

## BUENA PARK LIBRARY DISTRICT

FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT  
JUNE 30, 2025

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### **Chavan & Associates, LLP**

Certified Public Accountants  
16450 Monterey Road, Suite 5  
Morgan Hill, CA 95037

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# Buena Park Library District

Orange County, California

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For the Year Ended June 30, 2025

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# Buena Park Library District

Board of Trustees

June 30, 2025

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Name	Title	Current Term
Vacant	President	Vacant
Brenda Estrada	President Pro Tem	2022-2026
Richard Rams	Secretary	2022-2026
L. Carole Jensen	Trustee	2024-2028
Christian Quintero	Trustee	2024-2028

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
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, 2025, 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, 2025, 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 *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, 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 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

October 11, 2025  
Morgan Hill, California

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*Management's Discussion and Analysis*

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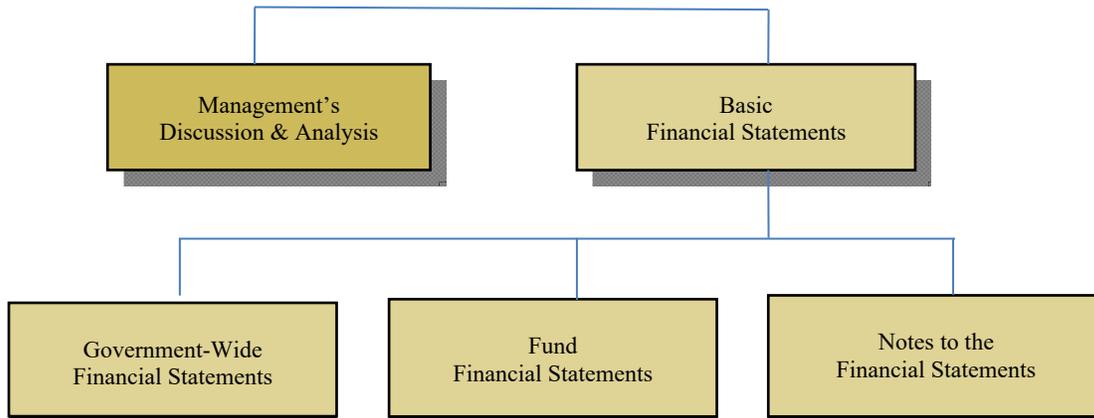
**Buena Park Library District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025

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**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, 2025. 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 2024-25 are as follows:

- Total net position increased by \$2,015,769 or 13.33%.
- General revenues accounted for \$5,369,574, which was 93.55% of all revenues. Program specific revenues in the form of operating grants and contributions and charges for services accounted for \$370,271, or 6.45%, of total revenues of \$5,739,845.
- Library operation expenses of \$3,724,076 increased by \$884,314 or 31.14%.
- Total fund balance in the General Fund increased by \$1,984,983 or 17.38%.
- The General Fund reported \$5,739,845 in revenues and 3,754,862 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 comprise 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

**Buena Park Library District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025

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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 required supplementary information. Required supplementary information includes the Management's Discussion and Analysis. Since the District only reports one governmental fund, the General Fund, it does not report supplementary information. The three sections together provide a comprehensive financial overview of the District.

**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 2024-25?". 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 under modified accrual accounting, an accounting method 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 District 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.

**Buena Park Library District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025

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**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**

	2025	2024	Change	Percentage Change
<b>Assets</b>				
Current Assets	\$ 13,511,083	\$ 11,559,168	\$ 1,951,915	16.89%
Other Noncurrent Assets	456,035	441,942	14,093	3.19%
Capital Assets	3,841,132	3,390,230	450,902	13.30%
Total Assets	<u>\$ 17,808,250</u>	<u>\$ 15,391,340</u>	<u>\$ 2,416,910</u>	<u>15.70%</u>
Total Deferred Outflows of Resources	<u>\$ 1,190,810</u>	<u>\$ 1,654,589</u>	<u>\$ (463,779)</u>	<u>-28.03%</u>
<b>Liabilities</b>				
Current Liabilities	\$ 105,157	\$ 138,225	\$ (33,068)	-23.92%
Noncurrent Liabilities	814,492	818,091	(3,599)	-0.44%
Total Liabilities	<u>\$ 919,649</u>	<u>\$ 956,316</u>	<u>\$ (36,667)</u>	<u>-3.83%</u>
Total Deferred Inflows of Resources	<u>\$ 937,925</u>	<u>\$ 963,896</u>	<u>\$ (25,971)</u>	<u>-2.69%</u>
<b>Net Position</b>				
Net Investment in Capital Assets	\$ 3,841,132	\$ 3,390,230	\$ 450,902	13.30%
Unrestricted	13,300,354	11,735,487	1,564,867	13.33%
Total Net Position	<u>\$ 17,141,486</u>	<u>\$ 15,125,717</u>	<u>\$ 2,015,769</u>	<u>13.33%</u>

Total net position increased by \$2,015,769, as revenues exceeded expenses. Current assets have increased mainly due to an increase in cash and investments from property tax revenue collected during the year. Capital assets increased by \$673,017 mostly from improvements to current library facilities.

