Financial Statements
June 30, 2024

Anaheim Union High School District

Anaheim Union High School District
Table of Contents
June 30, 2024

Independent Auditor's Report 1

Management's Discussion and Analysis 5

Government-Wide Financial Statements

- Statement of Net Position 15
- Statement of Activities 16

Governmental Fund Financial Statements

- Balance Sheet – Governmental Funds 17
- Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position 18
- Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 20
- Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 21

Proprietary Fund Financial Statements

- Statement of Net Position – Proprietary Funds 23
- Statement of Revenues, Expenses, and Change in Net Position – Proprietary Funds 24
- Statement of Cash Flows – Proprietary Funds 25

Fiduciary Fund Financial Statements

- Statement of Net Position – Fiduciary Fund 26
- Statement of Change in Net Position – Fiduciary Fund 27

Notes to Financial Statements 28

Required Supplementary Information

- Budgetary Comparison Schedule – General Fund 72
- Schedule of Changes in the District's Total OPEB Liability and Related Ratios 73
- Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program 74
- Schedule of the District's Proportionate Share of the Net Pension Liability - CalSTRS 75
- Schedule of the District's Proportionate Share of the Net Pension Liability - CalPERS 76
- Schedule of the District's Contributions - CalSTRS 77
- Schedule of the District's Contributions - CalPERS 78
- Notes to Required Supplementary Information 79

Supplementary Information

- Schedule of Expenditures of Federal Awards 81
- Schedule of Average Daily Attendance 83
- Schedule of Instructional Time 84
- Reconciliation of Annual Financial and Budget Report with Audited Financial Statements 85
- Schedule of Financial Trends and Analysis 86
- Combining Balance Sheet – Non-Major Governmental Funds 87
- Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds 88
- Notes to Supplementary Information 90

Other Information

Local Education Agency Organization Structure (Unaudited) 92

Independent Auditor's Reports

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 93

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance 95

Independent Auditor's Report on State Compliance and on Internal Control Over Compliance 98

Schedule of Findings and Questioned Costs

Summary of Auditor's Results 102
Financial Statement Findings 103
Federal Awards Findings and Questioned Costs 105
State Compliance Findings and Questioned Costs 106
Summary Schedule of Prior Audit Findings 107

Management Letter 108

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Governing Board
Anaheim Union High School District
Anaheim, California

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying 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 Anaheim Union High School District, as of June 30, 2024, 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 *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

Correction of Error

As discussed in Note 17 to the financial statements, certain errors resulting in an understatement of amounts previously reported for accounts payable as of June 30, 2023, were discovered during the current year. Accordingly, a restatement has been made to the Building Fund's fund balance and governmental activities net position as of July 1, 2023 to correct the error. Our opinions are not modified with respect to this matter.

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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the District's total OPEB liability and related ratios, schedule of the District's proportionate share of the net OPEB liability – MPP program, schedule of the District's proportionate share of the net pension liability - CalSTRS, schedule of the District's proportionate share of the net pension liability - CalPERS, schedule of the District's contributions - CalSTRS, and schedule of the District's contributions - CalPERS, 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 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*, combining non-major governmental fund financial statements, and other supplementary information listed in the table of contents 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 Schedule of Expenditures of Federal Awards, combining non-major governmental fund financial statements, and other supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the Local Education Agency Organization Structure but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2024 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, 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.

Eide Bailly LLP

Rancho Cucamonga, California
December 4, 2024

This section of Anaheim Union High School District's (the District) June 30, 2024, annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2024, with comparative information for the year ended June 30, 2023. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

The financial statements presented herein include all of the activities of the District and its component units using the integrated approach as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34.

The *Government-Wide Financial Statements* present the financial picture of the District from the economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the District (including capital assets), deferred outflows of resources, as well as all liabilities (including long-term obligations) and deferred inflows of resources. Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables, and receivables.

Governmental Activities are prepared using the economic resources measurement focus and the accrual basis of accounting.

The *Fund Financial Statements* include statements for each of the three categories of activities: governmental, proprietary, and fiduciary.

- The *Governmental Funds* are prepared using the current financial resources measurement focus and modified accrual basis of accounting.
- The *Proprietary Funds* are prepared using the economic resources measurement focus and the accrual basis of accounting.
- The *Fiduciary Funds* are prepared using the economic resources measurement focus and the accrual basis of accounting.

Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach.

The Primary unit of the government is the Anaheim Union High School District.

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

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

These two statements report the District's net position and changes in them. Net position is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the District's property tax base and the condition of the District's facilities.

The relationship between revenues and expenses is the District's operating results. Since the governing board's responsibility is to provide services to our students and not to generate profit as commercial entities do, one must consider other factors when evaluating the overall health of the District. The quality of the education and the safety of our schools will likely be an important component in this evaluation.

In the *Statement of Net Position* and the *Statement of Activities*, we present the District activities as follows:

Governmental Activities - The District reports all of its services in this category. This includes the education of grade seven through grade twelve students, and the on-going effort to improve and maintain buildings and sites. Property taxes, State income taxes, user fees, interest income, Federal, State and local grants, as well as general obligation bonds, finance these activities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money that it receives from the governmental agencies.

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

Proprietary Funds - When the District charges users for the services it provides, whether to outside customers or to other departments within the District, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the *Statement of Net Position* and the *Statement of Revenues, Expenses, and Change in Fund Net Position*. We use the internal service funds to report activities that provide supplies and services for the District's other programs and activities - such as the District's Self-Insurance Fund. The internal service fund is reported with governmental activities in the government-wide financial statements.

THE DISTRICT AS A TRUSTEE

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for funds held on behalf of others, like our custodial pass-through fund for special education local plan area (SELPA) activities. The District's fiduciary activities are reported in the *Statement of Fiduciary Position* and the *Statement of Change in Net Position*. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in this fund are used for their intended purposes.

THE DISTRICT AS A WHOLE

Net Position

The District's net position was $347,133,312 for the fiscal year-ended June 30, 2024. Of this amount, $(190,989,082) was unrestricted deficit. Restricted net position is reported separately to show legal constraints from debt covenants, grantors, constitutional provisions, and enabling legislation that limit the governing board's ability to use the net position for day-to-day operations. Our analysis below, in summary form, focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

Table 1

	Governmental Activities	
	2024	2023 As Restated*
Assets		
Current and other assets	$ 516,021,756	$ 540,254,968
Capital assets	599,156,314	498,201,920
Total assets	1,115,178,070	1,038,456,888
Deferred Outflows of Resources	143,198,234	124,284,238
Liabilities		
Current liabilities	63,072,354	63,973,185
Long-term liabilities	786,086,991	756,360,399
Total liabilities	849,159,345	820,333,584
Deferred Inflows of Resources	62,083,647	83,522,519
Net Position		
Net investment in capital assets	320,532,968	247,205,684
Restricted	174,544,165	220,983,963
Unrestricted (deficit)	(190,989,082)	(209,304,624)
Total net position	$ 304,088,051	$ 258,885,023

* See Note 17 for additional details on restatement.

The $(190,989,082) in unrestricted deficit of governmental activities represents the accumulated results of all past years' operations. Unrestricted deficit – 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 $18,315,542, or 8.8% from the prior year.

The increase in total assets is primarily due to an increase in capital assets attributed to the modernization/construction projects completed and in progress. Total liabilities increased mainly due to the increase in the net pension liability. The increase in net position is mainly attributed to an increase in capital assets.

Changes in Net Position

The changes in net position for this year's operations for the District as a whole are reported in the *Statement of Activities* on page 16. Table 2 takes the information from the Statement, rounds off the numbers, and rearranges them slightly so you can see our total revenues for the year.

Table 2

	Governmental Activities	
	2024	2023 As Restated*
Revenues		
Program revenues		
Charges for services and sales	$ 3,836,337	$ 4,427,397
Operating grants and contributions	164,947,916	218,278,624
Capital grants and contributions	5,951,701	11,905,069
General revenues		
Federal and State aid not restricted	298,908,697	283,974,256
Property taxes	163,216,283	155,457,703
Other general revenues	38,418,441	31,931,321
Total revenues	675,279,375	705,974,370
Expenses		
Instruction-related	364,610,634	326,403,458
Pupil services	84,190,576	72,433,103
Administration	44,902,235	32,956,176
Plant services	48,127,983	49,213,497
All other services	45,199,658	40,177,804
Total expenses	587,031,086	521,184,038
Change in net position	$ 88,248,289	$ 184,790,332

* See Note 17 for additional details on restatement.

Governmental Activities

As reported in the *Statement of Activities* on page 16, the cost of all of our governmental activities this year was $587,031,086. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only $163,216,283 because the cost was paid by those who benefited from the programs ($3,836,337) or by other governments and organizations who subsidized certain programs with grants and contributions ($170,899,617). We paid for the remaining "public benefit" portion of our governmental activities with $337,327,138 in Federal and State funds and with other revenues, like interest and general entitlements. Operating grants and contributions consist of categorical programs. Capital grants and contributions consist of State modernization and construction funds.

