrative expenses	706
OPEB Expense	**$ 49,558**

The following summarizes changes in the net OPEB liability as reconciled to OPEB expense during the year ended June 30, 2024:

Net OPEB liability ending	$	(441,942)
Net OPEB liability begining		33,190
Change in net OPEB liability		(408,752)
Changes in deferred outflows		389,521
Changes in deferred inflows		(51,130)
Employer contributions and implict subsidy		119,919
OPEB Expense	**$**	**49,558**

Sensitivity to Changes in the Discount Rate - The net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher, is as follows:

	Discount Rate		
	(1% Decrease)	**6.15%**	**(1% Increase)**
Net OPEB Liability (Asset)	$ 122,858	$ (441,942)	$ 700,577

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

	Trend Rate		
	(1% Decrease)	**4.00%**	**(1% Increase)**
Net OPEB Liability (Asset)	$ 729,269	$ (441,942)	$ 78,970

NOTE 12 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District, as a member of the Special District Risk Management Authority (SDRMA), has purchased various insurance policies to manage the potential liabilities that may occur from the previously named sources. SDRMA’s purpose is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage. At June 30, 2021, the District participated in the liability and property programs of the SDRMA as follows:

- General and auto liability, public officials and employees’ errors and omissions, employee benefits and employment practices liability: Total risk financing limits of $2.5 million, combined single limit at $2.5 million per occurrence, subject to the following deductibles – $500/$1,000 per occurrence for third party general liability property damage – 50% co-insurance of cost expended by SDRMA, in excess of $10,000 up to $50,000, per occurrence, for employment related claims. However, 100% of the obligation will be waived if certain criteria are met.
- Auto bodily injury and auto property damage coverage up to $2,500,000 per accident.
- Employee dishonesty coverage up to $1,000,000 per loss includes public employee dishonesty, forgery or alteration, and theft, disappearance, and destruction coverages.

- Property loss is paid at the replacement cost for property on file, if replaced within two years after the loss, otherwise paid on an actual cash value basis, to a combined total of $1 billion per occurrence, subject to a $2,000 deductible per occurrence.
- Boiler and machinery coverage for the replacement cost up to $100 million per occurrence, subject to a $1,000 deductible.
- Public official's personal liability up to $500,000 each occurrence, with an annual aggregate of $500,000 per each elected/appointed official to which this coverage applies, subject to the terms, conditions, and exclusions as provided in the Memorandum of Coverage, subject to a deductible of $500 per claim.
- Workers compensation insurance up to the California statutory limits for all work related injuries/illnesses covered by California Law. Employer's liability per occurrence for worker's compensation coverage is $5 million, subject to the terms, conditions, and exclusions as provided in the Memorandum of Coverage.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage in the prior period. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There was no IBNR claims payable as of June 30, 2024.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Grant Awards

Grant funds received by the District are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

Litigation

The District may be exposed to various claims and litigation during the normal course of business. However, management believes there were no matters that would have a material adverse effect on the District's financial position or results of operations as of June 30, 2024.

NOTE 14 – SUBSEQUENT EVENTS

The Management of the District has evaluated subsequent event from its year end June 30, 2024 through June 10, 2025, the date at which the financial statements were available to be issued and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