**Buena Park Library District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025

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Table 2 shows the changes in net position for 2025 as compared to period 2024.

**Table 2 - Summary of Changes in Net Position**

	2025	2024	Change	Percentage Change
<b>Revenues</b>				
Program revenues	\$ 370,271	\$ 328,713	\$ 41,558	12.64%
General revenues:				
Property taxes	4,784,827	4,440,458	344,369	7.76%
Investment earnings	546,717	(73,709)	620,426	-841.72%
Miscellaneous	38,030	3,443	34,587	1004.56%
<b>Total Revenues</b>	<u>5,739,845</u>	<u>4,698,905</u>	<u>1,040,940</u>	<u>22.15%</u>
<b>Program Expenses</b>				
Library operations	<u>3,724,076</u>	<u>2,839,762</u>	<u>884,314</u>	<u>31.14%</u>
<b>Change in Net Position</b>	2,015,769	1,859,143	156,626	8.42%
<b>Beginning Net Position</b>	<u>15,125,717</u>	<u>13,266,574</u>	<u>1,859,143</u>	<u>14.01%</u>
<b>Ending Net Position</b>	<u>\$ 17,141,486</u>	<u>\$ 15,125,717</u>	<u>\$ 2,015,769</u>	<u>13.33%</u>

There was a surplus change in net position of 2,015,769, as revenues exceeded expenses mostly because of increases in property tax revenues of \$344,369, investment earnings of 620,426, and a decrease to library operational expenses of \$884,314. Property taxes increased mainly because of higher assessed valuations, redevelopment pass-throughs and other residual taxes. Investment income increased mainly from increases to market values and a change from the county investment pool to the California CLASS Prime investment pool. Operating expenses increased mostly because of adjustments and deferrals in pension and OPEB plan assumptions and estimates.

**FUND BALANCE**

Table 3 displays the changes in fund balance during the year as follows:

**Table 3 - Summary of Fund Balance (General Fund)**

	2025	2024	Change	Percentage Change
Nonspendable for prepaid items	\$ 152,480	\$ 60,387	\$ 92,093	152.50%
Unassigned	13,253,446	11,360,556	1,892,890	16.66%
<b>Total Fund Balance</b>	<u>\$ 13,405,926</u>	<u>\$ 11,420,943</u>	<u>\$ 1,984,983</u>	<u>17.38%</u>

Fund balance increased by \$1,984,983 mostly because of an increase in property tax revenues of \$344,369 and investment earnings of 620,426.

**Buena Park Library District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025

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**CAPITAL ASSETS**

Table 4 shows 2025 capital asset balances as compared to 2024.

**Table 4 - Summary of Capital Assets Net of Depreciation**

	2025	2024	Change	Percentage Change
Land	\$ 186,335	\$ 186,335	\$ -	0.00%
Construction-in-Progress	673,017	-	673,017	100.00%
Improvements	2,856,175	3,047,021	(190,846)	-6.26%
Equipment	125,519	153,181	(27,662)	-18.06%
Furniture and fixtures	86	3,693	(3,607)	-97.67%
Total Capital Assets - Net	<u>\$ 3,841,132</u>	<u>\$ 3,390,230</u>	<u>\$ 450,902</u>	<u>13.30%</u>

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

**NONCURRENT LIABILITIES**

Table 5 summarizes the changes in noncurrent liabilities from 2025 to 2024.

**Table 5 - Summary of Noncurrent Liabilities**

	2025	2024	Change	Percentage Change
Net Pension Liability	\$ 728,120	\$ 737,855	\$ (9,735)	-1.32%
Compensated Absences	86,372	80,236	6,136	7.65%
Total Noncurrent Liabilities	<u>\$ 814,492</u>	<u>\$ 818,091</u>	<u>\$ (3,599)</u>	<u>-0.44%</u>

Additional detail about noncurrent liabilities is described in Note 4 to the financial statements.

**Buena Park Library District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025

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**GENERAL FUND BUDGETARY HIGHLIGHTS**

In the fiscal year 2025, actual expenditures were \$141,962 more than budgeted. The variance is primarily due to the increase in capital outlay expenditures as there were no expenditures budgeted for capital outlay. Actual Revenues were \$2,126,945 more than budgeted. The increase in revenues is primarily due to an increase in property taxes. The following table summarizes the General Fund budget:

**Table 6 - Budget vs. Actual**

	Budgeted Amounts		Actual (GAAP Basis)	Variance with Final Budget Positive - (Negative)
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 3,148,600	\$ 3,148,600	\$ 4,784,827	\$ 1,636,227
Grant revenue	5,000	5,000	21,722	16,722
Charges for services	335,000	335,000	348,549	13,549
Investment earnings	120,800	120,800	546,717	425,917
Other revenues	3,500	3,500	38,030	34,530
<b>Total revenues</b>	<b>\$ 3,612,900</b>	<b>\$ 3,612,900</b>	<b>\$ 5,739,845</b>	<b>\$ 2,126,945</b>
<b>Expenditures:</b>				
Current				
Library operations:				
Salaries and employee benefits	\$ 2,356,500	\$ 2,356,500	\$ 2,092,684	\$ 263,816
Services and supplies	1,108,900	1,108,900	937,084	171,816
Facilities	147,500	147,500	52,077	95,423
Capital outlay	-	-	673,017	(673,017)
<b>Total expenditures</b>	<b>\$ 3,612,900</b>	<b>\$ 3,612,900</b>	<b>\$ 3,754,862</b>	<b>\$ (141,962)</b>