In Table 3, we have presented the cost and net cost of each of the District's largest functions: instruction-related, including special instruction programs and other instructional programs, pupil services, administration, plant services, and all other services. As discussed above, 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	
	2024	2023 As Restated*	2024	2023 As Restated*
Instruction-related	$ 364,610,634	$ 326,403,458	$ (286,914,184)	$ (180,721,525)
Pupil services	84,190,576	72,433,103	(41,065,313)	(24,320,474)
Administration	44,902,235	32,956,176	(40,821,076)	(29,315,072)
Plant services	48,127,983	49,213,497	(14,058,156)	(39,348,764)
All other services	45,199,658	40,177,804	(29,436,403)	(12,867,113)
Total	$ 587,031,086	$ 521,184,038	$ (412,295,132)	$ (286,572,948)

* See Note 17 for additional details on restatement.

The primary reason for an increase in the cost of services provided to students is increased labor costs including salaries and benefits.

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of $411,216,620, which is a decrease of $26,655,124, or 6.1% from last year (Table 4).

Table 4

Governmental Fund	Balances and Activity			
	July 1, 2023 as Restated*	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	June 30, 2024
General Fund	$ 295,201,319	$ 588,419,300	$ 592,342,400	$ 291,278,219
Building Fund	40,827,694	1,486,227	41,640,713	673,208
Student Activity Fund	3,174,660	5,366,657	5,351,821	3,189,496
Cafeteria Fund	13,707,630	36,964,732	30,494,964	20,177,398
Capital Facilities Fund	26,681,641	8,145,724	16,551,103	18,276,262
County School Facilities	66,499	5,951,701	5,934,068	84,132
Special Reserve Fund for Capital Outlay Projects	42,053,673	44,640,828	26,108,788	60,585,713
Bond Interest and Redemption Fund	16,158,628	74,915,126	74,121,562	16,952,192
Total	$ 437,871,744	$ 765,890,295	$ 792,545,419	$ 411,216,620

* See Note 17 for additional details on restatement.

The primary reasons for these increases/decreases are:

1. The General Fund is the principal operating fund. The actual fund balance during the 2023-2024 fiscal year-decreased approximately $3.9 million, primarily due to decreasing revenues from one-time funds and increasing costs of salaries and benefits.
2. The Building Fund decreased $40.1 million mainly attributed to expenditures on Measure H bond projects.
3. The Districts Capital Facilities Fund revenue was $8.1 million, and expenditures were $16.5 million resulting in a decrease of $8.4 million in fund balance. Expenditures include$2.8 million in debt service payments for the 2017 Certificates of Participation.
4. Our Special Reserve fund for Capital Outlay Projects increased $18.5 million. The State Facilities funds received revenues of $5.9 million to reimburse facilities projects that were pre-funded using other funds. The General Fund also transferred $33.3 million to the Special Reserve fund for capital projects. Expenditures for capital projects total $9.2 million. Expenditures of $2.8 million were attributed to debt service payments recorded in the Special Reserve Fund which is offset by a transfer of funds from the Capital Facilities Fund.
5. The Cafeteria Fund increased $6.5 million primarily from increased federal revenues for meal reimbursements for the national school lunch program. The District served 324,795 more meals in 2023-2024 than in 2022-2023. In addition, the reimbursement rate for lunches increased from $5.24 to $5.3186 for each meal claimed. For breakfast we received $3.6986 for each meal in 2023-2024, while in 2022-2023 we received $3.565 per meal claimed.

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The final amendment to the budget was adopted in September 2024. (A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in our annual report on page 72.

- General Fund final budgeted ending fund balance increased by approximately $22.8 million over the original projection. A total of $92.1 million in restricted funds were budgeted in expenditure accounts in the original budget and then moved to the Restricted Reserve in the final budget. This is a normal practice of the District as not all restricted monies are spent in the year the monies are received.
- Magnolia High School Pool Renovation completed at a cost of $6.7 million.
- Anaheim High School Track and Field project completed at a cost of $9.7 million.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

At the end of this year, the District had $599,156,314 in a broad range of capital assets, including land and construction in progress, building and improvements, furniture and equipment, and right-to-use subscription IT assets (net of depreciation and amortization). This amount represents a net increase of $100,954,394, or 20.3%, from last year.

Table 5

	Governmental Activities	
	2024	2023
Land and construction in progress	$ 252,053,097	$ 215,515,447
Buildings and improvements	319,376,401	254,574,061
Furniture and equipment	26,901,999	27,372,930
Right-to-use subscription IT assets	824,817	739,482
Total	$ 599,156,314	$ 498,201,920

This year's increase of $101.0 million is due to capital projects with Measure H funds, Special Reserve fund for Capital Outlay Projects, and ESSER funds.

The District's major construction program is on-going. Smaller, routine facilities projects are also on-going.

Several capital projects were planned for the 2023-2024 year. We expended $116,719,491 on capital additions for the 2023-2024 year. We present more detailed information about our capital assets in the notes to the financial statements.

Long-Term Liabilities

At the end of this year, the District had $300,473,215 in long-term liabilities versus $313,273,498 last year, a decrease of $12,800,283, or 4.1%. The long-term liabilities consisted of the following:

Table 6

	Governmental Activities	
	2023	2023
Long-Term Liabilities		
General obligation bonds	$ 242,693,131	$ 258,055,575
Premium on issuance	16,758,622	13,522,338
Certificates of participation	28,320,000	29,580,000
Premium on issuance	1,337,506	1,418,567
Finance purchase agreement	1,122,191	1,477,808
Property and liability	553,697	400,000
Claims liability	2,098,738	311,806
Supplemental early retirement plan (SERP)	2,805,966	4,383,748
Subscription-based IT arrangements	675,011	583,013
Compensated absences	4,108,353	3,540,643
OPEB Liabilty	86,953,228	84,736,945
Aggregate pension liabiilty	398,660,548	358,349,956
Total	$ 786,086,991	$ 756,360,399

The District's general obligation bond rating continues to be "Aa2." The State limits the amount of general obligation debt that districts can issue to no more than 2.5% of the assessed value of all taxable property within the District's boundaries. The District's outstanding general obligation debt of $242,693,131 is significantly below the statutorily-imposed limit.

We present more detailed information regarding our long-term liabilities in of the notes to the financial statements.

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2023-2024 ARE NOTED BELOW:

The District completed site improvements in the amount of $99.1 million at Dale, Jr High School, Ball Jr High School, Magnolia High School, and Sycamore Jr High School.

The District received a State School Facilities funding in the amount of $5.9 million for Magnolia High School and Western High School.

The District received $4.7 million in Proposition 28 funds for arts and music in the schools and $3.5 million to expand the California Community Schools Program to include three additional school sites.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

In considering the District's Adopted Budget for the 2024-2025 year, the governing board and management used the following criteria:

The key assumptions in our revenue forecast are:

1. Cost-of-Living Adjustment (COLA) of 1.07%.
2. Average Daily Attendance (ADA) was budgeted using the three-year average daily attendance option.
3. The GAP funding rate is fully funded at 100%.
4. The unduplicated enrollment count percentage used was 80.68%. The three-year rolling average is 80.23%.
5. State lottery was budgeted at $249 per ADA.
6. Grants include estimated carryover from 2023-2024 and are adjusted to actual after June 30, 2024.
7. Interest rate for Cash in County is budgeted at 4.19%.
8. Certificated negotiations for the 2024-2025 fiscal year are not complete.
9. Classified negotiations for the 2024-2025 fiscal year are not complete.
10. Health and welfare costs were budgeted for an overall increase due to estimated increase in premiums. Workers' Compensation was budgeted to decrease by 0.075% due to rate decrease.
11. Routine restricted maintenance expenditures include three percent of total budgeted expenditures.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Assistant Superintendent, Business, at (714) 999-3555, Anaheim Union High School District, 501 Crescent Way, Anaheim, California, 92803.