Required Supplementary Information

Buena Park Library District

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual (GAAP)
General Fund
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive - (Negative)
	Original	Final	Actual (GAAP Basis)	
Revenues:				
Property taxes	$ 2,170,000	$ 2,170,000	$ 2,340,180	$ 170,180
Grant revenue	858,000	858,000	2,161,410	1,303,410
Charges for sevices	390,000	390,000	267,581	(122,419)
Investment earnings	50,900	50,900	257,258	206,358
Other revenues	3,500	3,500	3,443	(57)
Total revenues	3,472,400	3,472,400	5,029,872	1,557,472
Expenditures:				
Current				
Salaries and employee benefits	2,390,800	2,390,800	2,059,326	331,474
Services and supplies	854,100	854,100	681,455	172,645
Facilities	149,500	149,500	84,411	65,089
Loss on investments	-	-	330,967	(330,967)
Capital outlay	-	-	786,130	(786,130)
Total expenditures	3,394,400	3,394,400	3,942,289	(547,889)
Excess (deficiency) of revenues over (under) expenditures	78,000	78,000	1,087,583	1,009,583
Net change in fund balance	78,000	78,000	1,087,583	1,009,583
Fund balance beginning	10,333,360	10,333,360	10,333,360	-
Fund balance ending	$ 10,411,360	$ 10,411,360	$ 11,420,943	$ 1,009,583

Notes to Required Supplementary Information

The District follows specific procedures in establishing the budgetary data reflected in the financial statements. Each year the District's Library Director prepares and submits an operating budget to the Board of Trustees for the General Fund no later than June of each year. The basis used to prepare the budget does not differ substantially from the modified accrual basis of accounting. The adopted budget becomes operative on July 1. The Board of Trustees must approve all supplemental appropriations to the budget and transfers between major accounts.

The District presents a comparison of the annual budget to actual results for the General Fund at the functional expenditure-type major object level for financial reporting purposes. The budgeted expenditure amounts represent the adopted budget.

Buena Park Library District

Schedule of Pension Plan Contributions

June 30, 2024

Miscellaneous Plan

Fiscal Year Ended	2015	2016	2017	2018	2019
Contractually Required Contributions	$ 55,070	$ 117,949	$ 136,933	$ 149,170	$ 136,429
Contributions in Relation to Contractually Required Contributions	55,070	76,651	136,933	1,149,170	636,429
Contribution Deficiency (Excess)	$ -	$ 41,298	$ -	$ (1,000,000)	$ (500,000)
Covered Payroll	$ 974,691	$ 1,034,505	$ 1,034,050	$ 1,074,595	$ 1,117,266
Contributions as a % of Covered Payroll	5.65%	7.41%	13.24%	106.94%	56.96%

Miscellaneous Plan

Fiscal Year Ended	2020	2021	2022	2023	2024
Contractually Required Contributions	$ 469,786	$ 102,917	$ 115,466	$ 118,299	$ 116,262
Contributions in Relation to Contractually Required Contributions	469,786	102,917	115,466	118,299	116,262
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 1,127,895	$ 1,203,472	$ 1,223,529	$ 1,264,261	$ 1,165,476
Contributions as a % of Covered Payroll	41.65%	8.55%	9.44%	9.36%	9.98%

Notes to Schedule:

Valuation Date:	June 30, 2023
Assumptions Used:	Entry Age Method used for Actuarial Cost Method
	Level Percentage of Payroll and Direct Rate Smoothing
	Remaining Amortization Period no more than 29 years
	Inflation Assumed at 2.30%
	Investment Rate of Returns set at 6.8%
	The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing morality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

The CalPERS discount rate was increased from 7.50% to 7.65% in FY2016, to 7.15% in FY2018, and then decreased to 6.9% in FY2023.

The CalPERS mortality assumptions was adjusted in fiscal year 2023.

Buena Park Library District

Schedule of Net Pension Liability Proportionate Shares

June 30, 2024

Miscellaneous Plan Fiscal Year Ended	**2015**	**2016**	**2017**	**2018**	**2019**
Proportion of Net Pension Liability	0.04955%	0.04821%	0.05237%	0.02664%	0.01256%
Proportionate Share of Net Pension Liability	$ 1,224,525	$ 1,322,493	$ 1,819,323	$ 1,050,195	$ 473,362
Covered Payroll	$ 692,201	$ 974,691	$ 1,034,505	$ 1,034,050	$ 1,074,595
Proportionate Share of NPL as a % of Covered Payroll	176.90%	135.68%	175.86%	101.56%	44.05%
Plan's Fiduciary Net Position as a % of the TPL	83.46%	82.58%	77.00%	88.24%	94.91%

