HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2025

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HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Huntington Beach Union High School District
Huntington Beach, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Huntington Beach Union High School 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, each major fund, and the aggregate remaining fund information of the District as of June 30, 2025, and the respective changes in financial position, and where applicable, cash flows thereof 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 *Auditors' 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.

Emphasis of Matter – Implementation of New Accounting Standard

As discussed in Note 1 to the financial statements, during the year ended June 30, 2025, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This Statement establishes a unified recognition and measurement model for liabilities associated with compensated absences, including unused leave and leave taken but not yet paid. The implementation of GASB 101 resulted in changes to the accounting treatment and disclosures related to compensated absences. Our opinion is not modified with respect to this matter.

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 (General Fund and Special Education Pass-Through Fund), schedule of changes in the net OPEB liability (Retiree Benefits Plan and Medicare Premium Payment Plan), schedule of the District's proportionate share of the net pension liability, and schedule of District pension contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining nonmajor fund financial statements, the schedule of average daily attendance (ADA), the schedule of instructional time, the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and the reconciliation of the annual financial and budget report with the audited financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining nonmajor fund financial statements, schedule of average daily attendance (ADA), schedule of instructional time, schedule of expenditures of federal awards, and reconciliation of the annual financial and budget report with the audited financial statements, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The schedule of financial trends and analysis and schedule of charter schools, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the LEA Organization Structure but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
December 18, 2025

This section of Huntington Beach Union High School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2025. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the District-wide statements. The Governmental funds statements tell how basic services like regular and special education were financed in the short-term, as well as what remains for future spending.

Proprietary funds statements offer short-term and long-term financial information about the activities the District operates like businesses, such as the self-insurance funds.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

District-Wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two district-wide statements report the District's Net Position and how they have changed. Net Position, the difference between the District's assets and liabilities, are one way to measure the District's financial health or position.

Over time, increases or decreases in the District's Net Position are an indicator of whether its financial position is improving or deteriorating, respectively. To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

District-Wide Statements (Continued)

In the District-wide financial statements, the District's activities include:

Governmental activities: Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and State aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes (like capital facilities) or to show that it is properly using certain revenues (like cafeteria revenues).

The District has two kinds of funds:

Governmental funds: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements to explain the relationships (or differences) between them.

Proprietary funds: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements.

We use internal service funds (a kind of proprietary fund) to report activities that provide supplies and services for the District's other programs and activities. The District currently has one internal service fund – the Self-Insurance Fund. This fund supports activities that relate to worker's compensation claims, health and welfare benefits, property and liability claims.

FINANCIAL HIGHLIGHTS

The District's General Fund (Fund 01 and Fund 73) ending fund balance decreased in 2024-25. The General Fund ending fund balance was $84,321,163 as of June 30, 2025, a decrease of $8,282,900 from the 2023-2024 ending fund balance. This decrease is largely due to the $8,617,314 decrease of carry-over for restricted programs as one-time funds were expended for Kitchen Infrastructure and Training, other one-time state grants for professional development, A-G completion improvement, and HVAC projects. The unrestricted ending fund balance increased by $334,414 due to various budget line items left unspent for vacant positions and purchasing receipts after June 30, 2025.

FINANCIAL HIGHLIGHTS (CONTINUED)

Total net position in the government-wide financial statements was $51,537,778, an increase of $10,940,332, or 26.95% over the course of the year.

Overall revenues in governmental funds were $1,183,263 less than expenses. This was primarily due to an operating deficit in the General Fund of $8,349,751. Significant operating surpluses occurred in the Capital Facilities Fund and the Cafeteria Fund of $3,408,611 and $1,624,386, respectively. It should be noted that an operating deficit exists when current year operating expenditures exceed current year operating revenues, whereas deficit spending is a result of expenditures plus other financing uses exceeding revenues plus other financing sources.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

In 2024-2025, net position of the District's governmental activities increased by 26.95% from $40,597,446 to $51,537,778. The District's total net position is made up of three components: Unrestricted, Restricted, and Net Investment in Capital Assets.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use those assets for day-to-day operations. Net Investment in Capital Assets consists of the District's capital assets less depreciation/amortization and related-borrowing. Our analysis below focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Net Position (Continued)

Table 1

	Governmental Activities	
	2025	2024
ASSETS		
Current and Other Assets	$ 195,107,167	$ 213,511,202
Capital Assets	355,597,549	355,695,860
Total Assets	550,704,716	569,207,062
DEFERRED OUTFLOWS OF RESOURCES	69,552,121	76,696,531
LIABILITIES		
Current Liabilities	31,467,657	46,173,458
Long-Term Liabilities	499,052,621	533,546,642
Total Liabilities	530,520,278	579,720,100
DEFERRED INFLOWS OF RESOURCES	38,198,781	25,586,047
NET POSITION		
Net Investment in Capital Assets	181,507,825	161,902,174
Legally Restricted	87,620,705	91,317,617
Unrestricted	(217,590,752)	(212,622,345)
Total Net Position	$ 51,537,778	$ 40,597,446

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements decreased by 2.34% $(217,590,752) compared to $(212,622,345).

Legally Restricted net position – The $87,620,705 in restricted net position is comprised of $13,309,482 for educational programs and $74,311,223 from other funds restricted by enabling legislation or through restrictions imposed by grantors or laws or regulations imposed by other governments.

The District's total net position has increased as of June 30, 2025, this being an indicator of a an incline in its financial position.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Changes in Net Position

The District's total revenues were $332,125,725. Table 2 takes information from the statement of activities and rearranges it slightly to show total revenues for the year. Property taxes accounted for approximately 53% of the District's revenue. Another 28% came from operating grants and contributions, and an additional 14% coming from unrestricted federal and state aid for general purposes. The remainder came from fees charged for services, capital grants and contributions, and miscellaneous sources.

Table 2

	2025	2024
REVENUES		
Program Revenues:		
Charges for Services	$ 4,716,563	$ 5,563,965
Operating Grants and Contributions	92,075,714	111,928,411
Capital Grants and Contributions	24,034	25,115
General Revenues:		
Federal and State Aid Unrestricted	47,157,147	55,483,749
Property Taxes	176,721,052	173,263,186
Other General Revenues, Gains and Losses	11,431,215	10,457,850
Total Revenues	332,125,725	356,722,276
EXPENSES		
Instruction and Related Services	169,710,928	181,888,102
Pupil Services	31,494,587	32,083,999
General Administration	21,062,956	18,746,264
Plant Services	24,211,711	24,788,676
Other	71,396,036	71,239,799
Total Expenses	317,876,218	328,746,840
CHANGE IN NET POSITION	$ 14,249,507	$ 27,975,436

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Changes in Net Position (Continued)

The total cost of all programs was $317,876,218. The District's expenses are predominantly related to educating and caring for students at 63%, with 8% of expenditures attributable to plant maintenance and operations. The purely administrative activities of the District accounted for just 7% of total costs. Total revenues were more than expenses, increasing net position by $14,249,507.

The District continues direct funding to align with the goals outlined in the Local Accountability Plan (LCAP). An updated plan was adopted on June 24, 2025, and will continue to guide the District through June 30, 2026.

In Table 3, we have presented the cost of each of the District's largest functions: instruction, pupil services, administration, plant services, and all other services, as well as each program's net cost (total cost less revenues generated by the activities). Net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Table 3

	Total Cost of Services		Net Cost of Services	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Instruction and Related Services	$ 169,710,928	$ 181,888,102	$ 123,272,196	$ 118,032,712
Pupil Services	31,494,587	32,083,999	18,961,507	18,048,916
Administration	21,062,956	18,746,264	19,689,184	17,371,840
Plant Services	24,211,711	24,788,676	22,888,260	22,433,373
All Other Services	71,396,036	71,239,799	36,248,760	35,342,508
Total	$ 317,876,218	$ 328,746,840	$ 221,059,907	$ 211,229,349

Self-Insurance Fund

Revenues of the District's Self-Insurance Fund were $33,185,470 from operating activities, $267,224 from miscellaneous sources, and $257,361 in interest income. Expenses totaled $35,205,453 resulting in a change in net position of $(1,495,398). Net position for the 2024-2025 fiscal year totaled $7,725,319. The net loss is a direct result of managing/lowering workers' compensation contributions due to a significant reserve balance resulting from lower prior year tail claim liabilities.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The following governmental funds had more revenues than expenditures in 2024-2025 fiscal year, thereby contributing to the increase in total fund balance: Capital Facilities Fund, Student Activity Fund, Adult Education Fund, Cafeteria Fund, County School Facilities Fund, and Bond Interest and Redemption Fund.

Table 4

	Fund Balance			
	July 1, 2024	Revenues and Other Sources	Expenditures and Other Uses	June 30, 2025
General Fund:				
General Fund	$ 92,211,310	$ 259,458,000	$ 267,807,751	$ 83,861,559
Private Purpose Trust Fund	392,753	18,135	1,000	409,888
General Fund GAAP Basis	92,604,063	259,476,135	267,808,751	84,271,447
Special Education Pass-Through Fund	-	27,031,967	27,031,967	-
Capital Facilities Fund	31,337,757	9,376,951	5,968,340	34,746,368
Student Activity Fund	3,813,156	7,305,120	6,984,104	4,134,172
Adult Education Fund	3,668,692	9,227,590	8,874,718	4,021,564
Cafeteria Fund	5,593,980	8,163,731	6,539,345	7,218,366
County School Facilities Fund	604,571	24,035	-	628,606
Capital Reserve Fund for Capital Outlay Projects	2,086,793	1,751,263	790,043	3,048,013
Bond Interest and Redemption Fund	16,925,442	16,386,724	15,929,511	17,382,655
Total	$ 156,634,454	$ 338,743,516	$ 339,926,779	$ 155,451,191

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget adjustments included the following:

- Increases and decreases in funding for various categorical projects and local revenues.
- Adjustments as a result of District and/or legislative action.

The District's beginning 2024-25 budget for the General Fund (Fund 01) was created anticipating that 2024-2025 expenses would exceed revenues and transfers out by $9,739,549. The actual decrease in fund balance was $8,198,010. The difference was attributed to an increase of $1,579,965 in unrestricted fund balance and a decrease of $38,427 in restricted fund balance. The unrestricted increase was due to increased Interest revenue and various budget line items left unspent due to vacant positions and purchasing deadlines.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Position

As of the end of the 2023-2024 fiscal year, the District had an investment of $355,597,549 in a broad range of capital assets, including land, school buildings, furniture, computer and audio-visual equipment, licensed vehicles, and software subscriptions (see Table 5). This amount represents a net decrease of $98,311 of less than 1% from the prior year. (More detailed information about capital assets can be found in Note 8 to the financial statements.) The development of the data on the value of the District's capital assets makes a significant change in the manner in which the District reports its financial condition. Effective with the implementation of GASB Statement No. 34, the District is required to report all material assets on the financial statements. Since these assets are primarily nonliquid items, such as buildings, land, and equipment, they are not available for operating expense.

Table 5

	June 30, 2025	June 30, 2024
Capital Assets at Year-End (Net of Depreciation):		
Land and Construction in Progress	$ 43,248,662	$ 42,378,214
Buildings and Improvements	305,432,595	307,001,498
Equipment	5,968,441	4,564,042
Subscription Based Information Technology Arrangement Assets	465,524	1,076,740
Right-to-Use Lease Equipment	482,327	675,366
Total	$ 355,597,549	$ 355,695,860

Long-Term Obligations

At year-end, the District had $499,052,621 of long-term obligations outstanding; a decrease of $33,871,421 over the prior year. Post-employment benefits and retirements benefits are funded on a pay-as-you-go basis; however the pension liabilities for the California State Teacher's Retirement System (CalSTRS) and the California Public Employees Retirement System (CalPERS) and the aggregate Net OPEB Liability for post-employment benefits account for the majority of the decreases.

Table 6

	June 30, 2025	June 30, 2024
Outstanding Obligations at Year-End:		
General Obligation Bonds	$ 169,681,947	$ 180,130,342
Certificates of Participation	78,997,761	80,669,347
SBITAs	179,649	450,422
Leases	500,434	69,122
Compensated Absences	7,471,491	3,670,220
Aggregate Net OPEB Liability	75,360,060	70,092,657
Net Pension Liability	166,861,279	197,841,932
Total	$ 499,052,621	$ 532,924,042

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Long-Term Obligations (Continued)

A net decrease of $10,448,395 occurred during the year for general obligation bonds and $1,671,586 in Certificates of Participation (COP). Increases to obligations are as follows: $431,312 Leases, $3,801,271 compensated absences, and $5,267,403 Net OPEB liability.

Aggregate Net OPEB Liability (OPEB) and Net Pension Liability (NPL)

The District had an outstanding aggregate net OPEB liability of $75,360,060 as of June 30, 2025 and $70,092,652 at June 30, 2024 as a result of GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* The increase was due to changes in actuarial assumptions.

The District had an outstanding aggregate net pension liability of $166,861,279 as of June 30, 2025 and $197,841,932 at June 30, 2024 as a result of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The increase was due to changes in actuarial assumptions.

FACTORS BEARING ON THE DISTRICT'S FUTURE

Since the inception of the Pandemic, the District has received federal and state COVID 19 relief funding as well as other restricted state one-time funds totaling $64.9 million. Of those funds, only $1.7 million remains for instructional staff professional development and A-G completion improvement. The District is expected to receive a few new one-time grants in 2025-26 including $4.1 million for the Student Support and Professional Development Discretionary Block Grant, $683K for the Learning Recovery Emergency Block Grant (Prop 28 FY 2022), and $829K for the School Linked partnership and Capacity Grant.

The District prepares a three-year projection of its General Fund several times each year. On December 16, 2025, the 2025-26 First Interim Report as of October 31, 2025 will be present to the board of trustees for approval. Based on this projection, management believes the District will be able to meet its financial commitments in the current year and subsequent two years. Enrollment projections, based on an outside demographer report with adjustments due to preliminary CALPADS enrollment data, show a projected decline of 253 students in 2026-27 and a projected decline of 188 students in 2027-28. It is important to note that our feeder school districts have been experiencing a decline for the past several years.

Due to poor attendance yields experienced by all districts, an added layer of protection in the LCFF formula was recognized starting in 2022-23 that allowed the LCFF calculation to be based on the higher ADA yield of either the current year ADA, prior year ADA, or the prior three-year average ADA. Fortunately, the district is benefiting from the prior three-year average ADA for funding which allows a softer landing for districts in decline.

FACTORS BEARING ON THE DISTRICT'S FUTURE (CONTINUED)

The Governor's budget proposal is scheduled to be released in January 2026, however the Legislative Analyst's Office has recently estimated statutory COLA in 2026-27 to be at about 2.51% rather than the current estimate of 3.02% COLA in 2026-27. This reduction in COLA in 2026-27 would result in a reduction of approximately $964K in the first subsequent year and $975K in the second subsequent year.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional information, contact the Assistant Superintendent of Business Services, Huntington Beach Union High School District, 5832 Bolsa Avenue, Huntington Beach, California 92649.