	Governmental Activities
Assets	
Deposits and investments	$ 430,867,705
Restricted assets - pension trust	28,419,284
Receivables	55,105,918
Stores inventories	727,490
Lease receivable	901,359
Capital assets not depreciated or amortized	252,053,097
Capital assets, net of accumulated depreciation and amortization	347,103,217
Total assets	1,115,178,070
Deferred Outflows of Resources	
Deferred charge on refunding	183,682
Deferred outflows of resources related to OPEB	11,236,417
Deferred outflows of resources related to pensions	131,778,135
Total deferred outflows of resources	143,198,234
Liabilities	
Accounts payable	51,106,912
Accrued interest payable	4,312,576
Unearned revenue	1,332,866
Claims liability	6,320,000
Long-term liabilities	
Long-term liabilities other than OPEB and pensions due within one year	15,866,676
OPEB liability due in one year	3,089,519
Long-term liabilities other than OPEB and pensions due in more than one year	284,606,539
Other postemployment benefits (OPEB) liability	83,863,709
Aggregate net pension liability	398,660,548
Total liabilities	849,159,345
Deferred Inflows of Resources	
Deferred charge on refunding	2,187,952
Deferred inflows of resources related to OPEB	40,181,222
Deferred inflows of resources related to pensions	18,813,114
Deferred inflows of resources related to leases	901,359
Total deferred inflows of resources	62,083,647
Net Position	
Net investment in capital assets	320,532,968
Restricted for	
Debt service	12,639,616
Capital projects	18,360,394
Educational programs	92,099,572
Self-insurance	43,045,261
Other activities	23,025,299
Other restrictions - pension trust	28,419,284
Unrestricted (deficit)	(190,989,082)
Total net position	$ 347,133,312

Functions/Programs	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities
Governmental Activities					
Instruction	$ 321,675,433	$ 1,257,802	$ 66,973,894	$ 5,951,701	$ (247,492,036)
Instruction-related activities					
Supervision of instruction	10,666,887	130,413	2,217,726	-	(8,318,748)
Instructional library, media, and technology	2,152,892	-	2,577	-	(2,150,315)
School site administration	30,115,422	14,107	1,148,230	-	(28,953,085)
Pupil services					
Home-to-school transportation	9,236,420	1,736	32,428	-	(9,202,256)
Food services	32,928,870	436,597	35,131,112	-	2,638,839
All other pupil services	42,025,286	82,173	7,441,217	-	(34,501,896)
Administration					
Data processing	8,701,127	28	75,507	-	(8,625,592)
All other administration	36,201,108	17,826	3,987,798	-	(32,195,484)
Plant services	48,127,983	715,951	33,353,876	-	(14,058,156)
Ancillary services	13,885,796	1,408	6,320,165	-	(7,564,223)
Community services	3,404,482	-	2,009,771	-	(1,394,711)
Interest on long-term liabilities	11,341,603	-	-	-	(11,341,603)
Other outgo	16,567,777	1,178,296	6,253,615	-	(9,135,866)
Total governmental activities	$ 587,031,086	$ 3,836,337	$ 164,947,916	$ 5,951,701	(412,295,132)
General Revenues and Subventions					
Property taxes, levied for general purposes					138,567,316
Property taxes, levied for debt service					19,798,170
Taxes levied for other specific purposes					4,850,797
Federal and State aid not restricted to specific purposes					298,908,697
Interest and investment earnings					19,478,251
Miscellaneous					18,940,190
Subtotal, general revenues and subventions					500,543,421
Change in Net Position					88,248,289
Net Position - Beginning, as previously reported					259,280,891
Adjustments (Note 17)					(395,868)
Net Position - Beginning, as restated					258,885,023
Net Position - Ending					$ 347,133,312

Anaheim Union High School District
Balance Sheet – Governmental Funds
June 30, 2024

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
Assets					
Deposits and investments	$ 254,555,289	$ 153,752	$ 72,079,462	$ 53,861,863	$ 380,650,366
Restricted assets - pension trust	28,419,284	-	-	-	28,419,284
Receivables	48,479,080	1,040	268,004	6,164,260	54,912,384
Due from other funds	1,946,221	632,952	869,415	3,392,739	6,841,327
Stores inventories	389,230	-	-	338,260	727,490
Lease receivable	901,359	-	-	-	901,359
Total assets	$ 334,690,463	$ 787,744	$ 73,216,881	$ 63,757,122	$ 472,452,210
Liabilities and Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts payable	$ 34,992,244	$ 69,108	$ 12,305,244	$ 3,006,510	$ 50,373,106
Due to other funds	6,334,311	45,428	325,924	1,922,596	8,628,259
Unearned revenue	1,184,330	-	-	148,536	1,332,866
Total liabilities	42,510,885	114,536	12,631,168	5,077,642	60,334,231
Deferred Inflows of Resources					
Deferred inflows of resources related to leases	901,359	-	-	-	901,359
Fund Balances					
Nonspendable	544,230	-	-	341,595	885,825
Restricted	120,518,856	673,208	-	58,337,885	179,529,949
Committed	65,015,561	-	-	-	65,015,561
Assigned	29,430,409	-	60,585,713	-	90,016,122
Unassigned	75,769,163	-	-	-	75,769,163
Total fund balances	291,278,219	673,208	60,585,713	58,679,480	411,216,620
Total liabilities, deferred inflows of resources, and fund balances	$ 334,690,463	$ 787,744	$ 73,216,881	$ 63,757,122	$ 472,452,210

Total Fund Balance - Governmental Funds		$ 411,216,620
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	$ 836,648,602	
Accumulated depreciation and amortization is	(237,492,288)	
Net capital assets		599,156,314
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term liabilities is recognized when it is incurred.		(4,312,576)
An internal service fund is used by management to charge the costs of the workers' compensation and health and welfare insurance programs to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities in the statement of net position.		43,045,261
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the governmental funds. Deferred outflows of resources amounted to and related to		
Deferred charge on refunding	183,682	
Other postemployment benefits (OPEB) liability	11,236,417	
Aggregate net pension liability	131,778,135	
Total deferred outflows of resources		143,198,234
Deferred inflows of resources represent an acquisition of net position that applies to a future period and is not reported in the governmental funds. Deferred inflows of resources amount to and related to		
Debt refundings (deferred charge on refunding)	(2,187,952)	
Other postemployment benefits (OPEB) liability	(40,181,222)	
Aggregate net pension liability	(18,813,114)	
Total deferred inflows of resources		(61,182,288)
Aggregate net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		(398,660,548)
The District's OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.		(86,953,228)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Long-term liabilities at year-end consist of		
General obligation bonds	$ (229,078,954)	
Premium on issuance of general obligation bonds	(16,758,622)	
Certificates of participation	(28,320,000)	
Premium on issuance of certificates of participation	(1,337,506)	
Finance purchase agreement	(1,122,191)	
Subscription-based IT arrangements	(675,011)	
Property and liability	(553,697)	
Supplemental early retirement plan (SERP)	(2,805,966)	
Compensated absences (vacations)	(4,108,353)	
In addition, capital appreciation general obligation bonds were issued. The accretion of interest to date on the general obligation bonds is:	(13,614,177)	
Total long-term liabilities		$ (298,374,477)
Total net position - governmental activities		$ 347,133,312

Anaheim Union High School District

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended June 30, 2024

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
Revenues					
Local Control Funding Formula (LCFF)	$422,683,740	$ -	$ -	$ -	$422,683,740
Federal sources	51,388,315	-	-	24,224,838	75,613,153
Other State sources	78,183,974	-	-	18,106,830	96,290,804
Other local sources	35,644,842	1,486,227	2,541,356	34,308,248	73,980,673
Total revenues	587,900,871	1,486,227	2,541,356	76,639,916	668,568,370
Expenditures					
Current					
Instruction	309,969,838	-	-	-	309,969,838
Instruction-related activities					
Supervision of instruction	10,420,425	-	-	-	10,420,425
Instructional library, media, and technology	2,089,001	-	-	-	2,089,001
School site administration	28,475,308	-	-	-	28,475,308
Pupil services					
Home-to-school transportation	8,486,296	-	-	-	8,486,296
Food services	1,852,237	-	-	29,213,565	31,065,802
All other pupil services	41,826,712	-	-	-	41,826,712
Administration					
Data processing	9,168,758	-	-	-	9,168,758
All other administration	34,031,075	-	-	946,242	34,977,317
Plant services	46,469,544	-	-	352,840	46,822,384
Ancillary services	8,518,792	-	-	5,351,821	13,870,613
Community services	3,327,497	-	-	-	3,327,497
Other outgo	16,567,777	-	-	-	16,567,777
Facility acquisition and construction	34,741,095	41,640,713	23,757,132	13,636,761	113,775,701
Debt service					
Principal	782,048	-	1,260,000	10,555,000	12,597,048
Interest and other	560,320	-	1,091,656	9,160,634	10,812,610
Total expenditures	557,286,723	41,640,713	26,108,788	69,216,863	694,253,087
Excess (Deficiency) of Revenues Over Expenditures	30,614,148	(40,154,486)	(23,567,432)	7,423,053	(25,684,717)
Other Financing Sources (Uses)					
Transfers in	-	-	42,099,472	-	42,099,472
Other sources - SBITAs	518,429	-		-	518,429
Other sources - proceeds from issuance of general obligation bonds	-	-	-	48,040,000	48,040,000
Other sources - premium on issuance of general obligation bonds	-	-		6,664,024	6,664,024
Transfers out	(35,055,677)	-	-	(8,830,727)	(43,886,404)
Other uses - payment to refunded bonds escrow agent	-	-	-	(54,405,928)	(54,405,928)
Net Financing Sources (Uses)	(34,537,248)	-	42,099,472	(8,532,631)	(970,407)
Net Change in Fund Balances	(3,923,100)	(40,154,486)	18,532,040	(1,109,578)	(26,655,124)
Fund Balance - Beginning, as previously reported	295,201,319	41,223,562		101,842,731	438,267,612
Adjustments (Note 17)	-	(395,868)	-	-	(395,868)
Adjustments (Note 18)	-	-	42,053,673	(42,053,673)	-
Fund Balance - Beginning, as restated	295,201,319	40,827,694	42,053,673	59,789,058	437,871,744
Fund Balance - Ending	$291,278,219	$ 673,208	$ 60,585,713	$ 58,679,480	$411,216,620