Miscellaneous Plan Fiscal Year Ended	**2020**	**2021**	**2022**	**2023**	**2024**
Proportion of Net Pension Liability	0.00312%	-0.00100%	-0.08284%	0.01021%	0.01476%
Proportionate Share of Net Pension Liability	$ 124,897	$ (42,267)	$ (1,572,986)	$ 477,633	$ 737,855
Covered Payroll	$ 1,117,266	$ 1,127,895	$ 1,203,472	$ 1,223,529	$ 1,264,261
Proportionate Share of NPL as a % of Covered Payroll	11.18%	-3.75%	-130.70%	39.04%	58.36%
Plan's Fiduciary Net Position as a % of the TPL	98.74%	100.40%	114.28%	95.90%	93.99%

The CalPERS discount rate was increased from 7.50% to 7.65% in FY2016, to 7.15% in FY2018, and then decreased to 6.9% in FY2023.

The CalPERS mortality assumptions was adjusted in fiscal year 2023.

Buena Park Library District

Schedule of Contributions for Postemployment Benefits
June 30, 2024

Fiscal Year Ended	2018	2019	2020	2021
Actuarially determined contribution (ADC)	$ 152,767	$ 152,609	$ 84,857	$ 87,693
Less: actual contribution in relation to ADC	(174,644)	(695,333)	(172,862)	(114,572)
Contribution deficiency (excess)	$ (21,877)	$ (542,724)	$ (88,005)	$ (26,879)
Covered employee payroll	$ 1,045,846	$ 1,197,730	$ 1,217,361	$ 1,201,175
Contributions as a % of covered employee payroll	16.70%	58.05%	14.20%	9.54%

Fiscal Year Ended	2022	2023	2024
Actuarially determined contribution (ADC)	$ 90,619	$ 10,792	$ 44,622
Less: actual contribution in relation to ADC	(126,628)	(119,919)	(44,622)
Contribution deficiency (excess)	$ (36,009)	$ (109,127)	$ -
Covered employee payroll	$ 1,305,157	$ 1,344,312	$ 1,109,224
Contributions as a % of covered employee payroll	9.70%	8.92%	4.02%

Assumptions and Methods

Valuation Date:	June 30, 2023
Measurement Date:	June 30, 2023
Actuarial Cost Method:	Entry age normal, level precentage of payroll
Amortization Period:	4.8-year average remaining period
Asset Valuation Method:	Investment gains and loses spread over 5-year rolling period
Actuarial Assumptions:	
Discount Rate	6.25%
General Inflation	2.50%
Payroll Increases	2.75%
Medical Trend	Non-Medicare - 6.5% for 2023, decreasing to an ultimate rate of 3.75% in 2076. Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076. Medicare (Kaiser) - 4.6% for 2023, decreasing to an ultimate rate of 3.75% in 2076.
PEMHCA Minimum Increases	4.00%
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 experience study
Mortality Improvement	CalPERS 2000-2019 experience study
Healthcare Participation for Future Retirees	CalPERS 2000-2019 experience study

Other Notes

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

There were no changes in benefit terms or trend rates.

PPACA excise tax was repealed 12/20/19. Since this is after the June 30, 2019 measurement date, the excise tax is included in the June 30, 2019 Total OPEB Liability (TOL).

Mortality improvement scale was updated to Scale MP-2021 from MP-2019 in fiscal year 2022.

The discount rate decreased from 7.0% to 6.5% in FY 2019, increased to 6.75% in FY 2019 and decreased to 6.25% in FY 2022.