FINANCIAL SECTION

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
ASSETS	
Cash in County Treasury	$ 163,388,281
Cash and Cash Equivalents	5,079,331
Accounts Receivable	24,992,818
Leases Receivable	1,588,975
Prepaid	57,762
Land	12,505,639
Construction in Progress	30,743,023
Depreciable and Amortizable Assets, Net	312,348,887
Total Assets	550,704,716
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charge on Refunding - COPS	972,120
Deferred Outflows - OPEB	9,377,198
Deferred Outflows - Pensions	59,202,803
Total Deferred Outflows of Resources	69,552,121
LIABILITIES	
Accounts Payable and Other Current Liabilities	29,527,292
Accrued Interest	925,549
Unearned Revenue	281,824
Claims Liability and IBNR	732,992
Long-Term Liabilities:	
Current Portion of Long-Term Liabilities Other Than Pensions and OPEB	17,371,465
Current Net Other Postemployment Healthcare Benefits (OPEB)	1,695,455
Noncurrent Portion of Long-Term Liabilities Other Than Pensions and OPEB	239,459,817
Noncurrent Net Other Postemployment Healthcare Benefits (OPEB)	73,664,605
Net Pension Liability	166,861,279
Total Liabilities	530,520,278
DEFERRED INFLOWS OF RESOURCES	
Deferred Amounts Related to Leases	1,388,549
Deferred Charge on Refunding - GO Bonds	1,398,060
Deferred Inflows - OPEB	7,811,362
Deferred Inflows - Pensions	27,600,810
Total Deferred Inflows of Resources	38,198,781
NET POSITION	
Net Investment in Capital Assets	181,507,825
Restricted for:	
Capital Projects	38,416,087
Debt Service	16,457,106
Educational Programs	13,309,482
Self-Insured Programs	7,725,319
Student Activities & Scholarship programs	4,544,060
Food Service Programs	7,168,651
Unrestricted	(217,590,752)
Total Net Position	$ 51,537,778

See accompanying Notes to Financial Statements.

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
GOVERNMENTAL ACTIVITIES					
Instruction	$ 136,339,980	$ 176,349	$ 36,931,511	$ 24,034	$ (99,208,086)
Instruction - Related Services	33,370,948	45,465	9,261,373	-	(24,064,110)
Pupil Services	31,494,587	356,627	12,176,453	-	(18,961,507)
Ancillary Services	12,260,062	2,411	7,325,201	-	(4,932,450)
Community Services	480,456	-	-	-	(480,456)
General Administration	21,062,956	25,923	1,347,849	-	(19,689,184)
Plant Services	24,211,711	300,880	1,022,571	-	(22,888,260)
Other Outgo	33,720,366	3,808,908	24,010,756	-	(5,900,702)
Debt Service - Interest	9,221,591	-	-	-	(9,221,591)
Depreciation/Amortization (Unallocated)	15,713,561	-	-	-	(15,713,561)
Total Governmental Activities	$ 317,876,218	$ 4,716,563	$ 92,075,714	$ 24,034	(221,059,907)
GENERAL REVENUES AND SUBVENTIONS					
Property Taxes Levied for:					
General Purposes					154,977,190
Debt Service					15,935,657
Specific Purpose					5,808,205
Federal and State Aid not Restricted to Specific Purposes					47,157,147
Interest and Investment Earnings					4,344,315
Interagency Revenues					195,939
Miscellaneous					6,890,961
Total General Revenues					235,309,414
CHANGE IN NET POSITION					14,249,507
Net Position - Beginning of Year, As Originally Reported					40,597,446
Restatement - Change in Accounting Principle					(3,309,175)
Net Position - Beginning of Year, As Restated					37,288,271
NET POSITION - END OF YEAR					$ 51,537,778

See accompanying Notes to Financial Statements.

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Special Education Pass-Through Fund	Capital Facilities Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash in County Treasury	$ 87,578,485	$ 1,124,539	$ 34,866,392	$ 31,271,418	$ 154,840,834
Cash in Banks	-	-	-	4,346,376	4,346,376
Cash in Revolving Fund	75,000	-	-	3,000	78,000
Cash with Fiscal Agent	-	-	-	6,900	6,900
Cash Awaiting Deposit	277,047	-	-	33,943	310,990
Accounts Receivable	12,314,783	8,623,454	1,299,813	2,753,965	24,992,015
Leases Receivable	1,588,975	-	-	-	1,588,975
Due from Other Funds	3,976,492	6,973	6	1,086,754	5,070,225
Prepaid Expenditures and Other Assets	8,445	-	-	49,317	57,762
Total Assets	$ 105,819,227	$ 9,754,966	$ 36,166,211	$ 39,551,673	$ 191,292,077
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Other Current Liabilities	$ 18,714,659	$ 8,673,353	$ 541,996	$ 1,185,442	$ 29,115,450
Due to Other Funds	1,113,032	1,081,613	877,847	1,982,571	5,055,063
Unearned Revenue	281,824	-	-	-	281,824
Total Liabilities	20,109,515	9,754,966	1,419,843	3,168,013	34,452,337
DEFERRED INFLOWS OF RESOURCES					
Deferred Amounts Related to Leases	1,388,549	-	-	-	1,388,549
Total Deferred Inflows of Resources	1,388,549	-	-	-	1,388,549
FUND BALANCES					
Nonspendable	83,445	-	-	3,000	86,445
Restricted	10,919,915	-	34,746,368	35,161,551	80,827,834
Committed	51,919,974	-	-	-	51,919,974
Assigned	5,077,302	-	-	1,219,109	6,296,411
Unassigned	16,320,527	-	-	-	16,320,527
Total Fund Balances	84,321,163	-	34,746,368	36,383,660	155,451,191
Total Liabilities and Fund Balances	$ 105,819,227	$ 9,754,966	$ 36,166,211	$ 39,551,673	$ 191,292,077

See accompanying Notes to Financial Statements.

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Total Fund Balances - Governmental Funds		$ 155,451,191
Amounts reported for governmental funds are different than the statement of net position because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. These assets consist of:		
Land	$ 12,505,639	
Construction in Progress	30,743,023	
Depreciable and Amortizable Assets, Net	312,348,887	355,597,549
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in governmental funds. Long-term liabilities at year-end consist of:		
General Obligation Bonds	(169,681,947)	
Certificates of Participation (COPS)	(78,997,761)	
Leases	(500,434)	
Subscription Based Information Technology Arrangements	(179,649)	
Compensated Absences	(7,471,491)	
Aggregate Postemployment Healthcare Benefits	(75,360,060)	
Net Pension Liability	(166,861,279)	(499,052,621)
In governmental funds, deferred outflows and inflows of resources are not reported because they are applicable to future periods. Deferred outflows and inflows of resources at year-end consist of:		
Deferred Charge on Refunding - COPS	972,120	
Deferred Outflows - OPEB	9,377,198	
Deferred Outflows - Pensions	59,202,803	
Deferred Charge on Refunding - GO Bonds	(1,398,060)	
Deferred Inflows - OPEB	(7,811,362)	
Deferred Inflows - Pensions	(27,600,810)	32,741,889
An internal service funds is used by the District to manage its self insurance programs. The assets and liabilities should be included with governmental activities. The fund consists of:		
Assets	8,922,284	
Less: Liabilities	(1,196,965)	7,725,319
Interest expense payable related to general obligation bonds and COPS was incurred but is not accrued in governmental funds as of June 30, 2025.		(925,549)
Total Net Position - Governmental Activities		$ 51,537,778

See accompanying Notes to Financial Statements.

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	General Fund	Special Education Pass-Through Fund	Capital Facilities Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Local Control Funding Formula Sources:					
State Apportionments	$ 41,338,946	$ -	$ -	$ -	$ 41,338,946
Local Sources	154,902,160	-	-	-	154,902,160
Total Local Control Funding Formula Sources	196,241,106	-	-	-	196,241,106
Federal Sources	6,668,044	6,400,266	-	4,456,489	17,524,799
Other State Sources	42,042,341	20,631,701	-	11,798,409	74,472,451
Other Local Sources	14,524,644	-	9,376,951	25,596,981	49,498,576
Total Revenues	259,476,135	27,031,967	9,376,951	41,851,879	337,736,932
EXPENDITURES					
Instruction	140,562,713	-	-	3,910,541	144,473,254
Instruction - Related Services	30,510,923	-	-	3,161,567	33,672,490
Pupil Services	24,894,789	-	-	6,889,872	31,784,661
Ancillary Services	5,324,485	-	-	6,984,104	12,308,589
Community Services	480,727	-	-	-	480,727
General Administration	20,275,400	-	122,546	660,023	21,057,969
Plant Services	36,599,586	-	1,174,588	1,578,603	39,352,777
Other Outgo	6,684,899	27,031,967	-	3,500	33,720,366
Debt Service	1,468,645	-	4,671,206	15,929,511	22,069,362
Total Expenditures	266,802,167	27,031,967	5,968,340	39,117,721	338,920,195
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(7,326,032)	-	3,408,611	2,734,158	(1,183,263)
OTHER FINANCING SOURCES (USES)					
Interfund Transfers In	49,716	-	-	1,006,584	1,056,300
Interfund Transfers Out	(1,006,584)	-	-	(49,716)	(1,056,300)
Total Other Financing Sources (Uses)	(956,868)	-	-	956,868	-
NET CHANGES IN FUND BALANCE	(8,282,900)	-	3,408,611	3,691,026	(1,183,263)
Fund Balances - Beginning of Year	92,604,063	-	31,337,757	32,692,634	156,634,454
FUND BALANCES - END OF YEAR	$ 84,321,163	$ -	$ 34,746,368	$ 36,383,660	$ 155,451,191

See accompanying Notes to Financial Statements.

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

Net Change in Fund Balances - Total Governmental Funds		$ (1,183,263)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than $5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense.		
Capital Asset Additions	$ 16,053,080	
Depreciation and Amortization Expense	(15,906,600)	146,480
In governmental funds, proceeds from disposal of capital assets are reported as revenue; however in the statement of activities, only the resulting gain or loss is reported.		
Loss on Disposal of Capital Assets		(244,791)
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
General Obligation Bond Principal Payments	14,330,000	
COP Principal Payments	3,975,000	
Subscription Based Information Technology Arrangements Payments	270,773	
Lease Payments	191,288	18,767,061
In governmental funds, pension costs are recognized when the employer contributions are made, but in the statement of activities, pension costs are recognized on the accrual basis. The difference between accrual basis pension costs and actual employer contributions was:		
Net Increase in Deferred Outflows of Resources - Pensions	(5,793,154)	
Net Increase in Net Pension Liability	30,980,653	
Net Decrease in Deferred Inflows of Resources - Pensions	(14,811,599)	10,375,900
In governmental funds, OPEB costs are recognized when the health and welfare payments are made, but in the statement of activities, OPEB costs are recognized on the accrual basis. The difference between accrual basis OPEB costs and actual health and welfare payments:		
Net Decrease in Deferred Outflows of Resources - OPEB	(1,254,043)	
Net Increase in OPEB Liability	(5,267,403)	
Net Increase in Deferred Inflows of Resources - OPEB	816,350	(5,705,096)
Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:		
Amortization of Deferred Charge on Refunding - Outflows	(97,213)	
Recognition of Decrease in Deferred Charge on Refunding - Inflows	279,612	
Recognition of Decrease in Accrued Interest Expense	83,330	
Amortization of General Obligation Bonds Premium	(4,594)	
Amortization of COP Premium and Discount	136,470	
Net Increase in Accreted Interest for COPS and Bonds	(6,316,895)	
Increase in Compensated Absences	(492,096)	(6,411,386)
Internal service funds are used by the District to manage self-insurance programs. Net income is reported with governmental activities.		(1,495,398)
Change in Net Position of Governmental Activities		$ 14,249,507

See accompanying Notes to Financial Statements.

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
STATEMENT OF FUND NET POSITION
PROPRIETARY FUND
JUNE 30, 2025

	Governmental Activities: Internal Service Fund
	Self-Insurance Fund
ASSETS	
Cash in County Treasury	$ 8,547,447
Cash and Cash Equivalents	337,065
Accounts Receivable - Miscellaneous	803
Due from Other Funds	36,969
Total Assets	8,922,284
LIABILITIES	
Accounts Payable and Other Current Liabilities	411,842
Claims Liability and IBNR	732,992
Due to Other Funds	52,131
Total Liabilities	1,196,965
NET POSITION	
Restricted	7,725,319
Total Net Position	$ 7,725,319

See accompanying Notes to Financial Statements.

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025

	Governmental Activities: Internal Service Fund
	Self-Insurance Fund
OPERATING REVENUES	
Self-Insurance Premiums	$ 33,185,470
Other Local Revenues	267,224
Total Operating Revenues	33,452,694
OPERATING EXPENDITURES	
Classified Salaries	262,776
Employee Benefits	145,216
Services and Other Operating Expenses	34,797,461
Total Operating Expenditures	35,205,453
NET OPERATING LOSS	(1,752,759)
NONOPERATING REVENUES	
Interest Income	257,361
Total Nonoperating Revenues	257,361
NET LOSS	(1,495,398)
Net Position - Beginning of Year	9,220,717
NET POSITION - END OF YEAR	$ 7,725,319

See accompanying Notes to Financial Statements.

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025

	Governmental Activities: Internal Service Fund
	Self-Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Premiums and Other Revenues	$ 33,455,952
Cash Paid to/on Behalf of Employees	(407,992)
Cash Paid for Claims/Insurance	(32,860,760)
Cash Paid to Vendors for Services and Other Operating Expenses	(2,306,558)
Net Cash Used by Operating Activities	(2,119,358)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Income	294,412
Net Cash Provided by Investing Activities	294,412
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,824,946)
Cash and Cash Equivalents - Beginning of Year	10,709,458
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 8,884,512
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	$ (1,752,759)
Adjustments to Reconcile Net Operating Loss to Net Cash Used by Operating Activities:	
Changes in Operating Assets and Liabilities:	
Due from Other Funds	3,258
Accounts Payable and Other Current Liabilities	(39,763)
Due to Other Funds	192
Claims Liability and IBNR	(330,286)
Net Cash Used by Operating Activities	$ (2,119,358)
CASH AND CASH EQUIVALENTS BALANCES AT JUNE 30, 2025 CONSISTED OF THE FOLLOWING:	
Cash in County Treasury	$ 8,547,447
Cash and Cash Equivalents	337,065
Total Cash	$ 8,884,512

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Huntington Beach Union High School District (the District) accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's *California School Accounting Manual*, updated to conform to the most current financial and reporting requirements promulgated by the California Department of Education. The accounting policies of the District conform to generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

The significant accounting policies applicable to the District are described below.

Basis of Presentation

The accompanying financial statements have been prepared in conformity with GAAP as prescribed by GASB. The financial statement presentation required by GASB provides a comprehensive, entity-wide perspective of the District's financial activities. The entity-wide perspective enhances the fund-group perspective previously required. Fiduciary activities are excluded from the basic financial statements and are reported separately in the fiduciary fund statements.

The District's basic financial statements consist of government-wide statements, including a statement of net position, a statement of activities, and fund financial statements.

Government-Wide Financial Statements

The statement of net position and the statement of activities displays information about the District as a whole. These statements include the financial activities of the primary government, including governmental activities of proprietary funds. Fiduciary funds are excluded.