Total Net Change in Fund Balances - Governmental Funds		$ (26,655,124)
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Capital outlay to purchase or build capital assets are reported in governmental funds as expenditures; however, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities. This is the amount by which capital outlay exceeds depreciation and amortization expense in the period.		
Capital outlay	$ 116,719,491	
Depreciation and amortization expense	(15,718,543)	
Net expense adjustment		101,000,948
Loss on disposal of capital assets is reported in the government-wide Statement of Net Position, but is not recorded in the governmental funds.		(46,554)
Right-to-use subscription IT assets acquired this year were financed with subscription-based IT arrangements (SBITAs). The amount financed by the SBITAs is reported in the governmental funds as a source of financing. On the other hand, the SBITAs are not revenues in the Statement of Activities, but rather constitute long-term liabilities in the Statement of Net Position.		(518,429)
In the Statement of Activities, certain operating expenses, such as compensated absences (vacations) and special termination benefits (early retirement) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, special termination benefits paid were more than the amount earned by $1,577,782. Vacation earned was more than the amount used by $567,710.		1,010,072
In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and net pension liability during the year.		516,160
In the governmental funds, OPEB costs are based on employer contributions made to OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows, deferred inflows, and aggregate net OPEB liability during the year.		552,212

The claims activity for property liability are reported in the governmental funds (General Fund) as expenditures. In the Statement of Net Position, the property liabilities incurred but not claimed are reported as long-term obligations.	$ (153,697)
Proceeds received from General Obligation bonds is a revenue in the governmental funds, but it increases long-term liabilities in the Statement of Net Position and does not affect the Statement of Activies.	(48,040,000)
Governmental funds report the effect of premiums and deferred charge on refunding when the debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.	
Premium on issuance	(6,664,024)
Deferred charge on refunding	(2,187,952)
Payment of principal on long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities	
General obligation bonds	64,540,000
Certificates of participation	1,260,000
Finance purchase agreement	355,617
Subscription-based IT arrangements	426,431
Under the modified basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. This adjustment combines the net changes of the following balances	
Amortization of premium on issuance	3,508,801
Amortization of deferred charge on refunding	(153,068)
Interest on long-term liabilities in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the Statement of Activities is the result of two factors. First, accrued interest on the general obligation bonds and certificates of participation increased by $138,290, and second, $1,137,556 of accumulated interest was accreted on the District's capital appreciation general obligation bonds.	(1,275,846)
An internal service fund is used by management to charge the costs of the self insurance program to the individual funds. The net revenue of the Internal Service Fund is reported with governmental activities.	772,742
Change in net position of governmental activities	$ 88,248,289

	Governmental Activities Internal Service Fund
Assets	
Current assets	
Deposits and investments	$ 50,217,339
Receivables	193,534
Due from other funds	1,786,932
Total current assets	52,197,805
Liabilities	
Current liabilities	
Accounts payable	733,806
Current portion of claims liabilities	6,399,620
Total current liabilities	7,133,426
Noncurrent liabilities	
Claims liabilities	2,019,118
Total liabilities	9,152,544
Net Position	
Restricted	$ 43,045,261

	Governmental Activities Internal Service Fund
Operating Revenues	
Charges for services	$ 64,465,150
Operating Expenses	
Claims expense	59,832,199
Provision for claims liability	2,534,936
Other operating cost	5,478,461
Operating Loss	(3,380,446)
Nonoperating Revenues	
Fair market value adjustments	353,284
Interest income	2,012,972
Total nonoperating revenues	2,366,256
Loss before transfers	(1,014,190)
Transfers in	1,786,932
Change in Net Position	772,742
Total Net Position - Beginning	42,272,519
Total Net Position - Ending	$ 43,045,261

	Governmental Activities Internal Service Fund
Operating Activities	
Cash received from interfund services provided	$ 64,465,199
Cash payments claims	(61,507,732)
Other operating cash payments	(5,478,461)
Net Cash Used for Operating Activities	(2,520,994)
Investing Activities	
Interest on investments and fair market value adjustments	2,347,999
Net Change in Cash and Cash Equivalents	(172,995)
Cash and Cash Equivalents, Beginning	50,390,334
Cash and Cash Equivalents, Ending	$ 50,217,339
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating loss	$ (3,380,446)
Changes in assets and liabilities	
Receivables	49
Accounts payable	(295,529)
Claims liability	1,154,932
Net Cash Used for Operating Activities	$ (2,520,994)

	Custodial Fund
Assets	
Investments	$ 13,227
Receivables	86
Total assets	$ 13,313
Liabilities	
Accounts payable	$ 13,313

Anaheim Union High School District
Statement of Change in Net Position – Fiduciary Fund
Year Ended June 30, 2024

	Custodial Fund
Additions	
Contributions	
Funds collected for others	$ 11,191,097
Investment earnings	
Net change in the fair value of investments	3,593
Total additions	11,194,690
Deductions	
Funds distributed to others	11,194,690
Net Change In Fiduciary Net Position	-
Net Position - Beginning	-
Net Position - Ending	$ -

Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The Anaheim Union High School District (the District) was organized in 1898 under the laws of the State of California. The District operates under a locally-elected five-member Board form of government and provides educational services to grades 7-12 as mandated by the State and Federal agencies. The District operates eight high schools, one continuation high school, eight junior high schools, one 7-12 academy, one special education facility, and an independent study program.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards, and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities.

Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. For financial reporting purposes, the component units have a financial and operational relationship which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 80, *Blending Requirements For Certain Component Units* and thus are included in the financial statements of the District. The component units, although legally separate entities, are reported in the financial statements using the blended presentation method as if they were part of the District's operations because the governing board of the component units is essentially the same as the governing board of the District and because their purpose is to finance the construction of facilities to be used for the benefit of the District.

The Anaheim Union High School District Facilities Corporation (the Corporation), as represented by the 2017 Certificates of Participation, have a financial and operational relationship which meets the reporting entity definition criteria of the GASB Statement No. 14, *The Financial Reporting Entity*, for inclusion of the Corporation as a component unit of the District. The component unit, although a legally separate entity, is reported in the financial statements using the blended presentation method as if they were part of the District's operations because the governing board of the component units is essentially the same as the governing board of the District and because their purpose is to finance the construction of facilities to be used for the direct benefit of the District. The financial statements present the Corporation's financial debt activity within the Special Reserve Fund for Capital Outlay Projects. All debt instruments issued by the Corporation are included as long-term obligations in the government-wide financial statements.

Basis of Presentation - Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The District's funds are grouped into three broad fund categories: governmental, proprietary, and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major and non-major governmental funds.

Major Governmental Funds

General Fund The General Fund is the chief operating fund for all districts. It is used to account for the ordinary operations of the District. All transactions except those accounted for in another fund are accounted for in this fund.

One fund currently defined as a special revenue fund in the California State Accounting Manual (CSAM) does not meet the GASB Statement No. 54 special revenue fund definition. Specifically, Fund 14, Deferred Maintenance Fund, is not substantially composed of restricted or committed revenue sources. While this fund is authorized by statute and will remain open for internal reporting purposes, this fund functions effectively as an extension of the General Fund, and accordingly has been combined with the General Fund for presentation in these audited financial statements.

As a result, the General Fund reflects an increase in fund balance of $11,331,102.

Building Fund The Building Fund exists primarily to account separately for proceeds from the sale of bonds (*Education Code* Section 15146) and may not be used for any purposes other than those for which the bonds were issued.

Special Reserve Fund for Capital Outlay Projects The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes (*Education Code* Section 42840).

Non-Major Governmental Funds

Special Revenue Funds The Special Revenue funds are 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** The Student Activity Fund is used to account separately for the operating activities of the associated student body accounts that are not fiduciary in nature, including student clubs, general operations, athletics, and other student body activities.

- **Cafeteria Fund** The Cafeteria Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* Sections 38091 and 38100).

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

- **Capital Facilities Fund** The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approval (*Education Code* Sections 17620-17626 and *Government Code* Section 65995 et. seq.). Expenditures are restricted to the purposes specified in *Government Code* Sections 65970-65981 or to the items specified in agreements with the developer (*Government Code* Section 66006).

- **County School Facilities Fund** The County School Facilities Fund is established pursuant to *Education Code* Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), the 2006 State School Facilities Fund (Proposition 1D), the 2016 State School Facilities Fund (Proposition 51) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070.10 et seq.).

Debt Service Funds The Debt Service funds are used to account for the accumulation of resources for, and the payment of, principal and interest on general long-term obligations.