**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 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*

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# Buena Park Library District

## Statement of Net Position

June 30, 2025

### Assets

#### Current assets:

Cash and investments	\$	13,232,982
Accounts receivable		67,826
Taxes receivable		44,624
Due from grantor government		13,171
Prepaid items		152,480
Total current assets		<u>13,511,083</u>

#### Noncurrent assets:

Capital assets, net of depreciation		3,841,132
Net other post-employment benefits asset		456,035
Total noncurrent assets		<u>4,297,167</u>
Total Assets	\$	<u><u>17,808,250</u></u>

### Deferred Outflows of Resources

OPEB adjustments	\$	418,682
Pension adjustments		772,128
Total Deferred Outflows of Resources	\$	<u><u>1,190,810</u></u>

### Liabilities

#### Current liabilities:

Accounts payable	\$	19,069
Payroll related liabilities		86,088
Current portion of long-term liabilities		60,460
Total current liabilities		<u>165,617</u>

#### Noncurrent liabilities:

Compensated absences		25,912
Net pension liabilities		728,120
Total noncurrent liabilities		<u>754,032</u>
Total Liabilities	\$	<u><u>919,649</u></u>

### Deferred Inflows of Resources

OPEB adjustments	\$	403,851
Pension adjustments		534,074
Total Deferred Inflows of Resources	\$	<u><u>937,925</u></u>

### Net Position

Net investment in capital assets	\$	3,841,132
Unrestricted		13,300,354
Total Net Position	\$	<u><u>17,141,486</u></u>

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, 2025

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		Program Revenues		Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Governmental activities:				
Library operations	\$ 3,724,076	\$ 348,549	\$ 21,722	\$ (3,353,805)
General revenues:				
Property taxes				4,784,827
Investment earnings (losses)				546,717
Other revenues				38,030
Total general revenues				5,369,574
Change in net position				2,015,769
Net position beginning				15,125,717
Net position ending				\$ 17,141,486

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

# Buena Park Library District

## Balance Sheet

### Governmental Funds

June 30, 2025

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	<u>General Fund</u>
<b>Assets</b>	
Cash and investments	\$ 13,232,982
Accounts receivable	67,826
Taxes receivable	44,624
Due from grantor government	13,171
Prepaid items	152,480
Total Assets	<u>\$ 13,511,083</u>
<b>Liabilities</b>	
Accounts payable	\$ 19,069
Payroll related liabilities	86,088
Total Liabilities	<u>105,157</u>
<b>Fund Balance</b>	
Nonspendable: Prepaid items	152,480
Unassigned	13,253,446
Total Fund Balance	<u>13,405,926</u>
Total Liabilities and Fund Balance	<u>\$ 13,511,083</u>

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, 2025

Total fund balance - governmental funds		\$ 13,405,926
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	\$ 7,244,802	
Accumulated depreciation	<u>(3,403,670)</u>	3,841,132
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.		
		14,831
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.		
		238,054
Noncurrent liabilities are not due and payable in the current year and therefore are not reported as liabilities in the funds. Noncurrent liabilities at year-end consisted of:		
Net pension liability	728,120	
Compensated absences	86,372	
Net OPEB liability (asset)	<u>(456,035)</u>	<u>(358,457)</u>
Total net position - governmental activities		<u>\$ 17,141,486</u>

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, 2025

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	<u>General Fund</u>
Revenues:	
Property taxes	\$ 4,784,827
Grant revenue	21,722
Charges for services	348,549
Investment earnings (losses)	546,717
Other revenues	<u>38,030</u>
Total revenues	<u>5,739,845</u>
Expenditures:	
Current:	
Library operations:	
Salaries and employee benefits	2,092,684
Services and supplies	937,084
Facilities	52,077
Capital outlay	<u>673,017</u>
Total expenditures	<u>3,754,862</u>
Net change in fund balance	1,984,983
Fund balance beginning	<u>11,420,943</u>
Fund balance ending	<u><u>\$ 13,405,926</u></u>

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, 2025

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Total net change in fund balance - governmental funds \$ 1,984,983

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	\$ 673,017	
Depreciation expense	<u>(222,115)</u>	450,902

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. (6,136)

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. (413,980)

Change in net position of governmental activities \$ 2,015,769

*Notes to Financial Statements*

**Buena Park Library District**  
Notes to the Basic Financial Statements  
June 30, 2025

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**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.

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

**Buena Park Library District**  
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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.

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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.

The District utilizes one General Fund to account for all of its transactions. The General Fund is always a major fund.