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District. 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. Depreciation, amortization, and interest expense have not been allocated to specific functions.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The fiduciary and proprietary funds are reported by type.

The fund financial statement expenditures are presented in a function-oriented format. The following is a brief description of the functions:

Instruction: includes the activities directly dealing with the interaction between teachers and students.

Instruction-Related Services: includes supervision of instruction, instructional library, media and technology, and school site administration.

Pupil Services: includes home to school transportation, food services, and other pupil services.

Ancillary Services: includes activities that are generally designed to provide students with experiences outside the regular school day.

Community Services: includes activities that provide services to community participants other than students.

General Administration: includes data processing services and all other general administration services.

Plant Services: includes activities of maintaining the physical plant. This also includes facilities acquisition and construction expenditures.

Other Outgo: includes transfers to other agencies.

Debt Service: includes principal and interest payments for long-term debt.

The proprietary and fiduciary fund expenses are presented by natural classification.

Fund Accounting

To ensure compliance with the California Education Code, the financial resources of the District are divided into separate funds for which separate accounts are maintained for recording cash, other resources and all related liabilities, obligations, and equities.

The statement of revenues, expenditures, and changes in fund balance are statements of financial activities of the particular fund related to the current reporting period. Expenditures of the various funds frequently include amounts for land, buildings, equipment, retirement of indebtedness, transfers to other funds, etc. Consequently, these statements do not purport to present the result of operations or the net income or loss for the period as would a statement of income for a profit-type organization.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds – Major

General Fund: used to account for all financial resources except those required to be accounted for in another fund. For financial statement reporting, the District's Private Purpose Trust Fund is reported with the General Fund.

Special Education Pass-Through Fund: used by the Administrative Unit of a multi-district Special Education Local Plan Area (SELPA) to account for Special Education revenue passed through to other member districts.

Capital Facilities Fund: used to account for resources received from residential and commercial developer impact fees.

Governmental Funds – Nonmajor

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

Student Activity Fund: used to account for resourced restricted for associated student body (ASB) activities. The District operates seven Associated Student Body funds.

Adult Education Fund: used to account for resources restricted or assigned to adult education programs maintained by the District.

Cafeteria Fund: used to account for revenues received and expenditures made to operate the District's cafeterias.

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

County School Facilities Fund: used to account for the School Facility Program grant award for modernization and new construction of various school sites.

Special Reserve Fund for Capital Outlay Projects: used to provide for the accumulation of General Fund monies for capital outlay purposes.

Bond Interest and Redemption Fund: used to account for the payment of principal and interest on general obligation debt.

Proprietary Funds: used to account for activities that are more business-like than government-like in nature. Business-type activities include those for which a fee is charged to external users or to other organizational units of the local educational agency, normally on a full cost-recovery basis. Proprietary funds are generally intended to be self-supporting and are classified as enterprise or internal service.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds – Nonmajor (Continued)

The District has the following proprietary fund:

Internal Service Fund: used to account for services rendered on a cost-reimbursement basis within the District. The District operates a self-insured dental program and a self-insured workers' compensation program that is accounted for in the internal service fund.

Measurement Focus and Basis of Accounting

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unavailable revenue, and in the presentation of expenses versus expenditures.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied. Revenues in governmental fund financial statements are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of state apportionment, interest, and reimbursement grants which are considered available as collectible generally within one year.

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash in the county treasury is recorded at cost, which approximates fair value.

Receivables

Receivables are generally recorded when the amount is earned and can be estimated. All material receivables are considered fully collectible. Per Education Code Section 33128.1, a local education agency may recognize for budgetary and financial reporting purposes any amount of state appropriations deferred from the current fiscal year and appropriated from the subsequent fiscal year for payment of current year costs as a receivable in the current year.

Prepaid Expenses/Expenditures

Payments made to vendors for goods or services that will benefit periods beyond June 30, 2025, are recorded as prepaid items. A current asset for the prepaid amount is recorded at the time of the purchase and an expense/expenditure is reported in the year in which goods or services are consumed.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Generally, capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the statement of net position, but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at acquisition value as of the date received. The District maintains a capitalization threshold of $5,000 for equipment purchase and $10,000 for facility projects. The District does not own any infrastructure as defined by GASB. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

Land and construction in progress are not depreciated. All other tangible property, plant, and equipment are depreciated using the straight-line method over the following useful lives:

Building	25 to 50 Years
Site Improvements	20 to 50 Years
Portable Classrooms and Structures	25 Years
Equipment	5 to 20 Years
Vehicles	6 to 8 Years

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received form the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

Depreciation/amortization expense reported on the government-wide statement of activities excludes direct depreciation/amortization expense recorded to functions where applicable.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net assets or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred Charge on Refunding: The difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Deferred Outflows/Inflows – OPEB: The deferred outflows of resources related to OPEB benefits results from District contributions to employee plans subsequent to the measurement date of the actuarial valuations for the plans. Deferred outflows/inflows of resources also result from the effects of actuarially-determined changes to the OPEB plan. The amounts are deferred and amortized as detailed in Note 14 to the financial statements.

Deferred Outflows/Inflows – Pensions: The deferred outflows/inflows of resources related to pensions resulted from District contributions to employee pension plans subsequent to the measurement date of the actuarial valuations for the pension plans and the effects of actuarially-determined changes to the pension plan. These amounts are deferred and amortized as detailed in Note 15 to the financial statements.

Deferred Amounts Related to Leases: The lease related deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus any payments received at or before the start of the lease term that relates to future periods, less any lease incentives paid to, or on behalf of the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

Unearned Revenue

Cash received for federal and state special projects and other District programs is recognized as revenue to the extent that qualified expenditures have been incurred. Unearned revenue is recorded to the extent cash received on specific projects and programs exceed qualified expenditures.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as a liability when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Sick leave benefits are accumulated without limit for each employee. The District's policy is to record sick leave as an operating expense in the period taken. A liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences. Unused sick leave is added to creditable service period for calculation of retirement benefits when the employee retires.

Long-Term Obligations

The District reports long-term debt of governmental funds at face value in the government-wide financial statements. Premiums and discounts on issued debt are deferred and amortized over the life of the obligation using the straight-line method. Debt is reported net of the applicable premium or discount.

In the fund financial statements, governmental fund types recognize debt premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Net Pension Liability

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) plan for schools (collectively, the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, plan contributions are recognized in the payroll period in which they are earned and 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the District's OPEB liability related to the Medicare Premium Payment (MPP) Program, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the MPP Program and additions to/deductions from the MPP Program fiduciary net position have been determined on the same basis as they are reported by the MPP Program. For this purpose, the MPP Program recognizes benefit payments when due and payable in accordance with the benefit terms. 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.

Net Position

Net position represents the difference between assets plus deferred outflows of resources less liabilities and deferred inflows of resources. Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on use through external restrictions imposed by donors, grantors, laws or regulations of other governments, or by enabling legislation adopted by the District.

Fund Balance Classification

The governmental fund financial statements present fund balance classifications that comprise a hierarchy based on the extent to which the District is bound to honor constraints on the specific purposes for which amounts can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) are legally or contractually required to be maintained intact.

Restricted: Amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed: Amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District board of trustees. These amounts cannot be used for any other purpose unless the District board of trustees removes or changes the specified use by taking the same formal action (vote or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Classification (Continued)

Assigned: Amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. The board of trustees, through a formal action has given authority to the Assistant Superintendent of Business Services to assign amounts for a specific purpose that is neither restricted nor committed.

Unassigned: The residual fund balance for the General Fund and all other spendable amounts.

Spending Order Policy

The District considers restricted amounts to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted net position or fund balance is available.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District's policy considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the board of trustees has provided otherwise in its commitment or assignment functions.

Minimum Fund Balance Policy

The District has adopted a minimum fund balance policy in order to protect against revenue shortfalls and unexpected one-time expenditures. The policy requires a reserve for economic uncertainties consisting of unassigned amounts which represent the minimum recommended reserve consistent with the criteria and standards for fiscal solvency adopted by the State Board of Education. The minimum recommended reserve for a district this size is 3% of budgeted General Fund expenditures and other financing uses.

State Apportionments

Certain current-year apportionments from the state are based upon various financial and statistical information of the previous year. Second period to annual corrections for local control funding formula and other state apportionments (either positive or negative) are accrued at the end of the fiscal year.

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1st. Taxes are payable in two installments on November 1st and February 1st. Unsecured property taxes are payable in one installment on or before August 31st.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes (Continued)

Real and personal property tax revenues are reported in the same manner in which the county auditor records and reports actual property tax receipts to the California Department of Education. This is generally on a cash basis. A receivable has not been recognized in the General Fund for property taxes due to the fact that any receivable is offset by a payable to the state in calculating the local control funding formula apportionment. Property taxes for debt service purposes cannot be estimated and have, therefore, not been accrued in the Government-wide financial statements.

On-Behalf Payments

GAAP requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third-party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The state of California makes direct on-behalf payments for retirement benefits to the State Teachers' Retirement System on behalf of all school districts in California. The amount of on-behalf payments made for the District has been recorded in the fund financial statements.

Classification of Revenues – Proprietary Funds

Proprietary funds distinguish operating revenues from nonoperating revenues. Operating revenues include activities that have the characteristics of exchange transactions, such as food service sales, federal and most state and local grants and contracts, and self-insurance premiums. Nonoperating revenues include activities that have the characteristics of nonexchange transactions that are defined as nonoperating revenues by GASB.

Estimates

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

Adoption of New Accounting Standard

GASB Statement No. 101 Compensated Absences

In June 2022, the GASB issued GASB Statement No. 101, *Compensated Absences*. This implementation updates the recognition and measurement guidance for compensated absences and resulted in the recognition of a liability for compensated absences for leave that has not been used but is attributable to services already rendered, accumulates, and is more likely than not to be used or paid and leave that has been used but not yet paid or settled. The District adopted the requirements of the guidance effective July 1, 2024 and has applied the provisions of this standard to the beginning of the period of adoption. The implementation of this standard resulted in the District recognizing a liability for compensated absences on the Governmentwide Statement of Net Position as of June 30, 2025, of $7,471,491.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

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

The District considered its financial and operational relationships with potential component units under the reporting entity definition of GASB. The basic, but not the only, criterion for including another organization in the District's reporting entity for financial reports is the ability of the District's elected officials to exercise oversight responsibility over such agencies.

Oversight responsibility implies that one entity is dependent on another and a financial benefit or burden relationship is present and that the dependent unit should be reported as part of the other.

Oversight responsibility is derived from the District's power and includes, but is not limited to financial interdependency; selection of governing authority; designation of management; ability to significantly influence operations; and accountability for fiscal matters.

Due to the nature and significance of their relationship with the District, including ongoing financial support of the District or its other component units, certain organizations warrant inclusion as part of the financial reporting entity. A legally separate, tax-exempt organization should be reported as a component unit of the District if all of the following criteria are met:

- The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the District, its component units, or its constituents.

- The District, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.

- The economic resources received or held by an individual organization that the District, or its component units, is entitled to, or has the ability to otherwise access, are significant to the District.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

Based upon the application of the criteria listed above, the following potential component units have been included in the District's reporting entity:

The Huntington Beach Union High School District Financing Corporation (the Corporation): has a financial and operational relationship which meets the reporting entity definition criteria of (GASB), and thus is included in the financial statements of the District. The component unit, although a legally separate entity, is reported in the financial statements as if it were part of the District's operations because the governing board of the component unit is essentially the same as the governing board of the District and because its purpose is to finance the construction of facilities to be used for the benefit of the District. The Corporation is a blended component unit. Separate financial statements are not prepared for the Corporation.

NOTE 2 BUDGETS

By state law, the District's governing board must approve a budget no later than July 1, using the Single Adoption Budget process. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements. Budgets for all governmental funds were adopted on a basis consistent with GAAP.

These budgets are revised by the District's governing board during the year to give consideration to unanticipated income and expenditures. The original and final revised budget for the General Fund and major special revenue fund is presented in a budgetary comparison schedule in the required supplementary section.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. Expenditures cannot legally exceed appropriations by major object account.

NOTE 3 CASH AND CASH EQUIVALENTS

Deposits

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 has established a policy for custodial risk that follows requirements as set forth in Education Code 41002.5. As of June 30, 2025, $4,318,519 of the District's bank balance of $5,048,572 was exposed to credit risk as follows:

District's Bank Balance	June 30, 2025
Uninsured and Collateral Held by Pledging Bank's Trust Department Not in the District's Name	$ 4,318,519

Cash in County

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Orange County Treasury as part of the common investment pool. The District is considered an involuntary participant in the investment pool. These pooled funds are carried at amortized cost which approximates fair value. Fair value of the pooled investments at June 30, 2025, is measured at 101.1% of amortized cost. The District's deposits in the fund are considered to be highly liquid.

The county is authorized to deposit cash and invest excess funds by California Government Code Sections 53534, 53601, 53635, and 53648. The county is restricted to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, state treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The funds maintained by the county are either secured by federal depository insurance or are collateralized. The county investment pool is not required to be rated. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

The county investment pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool. California Government Code statutes and the County board of supervisors set forth the various investment policies that the country treasurer follows. The method used to determine the value of the participant's equity withdrawn is based on the book value, which is amortized cost, of the participant's percentage participation on the date of such withdrawals.

The pool sponsor's annual financial report may be obtained from the County of Orange Auditor-Controller's Office, Hall of Finance and Records, 12 Civic Center Plaza, Room 200, Santa Ana, California, 92702.

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable, excluding lease receivables, consists of the following as of June 30, 2025:

Accounts Receivable	General Fund	Special Education Pass-Through Fund	Capital Facilities Fund	Nonmajor Governmental Funds	Total Governmental Activities
Federal and State	$ 7,021,443	$ 8,623,454	$ -	$ 1,791,394	$ 17,436,291
Miscellaneous	5,293,340	-	1,299,813	962,571	7,555,724
Total Accounts Receivable	$ 12,314,783	$ 8,623,454	$ 1,299,813	$ 2,753,965	$ 24,992,015

NOTE 5 LEASE RECEIVABLES

The District has entered into various noncancellable ground lease agreements with installments as described below and discounted at its incremental borrowing rate of 4.00%. These leases have varying termination dates through June 30, 2027.

One ground lease requires variable payments based on future performance of the lessee which is not included in the measurement of the lease receivable. This variable payment is recognized as inflows of resources in the period in which the payment is received. During the year ended June 30, 2025, the District did not receive variable payments as the criteria under the lease agreement had not been met.

Total future minimum lease payments to be received under lease agreements are as follows:

Year Ending June 30,	Principal	Interest Payment	Total
2026	$ 799,176	$ 45,547	$ 844,723
2027	789,799	14,432	804,231
Total	$ 1,588,975	$ 59,979	$ 1,648,954

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

NOTE 6 INTERFUND TRANSACTIONS

Interfund activity has been eliminated in the Government-wide statements. The following balances and transactions are reported in the fund financial statements.