- **Bond Interest and Redemption Fund** The Bond Interest and Redemption Fund is used for the repayment of bonds issued for the District (*Education Code* Sections 15125-15262).

Proprietary Fund Proprietary Fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The District applies all GASB pronouncements, as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. Proprietary funds are classified as enterprise or internal service. The District has the following proprietary fund:

- **Internal Service Fund** Internal Service Fund may be used to account for any activity for which services are provided to other funds of the District on a cost-reimbursement basis. The District operates workers' compensation and health and welfare self-insurance programs that are accounted for in an internal service fund.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the District and are not available to support the District's own programs. Fiduciary funds are split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The three types of trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics.

Custodial funds are used to account for resources, not in a trust, that are held by the District for other parties outside the District's reporting entity. The District's custodial fund accounts for monies received on behalf of Special Education Local Plan Area (SELPA) for special education revenue passed through to Greater Anaheim Special Education Local Plan Area (GASELPA).

Basis of Accounting – Measurement Focus

Government-Wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared.

The government-wide financial statement of activities presents a comparison between direct expenses and program revenues for each governmental program and excludes fiduciary activity. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the *Statement of Activities*, except for depreciation of capital assets and amortization of subscription-based IT assets. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the District. Eliminations have been made to minimize the double counting of internal activities.

Net position should be reported as restricted when constraints placed on net position are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities result from special revenue funds and the internal service fund, and the restrictions on the use of these funds.

Fund Financial Statements Fund financial statements report detailed information about the District. The focus of governmental financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major governmental funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

- **Governmental Funds** All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the statements for the governmental funds on a modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

- **Proprietary Funds** Proprietary Funds are accounted for using a flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of this fund are included in the statement of net position. The statement of revenues, expenses and changes in net position presents increases (revenues) and decreases (expenses) in net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary fund.

- **Fiduciary Funds** Fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements because they do not represent resources of the District.

Revenues – Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. The District considers revenues to be available if they are collected within one year after year-end, except for property taxes, which are considered available if collected within 60 days. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned Revenue Unearned revenues arise when resources are received by the District before it has a legal claim to them, such as when certain grants are received prior to the occurrence of qualifying expenditures. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized.

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which

the related fund liability is incurred. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the government-wide statements.

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 equivalents also include cash with county treasury balances for purposes of the Statement of Cash Flows.

Investments

Investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and State investment pools are determined by the program sponsor.

The District’s investment in the county treasury is measured at fair value on a recurring basis, which is determined by the fair value per share of the underlying portfolio determined by the program sponsor. Positions in this investment pool are not required to be categorized within the fair value hierarchy.

Stores Inventories

Inventories consist of expendable food and supplies held for consumption. Inventories are stated at cost, on the first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental type funds when consumed rather than when purchased.

Capital Assets, Depreciation, and Amortization

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the District. The District maintains a capitalization threshold of $5,000. The District does not possess any infrastructure. 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 but are expensed as incurred.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide financial statement of net position. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at acquisition value on the date donated.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 25 to 50 years; improvements/infrastructure, 5 to 50 years; equipment, 5 to 15 years.

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 2024.

The District records the value of right-to-use subscription IT assets based on the underlying subscription asset in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The right-to-use subscription IT asset is amortized each year for the term of the contract or useful life of the underlying asset.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental activities column of the Statement of Net Position.

Compensated Absences

Compensated absences are accrued as a liability on the government-wide statement of net position as the benefits are earned. For governmental funds, unpaid compensation absences are recognized as a fund liability only upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resources. These amounts are recorded in the accounts payable in the fund from which the employees who have accumulated leave are paid.

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Credit for unused sick leave is applicable to all certificated employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full-time.

Accrued Liabilities and Long-Term Liabilities

All payables, accrued liabilities, and long-term liabilities are reported in the government-wide and proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full, from current financial resources are reported as liabilities of the governmental funds.

However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the governmental fund financial statements only to the extent that they are due for payment during the current year. Bonds, leases, and long-term loans are recognized as liabilities in the governmental fund financial statements when due.

Debt Issuance Costs, Premiums, and Discounts

In the government-wide financial statements and in the proprietary fund type financial statements, long-term liabilities are reported as liabilities in the in the applicable governmental activities or proprietary fund statement of net position. Debt premiums and discounts, as well as issuance costs related to prepaid insurance costs are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the period the bonds are issued. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures in the period the bonds are issued.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for deferred charges on refunding of debt, for pension related items, and for OPEB related items.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for deferred charges on refunding of debt, for lease related items, for pension related items, and for OPEB related items.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the California State Teachers Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) plan for schools (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid primarily by the General Fund.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the CalSTRS Medicare Premium Payment (MPP) Program and additions to/deductions from the MPP's fiduciary net position have been determined on the same basis as they are reported by the MPP. For this purpose, the MPP 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. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

Leases

The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Subscriptions

The District recognizes a subscription liability and an intangible right-to-use subscription IT asset (subscription IT asset) in the government-wide financial statements. At the commencement of the subscription term, the District measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription IT asset is initially measured as the initial amount of the subscription liability, plus certain initial direct costs. Subsequently, the subscription IT asset is amortized on a straight-line basis over the subscription term or useful life of the underlying asset. The amortization period varies from two to six years.

Fund Balances - Governmental Funds

As of June 30, 2024, fund balances of the governmental funds are classified as follows:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only the governing board or assistant superintendent of business may assign amounts for specific purposes.

Unassigned - all other spendable amounts.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report net position restricted by enabling legislation of $217,589,426.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are charges to other funds for self-insurance. Operating expenses are necessary cost incurred to provide the good or service that is the primary activity of the fund.

Interfund Activity

Transfers between governmental activities in the government-wide financial statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Interfund transfers are eliminated in the governmental activities column of the statement of activities.

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.

Property Tax

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of Orange bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

Adoption of New Accounting Standard

Implementation of GASB Statement No. 100

As of July 1, 2023, the District adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*. The implementation of this standard requires additional presentation and disclosure requirements for accounting changes and error corrections. The financial statements have been updated to conform to the presentation requirements related to the correction of error and changes within the reporting entity in the financial statements for the year ended June 30, 2024. The additional disclosures required by this standard are included in Notes 17 and 18.

Note 2 - Deposits and Investments

Summary of Deposits and Investments

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

Governmental activities	$ 459,286,989 *
Fiduciary funds	13,227
Total deposits and investments	$ 459,300,216

* Includes restricted assets related to pension trust.

Deposits and investments as of June 30, 2024, consisted of the following:

Cash on hand and in banks	$ 21,067,163
Cash with fiscal agent	6,665,100
Cash in revolving	158,335
Investments	431,409,618
Total deposits and investments	$ 459,300,216

Policies and Practices

The District is authorized under California *Government Code* to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

Investment in County Treasury - The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

Interest Rate Risk

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

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuation is provided by the following schedule that shows the distribution of the District's investment by maturity:

Investment Type	Reported Amount	Maturity Date/ Average Maturity in Days
Orange County Treasury Investment Pool	$ 402,990,334	407
Mutual Funds	28,419,284	1
Total	$ 431,409,618	

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California *Government Code*, the District's investment policy, or debt agreements, and the actual rating as of the year-end for each investment type.

The investment in the Orange County Treasury Investment Pool and mutual funds are not required to be rated nor have they been rated.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does have a policy for custodial credit risk for deposits. Monies so deposited shall be in a fully-secured or collateralized account or instruments. However, the California *Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2024, the District's bank balance of $2,369,034 was exposed to custodial credit risk because it was uninsured and uncollateralized and $35,940,330 was exposed to custodial credit risk because it was uninsured and collateralized by securities held by a pledging financial institution.

Custodial Credit Risk - Investments

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Of the investments in the Mutual Funds of $28,419,284, the District has a custodial credit risk exposure of $28,419,284 because the related securities are uninsured, unregistered and held by the brokerage firm which is also the counterparty for these securities. The District does not have a policy limiting the number of securities that can be held by counterparties.

Note 3 - Fair Value Measurements

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

- Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

- Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

- Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

The District's fair value measurements are as follows at June 30, 2024:

Investment Type	Reported Amount	Fair Value Measurements Using Level 2 Inputs
Mutual Funds	$ 28,419,284	$ 28,419,284
Investments not measured for fair value or subject to fair value hierarchy		
Orange County Treasury Investment Pool	402,990,334	
Total investments	$ 431,409,618	

All assets have been valued using a market approach, with quoted market prices.