F. Budgets and Budgetary Accounting

The District's Board of Directors adopts an annual operating budget for the District 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 object level. During the year, capital outlay expenditures exceeded budgeted appropriations by \$673,017.

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.

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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. Receivables

Billed, but unpaid, services provided are recorded as accounts receivable. Revenues earned but not collected by year-end are accrued. No allowance for uncollectible accounts receivable has been provided as management has determined that uncollectible accounts have historically been immaterial and the direct write-off method does not result in a material difference from the allowance method.

4. 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.

5. 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

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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 asset. All capital assets, except land and construction in progress, are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Improvements	20
Equipment	5
Furniture and fixtures	7

6. Compensated Absences

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. The liability for compensated absences includes salary-related taxes and benefits, where applicable. Compensated absences in the governmental activities are liquidated primarily by using general fund resources.

**Vacation**

The District’s policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee’s current pay rate upon separation from employment. 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 accumulate 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**

Sick leave is granted at a rate of 12 days per calendar year and may be used for sickness, injury, or disability. The District’s policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the District and, upon separation from service, no monetary obligation exists. A liability for estimated value of sick leave that will be used by employees as time off is not included in the liability for compensated absences as employees typically use the most recently earned sick leave earned (Last in First Out). Therefore, it is not likely employees will use the remaining balance accumulated as of year-end.

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7. Noncurrent Liabilities

In the government-wide financial statements, noncurrent liabilities are reported in the Statement of Net Position and include compensated absences, the net pension liability and the net OPEB liability.

8. 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:

**Nonspendable Fund Balance**

Nonspendable fund balance represents balances set aside to indicate items that do not represent available, spendable resources even though they are a component of assets. Assets not expected to be converted to cash, such as prepaid items are included.

**Restricted Fund Balance**

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

**Committed Fund Balance**

Committed fund balance is established by the District's board of directors (the Board), the District's highest level of decision-making authority, for specific purposes pursuant to the constraints imposed by formal actions taken, such as a resolution. These committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use through the same type of formal action taken to establish the commitment. Board action to commit fund balance needs to occur within the fiscal reporting period; however the specific amounts can be determined subsequently.

**Assigned Fund Balance**

Assigned fund balances are amounts constrained by the District's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the Board or its designee and may be changed at the discretion of the Board or its designee.

**Unassigned Fund Balance**

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.

**Flow Assumption / Spending Order Policy**

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.

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9. Net Position

In the government-wide financial statements, net position is classified in the following categories:

**Net Investment in Capital Assets**

This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that are attributed to the acquisition, construction, or improvement of the 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.

**Restricted Net Position**

This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

**Unrestricted Net Position**

This amount is all net position that does not meet the definition of "net investment in capital assets" or "restricted net position." The detail of amounts reported for each of the above defined net position categories is reported in the government-wide Statement of Net Position.

**Use of Restricted/Unrestricted Net Position**

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

10. 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	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

11. Other Postemployment Benefits Other 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

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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, 2024
Measurement Period	July 1, 2023 to June 30, 2024

12. 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

13. Accounting Estimates

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

H. Implementation of New Accounting Pronouncements

**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

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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 implementation of this standard did not have a material impact on the District’s 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 implementation of this standard did not have a material impact on the District’s financial statements as management determined there were no concentrations or constraints that make the District vulnerable to the risk of substantial impact.

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. 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

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this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

**GASB Statement No. 104, *Disclosure of Certain Capital Assets***

This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. 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, 2025:

Cash and Investments	Total	Fair Value
Cash on Hand and in Banks		
Cash in Banks	\$ 2,214,458	\$ 2,214,458
Petty Cash	134	134
Total	2,214,592	2,214,592
Investments:		
California CLASS Investment Pool	11,018,390	11,018,206
Total Cash and Investments	\$ 13,232,982	\$ 13,232,798

**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, 2025, the District's bank balances exceeded FDIC coverage by \$1,964,458.

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**Fair Value Measurements**

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

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

The California CLASS investment pool is not subject to leveling.

**Authorized Investments**

Under provisions of the District's investment policy and in accordance with Section 53601 of the California Government Code, the District may invest and deposit funds in County Pooled Investment Funds, Joint Powers Authority Pooled Investment Funds, and checking and savings accounts at local financial institutions.

**California CLASS Investment Pool**

California CLASS (California Cooperative Liquid Assets Securities System) is an investment pool created specifically for public agencies in California. It allows these agencies to pool their funds together to earn interest on investments while prioritizing safety and liquidity. The program was established in response to the growing demand for transparent investment options governed by a board of peers from the public sector. The District invests in the California CLASS Prime investment fund. This fund aims to maintain a stable Net Asset Value (NAV) of \$1.00, focusing on preserving capital while providing daily liquidity and competitive returns. California CLASS is governed by a Board of Trustees composed of finance professionals from participating public agencies. The program is managed by Public Trust Advisors, which provides professional portfolio management and oversight.