Interfund Receivables/Payables

Individual interfund receivable and payable balances at June 30, 2025 are temporary balances resulting in timing of cash transfers between funds during the closing of the fiscal year, and are detailed as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	$ 3,976,492	$ 1,113,032
Special Education Pass-Through Fund (10)	6,973	1,081,613
Capital Facilities Fund (25)	6	877,847
Nonmajor Governmental Funds:		
Adult Education Fund (11)	60,298	884,896
Cafeteria Fund (13)	292	335,060
Special Reserve for Capital Outlay Projects (40)	1,026,164	762,615
Proprietary Funds:		
Self-Insurance Fund (67)	36,969	52,131
Total	$ 5,107,194	$ 5,107,194

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended. Intra-fund activity has been eliminated.

Interfund transfers for the 2024-2025 fiscal year are as follows:

Transfer from the General Fund to the Special Reserve for Capital Outlay Projects Fund to Support Capital Improvement Projects	$ 1,006,584
Total	$ 1,006,584

Transfer from the Cafeteria Fund to the General Fund to Support Equipment Purchases	$ 49,716
Total	$ 49,716

NOTE 7 FUND BALANCES

The following amounts were nonspendable, restricted, committed, assigned, or unassigned as shown below:

	General Fund	Special Education Pass-Through Fund	Capital Facilities Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Cash in Revolving Fund	$ 75,000	$ -	$ -	$ 3,000	$ 78,000
Stores Inventories	-	-	-	-	-
Prepaid Expenditures	8,445	-	-	-	8,445
Total Nonspendable	83,445	-	-	3,000	86,445
Restricted:					
Legally Restricted Programs	10,919,915	-	-	14,102,277	25,022,192
Debt Service	-	-	-	17,382,655	17,382,655
Capital Projects	-	-	34,746,368	3,676,619	38,422,987
Total Restricted	10,919,915	-	34,746,368	35,161,551	80,827,834
Committed:					
Chromebook Insurance / Technology	4,000,000	-	-	-	4,000,000
Mandate Funding	15,346,452	-	-	-	15,346,452
Compensated Absences	2,508,869	-	-	-	2,508,869
HVAC / Capital Projects	24,777,408	-	-	-	24,777,408
Uninsured Litigation Contingency	4,000,000	-	-	-	4,000,000
Long-Term Debt	1,287,245	-	-	-	1,287,245
Total Committed	51,919,974	-	-	-	51,919,974
Assigned:					
Adult Education Program	-	-	-	1,219,109	1,219,109
Site/Department Prior Year Carry Over Funds	516,000	-	-	-	516,000
Health & Welfare Increases	1,900,000	-	-	-	1,900,000
Federal Funding Uncertainties	2,661,302	-	-	-	2,661,302
Total Assigned	5,077,302	-	-	1,219,109	6,296,411
Unassigned:					
Economic Uncertainties	8,034,233	-	-	-	8,034,233
Unassigned	8,286,294	-	-	-	8,286,294
Total Unassigned	16,320,527	-	-	-	16,320,527
Total Fund Balance	$ 84,321,163	$ -	$ 34,746,368	$ 36,383,660	$ 155,451,191

NOTE 8 CAPITAL ASSETS AND DEPRECIATION – SCHEDULE OF CHANGES

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

	Balance July 1, 2024	Additions	Retirements	Balance June 30, 2025
Capital Assets Not Being Depreciated:				
Land	$ 12,505,639	$ -	$ -	$ 12,505,639
Construction in Progress	29,872,575	11,111,611	(10,241,163)	30,743,023
Total Capital Assets Not Being Depreciated	42,378,214	11,111,611	(10,241,163)	43,248,662
Capital Assets Being Depreciated and Amortized:				
Land Improvements	87,867,891	9,147,477	(580,235)	96,435,133
Buildings and Improvements	457,603,696	3,753,701	(17,908)	461,339,489
Furniture and Equipment	16,018,910	2,281,454	(3,669,731)	14,630,633
Total Capital Assets Being Depreciated	561,490,497	15,182,632	(4,267,874)	572,405,255
Less: Accumulated Depreciation and Amortization:				
Land Improvements	(51,729,654)	(3,753,482)	461,594	(55,021,542)
Buildings and Improvements	(186,740,435)	(10,592,645)	12,595	(197,320,485)
Furniture and Equipment	(11,454,868)	(756,218)	3,548,894	(8,662,192)
Total Accumulated Depreciation and Amortization	(249,924,957)	(15,102,345)	4,023,083	(261,004,219)
Total Capital Assets, Being Depreciated and Amortized, Net	311,565,540	80,287	(244,791)	311,401,036
Right-to-Use Lease Assets:				
Equipment	1,333,730	-	(368,631)	965,099
Total Right-to-Use Lease Assets	1,333,730	-	(368,631)	965,099
Less: Accumulated Amortization:				
Equipment	(658,364)	(193,039)	368,631	(482,772)
Total Accumulated Amortization	(658,364)	(193,039)	368,631	(482,772)
Total Right-to-Use Lease Assets, Net	675,366	(193,039)	-	482,327
Subscription-Based Information Technology Arrangement Assets:				
Subscription-Based Information Technology Arrangements	1,874,912	-	(611,868)	1,263,044
Less: Accumulated Amortization:				
Subscription-Based Information Technology Arrangements	(798,172)	(611,216)	611,868	(797,520)
Total Subscription-Based Information Technology Arrangement Assets, Net	1,076,740	(611,216)	-	465,524
Governmental Activities Capital Assets, Net	$ 355,695,860	$ 10,387,643	$ (10,485,954)	$ 355,597,549

NOTE 9 LONG-TERM OBLIGATIONS – SCHEDULE OF CHANGES

A schedule of changes in long-term obligations is shown below for the year ended June 30, 2025:

	Balance July 1, 2024	Restatement	Additions	Reductions	Balance June 30, 2025	Amount Due in One Year
General Obligation Bonds:	$ 137,329,997	$ -	$ -	$ 14,330,000	$ 122,999,997	$ 14,990,000
Capital Appreciation Interest	42,800,345	-	3,881,605	-	46,681,950	-
Certificates of Participation (COP)	51,436,090	-	-	3,975,000	47,461,090	2,052,606
Capital Appreciation Interest	26,571,867	-	2,435,290	-	29,007,157	-
Unamortized COP Discount	(59,717)	-	-	4,594	(55,123)	-
Unamortized COP Premium	2,721,107	-	-	136,470	2,584,637	-
SBITA's	450,422	-	-	270,773	179,649	179,649
Leases	691,722	-	-	191,288	500,434	149,210
Compensated Absences	3,670,220	3,309,175	1,756,836	1,264,740	7,471,491	-
Total	$ 265,612,053	$ 3,309,175	$ 8,073,731	$ 20,172,865	$ 256,831,282	$ 17,371,465

Compensated absences are liquidated through contributions from the funds reporting salaries. The postemployment healthcare benefits and leases are liquidated through the general fund. General obligation debt is liquidated through property tax collections as administered by the county controller's office through the Bond Interest and Redemption Fund. The certificates of participation are liquidated through redevelopment property tax funds and adult education fees.

NOTE 10 RISK MANAGEMENT

Description

The District's risk management activities are recorded in the Internal Service Fund. The purpose of the fund is to administer general liability, commercial property, workers' compensation, commercial automobile liability, school leaders' errors and omissions, and employee medical benefit claims.

For employee dental and vision benefits, the District provides benefits up to $2,000 annually for dental and offers specific annual benefits for vision.

The District has obtained insurance coverage through a combination of commercial insurance and intergovernmental risk pooling that will cover claims within the following ranges to supplement its self-insurance programs:

Insurance Program	Limits
General Liability	$100,000 per Occurrence up to $55,000,000
Property	$50,000 per Occurrence up to $260,000,000
Workers' Compensation (Tail File Claims through 2008)	Occurrences Exceeding $125,000 or $250,000, Dependent of Claim Year, up to Statutory Limits
Workers' Compensation (2009 to Present)	First-dollar Coverage per Claim up to Statutory Limits

NOTE 10 RISK MANAGEMENT (CONTINUED)

Description (Continued)

There were no claims settled in 2025 which exceeded the excess insurance amount.

Claims Liabilities

Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred but not reported based on historical experience.

The following represent the changes in approximate aggregate liabilities for the District from July 1, 2024, to June 30, 2025:

	Workers' Compensation	Dental and Vision	Property	Liability	Total
Liability Balance - July 1, 2024	$ 1,060,978	$ 154,486	$ 40,000	$ 5,000	$ 1,260,464
Claims and Changes in Estimates	(385,990)	2,173,157	385,209	53,275	2,225,651
Claims Payments	(32,196)	(2,173,157)	(209,209)	(8,275)	(2,422,837)
Liability Balance - June 30, 2024	642,792	154,486	216,000	50,000	1,063,278
Claims and Changes in Estimates	(393,049)	1,938,237	252,769	-	1,797,957
Claims Payments	62,763	(1,938,237)	(252,769)	-	(2,128,243)
Liability Balance - June 30, 2025	$ 312,506	$ 154,486	$ 216,000	$ 50,000	$ 732,992

NOTE 11 CERTIFICATES OF PARTICIPATION

In October 2007, the Huntington Beach Union High School District Financing Corporation issued certificates in the aggregate principal amount of $35,071,090. The capital project certificates were issues as both current interest and capital appreciation certificates, with the capital appreciation portion accreting to a majority value of $87,170,000. The certificates mature through September 1, 2038, with interest rates from 4.00% to 5.14%. Proceeds from the sale of the certificates were used to finance specific construction and modernization projects as authorized in the issuing statements. As of June 30, 2025, the principal balance outstanding was $20,946,090.

In May 2016, the Huntington Beach Union High School District Financing Corporation of the Huntington Beach Union High School District issued 2016 Refunding and School Financing Projects Certificates of Participation in the amount of $35,585,000. The certificates mature through September 1, 2046, with interest rates from 2.00% to 5.00%. Proceeds from the issuance were used to refinance a portion of the 2007 and the remaining outstanding balance of the 2012 Certificates of Participation obligation and set up a capital project fund for future projects. As of June 30, 2025, the principal balance outstanding was $19,730,000.

NOTE 11 CERTIFICATES OF PARTICIPATION (CONTINUED)

In May 2021, the Huntington Beach Union High School District Financing Corporation of the Huntington Beach Union High School District issued 2021 Refunding and School Financing Projects Certificates of Participation in the amount of $6,785,000. The certificates mature through September 1, 2039, with interest rates from 2.125% to 5.00%. Proceeds from the issuance were used to refinance the 2010 Certificates of Participation. The new issue will reduce debt service payments for the District by $2,238,950 with an economic gain of $2,096,891 or 1.932%. As of June 30, 2025, the principal balance outstanding was $6,785,000.

Year Ending June 30,	Principal	Interest	Accreted Interest Payment	Total
2026	$ 2,052,606	$ 815,544	$ 2,242,394	$ 5,110,544
2027	2,079,921	797,544	2,430,079	5,307,544
2028	2,092,455	782,944	2,627,545	5,502,944
2029	2,384,569	765,588	2,825,431	5,975,588
2030	2,478,664	737,382	3,036,336	6,252,382
2031-2035	13,295,349	3,101,735	18,544,651	34,941,735
2036-2040	14,417,526	1,982,365	19,392,474	35,792,365
2041-2045	5,895,000	886,951	-	6,781,951
2046-2047	2,765,000	89,141	-	2,854,141
Total	$ 47,461,090	$ 9,959,194	$ 51,098,910	$ 108,519,194

NOTE 12 GENERAL OBLIGATION BONDS

General Obligation Bonds, Series 2004

In September 2004, the District issued $178,960,075 aggregate original principal amount of the 2004 General Obligation Bonds, Series 2004. The Series 2004 Bonds were issued as both current interest bonds and capital appreciation bonds, with the capital appreciation bonds accreting to a maturity value of $2,015,000 and an aggregate maturity value of $180,460,000. The bonds mature through August 1, 2029, with interest rates from 3.00% to 4.80%. Proceeds from the sale of the bonds were used to finance specific construction and modernization projects approved by the voters and pay costs of issuance of the series. At June 30, 2025, the principal balance outstanding was $515,074.

General Obligation Bonds, Series 2005

In September 2005, the District issued $29,998,720 aggregate original principal amount of the 2004 General Obligation Bonds, Series 2005. The Series 2005 Bonds were issued as both current interest bonds and capital appreciation bonds, with the capital appreciation bonds accreting to a maturity value of $44,400,000 and an aggregate maturity value of $63,685,000. The bonds mature through August 1, 2031, with interest rates from 2.68% to 5.70%. Proceeds from the sale of the bonds were used to finance specific construction and modernization projects approved by the voters and pay costs of issuance of the Series. At June 30, 2025, the principal balance outstanding was $10,713,720.

NOTE 12 GENERAL OBLIGATION BONDS (CONTINUED)

General Obligation Bonds, Series 2007

In July 2007, the District issued $29,041,204 aggregate original principal amount of the 2004 General Obligation Bonds, Series 2007. The Series 2007 Bonds were issued as both current interest bonds and capital appreciation bonds, with the capital appreciation bonds accreting to a maturity value of $65,000,000 and an aggregate maturity value of $76,820,000. The bonds mature through August 1, 2035, with interest rates from 4.66% to 5.04%. Proceeds from the sale of the bonds were used to finance specific construction and modernization projects approved by the voters and pay costs of issuance of the Series. At June 30, 2025, the principal balance outstanding was $17,221,203.

2013 General Obligation Refunding Bonds

In February 2013, the District issued $167,485,000 of 2013 General Obligation Refunding Bonds. The Bonds were issued to advance refund and defease a portion of the District's Series 2004 and 2005 General Obligation Bonds, and pay the costs associated with issuing the bonds. The Refunding Bonds defeased $179,285,000 of the old debt. The Bonds are paid semiannually on February 1 and August 1 each year commencing on August 1, 2013. The Bonds were issued with interest rates that range from 2.00% to 5.00%. In June 202, a portion of the 20213 General Obligation Refunding Bonds were refunded (see 2021 General Obligation Refunding Bonds). After refunding the final maturity of the bonds was August 1, 2023. In 2024, the bonds were paid in full.

2015 General Obligation Refunding Bonds

In December 2015, the District issued $12,970,000 of 2015 General Obligation Refunding Bonds. The Bonds were issued to advance refund and defease a portion of the District's Series 2007 General Obligation Bonds, and pay the costs associated with issuing the bonds. The Refunding Bonds defeased $11,820,000 of the old debt, The Bonds mature through August 1, 2035, with an interest rate of 2.95%. The Bonds are paid semiannually on February 1 and August 1 each year commencing on February 1, 2016. The outstanding principal balance of the bonds at June 30, 2025, was $11,550,000.

2021 General Obligation Refunding Bonds

In June 2021, the District issued $103,930,000 of 2021 General Obligation Refunding Bonds. The Bonds were issued to advance refund a portion of the District's Series 2013 General Obligation Refunding Bonds, and pay the costs associated with issuing the bonds. Proceeds were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of $93,850,000 plus interest of the 2013 General Obligation Refunding Bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the government-wide financial statements. The refunded debt held with the refunding escrow agent was redeemed on August 1, 2023.