Note 4 - Receivables

Receivables at June 30, 2024, consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay	Non-Major Governmental Funds	Internal Service Fund	Total Governmental Activities	Fiduciary Fund
Federal Government							
Categorical aid	$ 20,390,823	$ -	$ -	$ 4,593,911	$ -	$ 24,984,734	$ -
State Government							
LCFF apportionment	1,436,115	-	-	-	-	1,436,115	-
Categorical aid	18,518,210	-	-	1,375,930	-	19,894,140	-
Lottery	1,619,513	-	-	-	-	1,619,513	-
Local Government							
Interest	615,747	1,040	268,004	75,413	169,326	1,129,530	86
Other local sources	5,898,672	-	-	119,006	24,208	6,041,886	-
Total	$ 48,479,080	$ 1,040	$ 268,004	$ 6,164,260	$ 193,534	$ 55,105,918	$ 86

Note 5 - Lease Receivables

Cellular Tower Antenna Site

The District leases a portion of its facilities for a cellular tower antenna site. This license is non-cancelable for a period of five years, with three optional renewal periods of five years each. The agreements allow for 3.00% annual CPI increases to the license payments. At termination, the lessee must remove all equipment and restore the site to its original state. During the fiscal year, the District recognized $7,303 in lease revenue and $3,534 in interest revenue related to this agreement. At June 30, 2024, the District recorded $901,359 in lease receivables and $901,359 deferred inflows of resources for this arrangement. The District used an interest rate of 2.345%, based on the rates available to finance real estate or machinery and equipment over the same time periods.

Note 6 - Capital Assets

Capital assets activity for the fiscal year-ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
Governmental Activities				
Capital assets not being depreciated or amortized				
Land	$ 9,063,222	$ -	$ -	$ 9,063,222
Construction in progress	206,452,225	104,201,837	(67,664,187)	242,989,875
Total capital assets not being depreciated or amortized	215,515,447	104,201,837	(67,664,187)	252,053,097
Capital assets being depreciated and amortized				
Land improvements	42,265,273	-	-	42,265,273
Buildings and improvements	412,215,026	76,909,541	-	489,124,567
Furniture and equipment	29,349,239	2,620,708	(159,869)	31,810,078
Vehicles	19,739,168	283,874	(14,470)	20,008,572
Right-to-use subscription IT assets	1,075,977	367,718	(56,680)	1,387,015
Total capital assets being depreciated and amortized	504,644,683	80,181,841	(231,019)	584,595,505
Total capital assets	720,160,130	184,383,678	(67,895,206)	836,648,602
Accumulated depreciation and amortization				
Land improvements	(23,211,177)	(803,444)	-	(24,014,621)
Buildings and improvements	(176,695,061)	(11,303,757)	-	(187,998,818)
Furniture and equipment	(14,246,147)	(2,180,356)	117,013	(16,309,490)
Vehicles	(7,469,330)	(1,148,603)	10,772	(8,607,161)
Right-to-use subscription IT assets	(336,495)	(282,383)	56,680	(562,198)
Total accumulated depreciation and amortization	(221,958,210)	(15,718,543)	184,465	(237,492,288)
Net depreciable and amortizable capital assets	282,686,473	64,463,298	(46,554)	347,103,217
Governmental activities capital assets, net	$ 498,201,920	$ 168,665,135	$ (67,710,741)	$ 599,156,314

Depreciation and amortization expense were charged as a direct expense to governmental functions as follows:

Governmental Activities	
Instruction	$ 9,810,674
Supervision of instruction	72,084
School site administration	1,234,892
Home-to-school transportation	463,085
Food services	1,389,254
Data processing	250,762
All other administration	790,369
Plant services	1,697,977
Ancillary services	9,446
Total depreciation and amortization expense governmental activities	$ 15,718,543

Note 7 - Interfund Transactions

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2024, between major and non-major governmental funds are as follows:

	Due From				
Due To	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total
General Fund	$ -	$ 45,428	$ 712	$ 1,900,081	$ 1,946,221
Building Fund	304,513	-	305,924	22,515	632,952
Special Reserve Fund for Capital Outlay Projects	869,415	-	-	-	869,415
Non-Major Governmental Funds	3,373,451	-	19,288	-	3,392,739
Internal Service Fund	1,786,932	-	-	-	1,786,932
Total	$ 6,334,311	$ 45,428	$ 325,924	$ 1,922,596	$ 8,628,259

A balance of $1,894,835 due to the General Fund from the Cafeteria Non-Major Governmental Fund is for repayment of payroll-related and operating costs.

The balance of $45,428 due to the General Fund from the Building Fund is for reimbursement of payroll-related operating costs.

A balance of $5,246 due to the General Fund from the Capital Facilities Non-Major Governmental Fund is for reimbursement of ppayroll-related operating costs.

The balance of $712 due to the General Fund from the Special Reserve Fund for Capital Outlay Projects is for reimbursement of payroll-related operating costs.

A balance of $872,138 due to the Cafeteria Non-Major Governmental Fund from the General Fund is for transfer of state grant funds.

The balance of $304,513 due to the Building Fund from the General Fund is for reimbursement of project costs.

A balance of $22,515 due to the Building Fund from the Capital Facilities Non-Major Governmental Fund is for reimbursement of project costs.

The balance of $305,924 due to the Building Fund from the Special Reserve Fund for Capital Outlay Projects is for reimbursement of project costs.

A balance of $2,501,313 due to the Capital Facilities Non-Major Governmental Fund from the General Fund is for reimbursement of project costs and operating costs.

The balance of $869,415 is due to the Special Reserve Fund for Capital Outlay Projects from the General Fund for reimbursement of project costs and operating costs.

The balance of $19,288 due to the Capital Facilities Non-Major Governmental Fund from the Special Reserve Fund for Capital Outlay Projects is for reimbursement of project costs.

The balance of $1,786,932 is due to the Internal Service Fund from the General Fund for an operating contribution.

Operating Transfers

Interfund transfers for the year ended June 30, 2024, consisted of the following:

The General Fund transferred to the Special Reserve Fund for Capital Outlay Projects to fund future capital projects.	$ 33,268,745
The General Fund transferred to the Internal Service Fund for an operating contribution.	1,786,932
The County School Facilities Non-Major Governmental Fund transferred to the Special Reserve Fund for Capital Outlay Projects for reimbursement of Proposition 51 project costs.	5,933,974
The Capital Facilities Non-Major Governmental Fund transferred to the Special Reserve Fund for Capital Outlay Projects to pay debt service payments for the certificates of participation.	2,896,753
Total	$ 43,886,404

Note 8 - Accounts Payable

Accounts payable at June 30, 2024, consisted of the following:

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Internal Service Fund	Total Governmental Activities	Fiduciary Fund
Salaries and benefits	$ 11,667,672	$ 49,803	$ 1	$ 6,949	$ -	$ 11,724,425	$ -
Other payables	23,324,572	19,305	12,305,243	2,999,561	733,806	39,382,487	13,313
Total	$ 34,992,244	$ 69,108	$ 12,305,244	$ 3,006,510	$ 733,806	$ 51,106,912	$ 13,313

Note 9 - Unearned Revenues

Unearned revenues at June 30, 2024, consisted of the following:

	General Fund	Non-Major Governmental Funds	Total Governmental Activities
Federal financial assistance	$ 131,790	$ -	$ 131,790
State categorical aid	225,822	-	225,822
Other local	826,718	148,536	975,254
Total	$ 1,184,330	$ 148,536	$ 1,332,866

Note 10 - Long-Term Liabilities Other than OPEB and Pensions

Summary

The changes in the District's long-term liabilities other than OPEB and pensions during the year consisted of the following:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due in One Year
Long-Term Liabilities					
General obligation bonds	$ 258,055,575	$ 49,177,556	$ (64,540,000)	$ 242,693,131	$ 12,015,000
Premium on issuance	13,522,338	6,664,024	(3,427,740)	16,758,622	-
Certificates of participation	29,580,000	-	(1,260,000)	28,320,000	1,440,000
Premium on issuance	1,418,567	-	(81,061)	1,337,506	-
Finance purchase agreement	1,477,808	-	(355,617)	1,122,191	364,685
Subscription-based IT arrangements	583,013	518,429	(426,431)	675,011	389,589
Property and liability	400,000	153,697	-	553,697	-
Claims liability	311,806	1,866,552	(79,620)	2,098,738	79,620
Supplemental early retirement plan (SERP)	4,383,748	-	(1,577,782)	2,805,966	1,577,782
Compensated absences	3,540,643	567,710	-	4,108,353	-
Total	$ 313,273,498	$ 58,947,968	$ (71,748,251)	$ 300,473,215	$ 15,866,676

Payments on the general obligation bonds are made by the Bond Interest and Redemption Fund with local revenues. Payments on the certificates of participation are made by the Special Reserve Fund for Capital Outlay Projects with contributions from the Capital Facilities Fund. Payments for the finance purchase agreement, subscription-based IT arrangements, property and liability, and supplemental early retirement plan are made by the General Fund. Claims liability will be paid by the Internal Service Fund. The compensated absences will be paid by the General Fund, Cafeteria Fund, and Building Fund.