**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 California CLASS investment pool. The dollar weighted average days to maturity (WAM) of California CLASS PRIME at June 30, 2025, was 40 days and the weighted average life (WAL) was 75 days. The WAM of California CLASS Enhanced Cash at June 30, 2025 was 147 days and the WAL was 202 days.

**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 California CLASS investment pool is governed by the JPA's general investment policy. California CLASS Prime is rated by S&P Global Ratings. The current rating is AAAM.

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**Custodial Credit Risk**

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. California CLASS is an external investment pool and therefore is not subject to custodial credit risk.

**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 California CLASS Prime is diversified by limiting the percentage of the portfolio that can be invested in any one issuer's name.

**NOTE 3 - CAPITAL ASSETS AND DEPRECIATION**

Capital asset activity for the period ended June 30, 2025 is shown below:

Capital Assets	Balance June 30, 2024	Additions	Deletions/	Balance June 30, 2025
<b>Non-depreciable:</b>				
Land	\$ 186,335	\$ -	\$ -	\$ 186,335
Construction in Progress	-	673,017	-	673,017
Total Non-Depreciable	<u>186,335</u>	<u>673,017</u>	<u>-</u>	<u>859,352</u>
<b>Depreciable:</b>				
Buildings	891,592	-	-	891,592
Building Improvements	4,654,664	-	-	4,654,664
Equipment	590,124	-	-	590,124
Furniture and Fixtures	249,070	-	-	249,070
Total Depreciable	<u>6,385,450</u>	<u>-</u>	<u>-</u>	<u>6,385,450</u>
<b>Less Accumulated Depreciation for:</b>				
Buildings	(891,592)	-	-	(891,592)
Building Improvements	(1,607,643)	(190,846)	-	(1,798,489)
Equipment	(436,943)	(27,662)	-	(464,605)
Furniture and Fixtures	(245,377)	(3,607)	-	(248,984)
Total Accumulated Depreciation	<u>(3,181,555)</u>	<u>(222,115)</u>	<u>-</u>	<u>(3,403,670)</u>
Total Depreciable Capital Assets, Net	<u>3,203,895</u>	<u>(222,115)</u>	<u>-</u>	<u>2,981,780</u>
Total Capital Assets, Net	<u>\$ 3,390,230</u>	<u>\$ 450,902</u>	<u>\$ -</u>	<u>\$ 3,841,132</u>

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**NOTE 4 - NONCURRENT LIABILITIES**

The following summarizes the changes in noncurrent liabilities:

Noncurrent Liabilities	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Net Pension Liability	\$ 737,855	\$ 1,597,876	\$ 1,607,611	\$ 728,120	-
Net OPEB Liability (Asset)	(441,942)	497,546	511,639	(456,035)	-
Compensated Absences	80,236	63,366	57,230	86,372	60,460
Subtotal	376,149	2,158,788	2,176,480	358,457	60,460
Net OPEB Liability (Asset)	441,942	(497,546)	(511,639)	456,035	-
Total Noncurrent Liabilities	<u>\$ 818,091</u>	<u>\$ 1,661,242</u>	<u>\$ 1,664,841</u>	<u>\$ 814,492</u>	<u>\$ 60,460</u>

**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 regular 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, 2025, are summarized as follows:

	<b>Miscellaneous</b>		
	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	7.00%	7.00%	7.75%
Required employer contribution rates	11.88%	10.15%	7.87%

**Buena Park Library District**  
Notes to the Basic Financial Statements  
June 30, 2025

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**Employees Covered** – At June 30, 2025, 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 \$109,452.

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

As of June 30, 2025, the District reported net pension liabilities for its proportionate shares of the net pension liability as follows:

	<b>Proportionate Share of Net Pension Liability/(Asset)</b>
Miscellaneous	\$ 728,120

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, 2024, 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, 2023 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, 2024 and 2025 was as follows:

	Miscellaneous
Proportion - June 30, 2024	0.01476%
Proportion - June 30, 2025	0.01505%
Change - Increase/(Decrease)	0.00030%

For the fiscal year ended June 30, 2025, the District recognized pension expense of \$562,561.

**Buena Park Library District**  
Notes to the Basic Financial Statements  
June 30, 2025

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At fiscal year June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of Assumptions	\$ 18,714	\$ -
Differences between Expected and Actual Experience	62,953	2,456
Differences between Projected and Actual Investment Earnings	41,917	-
Differences between Employer's Contributions and Proportionate Share of Contributions	-	495,849
Change in Employer's Proportion	539,092	-
Pension Contributions Made Subsequent to Measurement Date	109,452	-
<b>Total</b>	<b>\$ 772,128</b>	<b>\$ 498,305</b>

The District reported \$109,452 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, 2026.

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

<b>Fiscal Year Ending June 30:</b>	<b>Deferred Outflows/ (Inflows) of Resources</b>
2026	\$ 188,686
2027	13,007
2028	(22,959)
2029	(14,364)
2030	-
Thereafter	-
<b>Total</b>	<b>\$ 164,370</b>

**Buena Park Library District**  
Notes to the Basic Financial Statements  
June 30, 2025

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**Actuarial Assumptions** - The total pension liabilities in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost Method
<b>Actuarial Assumptions:</b>	
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.