The net carrying amount of the old debt exceeded the reacquisition price amount of the old debt by $2,516,508. This amount is amortized over the original life of the refunded debt, which is shorter than the life of the new debt issued. The unamortized balance is reflected as a deferred inflow in the government-wide statements.

NOTE 12 GENERAL OBLIGATION BONDS (CONTINUED)

2021 General Obligation Refunding Bonds (Continued)

This advance refunding was undertaken to reduce total debt service payments by $5,087,407 and resulted in an economic gain of $4,749,958 or 1.442%. The Bonds mature through August 1, 2029, with an interest rate ranging from 0067% to 1.8884%. The Bonds are paid semiannually on February 1 and August 1 each year commencing on August 1, 2021. The outstanding principal balance of the bonds at June 30, 2025 was $83,000,000.

The outstanding general obligation bonded debt of the District at June 30, 2025 is:

General Obligation Bonds	Date of Issue	Date of Maturity	Interest Rate Percent	Amount of Original Issue	Outstanding June 30, 2024
Series 2004	09/01/2004	08/01/2029	3.00-4.80%	$ 178,960,075	$ 515,074
Series 2005	09/01/2005	08/01/2031	2.68-5.70%	29,998,720	10,713,720
Series 2007	07/01/2007	08/01/2035	4.66-5.04%	29,041,205	17,221,203
2015 Refunding	12/02/2015	08/01/2035	2.95%	12,970,000	11,550,000
2021 Refunding	06/10/2021	08/01/2029	1.447%	103,930,000	83,000,000
Total				$ 354,900,000	$ 122,999,997

The annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30,	Principal	Interest	Accreted Interest	Total
2026	$ 14,990,000	$ 1,493,581	$ -	$ 16,483,581
2027	15,750,000	1,327,640	-	17,077,640
2028	16,570,000	1,102,969	-	17,672,969
2029	17,460,000	826,755	-	18,286,755
2030	19,525,074	498,849	1,499,926	21,523,849
2031-2035	31,935,045	1,531,124	75,889,955	109,356,124
2036	6,769,878	73,676	5,575,122	12,418,676
Total	$ 122,999,997	$ 6,854,594	$ 82,965,003	$ 212,819,594

NOTE 13 LEASE LIABILITY

The District leases equipment for various terms under long-term, noncancelable lease agreements. The lease liability is discounted at its estimated incremental borrowing rate of 4.00%. The leases expire at various dates through July 27, 2029.

NOTE 13 LEASE LIABILITY (CONTINUED)

Total future minimum lease payments under lease agreements are as follows:

Year Ending June 30,	Principal	Interest Payment	Total
2026	$ 149,210	$ 16,304	$ 165,514
2027	151,309	10,381	161,690
2028	157,473	4,216	161,689
2029	42,442	675	43,117
Total	$ 500,434	$ 31,576	$ 532,010

NOTE 14 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The District has entered into multi-year subscription based-information technology arrangements (SBITAs) for on-line safety management, teacher and student educational software. The SBITA arrangements expire various dates through 2026 and in some cases, provide for renewal options.

The future subscription payments under SBITA agreements are as follow:

Year Ending June 30,	Principal	Interest	Total
2026	$ 179,649	$ 2,728	$ 182,377
Total	$ 179,649	$ 2,728	$ 182,377

NOTE 15 POSTEMPLOYMENT HEALTHCARE BENEFITS

The District administers a single-employer, postemployment healthcare benefit plan for qualified employees. In addition, some qualified certificated employees are participants in the Medicare Premium Payment Program, a cost-sharing defined benefit program administered through the California State Teachers' Retirement System (CalSTRS).

The District's total liability for postemployment healthcare benefits consisted of the following as of June 30, 2025:

OPEB Plan	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Retiree Benefits Plan	$ 74,659,038	$ 9,377,198	$ 7,811,362	$ 8,359,460
Medicare Premium Payment Program	701,022	-	-	(148,602)
Total	$ 75,360,060	$ 9,377,198	$ 7,811,362	$ 8,210,858

NOTE 15 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

The details of the plans are as follows:

Postemployment Healthcare Benefits Plan

Plan Description and Eligibility

The plan provides for medical, prescription drug, dental, and vision insurance benefits to eligible retirees and their spouses. Membership of the plan consists of 75 retirees and beneficiaries currently receiving benefits, and 1,222 active plan members. Benefit provisions are established through negotiations between the District and the bargaining unions representing employees and are renegotiated each bargaining period.

Funding Policy

The District currently finances benefits on a pay-as-you-go basis. As of June 30, 2025, the District has not established a trust or equivalent that contains an irrevocable transfer of assets dedicated to providing benefits to retirees in accordance with the terms of the plan and that are legally protected from creditors. The District pays the full cost of benefits. For the year ended June 30, 2025, the District paid $2,287,876 in benefits. Benefit costs include an implicit rate subsidy of $810,302.

Total OPEB Liability

The District's total OPEB liability of $74,659,038 was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2024.

Actuarial Assumptions

The total OPEB liability was measured as of June 30, 2024 and was determined by ab actuarial valuation as of June 30, 2024, using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age, Level Percent of Pay
Inflation	2.50%
Salary Increases	3.00%
Discount Rate	3.97%
Healthcare Costs Trend Rate	5.50 Percent for 2024, 5.25 Percent for 2025-2029, 5.00 Percent for 2030-2039, 4.75 Percent for 2040-2049, 4.50 Percent for 2050-2069, and 4.00 Percent for 2070 and Later Years

Actuarial assumptions used in the June 30, 2024, valuation were based on the results of an actual experience study for the period July 1, 2021, to June 30, 2023. The discount rate was based on 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.86% to 3.97% since the previous measurement.

NOTE 15 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Postemployment Healthcare Benefits Plan (Continued)

Total OPEB Liability (Continued)

Actuarial Assumptions (Continued)

Pre-retirement mortality rates for Certificated and Certificated Management employees was based on mortality rates for active employees from CalSTRS Experience Analysis (2015-2018). Pre-retirement mortality rates for all other employees was based on pre-retirement mortality rates from CalPERS Experience Study (2000-2019). Postretirement mortality rates for Certificated and Certificated Management retires was based on mortality rates for retired members and beneficiaries from CalSTRS Experience Analysis (2015-2018). Postretirement mortality rates for all other retirees was based on postretirement mortality rates for healthy recipients from CalPERS Experience Study (2000-2019).

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance - June 30, 2024	$ 69,243,033
Service Cost	5,473,138
Interest Cost	2,840,306
Differences Between Expected and Actual Experience	-
Changes of Benefit Terms	-
Changes in Assumptions	(609,563)
Benefit Payments	(2,287,876)
Balance - June 30, 2025	$ 74,659,038

Sensitivity

The following presents the District's OPEB liability calculated using the discount rate of 3.97% as well as what the OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

Discount Rate	Total OPEB Liability
1% Decrease (2.97%)	$ 80,335,633
Current Discount Rate (3.97%)	74,659,038
1% Increase (4.97%)	69,297,000

The following present the District's OPEB liability calculated using the healthcare cost trend rates as described above, as well as what the OPEB liability would be if it were calculated using trend rates that are one percentage point lower or one percentage point higher than the current rates:

Healthcare Trend Rate	Total OPEB Liability
1% Decrease	$ 65,979,945
Current Healthcare Trend Rate	74,659,038
1% Increase	84,860,605

NOTE 15 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Postemployment Healthcare Benefits Plan (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

The District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following source at June 30, 2025:

OPEB Deferred Outflows and Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer Benefit Payments Subsequent to Measurement Date	$ 1,695,455	$ -
Difference Between Expected and Actual Experience	445,255	491,054
Changes of Assumptions	7,236,488	7,320,308
Total	$ 9,377,198	$ 7,811,362

The deferred outflows of resources related to the benefits paid subsequent to the measurement date will be recognized in the subsequent year. The remaining deferred outflows and inflows of resources will be amortized over the average working lifetime of inactive participants which ranged from 8.8 years to 11.8 years based on the initial date of the deferral. This amount will be amortized to offset OPEB expense as follows:

Year Ending June 30,	Amortization
2026	$ 46,016
2027	88,131
2028	256,593
2029	(474,660)
2030	(779,943)
Thereafter	734,244
Total	$ (129,619)

Medicare Premium Payment Program (MPP)

Plan Description and Eligibility

The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan (OPEB) established pursuant to California state statute. CalSTRS administers the MPP Program through the Teachers' Health Benefits Fund (THBF). The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible California full-time and part-time public school teachers from pre-kindergarten through community college who were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A.

The MPP Program is closed to new entrants as members who retire after July 1, 2012 are not eligible for coverage under the MPP Program. For the year ending June 30, 2024, 4,651 retirees participated in the MPP Program.

NOTE 15 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Medicare Premium Payment Program (MPP) (Continued)

Funding Policy

The MPP Program is funded on a pay-as-you go basis from a portion of monthly employer contributions. In accordance with California Education Code, contributions that would otherwise be credited to the CalSTRS defined benefit pension program (STRP) each month are instead credited to the MPP Program to fund monthly program and administrative costs. These contributions are generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds remaining within the MPP Program as of June 30, 2025 were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program. Total aggregate employer contributions of all participating employers to the MPP Program for fiscal year 2023-24 were $23.59 million. The District's contributions to the MPP Program for fiscal year 2023-24 were estimated at $60 thousand.

Net OPEB Liability

As of June 30, 2025, the District reported a net OPEB liability for its proportionate share of the MPP total OPEB liability, fiduciary net position and net OPEB liability as follows:

Calculated District total OPEB liability	693,953
Calculated District proportionate share of FNP	(7,070)
Calculated District net OPEB liability	701,022

As the MPP Program is funded on a pay-as-you-go basis from redirected contributions from the STRP, the District has elected to calculate their proportionate share based on the audited proportionate share schedules of the STRP. This schedule presents the projection of the District's long-term share of contributions to the STRP relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2024, the District's proportion was 0.263% which is a decrease of 0.017% from its proportion measured as of June 30, 2023.

NOTE 15 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Medicare Premium Payment Program (MPP) (Continued)

Actuarial Methods and Assumptions

Total OPEB liability for the MPP Program was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023, and rolling forward the total OPEB liability to June 30, 2024 using the assumptions listed in the following table:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Experience Study	July 1, 2007 through June 30, 2022
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	3.93%
Medicare Part A Premium Costs Trend Rate	5.40%
Medicare Part B Premium Costs Trend Rate	6.62%

In addition, assumptions were made about future participation (enrollment) into the MPP Program as CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility but are not currently enrolled in the MPP Program.

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

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (for example, Medicare premiums) and assumptions about the probability of occurrence of events far into the future (for example, mortality, disabilities and retirees eligible for the program). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of benefit costs. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

NOTE 15 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Medicare Premium Payment Program (MPP) (Continued)

Actuarial Methods and Assumptions (Continued)

Actuarial calculations reflect a long-term perspective and take into account the premiums and surcharges paid after termination of employment until the death of the employee. In many cases, actuarial calculations reflect several decades of payments after termination of employment.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2023 was 3.93%, which was an increase from 3.65% in the prior fiscal year. The MPP Program is funded on a pay-as-you-go basis, and under the pay-as-you-go method, the OPEB plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. The MPP Program used the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2024, as the discount rate, which was applied to all periods of projected benefit payments to measure the total OPEB liability.

The following table presents the net OPEB liability using the current discount rate as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB Liability	$ 756,385	$ 701,023	$ 652,339

Medicare Costs Trend Rate

The June 30, 2023, valuation uses the 2024 Medicare Part A and Part B premiums as the basis for future premium calculations. Future premiums are assumed to increase with a medical trend rate that varies by year. The Part A trend is approximately equivalent to assuming a fixed 5.40 percent increase each year. The Part B trend is approximately equivalent to assuming a fixed 6.60 percent increase each year.

The following table presents the net OPEB liability using the current Medicare costs trend rates, as well as what the net OPEB liability would be if it were calculated using Medicare costs trend rates that are one percent lower and one percent higher than the current rate:

	1% Decrease	Current Healthcare Trend Rate	1% Increase
Net OPEB Liability	$ 649,422	$ 701,023	$ 758,631

Amortization of Deferred Outflows and Deferred Inflows of Resources

As the MPP Program is a retiree only OPEB plan with no average remaining service life, other than differences between projected and actual investment earnings, deferred outflows and inflows of resources are recognized in OPEB expense in the current period. The net deferred outflows and inflows relating to differences between projected and actual earnings on plan investments are not material and have not been recognized in these financial statements.

NOTE 15 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Medicare Premium Payment Program (MPP) (Continued)

MPP Program Net OPEB Liability

Detailed information about the MPP Program net OPEB liability is available in a separate annual comprehensive financial report on the CalSTRS website. Copies of the CalSTRS annual comprehensive financial report may also be obtained from CalSTRS.

NOTE 16 EMPLOYEE RETIREMENT PLANS

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

As of June 30, 2025, the District's net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the retirement plans are as follows:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS (STRP)	$ 100,744,500	$ 38,881,721	$ 22,282,359	$ 13,152,303
CalPERS (Schools Pool Plan)	66,116,779	20,321,082	5,318,451	9,568,462
Total	$ 166,861,279	$ 59,202,803	$ 27,600,810	$ 22,720,765

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

NOTE 16 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California State Teachers' Retirement System (CalSTRS) (Continued)

Benefits Provided

The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0% of final compensation for each year of credited service. The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor of the STRP and obligor of the trust. In addition, the state is both an employer and nonemployer contributing entity to the STRP.

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

The STRP provisions and benefits in effect at June 30, 2025 are summarized as follows:

Provisions and Benefits	STRP Defined Benefit Program and Supplement Program	
Hire Date	On or Before December 31, 2012	On or After January 1, 2013
Benefit Formula	2% at 60	2% at 62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	60	62
Monthly Benefits as a Percentage of Eligible Compensation	2.0% - 2.4%	2.0% - 2.4%
Required Employee Contribution Rate	10.25%	10.205%
Required Employer Contribution Rate	19.10%	19.10%
Required State Contribution Rate	10.828%	10.828%

Contributions

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age actuarial cost method. The contribution rates for each plan for the year ended June 30, 2025 are presented above and the total District contributions were $19,199,897.

NOTE 16 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California State Teachers' Retirement System (CalSTRS) (Continued)

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

At June 30, 2025, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for state pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

	Balance June 30, 2025
District Proportionate Share of the Net Pension Liability	$ 100,744,500
State's Proportionate Share of the Net Pension Liability Associated with the District	46,222,633
Total	$ 146,967,133

The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the state, actuarially determined. At June 30, 2024, the District's proportion was 0.150% which is a decrease of 0.012% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense of $8,944,552 and revenue and corresponding expense of $4,207,751 for contributions provided by the state representing total pension expense of $13,152,303. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	$ 19,199,897	$ -
Differences Between Expected and Actual Experience	11,395,500	4,405,500
Changes of Assumptions	441,000	6,880,500
Changes in Proportion	7,845,324	10,589,859
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	406,500
Total	$ 38,881,721	$ 22,282,359

NOTE 16 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California State Teachers' Retirement System (CalSTRS) (Continued)

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

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. The net difference between projected and actual earnings on plan investments is amortized over a five year period on a straight-line basis. All other deferred outflows of resources and deferred inflows of resources are amortized over the expected average remaining service life (EARSL) of the plan participants. The EARSL for the STRP for the June 30, 2024 measurement date is seven years.