General Obligation Bonds

The outstanding general obligation bonded debt is as follows:

Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2023	Issued	Interest Accreted	Redeemed	Bonds Outstanding June 30, 2024
06/06/02	08/01/26	3.00-5.70%	$ 91,999,603	$ 7,039,569	$ -	$ 406,989	$ -	$ 7,446,558
12/05/03	08/01/28	2.00-5.54%	26,999,352	10,626,006	-	730,567	-	11,356,573
10/11/12	08/01/27	2.50-5.00%	21,225,000	11,275,000	-	-	(1,330,000)	9,945,000
05/07/15	08/01/40	3.25-5.00%	63,455,000	47,045,000	-	-	(47,045,000)	-
05/07/15	08/01/25	5.00%	57,455,000	19,390,000	-	-	(12,935,000)	6,455,000
04/05/18	08/01/43	3.25-5.00%	83,000,000	66,905,000	-	-	(1,905,000)	65,000,000
11/13/19	08/01/43	3.00-5.00%	102,545,000	95,775,000	-	-	(1,325,000)	94,450,000
05/07/24	08/01/40	5.00%	48,040,000	-	48,040,000	-	-	48,040,000
				$ 258,055,575	$ 48,040,000	$ 1,137,556	$ (64,540,000)	$ 242,693,131

2002 General Obligation Bonds, Series A

On June 6, 2002, the District issued $91,999,603 aggregate original principal amount of the 2002 General Obligation Bonds, Series A. The bonds issued included $89,790,000 of current interest bonds and $2,209,603 of capital appreciation bonds. The capital appreciation bonds have a maturing principal balance of $8,570,000. The bonds mature through August 1, 2026, with interest rates ranging from 3.00 to 5.70%. On January 13, 2005, $67,565,000 of the bonds were advanced refunded with proceeds from the 2005 General Obligation Refunding Bonds. At June 30, 2024, the principal balance outstanding (including accreted interest to date) was $7,446,558.

2003 General Obligation Bonds, Series B

On December 5, 2003, the District issued $26,999,352 aggregate original principal amount of the 2003 General Obligation Bonds, Series B. The bonds issued included $24,020,000 of current interest bonds and $2,979,352 of capital appreciation bonds. The capital appreciation bonds have a maturing principal balance of $15,040,000. The bonds mature through August 1, 2028, with interest rates ranging from 2.00 to 5.54%. As a result of the issuance of the 2012 General Obligation Refunding Bonds, a partial funding of $21,985,000 was affected for these bonds. As of June 30, 2024, the principal balance outstanding (including accreted interest to date) was $11,356,573.

2012 General Obligation Refunding Bonds

On October 11, 2012, the District issued $21,225,000 of the 2012 General Obligation Refunding Bonds. The current interest bonds mature through August 1, 2027, with interest rates ranging from 2.50 to 5.00%. Proceeds from the bonds were used to advance refund the District's outstanding 2003 General Obligation Bonds, Series B current interest bonds, with prepayment occurring August 1, 2013. At June 30, 2024, the principal balance outstanding was $9,945,000.

2014 General Obligation Bonds, Series 2015

On May 7, 2015, the District issued $63,455,000 of the 2014 General Obligation Bonds, Series 2015. The bonds mature through August 1, 2040, with interest rates ranging from 3.25 to 5.00%. The proceeds from the sales of the bonds were used to finance school improvements, including prepayment on a current basis of lease payments associated with certain of the District's outstanding certificates of participations, and to pay costs of issuance. At June 30, 2024, the bonds were fully defeased.

2015 General Obligation Refunding Bonds

On May 7, 2015, the District issued $57,455,000 of the 2015 General Obligation Refunding Bonds. The bonds mature through August 1, 2025, with an interest rate of 5.00%. The bonds were issued to refund $58,320,000 of the outstanding 2005 General Obligation Refunding Bonds and $6,495,000 of the outstanding 2002 General Obligation Bonds, Series 2006C. At June 30, 2024, the principal balance outstanding was $6,455,000.

2014 General Obligation Bonds, Series 2018

On April 5, 2018, the District issued $83,000,000 of the 2014 General Obligation Bonds, Series 2018. The bonds mature through August 1, 2043, with interest rates ranging from 3.25 to 5.00%. The proceeds from the sales of the bonds were used to finance the specific school facilities projects set forth in the ballot measure approved by the District's voters at an election held on November 4, 2014, and to pay costs of issuance. At June 30, 2024, the principal balance outstanding was $65,000,000.

2014 General Obligation Bonds, Series 2019

On November 13, 2019, the District issued $102,545,000 of the 2014 General Obligation Bonds, Series 2019. The bonds mature through August 1, 2043, with interest rates ranging from 3.00 to 5.00%. The proceeds from the sales of the bonds will be used to finance the specific school facilities projects set forth in the ballot measure approved by the District's voters at an election held on November 4, 2014, and to pay costs of issuance. At June 30, 2024, the principal balance outstanding was $94,450,000.

2024 General Obligation Refunding Bonds

On May 7, 2024, the District issued $48,040,000 of the 2024 General Obligation Refunding Bonds. The bonds were issued as current interest bonds. The bonds mature through August 1, 2040, with an interest rate of 5.00%. The refunding resulted in a cumulative cash flow savings of $4,288,846 over the life of the new debt and an economic gain of $3,396,745 based on the difference between the present value of the existing debt service requirements and the new debt service requirements discounted at 2.75 percent. At June 30, 2024, the principal balance outstanding was $48,040,000.

Debt Service Requirements to Maturity

The General Obligation Bonds mature through 2044 as follows:

Fiscal Year	Principal Including Accreted Interest to Date	Accreted Interest	Interest to Maturity	Total
2025	$ 12,015,000	$ -	$ 9,122,242	$ 21,137,242
2026	12,165,000	-	7,885,675	20,050,675
2027	13,321,559	1,123,441	7,471,466	21,916,466
2028	13,654,296	840,704	7,144,044	21,639,044
2029	13,677,276	2,842,724	6,806,769	23,326,769
2030-2034	38,215,000	-	29,301,794	67,516,794
2035-2039	57,960,000	-	20,024,609	77,984,609
2040-2044	81,685,000	-	7,294,863	88,979,863
Total	$ 242,693,131	$ 4,806,869	$ 95,051,462	$ 342,551,462

Certificates of Participation

2017 Certificates of Participation

On January 11, 2017, the District issued certificates of participation in the amount $34,595,000. The certificates of participation were issued to finance the costs of acquiring, constructing, installing, and equipping certain improvements to the sites and facilities owned by the District and to pay cost of issuance. The interest rates range from 3.00 to 5.00%, and the certificates of participation mature through September 1, 2041. At June 30, 2024, the principal balance outstanding was $28,320,000.

Debt Service Requirements to Maturity

The certificates of participation mature through 2042 as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 1,440,000	$ 1,024,156	$ 2,464,156
2026	1,640,000	947,156	2,587,156
2027	1,850,000	859,906	2,709,906
2028	2,080,000	761,656	2,841,656
2029	2,330,000	663,056	2,993,056
2030-2034	10,805,000	2,125,041	12,930,041
2035-2039	5,730,000	849,169	6,579,169
2040-2042	2,445,000	133,263	2,578,263
Total	$ 28,320,000	$ 7,363,403	$ 35,683,403

Finance Purchase Agreement

In December 2016, the District entered into a ten-year agreement to finance the purchase of school buses. The annual interest rate charged on the agreement is 2.55%. At June 30, 2024, the principal balance outstanding was $1,122,191.

Year Ending June 30,	Principal	Interest	Total
2025	$ 364,685	$ 28,616	$ 393,301
2026	373,985	19,316	393,301
2027	383,521	9,780	393,301
Total	$ 1,122,191	$ 57,712	$ 1,179,903

Subscriptions-Based Information Technology Arrangements (SBITAs)

The District has entered into SBITAs for the use of various software. At June 30, 2024, the District has recognized a right-to-use subscriptions IT asset of $824,817 and a SBITA liability of $675,011 related to these agreements. During the fiscal year, the District recorded $282,383 in amortization expense. The District is required to make annual principal and interest payments through July 2027. The subscriptions have interest rates from 1.850% to 3.378%.

The remaining principal and interest payment requirements for the SBITA obligation debt as of June 30, 2024 are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 389,589	$ 19,243	$ 408,832
2026	258,232	6,707	264,939
2027	16,941	645	17,586
2028	10,249	240	10,489
Total	$ 675,011	$ 26,835	$ 701,846

Property and Liability

The District has a property and liability program balance of $553,697 at June 30, 2024.

Supplemental Early Retirement Plan (SERP)

During the 2020-2021 and 2021-2022 fiscal years, the District adopted supplemental early retirement plans whereby certain eligible certificated and classified employees are provided an annuity to supplement the retirement benefits they are entitled to through the California State Teachers' Retirement System and the California Public Employees' Retirement System. The criteria for participation are as follows; full-time certificated and classified employees of the District, at least 55 years of age by the date of retirement, with at least five years of continuous service with the District by date of retirement. The annuities offered to the employees are to be paid over a five-year period. At June 30, 2024, the District had $2,805,966 outstanding.