**Buena Park Library District**  
Notes to the Basic Financial Statements  
June 30, 2025

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%
<b>Total</b>	<b>100.00%</b>	

- (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:

	<u>Miscellaneous</u>
1% Decrease	5.90%
Net Pension Liability	\$ 2,372,804
Current	6.90%
Net Pension Liability	\$ 728,120
1% Increase	7.90%
Net Pension Liability	\$ (625,697)

**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

**Buena Park Library District**  
Notes to the Basic Financial Statements  
June 30, 2025

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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 benefit 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	<u>18</u>
<b>Total employees</b>	<b><u>37</u></b>

**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 \$47,341. The actuarially determined contribution for the measurement period was \$47,341. The District's contributions were 3.66% of covered payroll during year. 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, 2024
Actuarial Cost Method:	Entry age
Amortization Period:	30 Years
Asset Valuation Method:	Market value
Actuarial Assumptions:	
Discount Rate	6.55%
General Inflation	2.50%
Salary Increases	3.00%
Medical Trend	Medical plan premiums and claims costs by age are assumed to increase once each year. 6.55% for 2024, decreasing to an ultimate rate of 3.9% in 2075.
Mortality	CalPERS 2021 experience study
Mortality Improvement	MacLeod Watts Scale 2022

**Buena Park Library District**  
Notes to the Basic Financial Statements  
June 30, 2025

**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:

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

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, 2024 (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, 2025 (reporting date). The following summarizes the changes in the net OPEB liability during the year ended June 30, 2025:

<b>Fiscal Year Ended June 30, 2025</b>	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net OPEB Liability (Asset)</b>
<b>Balance at June 30, 2024</b>	\$ 2,144,959	\$ 2,586,901	\$ (441,942)
Service cost	72,770	-	72,770
Interest in Total OPEB Liability	133,376	-	133,376
Employer contributions	-	44,622	(44,622)
Balance of diff between actual and exp experience	234,659	-	234,659
Balance of changes in assumptions	(127,148)	-	(127,148)
Actual investment income	-	126,545	(126,545)
Administrative expenses	-	(843)	843
Benefit payments	(98,031)	(98,031)	-
Other	-	157,426	(157,426)
<b>Net changes</b>	<b>215,626</b>	<b>229,719</b>	<b>(14,093)</b>
<b>Balance at June 30, 2025</b>	<b>\$ 2,360,585</b>	<b>\$ 2,816,620</b>	<b>\$ (456,035)</b>

**Buena Park Library District**  
Notes to the Basic Financial Statements  
June 30, 2025

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**Deferred Inflows and Outflows of Resources** – As of June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between actual and expected experience	\$ 203,496	\$ 309,917
Difference between actual and expected earnings	31,108	-
Change in assumptions	136,737	129,702
OPEB contribution subsequent to measurement date	47,341	-
<b>Totals</b>	<b>\$ 418,682</b>	<b>\$ 439,619</b>

Of the total amount reported as deferred outflows of resources related to OPEB, \$47,341 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, 2026. 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,	
2026	\$ (22,111)
2027	68,845
2028	(40,081)
2029	(37,778)
2030	(33,615)
Thereafter	(3,538)
<b>Total</b>	<b>\$ (68,278)</b>

**OPEB Expense** - The following summarizes the OPEB expense by source during the year ended June 30, 2025:

Service cost	\$ 72,770
Interest in TOL	133,376
Expected investment income	(157,426)
Difference between actual and expected experience	(62,771)
Difference between actual and expected earnings	10,180
Change in assumptions	11,239
Administrative expenses	843
<b>OPEB Expense</b>	<b>\$ 8,211</b>

**Buena Park Library District**  
Notes to the Basic Financial Statements  
June 30, 2025

The following summarizes changes in the net OPEB liability as reconciled to OPEB expense during the year ended June 30, 2025:

Net OPEB liability ending	\$ (456,035)
Net OPEB liability beginning	441,942
Change in net OPEB liability	<u>(14,093)</u>
Changes in deferred outflows	(60,805)
Changes in deferred inflows	35,768
Employer contributions and implicit subsidy	<u>47,341</u>
<b>OPEB Expense</b>	<b><u>\$ 8,211</u></b>

**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:

	<b>Discount Rate</b>		
	<b>(1% Decrease )</b>	<b>6.55%</b>	<b>(1% Increase )</b>
Net OPEB Liability (Asset)	\$ (117,100)	\$ (456,035)	\$ (731,706)

**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:

	<b>Trend Rate</b>		
	<b>(1% Decrease )</b>	<b>4.00%</b>	<b>(1% Increase )</b>
Net OPEB Liability (Asset)	\$ (772,246)	\$ (456,035)	\$ (56,575)

**NOTE 7 - 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, 2025, 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.