The remaining amount will be recognized to pension expense as follows:

Year Ending June 30,	Amortization
2026	$ (7,287,175)
2027	7,994,823
2028	(1,544,329)
2029	(1,030,706)
2030	1,020,826
2031	(1,753,974)
Total	$ (2,600,535)

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2023, and rolling forward the total pension liability to June 30, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The financial reporting actuarial valuation as of June 30, 2023 used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Experience Study	July 1, 2007 through June 30, 2022
Actuarial Cost Method	Entry Age Actuarial Cost Method
Discount Rate	7.10%
Investment Rate of Return	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%

NOTE 16 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California State Teachers' Retirement System (CalSTRS) (Continued)

Actuarial Methods and Assumptions (Continued)

CalSTRS uses a generational mortality assumption, which is based off generational mortality tables that reflect expected future improvements in mortality and includes a base table and a projection table. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection table reflects the expected annual reduction in mortality rates at each age. The current mortality assumption uses a base year of 2023 and projected improvement is based on the MP-2021 Ultimate Projection Scale.

The long-term investment rate of return assumption was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class/strategy. Expected real rates of return are net of the 2.75% inflation assumption and are derived from best-estimate ranges of 20- to 30-year geometrically linked expected returns. These best-estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process.

The actuarial investment rate of return assumption was adopted by the board in January 2024 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. The assumed asset allocation and best estimates of the expected rates of return for each major asset class/strategy as of June 30, 2024, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public Equity	38 %	5.25 %
Real Estate	15	4.05
Private Equity	14	6.75
Fixed Income	14	2.45
Risk Mitigating Strategies	10	2.25
Inflation Sensitive	7	3.65
Cash/Liquidity	2	0.05

NOTE 16 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California State Teachers' Retirement System (CalSTRS) (Continued)

Discount Rate

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

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

	1% Decrease	Current Discount Rate	1% Increase
Net Pension Liability	$ 179,191,500	$ 100,744,500	$ 35,238,000

Changes of Assumptions

During the fiscal year of the measure date of June 30, 2024, CalSTRS completed an experience study for the period starting July 1, 2007 and ending June 30, 2022. The experience study was adopted by the board in January 2024. As a result of the study, certain assumptions used in determining the net pension liability of the STRP changed, including postretirement mortality, probabilities of retirement, disability or withdrawal from the system, pay increases due to promotions and other various assumptions needed to value the program benefits.

Plan Fiduciary Net Position

Detailed information about the STRP's plan fiduciary net position is available in a separate annual comprehensive financial report on the CalSTRS website. Copies of the CalSTRS annual comprehensive financial report may be obtained from CalSTRS.

NOTE 16 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the Schools Pool Plan under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor, and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least 5 years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS provisions and benefits in effect at June 30, 2025 are summarized as follows:

Provisions and Benefits	Schools Pool Plan (CalPERS)	
Hire Date	On or Before December 31, 2012	On or After January 1, 2013
Benefit Formula	2% at 55	2% at 62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	55	62
Monthly Benefits as a Percentage of Eligible Compensation	1.1% - 2.5%	1.0% - 2.5%
Required Employee Contribution Rate	7.00%	8.00%
Required Employer Contribution Rate	27.05%	27.05%

NOTE 16 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS) (Continued)

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. Total plan contributions are determined through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2025 are as presented above and the total District contributions were $10,462,099.

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

As of June 30, 2025, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $66,116,779. The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2024, the District's proportion was 0.1850% which is a decrease of 0.0207% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense of $9,568,462. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	$ 10,462,099	$ -
Differences Between Expected and Actual Experience	5,542,925	473,196
Changes of Assumptions	1,461,404	-
Changes in Proportion	286,398	4,845,255
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	2,568,256	-
Total	$ 20,321,082	$ 5,318,451

NOTE 16 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS) (Continued)

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

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. The net difference between projected and actual earnings on plan investments is amortized over a five year period on a straight-line basis. All other deferred outflows of resources and deferred inflows of resources are amortized over the expected average remaining service life (EARSL) of the plan participants. The EARSL for the CalPERS Schools Pool Plan for the June 30, 2024 measurement date is 3.9 years.

The remaining amount will be recognized in pension expense as follows:

Year Ending June 30,	Amortization
2026	$ 1,770,130
2027	4,364,617
2028	(781,580)
2029	(812,635)
Total	$ 4,540,532

Actuarial Methods and Assumptions

Total pension liability for the Schools Pool Plan was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2023, and rolling forward the total pension liability to June 30, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The financial reporting actuarial valuation as of June 30, 2023 used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Experience Study	2000 through 2019
Actuarial Cost Method	Individual Entry Age Normal
Discount Rate	6.90%
Investment Rate of Return	6.90%
Consumer Price Inflation	2.30%
Wage Growth	Varies by Entry Age and Service

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS experience study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those rates include generational mortality improvements using 80% of scale MP 2020 published by the Society of Actuaries.

NOTE 16 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS) (Continued)

Actuarial Methods and Assumptions (Continued)

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The expected real rates of return by asset class are as follows:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global Equity Cap-weighted	30 %	4.54 %
Global Equity Non-cap-weighted	12	3.84
Private Equity	13	7.28
Treasury	5	0.27
Mortgage-backed Securities	5	0.50
Investment Grade Corporates	10	1.56
High Yield	5	2.27
Emerging Market Debt	5	2.48
Private Debt	5	3.57
Real Assets	15	3.21
Leverage	(5)	(0.59)

Discount Rate

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

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

	1% Decrease	Current Discount Rate	1% Increase
Net Pension Liability	$ 98,217,028	$ 66,116,779	$ 39,599,419

NOTE 16 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS) (Continued)

Plan Fiduciary Net Position

Detailed information about CalPERS Schools Pool Plan fiduciary net position is available in a separate annual comprehensive financial report available on the CalPERS website. Copies of the CalPERS annual comprehensive financial report may be obtained from CalPERS.

NOTE 17 JOINT POWER AGREEMENTS

The District participated in two joint powers agreement (JPA) entities during the fiscal year ended June 30, 2025. Schools Excess Liability Fund (SELF) public entity risk pool provides excess insurance coverage associated with workers' compensation and property and liability claims. PRISM, formerly the Excess Insurance Authority (EIA), provides property insurance, liability insurance, workers' compensation insurance and workers' compensation excess insurance coverage

Each JPA is governed by a board consisting of representatives from each member district. Each governing board controls the operations of its JPA independent of any influence by the District beyond the District's representation on the governing boards. In addition, each JPA is independently accountable for its fiscal matters. Member districts share surpluses and deficits proportionately to their participation in the JPA. Separate financial statements for each JPA may be obtained from the respective entity.

The relationships between the District and the JPAs are such that neither JPA is a component unit of the District for financial reporting purposes.

During the year ended June 30, 2025, the District made payments of $358,292 to SELF and $4,004,786 to PRISM.

NOTE 18 ADJUSTMENTS AND RESTATEMENT TO BEGINNING BALANCES

Restatement to Beginning Net Position – Implementation of New Accounting Standard

Effective July 1, 2024, the District implemented GASB Statement No. 101, *Compensated Absences*. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. As a result of the implementation of this standard, the compensated absences liability as of July 1, 2024 was understated by $3.3 million in the governmental activities The effect of the implementation of this standard is shown in the table below.

	Government-Wide Governmental Activities
Net Position, as Previously Reported, at June 30, 2024	$ 40,597,446
Change in Accounting Principle	(3,309,175)
Net Position, as Restated, at June 30, 2024	$ 37,288,271

NOTE 19 COMMITMENTS AND CONTINGENCIES

Litigation

At time, the District is involved in claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the District's financial statements.

State and Federal Allowances, Awards, and Grants

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

Purchase Commitments

As of June 30, 2025, the District was committed under various capital expenditure purchase agreements for construction and modernization projects totaling approximately $4.1 million. Projects will be funded through Bond Proceeds, State Grants, and redevelopment pass-through distributions.

REQUIRED SUPPLEMENTARY INFORMATION

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
SCHEDULE OF BUDGETARY COMPARISON FOR THE GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Budgetary Amounts General Fund		Actual Amounts	Fund Basis to GAAP (a)	Actual Amounts
	Original	Final	General Fund		GAAP Basis
REVENUES					
Local Control Funding Formula Sources:					
State Apportionments	$ 42,478,291	$ 41,263,916	$ 41,338,946	$ -	$ 41,338,946
Local Sources	152,280,563	154,977,189	154,902,160	-	154,902,160
Total Local Control Funding Formula Sources	194,758,854	196,241,105	196,241,106	-	196,241,106
Federal Sources	7,204,906	8,538,331	6,668,044	-	6,668,044
Other State Sources	38,811,713	44,919,092	42,042,341	-	42,042,341
Other Local Sources	9,008,901	12,014,805	14,506,509	18,135	14,524,644
Total Revenues	249,784,374	261,713,333	259,458,000	18,135	259,476,135
EXPENDITURES					
Certificated Salaries	97,882,038	101,773,525	100,461,585	-	100,461,585
Classified Salaries	37,870,828	41,682,990	41,682,769	-	41,682,769
Employee Benefits	73,022,887	75,335,030	74,270,923	-	74,270,923
Books and Supplies	9,140,916	12,332,133	8,331,210	-	8,331,210
Services and Other Operating Expenditures	35,634,140	32,196,128	22,526,551	1,000	22,527,551
Capital Outlay	664,792	13,108,160	12,520,217	-	12,520,217
Other Outgo and Indirect Costs	4,313,208	7,383,502	7,007,912	-	7,007,912
Total Expenditures	258,528,809	283,811,468	266,801,167	1,000	266,802,167
EXCESS OF REVENUES OVER EXPENDITURES	(8,744,435)	(22,098,135)	(7,343,167)	17,135	(7,326,032)
OTHER FINANCING SOURCES (USES)					
Interfund Transfers In	-	49,716	49,716	-	49,716
Interfund Transfers Out	(995,115)	(1,006,584)	(1,006,584)	-	(1,006,584)
Total Other Financing Sources (Uses)	(995,115)	(956,868)	(956,868)	-	(956,868)
NET CHANGE IN FUND BALANCES	$ (9,739,550)	$ (23,055,003)	(8,300,035)	17,135	(8,282,900)
Fund Balance - Beginning of Year			92,211,310	392,753	92,604,063
FUND BALANCE - END OF YEAR			$ 83,911,275	$ 409,888	$ 84,321,163

(a) Amounts presented are the result of the District including activity of the Private Purpose Trust fund. See Note 1.

See accompanying Notes to Required Supplementary Information.

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
SCHEDULE OF BUDGETARY COMPARISON FOR THE SPECIAL EDUCATION PASS-THROUGH FUND
YEAR ENDED JUNE 30, 2025

	Budgetary Amounts Special Education Pass-Through Fund		Actual Amounts	Variance with Final Budget Favorable
	Original	Final	Special Education Pass-Through Fund	Actual
REVENUES				
Federal Sources	$ 6,391,053	$ 6,400,266	$ 6,400,266	$ -
Other State Sources	21,568,296	20,631,701	20,631,701	-
Total Revenues	27,959,349	27,031,967	27,031,967	-
EXPENDITURES				
Other Outgo and Indirect Costs	27,959,349	27,031,967	27,031,967	-
Total Expenditures	27,959,349	27,031,967	27,031,967	-
NET CHANGE IN FUND BALANCES	$ -	$ -	-	-
Fund Balance - Beginning of Year			-	-
FUND BALANCE - END OF YEAR			$ -	$ -

See accompanying Notes to Required Supplementary Information.

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS – RETIREE BENEFITS PLAN
YEAR ENDED JUNE 30, 2025

Total OPEB Liability	2025	2024	2023	2022	2021
Measurement Date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Balance - Beginning of Year	$ 69,243,033	$ 60,079,704	$ 64,723,947	$ 61,797,462	$ 54,746,144
Service Cost	5,473,138	3,940,968	4,652,332	4,397,624	3,729,756
Interest Cost	2,840,306	2,323,176	1,316,065	1,599,545	1,803,271
Difference Between Expected and Actual Experience	-	(95,097)	-	(741,735)	-
Changes of Benefit Terms	-	-	426,550	-	-
Changes in Assumptions	(609,563)	5,137,624	(9,156,049)	(502,808)	3,358,099
Benefit Payments	(2,287,876)	(2,143,342)	(1,883,141)	(1,826,141)	(1,839,808)
Balance - End of Year	$ 74,659,038	$ 69,243,033	$ 60,079,704	$ 64,723,947	$ 61,797,462
Covered-Employee Payroll	$ 125,097,422	$ 125,097,422	$ 114,737,525	$ 106,412,907	$ 113,266,819
Total OPEB Liability as a Percentage of Covered-Employee Payroll	59.68 %	55.35 %	52.36 %	60.82 %	54.56 %

	2020	2019	2018
Measurement Date	6/30/2019	6/30/2018	6/30/2017
Balance - Beginning of Year	$ 45,849,107	$ 45,170,511	$ 42,852,942
Service Cost	3,281,851	3,389,011	3,290,302
Interest Cost	1,744,220	1,379,106	1,305,911
Difference Between Expected and Actual Experience	1,225,451	-	-
Changes of Benefit Terms	-	-	-
Changes in Assumptions	4,558,669	(1,853,060)	-
Benefit Payments	(1,913,154)	(2,236,461)	(2,278,644)
Balance - End of Year	$ 54,746,144	$ 45,849,107	$ 45,170,511
Covered-Employee Payroll	$ 121,320,976	$ 116,814,111	$ 116,814,111
Total OPEB Liability as a Percentage of Covered-Employee Payroll	45.13 %	39.25 %	38.67 %

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

The amounts are reported as of the previous year to align with the measurement date of the net OPEB liability.

See accompanying Notes to Required Supplementary Information.

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET OPEB LIABILITY – MEDICARE PREMIUM PAYMENT PLAN
YEAR ENDED JUNE 30, 2025

Medicare Premium Payment Program	2025	2024	2023	2022
Measurement Date	6/30/2024	6/30/2023	6/30/2022	6/30/2021
District's Proportion of the Net OPEB Liability	0.263%	0.280%	0.262%	0.272%
District's Proportionate Share of the Net OPEB Liability	$ 701,022	$ 849,624	$ 863,057	$ 1,084,248
District's Covered Payroll *	$ -	$ -	$ -	$ -
Net OPEB liability as a Percentage of Covered Payroll *	N/A	N/A	N/A	N/A
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-1.02%	-0.96%	-0.94%	-0.80%

	2021	2020	2019	2018
Measurement Date	6/30/2020	6/30/2019	6/30/2018	6/30/2017
District's Proportion of the Net OPEB Liability	0.239%	0.233%	0.237%	0.276%
District's Proportionate Share of the Net OPEB Liability	$ 1,012,846	$ 867,685	$ 907,163	$ 1,160,275
District's Covered Payroll *	$ -	$ -	$ -	$ -
Net OPEB liability as a Percentage of Covered Payroll *	N/A	N/A	N/A	N/A
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-0.71%	-0.81%	-0.40%	0.01%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is required to be presented retroactively. Years will be added to this schedule as future data becomes available.