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Buena Park Library District
Schedule of Changes in Net OPEB Liability
June 30, 2024

Fiscal Year Ended	2018	2019	2020	2021
Total OPEB liability				
Service cost	$ 73,638	$ 76,031	$ 80,760	$ 86,099
Interest	126,778	135,593	143,940	137,798
Diff. expected and actual experience	-	-	(164,581)	-
Changes of assumptions	-	32,905	(50,182)	-
Benefit payments	(79,113)	(74,644)	(95,333)	(114,529)
Net change in Total OPEB Liability	121,303	169,885	(85,396)	109,368
Total OPEB Liability - beginning	1,777,036	1,898,339	2,068,224	1,982,828
Total OPEB Liability - ending	$ 1,898,339	$ 2,068,224	$ 1,982,828	$ 2,092,196
Plan fiduciary net position				
Employer contributions	$ 179,113	$ 174,644	$ 695,333	$ 172,862
Net investment income	108,597	95,716	93,243	73,279
Benefit payments	(79,113)	(74,644)	(95,333)	(114,529)
Other	-	(1,569)	-	-
Administrative expense	(548)	(656)	(307)	(1,031)
Net change in plan fiduciary net position	208,049	193,491	692,936	130,581
Plan fiduciary net position - beginning	978,154	1,186,203	1,379,694	2,072,630
Plan fiduciary net position - ending	$ 1,186,203	$ 1,379,694	$ 2,072,630	$ 2,203,211
Net OPEB liability (asset)	$ 712,136	$ 688,530	$ (89,802)	$ (111,026)
Plan fiduciary net position as a % of the total OPEB liability	62.49%	66.71%	104.53%	105.31%
Covered Employee Payroll	$ 1,009,425	$ 1,045,846	$ 1,197,730	$ 1,217,361
NOL as a % of covered employee payroll	70.55%	65.83%	-7.59%	-9.12%
TOL as a % of covered employee payroll	188.06%	197.76%	165.55%	171.86%

Fiscal Year Ended	2022	2023	2024
Total OPEB liability			
Service cost	$ 88,886	$ 64,855	$ 78,588
Interest	145,468	144,667	148,640
Diff. expected and actual experience	(160,434)	-	(334,161)
Changes of assumptions	58,835	205,010	(26,472)
Benefit payments	(114,572)	(126,628)	(119,919)
Net change in Total OPEB Liability	18,183	287,904	(253,324)
Total OPEB Liability - beginning	2,092,196	2,110,379	2,398,283
Total OPEB Liability - ending	$ 2,110,379	$ 2,398,283	$ 2,144,959
Plan fiduciary net position			
Employer contributions	$ 114,572	$ 126,628	$ 119,919
Net investment income	605,653	(375,846)	156,134
Benefit payments	(114,572)	(126,628)	(119,919)
Administrative expense	(834)	(711)	(706)
Net change in plan fiduciary net position	604,819	(376,557)	155,428
Plan fiduciary net position - beginning	2,203,211	2,808,030	2,431,473
Plan fiduciary net position - ending	$ 2,808,030	$ 2,431,473	$ 2,586,901
Net OPEB liability (asset)	$ (697,651)	$ (33,190)	$ (441,942)
Plan fiduciary net position as a % of the total OPEB liability	133.06%	101.38%	120.60%
Covered Employee Payroll	$ 1,201,175	$ 1,305,157	$ 1,344,312
NOL as a % of covered employee payroll	-58.08%	-2.54%	-32.87%
TOL as a % of covered employee payroll	175.69%	183.75%	159.56%

Other Notes

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

There were no changes in benefit terms or trend rates
PPACA excise tax was repealed 12/20/19. Since this is after the June 30, 2019 measurement
Mortality improvement scale was updated to Scale MP-2019 from MP-2017 in fiscal year 2020
The discount rate decreased from 7.0% to 6.5% in fiscal year 2019.
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end

Other Independent Auditor's Reports

Chavan and Associates, llp
Certified Public Accountants

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

To the Board of Directors
of the Buena Park Library District
Beuna Park, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Buena Park Library District (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 10, 2025.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and

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

Purpose of this Report

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

C & A LLP

June 10, 2025
Morgan Hill, California

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