**Buena Park Library District**  
Notes to the Basic Financial Statements  
June 30, 2025

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- 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 \$1,000 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.
- Cyber coverage insurance includes \$200,000 for computer hardware replacement, \$200,000 for reputational loss coverage, \$50,000 for cryptojacking and claims preparation costs, and \$55,000,000 for the program aggregate for all insured members combined. Claims are limited to \$2,000,000 annually in aggregate, \$500,000 to \$1,000,000 for breach response costs, \$100,000 to 750,000 for business interruption and business interruption loss, and \$75,000 for Fraudulent Instruction, Telephone Fraud, and Funds Transfer Fraud. The deductibles are \$50,000 for cryptojacking, \$50,000 per claim for each member with total insured value up to \$250,000,000, \$100,000 per claim for each member with total insured greater than \$250,000,000 and up to \$750,000, \$250,000 for each member with total insured greater than \$750,000,000.

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 were no IBNR claims payable as of June 30, 2025.

#### **NOTE 8 - 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, 2025.

#### **NOTE 9 - SUBSEQUENT EVENTS**

The Management of the District has evaluated subsequent event from its year end June 30, 2025 through October 11, 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.

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***Required Supplementary Information***

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**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, 2025

	Budgeted Amounts		Actual (GAAP Basis)	Variance with Final Budget Positive - (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 3,148,600	\$ 3,148,600	\$ 4,784,827	\$ 1,636,227
Grant revenue	5,000	5,000	21,722	16,722
Charges for services	335,000	335,000	348,549	13,549
Investment earnings	120,800	120,800	546,717	425,917
Other revenues	3,500	3,500	38,030	34,530
Total revenues	3,612,900	3,612,900	5,739,845	2,126,945
Expenditures:				
Current				
Library operations:				
Salaries and employee benefits	2,356,500	2,356,500	2,092,684	263,816
Services and supplies	1,108,900	1,108,900	937,084	171,816
Facilities	147,500	147,500	52,077	95,423
Capital outlay	-	-	673,017	(673,017)
Total expenditures	3,612,900	3,612,900	3,754,862	(141,962)
Net change in fund balance	-	-	1,984,983	1,984,983
Fund balance beginning	11,420,943	11,420,943	11,420,943	-
Fund balance ending	\$ 11,420,943	\$ 11,420,943	\$ 13,405,926	\$ 1,984,983

*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.

Expenditures in excess of budget were covered by surplus revenues and/or beginning fund balance.

**Buena Park Library District**  
Schedule of Pension Plan Contributions  
June 30, 2025

**Miscellaneous Plan**

Fiscal Year Ended	2016	2017	2018	2019	2020
Contractually Required Contributions	\$ 117,949	\$ 136,933	\$ 149,170	\$ 136,429	\$ 469,786
Contributions in Relation to Contractually Required Contributions	76,651	136,933	1,149,170	636,429	469,786
Contribution Deficiency (Excess)	<u>\$ 41,298</u>	<u>\$ -</u>	<u>\$ (1,000,000)</u>	<u>\$ (500,000)</u>	<u>\$ -</u>
Covered Payroll	\$ 1,034,505	\$ 1,034,050	\$ 1,074,595	\$ 1,117,266	\$ 1,127,895
Contributions as a % of Covered Payroll	7.41%	13.24%	106.94%	56.96%	41.65%

**Miscellaneous Plan**

Fiscal Year Ended	2021	2022	2023	2024	2025
Contractually Required Contributions	\$ 102,917	\$ 115,466	\$ 118,299	\$ 116,262	\$ 109,452
Contributions in Relation to Contractually Required Contributions	102,917	115,466	118,299	116,262	109,452
Contribution Deficiency (Excess)	<u>\$ -</u>				
Covered Payroll	\$ 1,203,472	\$ 1,223,529	\$ 1,264,261	\$ 1,165,476	\$ 1,284,478
Contributions as a % of Covered Payroll	8.55%	9.44%	9.36%	9.98%	8.52%

**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 mortality 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 FY2022.  
The CalPERS mortality assumptions was adjusted in fiscal year 2023.

**Buena Park Library District**  
Schedule of Net Pension Liability Proportionate Shares  
June 30, 2025

<b>Miscellaneous Plan</b>					
Plan Measurement Date	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Fiscal Year Ended	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Proportion of Net Pension Liability	0.04821%	0.05237%	0.02664%	0.01256%	0.00312%
Proportionate Share of Net Pension Liability	\$ 1,322,493	\$ 1,819,323	\$ 1,050,195	\$ 473,362	\$ 124,897
Covered Payroll	\$ 974,691	\$ 1,034,505	\$ 1,034,050	\$ 1,074,595	\$ 1,117,266
Proportionate Share of NPL as a % of Covered Payroll	135.68%	175.86%	101.56%	44.05%	11.18%
Plan's Fiduciary Net Position as a % of the TPL	82.58%	77.00%	88.24%	94.91%	98.74%

<b>Miscellaneous Plan</b>					
Plan Measurement Date	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Fiscal Year Ended	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Proportion of Net Pension Liability	-0.00100%	-0.08284%	0.01021%	0.01476%	0.01505%
Proportionate Share of Net Pension Liability	\$ (42,267)	\$ (1,572,986)	\$ 477,633	\$ 737,855	\$ 728,120
Covered Payroll	\$ 1,127,895	\$ 1,203,472	\$ 1,223,529	\$ 1,264,261	\$ 1,165,476
Proportionate Share of NPL as a % of Covered Payroll	-3.75%	-130.70%	39.04%	58.36%	62.47%
Plan's Fiduciary Net Position as a % of the TPL	100.40%	114.28%	95.90%	93.99%	94.03%

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 FY2022.