* Plan participants are limited to retirees; therefore covered payroll is zero.

See accompanying Notes to Required Supplementary Information.

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
YEAR ENDED JUNE 30, 2025

CalSTRS - STRP	2025	2024	2023	2022	2021
Measurement Date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
District's Proportion of the Net Pension Liability (NPL)	0.150%	0.162%	0.150%	0.155%	0.157%
District's Proportionate Share of the NPL	$ 100,744,500	$ 123,380,820	$ 104,229,000	$ 70,537,400	$ 152,147,130
State's Proportionate Share of the NPL Associated with the District	46,222,633	59,116,288	52,198,189	35,492,423	78,431,229
Total	$ 146,967,133	$ 182,497,108	$ 156,427,189	$ 106,029,823	$ 230,578,359
District's Covered Payroll	$ 100,860,000	$ 100,300,000	$ 87,900,000	$ 85,600,000	$ 83,600,000
District's Proportionate Share of the NPL as a Percentage of its Covered Payroll	100%	123%	119%	82%	182%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84%	81%	81%	87%	72%

	2020	2019	2018	2017	2016
Measurement Date	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
District's Proportion of the NPL	0.151%	0.151%	0.152%	0.147%	0.159%
District's Proportionate Share of the NPL	$ 136,377,160	$ 138,779,570	$ 140,879,246	$ 118,925,484	$ 106,917,026
State's Proportionate Share of the NPL Associated with the District	74,403,446	79,458,184	83,342,972	67,702,156	56,547,320
Total	$ 210,780,606	$ 218,237,754	$ 224,222,218	$ 186,627,640	$ 163,464,346
District's Covered Payroll	$ 84,600,000	$ 80,600,000	$ 80,200,000	$ 76,600,000	$ 68,400,000
District's Proportionate Share of the NPL as a Percentage of its Covered Payroll	161%	172%	176%	155%	156%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73%	71%	69%	70%	74%

See accompanying Notes to Required Supplementary Information.

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)
YEAR ENDED JUNE 30, 2025

CalPERS - Schools Pool Plan	2025	2024	2023	2022	2021
Measurement Period	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
District's Proportion of the Net Pension Liability (NPL)	0.1850%	0.2057%	0.2075%	0.2030%	0.2120%
District's Proportionate Share of the NPL	$ 66,116,779	$ 74,461,112	$ 71,398,852	$ 41,278,897	$ 65,048,121
District's Covered Payroll	$ 38,370,000	$ 35,900,000	$ 31,900,000	$ 29,400,000	$ 29,800,000
District's Proportionate Share of the NPL as a Percentage of its Covered Payroll	172%	207%	224%	140%	218%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72%	70%	70%	81%	70%

	2020	2019	2018	2017	2016
Measurement Period	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
District's Proportion of the NPL	0.2158%	0.2248%	0.2321%	0.2271%	0.2398%
District's Proportionate Share of the NPL	$ 62,893,294	$ 59,938,757	$ 55,417,416	$ 44,859,653	$ 35,346,237
District's Covered Payroll	$ 30,700,000	$ 29,500,000	$ 26,600,000	$ 29,900,000	$ 26,400,000
District's Proportionate Share of the NPL as a Percentage of its Covered Payroll	205%	203%	208%	150%	134%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70%	71%	72%	74%	79%

See accompanying Notes to Required Supplementary Information.

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
YEAR ENDED JUNE 30, 2025

CalSTRS - STRP	2025	2024	2023	2022	2021
Contractually Required Contribution	$ 19,199,897	$ 19,264,975	$ 19,162,666	$ 14,880,557	$ 13,820,397
Contributions in Relation to the Contractually Required Contribution	19,199,897	19,264,975	19,162,666	14,880,557	13,820,397
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$100,520,000	$100,860,000	$100,300,000	$ 87,900,000	$ 85,600,000
Contributions as a Percentage of Covered Payroll	19.10%	19.10%	19.10%	16.92%	16.15%

	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 14,299,846	$ 13,782,272	$ 11,626,590	$ 10,090,994	$ 8,221,487
Contributions in Relation to the Contractually Required Contribution	14,299,846	13,782,272	11,626,590	10,090,994	8,221,487
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 83,600,000	$ 84,600,000	$ 80,600,000	$ 80,200,000	$ 76,600,000
Contributions as a Percentage of Covered Payroll	17.10%	16.28%	14.43%	12.58%	10.73%

See accompanying Notes to Required Supplementary Information.

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS (CONTINUED)
YEAR ENDED JUNE 30, 2025

CalPERS - Schools Pool Plan	2025	2024	2023	2022	2021
Contractually Required Contribution	$ 10,462,099	$ 10,236,989	$ 9,113,765	$ 7,317,944	$ 6,079,156
Contributions in Relation to the Contractually Required Contribution	10,462,099	10,236,989	9,113,765	7,317,944	6,079,156
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 38,680,000	$ 38,370,000	$ 35,900,000	$ 31,900,000	$ 29,400,000
Contributions as a Percentage of Covered Payroll	27.05%	26.68%	25.37%	22.91%	20.70%

	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 5,878,733	$ 5,544,577	$ 4,581,279	$ 3,694,871	$ 3,542,745
Contributions in Relation to the Contractually Required Contribution	5,878,733	5,544,577	4,581,279	3,694,871	3,542,745
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 29,800,000	$ 30,700,000	$ 29,500,000	$ 26,600,000	$ 29,900,000
Contributions as a Percentage of Covered Payroll	19.72%	18.06%	15.53%	13.89%	11.85%

See accompanying Notes to Required Supplementary Information.

NOTE 1 PURPOSE OF SCHEDULES

Schedule of Budgetary Comparison

A budgetary comparison is presented for the General Fund and each major special reserve fund. This schedule presents the budget as originally adopted, the revised budget as of the fiscal year-end, actual amounts at fiscal year-end, and any adjustments needed to present the amounts in accordance with generally accepted accounting principles (GAAP).

Schedule of Changes in the Total OPEB Liability and Related Ratios – Retiree Benefits Plan

The schedule is intended to show trends about the changes in the District's actuarially determined liability for postemployment benefits other than pension associated with the District's retiree benefits plan.

Benefit Changes:

June 30, 2022 Measurement Period:

HBAA service requirement decreased from 10 years to 5 years.

Changes of Assumptions:

June 30, 2024 Measurement Period:

The discount rate decreased from 3.86% to 3.97%

June 30, 2023 Measurement Period:

The discount rate decreased from 3.69% to 3.86%

June 30, 2022 Measurement Period:

The discount rate increased from 1.92% to 3.69%.

June 30, 2021 Measurement Period:

New mortality assumptions were utilized.
The discount rate was decreased from 2.45% to 1.92%.

June 30, 2020 Measurement Period:

New mortality assumptions were utilized.
The discount rate was decreased from 3.13% to 2.45%.

As of June 30, 2025, the District has not established a plan or equivalent that contains an irrevocable transfer of assets dedicated to providing benefits to retirees in accordance with the terms of the plan and that are legally protected from creditors.

NOTE 1 PURPOSE OF SCHEDULES (CONTINUED)

Schedule of the District's Proportionate Share of the Net OPEB Liability – Medicare Premium Payment Plan

The schedule is intended to show trends about the changes in the District's actuarially determined liability for the Medicare Premium Payment plan. In the future, as data becomes available, 10 years of information will be presented.

Benefit changes – None

Changes of Assumptions:

June 30, 2024 Measurement Period:
CalSTRS applied a new discount rate increasing the rate from 3.65% to 3.93%.

June 30, 2023 Measurement Period:
CalSTRS applied a new discount rate decreasing the rate from 3.54% to 3.65%.

June 30, 2022 Measurement Period:
CalSTRS applied a new discount rate decreasing the rate from 2.16% to 3.54%.

June 30, 2021 Measurement Period:
CalSTRS applied a new discount rate decreasing the rate from 2.21% to 2.16%.

June 30, 2020 Measurement Period:
CalSTRS Board adopted a new experience study which updated assumptions for termination rates and service rates. CalSTRS also applied a new discount rate decreasing the rate from 3.50% to 2.21%.

June 30, 2019 Measurement Period:
CalSTRS applied a new discount rate decreasing the rate from 3.87% to 3.50%.

June 30, 2018 Measurement Period:
CalSTRS applied a new discount rate increasing the rate from 3.58% to 3.87%.

NOTE 1 PURPOSE OF SCHEDULES (CONTINUED)

Schedules of District's Proportionate Share of the Net Pension Liability – CalSTRS (STRP) and CalPERS (Schools Pool Plan)

The schedule presents information on the District's proportionate share of the net pension liability, the plans' fiduciary net position and, when applicable, the state's proportionate share of the net pension liability associated with the District for the last 10 years.

Benefit changes – None

Changes of Assumptions:

June 30, 2024 Measurement Period:
CalSTRS Board adopted a new experience study which updated assumptions for postretirement mortality, probabilities of retirement, disability or withdrawal from the system, pay increases due to promotions and other various assumptions needed to value the program benefits.

June 30, 2022 Measurement Period:
CalPERS Board adopted new mortality assumptions and new mortality tables for the plan. Assumption for inflation rate was reduced from 2.50% to 2.30%. A new discount rate was applied decreasing the rate from 7.15% to 6.90%.

June 30, 2020 Measurement Period:
CalSTRS Board adopted a new experience study which updated assumptions for termination rates and service rates.

June 30, 2019 Measurement Period:
CalPERS Board adopted new mortality assumptions for the plan. Assumption for inflation rate was reduced from 2.75% to 2.50%. Assumption for individual salary increases and overall payroll growth was reduced from 3.00% to 2.75%.

June 30, 2018 Measurement Period:
CalSTRS Board adopted new mortality assumptions and new mortality tables for the plan. Assumption for inflation rate was reduced from 3.00% to 2.75%. Assumption for payroll growth was reduced from 3.75% to 3.50%. CalPERS applied a new discount rate decreasing the rate from 7.65% to 7.15%.

June 30, 2016 Measurement Period:
CalPERS applied a new discount rate increasing the rate from 7.50% to 7.65%.

Schedules of District Contributions – CalSTRS (STRP) and CalPERS (Schools Pool Plan)

The schedule presents information on the District's required contribution, the amounts actually contributed and any excess or deficiency related to the required contribution for the last 10 years.

NOTE 2 EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Excess of expenditures over appropriations in the General, by major object accounts, in the General Fund were as follows:

Excess:		
Books and Supplies	$	4,000,923
Services and Other Operating Expenditures		9,669,577
Capital Outlay		587,943
Other Outgo and Indirect Costs		375,590
Interfund Transfers Out		-

There were no excesses of expenditures over appropriations, by major object accounts, in the Special Education Pass-Through Fund.

SUPPLEMENTARY INFORMATION

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)
YEAR ENDED JUNE 30, 2025

The requirements governing ADA, admissions of pupils, types of schools, recording and reporting of pupil attendance, and similar matters are controlled by provisions of the Education Code and by regulation of the California Department of Education.

ADA statistics reported to the state for the fiscal year ended June 30, 2025 are as follows:

	1ED01B84 Second Period	32A5E8F2 Annual
Grades Nine through Twelve:		
Regular ADA	13,084.59	13,190.87
Extended Year Special Education	33.23	25.43
Special Education - Nonpublic, Nonsectarian Schools	8.00	8.33
Extended Year Special Education - Nonpublic, Nonsectarian Schools	0.25	0.23
Total Grades Nine through Twelve ADA	13,126.07	13,224.86

See accompanying Note to Supplementary Information.

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2025

Grade Level	Minute Requirement	Minutes Offered	Number of Days Offered Traditional Calendar	Status
Grade 9	64,800	65,251	180	In Compliance
Grade 10	64,800	65,251	180	In Compliance
Grade 11	64,800	65,251	180	In Compliance
Grade 12	64,800	65,251	180	In Compliance

See accompanying Note to Supplementary Information.

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Program Expenditures	Passed Through to Subrecipients
United States Department of Agriculture				
Pass-Through Program from the California Department of Education:				
Child Nutrition Cluster:				
Child Nutrition Program-Especially Needy Breakfast	10.553	13526	$ 283,880	$ -
Child Nutrition Program- Breakfast	10.553	13525	367,544	-
Subtotal of Federal Assistance Listing Number 10.553			651,424	
Child Nutrition Program-Lunch	10.555	13524	2,229,119	-
Child Nutrition Program-Lunch (Performance Based)	10.555	13524	89,429	-
Child Nutrition Program-Commodities	10.555	13524	361,152	-
Subtotal of Federal Assistance Listing Number 10.555			2,679,700	
Subtotal: Child Nutrition Cluster			3,331,124	-
Child Nutrition: NSLP Equipment Assistance Grants	10.579	14906	49,715	-
Total: United States Department of Agriculture			3,380,839	-
United States Department of Education				
Pass-Through Program from the California Department of Education:				
Special Education Cluster:				
Individuals with Disabilities Act (IDEA) Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	8,853,357	6,166,870
IDEA Mental Health ADA Allocation, Part B, Sec 611	84.027	15197	167,872	-
Alternate Dispute Resolution, Part B, Sec 611	84.027	13007	18,108	-
Subtotal of Federal Assistance Listing Number 84.027			9,039,337	6,166,870
IDEA Preschool Grants, Part B, Sec 619	84.173	13430	231,375	231,375
IDEA Preschool Staff Development, Part B, Sec 619	84.173	13431	2,021	2,021
Subtotal of Federal Assistance Listing Number 84.173			233,396	233,396
Subtotal: Special Education (IDEA) Cluster			9,272,733	6,400,266
IDEA Early Intervention Grants, Part C	84.181	23761	85,873	-
Adult Basic Education Basic Grants:				
Adult Education: Adult Basic Ed & English Language Acq. (ELA)	84.002A	14508	573,641	-
Adult Education: Adult Secondary Education	84.002	13978	189,464	-
Adult Education: English Literacy and Civics Education	84.002A	14109	312,544	-
Subtotal: Adult Education Basic Grants			1,075,649	-
Carl D. Perkins Career and Technical Education, Secondary Sec 131	84.048	14894	322,331	-
Every Student Succeeds Act:				
ESSA: Title I, Part A, Basic Grants Low Income and Neglected	84.010	14329	1,885,647	-
ESSA: School Improvement Funding for LEAs	84.010	15438	174,382	
Subtotal of Federal Assistance Listing Number 84.010			2,060,029	
ESSA: Title II, Part A, Supporting Effective Instruction	84.367	14341	204,946	-
ESSA: Title IV, Part B, 21st Century Community Learning Centers Program	84.287	14349	50,000	-
ESSA: Title IV, Part A, Student Support and Academic Enrichment Grant Program	84.424	15396	139,687	-
ESSA: Title III, English Learner Student Program	84.365	14346	193,689	-
Subtotal: Every Student Succeeds Act:			2,648,351	-

See accompanying Note to Supplementary Information.