The CalPERS mortality assumptions was adjusted in fiscal year 2023.

**Buena Park Library District**  
Schedule of Contributions for Postemployment Benefits  
June 30, 2025

<b><u>Fiscal Year Ended</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>
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)	<u>\$ (21,877)</u>	<u>\$ (542,724)</u>	<u>\$ (88,005)</u>	<u>\$ (26,879)</u>
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%

<b><u>Fiscal Year Ended</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>
Actuarially determined contribution (ADC)	\$ 90,619	\$ 10,792	\$ 44,622	\$ 47,341
Less: actual contribution in relation to ADC	(126,628)	(119,919)	(44,622)	(47,341)
Contribution deficiency (excess)	<u>\$ (36,009)</u>	<u>\$ (109,127)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 1,305,157	\$ 1,344,312	\$ 1,363,550	\$ 1,295,190
Contributions as a % of covered employee payroll	9.70%	8.92%	3.27%	3.66%

***Assumptions and Methods***

Valuation Date:	June 30, 2023
Measurement Date:	June 30, 2024
Actuarial Cost Method:	Entry age
Amortization Period:	30 years
Asset Valuation Method:	Market value
Actuarial Assumptions:	
Discount Rate	6.55%
General Inflation	2.50%
Payroll Increases	3.00%
Medical Trend	Non-Medicare - 6.5% for 2025, decreasing to an ultimate rate of 3.9% in 2075.
Investment Rate of Return	6.15%
Mortality	CalPERS 2021 experience study
Mortality Improvement	MacLeod Watts Scale 2022

***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.

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, decreased to 6.25% in FY 2022, decreased to 6.15% in FY24 and increased to 6.55% in FY25.

**Buena Park Library District**  
Schedule of Changes in Net OPEB Liability  
June 30, 2025

<b>Fiscal Year Ended</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Total OPEB liability</b>				
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	<u>\$ 1,898,339</u>	<u>\$ 2,068,224</u>	<u>\$ 1,982,828</u>	<u>\$ 2,092,196</u>
<b>Plan fiduciary net position</b>				
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	<u>\$ 1,186,203</u>	<u>\$ 1,379,694</u>	<u>\$ 2,072,630</u>	<u>\$ 2,203,211</u>
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%
<b>Fiscal Year Ended</b>				
	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Total OPEB liability</b>				
Service cost	\$ 88,886	\$ 64,855	\$ 78,588	\$ 72,770
Interest	145,468	144,667	148,640	133,376
Diff. expected and actual experience	(160,434)	-	(334,161)	234,659
Changes of assumptions	58,835	205,010	(26,472)	(127,148)
Benefit payments	(114,572)	(126,628)	(119,919)	(98,031)
Net change in Total OPEB Liability	18,183	287,904	(253,324)	215,626
Total OPEB Liability - beginning	2,092,196	2,110,379	2,398,283	2,144,959
Total OPEB Liability - ending	<u>\$ 2,110,379</u>	<u>\$ 2,398,283</u>	<u>\$ 2,144,959</u>	<u>\$ 2,360,585</u>
<b>Plan fiduciary net position</b>				
Employer contributions	\$ 114,572	\$ 126,628	\$ 119,919	\$ 44,622
Net investment income	605,653	(375,846)	156,134	126,545
Benefit payments	(114,572)	(126,628)	(119,919)	(98,031)
Adjustments	-	-	-	157,426
Administrative expense	(834)	(711)	(706)	(843)
Net change in plan fiduciary net position	604,819	(376,557)	155,428	229,719
Plan fiduciary net position - beginning	2,203,211	2,808,030	2,431,473	2,586,901
Plan fiduciary net position - ending	<u>\$ 2,808,030</u>	<u>\$ 2,431,473</u>	<u>\$ 2,586,901</u>	<u>\$ 2,816,620</u>
Net OPEB liability (asset)	\$ (697,651)	\$ (33,190)	\$ (441,942)	\$ (456,035)
Plan fiduciary net position as a % of the total OPEB liability	133.06%	101.38%	120.60%	119.32%
Covered Employee Payroll	\$ 1,201,175	\$ 1,305,157	\$ 1,344,312	\$ 1,363,550
NOL as a % of covered employee payroll	-58.08%	-2.54%	-32.87%	-33.44%
TOL as a % of covered employee payroll	175.69%	183.75%	159.56%	173.12%

*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.

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***Other Independent Auditor's Reports***

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**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 Trustees  
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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 11, 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



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

October 11, 2025  
Morgan Hill, California