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Program Expenditures	Passed Through to Subrecipients
United States Department of Education (Continued)				
Pass-Through Program from the California Department of Education:				
Total Passed through the California Department of Education			13,404,937	6,400,266
Pass-Through Program from the California Department of Rehabilitation:				
Department of Rehab: Workability II, Transition Partnership	84.126	10006	499,788	-
WE CAN WORK	84.126	10006	200,128	-
Subtotal: Pass-Through Program from the California Department of Rehabilitation			699,916	-
Total: United States Department of Education			14,104,853	6,400,266
Total: Expenditures of Federal Awards			$ 17,485,692	$ 6,400,266
Reconciliation to Federal Revenue				
Total Expenditures of Federal Awards			$ 17,485,692	
Revenue in Excess of Expenditures for Entitlement Programs:				
WE CAN WORK	84.126	10006	39,107	-
Total Federal Program Revenue			$ 17,524,799	

(1) Pass-through number not readily available.

The District is the recipient of a federal award program that does not result in cash receipts or disbursements. The District was granted $361,152 of commodities under the National School Lunch Program (CFDA 10.555) which is included in the total reported above for this program. Reconciling items have restricted entitlements that fall to the ending fund balance due to not having been spent yet.

See accompanying Note to Supplementary Information.

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
YEAR ENDED JUNE 30, 2025

	2026 (Budgeted)	2025	2024	2023
Revenue	$ 251,747,435	$ 259,458,000	$ 280,174,581	$ 278,120,095
Other Sources and Transfers In		49,716	2,025,789	-
Total Revenue and Other Sources	251,747,435	259,507,716	282,200,370	278,120,095
Expenditures	266,811,246	266,801,167	274,032,289	249,893,334
Other Uses and Transfers Out	1,006,584	1,006,584	1,053,679	987,324
Total Expenditures and Other Uses	267,817,830	267,807,751	275,085,968	250,880,658
Change in Fund Balance	(16,070,395)	(8,300,035)	7,114,402	27,239,437
Ending Fund Balance	$ 67,840,880	$ 83,911,275	$ 92,211,310	$ 85,096,910
Available Reserve	$ 9,805,193	$ 16,320,527	$ 20,990,116	$ 9,638,059
Available Reserve %	3.7%	6.1%	7.6%	3.8%
Funded ADA	13,620	14,065	14,601	15,206
Total Long-Term Obligations	$ 479,985,701	$ 499,052,621	$ 533,546,642	$ 513,776,721

The amounts above are those reported as General Fund in the *Annual Financial and Budget Report.*

Available reserves are those amounts reserved for economic uncertainty and any other remaining unassigned fund balance from the General Fund. For a District this size, the state recommends a 3% reserve of total General Fund expenditures, transfers out, and other uses. The District has met this requirement for all years presented.

The 2025 budget is the original budget adopted on June 25, 2024.

See accompanying Note to Supplementary Information.

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
YEAR ENDED JUNE 30, 2025

The District is not the granting agency for any Charter Schools.

See accompanying Note to Supplementary Information.

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF THE ANNUAL FINANCIAL AND BUDGET REPORT
WITH THE AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

Differences between the fund balances reported on the June 30, 2025 Annual Financial and Budget Report for the governmental funds and the audited financial statements are as follows:

	General Fund
June 30, 2025 Annual Financial and Budget Report Fund Balance	$ 83,855,235
Adjustments and Reclassifications:	
Post-Closing Adjustment to Lessor Receivable	(1,148,886)
Post-Closing Adjustment to Deferred Inflows of Resources	1,204,926
Net Increase to Fund Balance	56,040
June 30, 2025 Audited Fund Balance	83,911,275
June 30, 2025 Foundation Private Purpose Trust Fund Reported with the General Fund	409,888
Total	$ 84,321,163

See accompanying Note to Supplementary Information.

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENT FUNDS
JUNE 30, 2025

	Student Activity Fund	Adult Education Fund	Cafeteria Fund	County Schools Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Total Nonmajor Government Funds
ASSETS							
Cash in County Treasury	$ -	$ 4,598,192	$ 6,754,767	$ 628,606	$ 2,053,534	$ 17,236,319	$ 31,271,418
Cash in Banks	4,345,376	-	1,000	-	-	-	4,346,376
Cash in Revolving Fund	-	3,000	-	-	-	-	3,000
Cash with Fiscal Agent	-	6,861	-	-	39	-	6,900
Cash Awaiting Deposit	20,725	3,149	10,069	-	-	-	33,943
Accounts Receivable	11,000	715,955	1,113,588	-	767,086	146,336	2,753,965
Due from Other Funds	-	60,298	292	-	1,026,164	-	1,086,754
Other Current Asset	49,317	-	-	-	-	-	49,317
Total Assets	$ 4,426,418	$ 5,387,455	$ 7,879,716	$ 628,606	$ 3,846,823	$ 17,382,655	$ 39,551,673
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts Payable	$ 292,246	$ 480,995	$ 376,006	$ -	$ 36,195	$ -	$ 1,185,442
Due to Other Funds	-	884,896	335,060	-	762,615	-	1,982,571
Total Liabilities	292,246	1,365,891	711,066	-	798,810	-	3,168,013
FUND BALANCES							
Nonspendable	-	3,000	-	-	-	-	3,000
Restricted	4,134,172	2,799,455	7,168,650	628,606	3,048,013	17,382,655	35,161,551
Assigned	-	1,219,109	-	-	-	-	1,219,109
Total Fund Balances	4,134,172	4,021,564	7,168,650	628,606	3,048,013	17,382,655	36,383,660
Total Liabilities and Fund Balances	$ 4,426,418	$ 5,387,455	$ 7,879,716	$ 628,606	$ 3,846,823	$ 17,382,655	$ 39,551,673

See accompanying Note to Supplementary Information.

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENT FUNDS
YEAR ENDED JUNE 30, 2025

	Student Activity Fund	Adult Education Fund	Cafeteria Fund	County Schools Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Total Nonmajor Government Funds
REVENUES							
Federal Sources	$ -	$ 1,075,649	$ 3,380,840	$ -	$ -	$ -	$ 4,456,489
Other State Sources	-	7,440,116	4,168,953	-	122,745	66,595	11,798,409
Other Local Sources	7,305,120	711,825	613,938	24,035	621,934	16,320,129	25,596,981
Total Revenues	7,305,120	9,227,590	8,163,731	24,035	744,679	16,386,724	41,851,879
EXPENDITURES							
Instruction	-	3,910,541	-	-	-	-	3,910,541
Instruction - Related Services	-	3,161,567	-	-	-	-	3,161,567
Pupil Services	-	673,076	6,216,796	-	-	-	6,889,872
Ancillary Services	6,984,104	-	-	-	-	-	6,984,104
General Administration	-	340,642	319,381	-	-	-	660,023
Plant Services	-	785,392	3,168	-	790,043	-	1,578,603
Other Outgo	-	3,500	-	-	-	-	3,500
Debt Service	-	-	-	-	-	15,929,511	15,929,511
Total Expenditures	6,984,104	8,874,718	6,539,345	-	790,043	15,929,511	39,117,721
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	321,016	352,872	1,624,386	24,035	(45,364)	457,213	2,734,158
OTHER FINANCING SOURCES (USES)							
Interfund Transfers In	-	-	-	-	1,006,584	-	1,006,584
Interfund Transfers Out	-	-	(49,716)	-	-	-	(49,716)
Total Other Financing Sources	-	-	(49,716)	-	1,006,584	-	956,868
NET CHANGES IN FUND BALANCE	321,016	352,872	1,574,670	24,035	961,220	457,213	3,691,026
Fund Balances - Beginning of Year	3,813,156	3,668,692	5,593,980	604,571	2,086,793	16,925,442	32,692,634
FUND BALANCES - END OF YEAR	$ 4,134,172	$ 4,021,564	$ 7,168,650	$ 628,606	$ 3,048,013	$ 17,382,655	$ 36,383,660

See accompanying Note to Supplementary Information.

NOTE 1 PURPOSE OF SCHEDULES

Schedule of Average Daily Attendance

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

Schedule of Instructional Time

This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of article 8 (commencing with section 46200) of chapter 2 of part 26 of the Education Code.

Schedule of Expenditures of Federal Awards

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the District under programs of the federal governmental for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Indirect Cost Rate

The District did not use the 10% de minimis indirect cost rate as allowed under Uniform Guidance.

Schedule of Financial Trends and Analysis

The *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* requires that this schedule be prepared showing financial trends of the general fund over the past three fiscal years as well as the current year budget. This report is intended to identify if the District faces potential fiscal problems and if the District has met the recommended available reserve percentages.

NOTE 1 PURPOSE OF SCHEDULES (CONTINUED)

Schedule of Charter Schools

The *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* requires that this schedule list all charter schools chartered by the District and inform the users whether or not the charter school information is included in the District's financial statements.

Reconciliation of the Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balances of all funds as reported on the annual Financial and Budget Report form to the audited financial statements.

Combining Fund Financial Statements

A combining fund balance sheet and statement of revenues, expenditures, and changes in fund balance has been presented for the nonmajor funds to provide additional information to the users of these financial statements. These statements have been prepared using the basis of accounting described in the notes to the financial statements.

OTHER INFORMATION

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
LEA ORGANIZATION STRUCTURE
YEAR ENDED JUNE 30, 2025

The Huntington Beach Union High School District was established in 1903 and consists of an area comprising approximately 46 square miles. There were no changes in the boundaries of the District during the current year. The District operates six comprehensive high schools, a continuation high school, an alternative high school, a community day school, and an adult education program.

The board of education and the District Administrators for the fiscal year ended June 30, 2025 were as follows:

BOARD OF TRUSTEES

Member	Officer	Term Expires
Susan Henry B.F.A.	President	November 30, 2028
Dr. Bonnie Castrey	Vice President	November 30, 2026
Diana Carey	Clerk	November 30, 2026
Duane Dishno, Ed.D	Alternate Clerk	November 30, 2026
Christine Hernandez	Member	November 30, 2028

DISTRICT ADMINISTRATORS

Dr. Carolee Ogata	Superintendent
Traci Green	Assistant Superintendent - Business Services
Haik Seropian	Director - Fiscal Services

OTHER INDEPENDENT AUDITORS' REPORTS

CliftonLarsonAllen LLP
CLAconnect.com

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

Board of Education
Huntington Beach Union High School District
Huntington Beach, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Huntington Beach Union High School 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 December 18, 2025.

Report on 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 entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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Report on 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
December 18, 2025

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
Huntington Beach Union High School District
Huntington Beach, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Huntington Beach Union High School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative* Requirements*, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditors' Responsibilities for the Audit of Compliance* section of our report.

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

Responsibilities of Management for Compliance

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

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Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
December 18, 2025

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER STATE COMPLIANCE

Board of Education
Huntington Beach Union High School District
Huntington Beach, California

Report on State Compliance

Opinion on State Compliance

We have audited the Huntington Beach Union High School District's (the District) compliance with the requirements specified in the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable the District's state program requirements identified below for year ended June 30, 2025.

In our opinion, the District complied, in all material respects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2025.

Basis for Opinion on State Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.* Our responsibilities under those standards and are further described in the *Auditors' Responsibilities for the Audit of Compliance* section of our report.

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

Responsibilities of Management for State Compliance

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

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Auditors' Responsibilities for the Audit of State Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2024-25 Guide of Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed; and

- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

Description	Procedures Performed
Local Education Agencies other than Charter Schools	
A. Attendance	Yes
B. Teacher Certification and Misassignments	Yes
D. Independent Study	Yes
E. Continuation Education	Yes
F. Instructional Time	Yes
G. Instructional Materials	Yes
H. Ratio of Administrative Employees to Teachers	Yes
I. Classroom Teacher Salaries	Yes
J. Early Retirement Incentive	Not Applicable[2]
K. GANN Limit Calculation	Yes
L. School Accountability Report Card	Yes
M. Juvenile Court School	Not Applicable[2]
N. Middle or Early College High Schools or Programs	Not Applicable[2]
O. K-3 Grade Span Adjustment	Not Applicable[2]
Q. Apprenticeship: Related and Supplemental Instruction	Not Applicable[2]
R. Comprehensive School Safety Plan	Yes
S. District of Choice	Not Applicable[2]
TT. Home to School Transportation Reimbursement	Yes
School Districts, County Offices of Education, and Charter Schools	
T. Proposition 28 Arts and Music in Schools	Yes
U. After/Before School Education and Safety Program	Not Applicable[2]
V. Proper Expenditure of Education Protection Account Funds	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts	Yes
X. Local Control and Accountability Plan	Yes
Y. Independent Study-Course Based	Not Applicable[2]
Z. Immunizations	Not Applicable[2]
AZ. Educator Effectiveness	Yes
BZ. Expanded Learning Opportunity Grant (ELO-G)	Yes
CZ. Career Technical Education Incentive Grant	Yes
DZ. Expanded learning Opportunities Program	Not Applicable[2]
EZ. Transitional Kindergarten	Not Applicable[2]
FZ. Kindergarten Continuance	Not Applicable[2]
Charter Schools:	
AA. Attendance	No[1]
BB. Mode of Instruction	No[1]
CC. Nonclassroom Based Instruction/Independent Study	No[1]
DD. Determination of Funding for Nonclassroom-Based Instruction	No[1]
EE. Annual Instructional Minutes – Classroom Based	No[1]
FF. Charter School Facility Grant Program	No[1]

[1] The District is not the Granting Agency for any charter schools.
[2] Testing is not applicable as the District did not participate in the program.

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

Report on Internal Control over Compliance

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

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

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
December 18, 2025

FINDINGS AND QUESTIONED COSTS

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SUMMARY OF AUDITOR RESULTS
JUNE 30, 2025

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
   - Material weakness(es) identified? _____ yes ____x____ no
   - Significant deficiency(ies) identified? _____ yes ____x____ none reported
3. Noncompliance material to financial statements noted? _____ yes ____x____ no

Federal Awards

1. Internal control over major federal programs:
   - Material weakness(es) identified? _____ yes ____x____ no
   - Significant deficiency(ies) identified? _____ yes ____x____ none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes ____x____ no

Identification of Major Federal Programs

Federal Assistance Listing Numbers	Name of Federal Program or Cluster
10.553, 10.555	Child Nutrition Cluster
84.027, 84.173	Special Education Cluster (IDEA)

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

Auditee qualified as low-risk auditee? _____ yes ____x____ no

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
RELATED TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

All audit findings must be identified as one or more of the following categories:

Five Digit Code	Finding Types
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Programs
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

FINANCIAL STATEMENTS

Our audit did not disclose any findings related to the basic financial statement for the year ended June 30, 2025.

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
RELATED TO FEDERAL AWARDS
JUNE 30, 2025

FEDERAL AWARDS

Our audit did not disclose any matters required to be reported in accordance with 2CFR 2000.516(a).

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
RELATED TO STATE AWARDS
JUNE 30, 2025

STATE COMPLIANCE

Our audit did not disclose any matters required to be reported related to state compliance.

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025

There were no prior year findings and questioned costs related to the basic financial statements, federal awards, or state awards for the prior year.

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