Future annuity payments are as follows:

Year Ending June 30,	SERP Payment
2025	$ 1,577,782
2026	1,228,184
Total	$ 2,805,966

Claims Liability

The District is self-insured against claims for workers' compensation injuries and property and liability claims. The liability as of June 30, 2024, totaling $2,652,435 is made of $2,098,738 for the claims obligation for the workers' compensation program as established by an actuarial study performed by a third party and $553,697 for the claims obligation established for the property and liability insurance program based on an estimate of claims outstanding at year end. The claims liability reported by the District was undiscounted.

Compensated Absences

Compensated absences (unpaid employee vacation) for the District at June 30, 2024, amounted to $4,108,353.

Note 11 - Other Postemployment Benefit (OPEB) Liability

For the fiscal year ended June 30, 2024, the District reported OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 85,586,482	$ 11,236,417	$ 40,181,222	$ 2,543,018
Medicare Premium Payment (MPP) Program	1,366,746	-	-	(90,224)
Total	$ 86,953,228	$ 11,236,417	$ 40,181,222	$ 2,452,794

The details of each plan are as follows:

District Plan

Plan Administration

The District's governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Plan Membership

As of July 1, 2022, valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	349
Active employees	2,815
Total	3,164

Benefits Provided

The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The District's governing board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

The benefit payment requirements of Plan members and the District are established and may be amended by the District, the Anaheim Secondary Teacher Association (ASTA), the local California Service Employees Association (CSEA), Anaheim Professional Guidance Association (APGA), American Federation of State, County, and Municipal Employees (AFSCME), and unrepresented groups. The benefit payments are based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District, ASTA, CSEA, APGA, AFSCME and the unrepresented groups. For the measurement period of June 30, 2024, the District paid $3,005,006 in benefits.

Total OPEB Liability of the District

The District's total OPEB liability of $85,586,482 was measured as of June 30, 2024 and the total OPEB liability used to calculate the total OPEB liability was determined by and actuarial valuation as of June 30, 2022.

Actuarial Assumptions

The District's total OPEB liability of $85,586,482 was measured as of June 30, 2024 and the total OPEB liability used to calculate the total OPEB liability was determined by applying updated procedures to the financial reporting actuarial valuation as of July 1, 2022 and rolling forward the total OPEB liability to June 30, 2024. The following assumptions were applied to all period included in the measurement, unless otherwise specified:

Inflation	2.75 %
Salary increases	3.00 %, average, including inflation
Discount rate	3.97 % for 2024
Healthcare cost trend rates	5.20 % for 2024

The discount rate was based on the Bond Buyer 20-bond General Obligation Index.

The mortality rates were based on the CalSTRS Experience Analysis (2015-2018) for certificated and CalPERS experience Study (2000-2019) for classified.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actual experience study for the period July 1, 2020 to June 30, 2022.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance, June 30, 2023	$ 83,279,975
Service cost	3,176,110
Interest	3,279,757
Changes of assumptions	(1,144,354)
Benefit payments	(3,005,006)
Net change in total OPEB liability	2,306,507
Balance, June 30, 2024	$ 85,586,482

Changes of assumptions reflect a change in the discount rate from 3.86% in 2023 to 3.97% in 2024 and a change in the health care cost trend rate from 5.50% in 2023 to 5.20% in 2024.

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

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

Discount Rate	Total OPEB Liability
1% decrease (2.97%)	$ 96,880,427
Current discount rate (3.97%)	85,586,482
1% increase (4.97%)	76,128,965

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percent lower or higher than the current healthcare costs trend rates:

Healthcare Cost Trend Rate	Total OPEB Liability
1% decrease (4.20%)	$ 72,494,028
Current healthcare cost trend rate (5.20%)	85,586,482
1% increase (6.20%)	102,092,818

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the District recognized OPEB expense of $2,543,018. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience in the measurement of the total OPEB liability	$ -	$ 23,669,129
Changes of assumptions	11,236,417	16,512,093
Total	$ 11,236,417	$ 40,181,222

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ (3,912,849)
2026	(3,912,849)
2027	(3,245,448)
2028	(3,972,323)
2029	(3,972,323)
Thereafter	(9,929,013)
Total	$ (28,944,805)

Medicare Premium Payment (MPP) Program

Plan Description

The Medicare Premium Payment (MPP) Program is administered by the California State Teachers' Retirement System (CalSTRS). The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan (OPEB) established pursuant to Chapter 1032, Statutes 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefits Fund (THBF).

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the State Teachers Retirement Plan (STRP) Defined Benefit (DB)Program 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 payments are made directly to the Centers for Medicare and Medicaid Services (CMS) on a monthly basis.

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.

The MPP Program is funded on a pay-as-you go basis from a portion of monthly District benefit payments. In accordance with California *Education Code* Section 25930, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. 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.

Net OPEB Liability and OPEB Expense

At June 30, 2024, the District reported a liability of $1,366,746 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively, was 0.4504%, and 0.4423%, resulting in a net increase in the proportionate share of 0.0081%.

For the year ended June 30, 2024, the District recognized OPEB expense of $(90,224).

Actuarial Methods and Assumptions

The June 30, 2023 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total OPEB liability to June 30, 2023, using the assumptions listed in the following table:

Measurement Date	June 30, 2023	June 30, 2022
Valuation Date	June 30, 2022	June 30, 2021
Experience Study	July 1, 2015 through June 30, 2018	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.65%	3.54%
Medicare Part A Premium Cost Trend Rate	4.50%	4.50%
Medicare Part B Premium Cost Trend Rate	5.40%	5.40%

For the valuation as of June 30, 2022, 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 members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because 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 and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 179 or an average of 0.13% of the potentially eligible population (138,780).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2023, 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.

Discount Rate

As the MPP Program is funded on a pay-as-you-go basis, the OPEB plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, the MPP Program used the Bond Buyer's 20-Bond GO Index from Bondbuyer.com as of June 30, 2023, as the discount rate, which was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate as of June 30, 2023, was 3.65%, which is an increase of 0.11% from 3.54% as of June 30, 2022.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net OPEB liability calculated 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 higher than the current rate:

Discount Rate	Net OPEB Liability
1% decrease (2.65%)	$ 1,485,371
Current discount rate (3.65%)	1,366,746
1% increase (4.65%)	1,263,600

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Medicare Costs Trend Rates

The following presents the District's proportionate share of the net OPEB liability calculated using the 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 or higher than the current rates:

Medicare Costs Trend Rates	Net OPEB Liability
1% decrease (3.50% Part A and 4.40% Part B)	$ 1,257,542
Current Medicare costs trend rates (4.50% Part A and 5.40% Part B)	1,366,746
1% increase (5.50% Part A and 6.40% Part B)	1,490,033

Note 12 - Fund Balances

Fund balances are composed of the following elements:

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total
Nonspendable					
Revolving cash	$ 155,000	$ -	$ -	$ 3,335	$ 158,335
Stores inventories	389,230	-	-	338,260	727,490
Total nonspendable	544,230	-	-	341,595	885,825
Restricted					
Legally restricted programs	92,099,572	-	-	3,186,161	95,285,733
Food service	-	-	-	19,839,138	19,839,138
Capital projects	-	673,208	-	18,360,394	19,033,602
Debt service	-	-	-	16,952,192	16,952,192
Pension trust	28,419,284	-	-	-	28,419,284
Total restricted	120,518,856	673,208	-	58,337,885	179,529,949
Committed					
Classified summer assistance benefits	120,900	-	-	-	120,900
Wellness program	483,370	-	-	-	483,370
School site and Supplemental and Concentration carryover	7,306,832	-	-	-	7,306,832
Staffing	39,731,255				39,731,255
Bus lease	1,573,204	-	-	-	1,573,204
Textbook reserve	11,000,000	-	-	-	11,000,000
Technology reserve	4,800,000	-	-	-	4,800,000
Total committed	65,015,561	-	-	-	65,015,561
Assigned					
Additional 3% reserve	18,099,307	-	-	-	18,099,307
Deferred maintenance	11,331,102	-	-	-	11,331,102
Capital projects	-	-	60,585,713	-	60,585,713
Total assigned	29,430,409	-	60,585,713	-	90,016,122
Unassigned					
Reserve for economic uncertainties	18,099,307	-	-	-	18,099,307
Remaining unassigned	57,669,856	-	-	-	57,669,856
Total unassigned	75,769,163	-	-	-	75,769,163
Total	$ 291,278,219	$ 673,208	$ 60,585,713	$ 58,679,480	$ 411,216,620

Note 13 - Risk Management - Claims

Description

The Anaheim Union High School District's risk management activities are recorded in the General Fund and in the Health and Welfare and the Workers' Compensation Self-Insurance Fund. The purpose of the Self-Insurance Fund is to administer retiree and employee medical, dental, vision, and workers' compensation programs of the Anaheim Union High School District on a cost-reimbursement basis. These funds account for the risk financing activities of the Anaheim Union High School District, but do not constitute a transfer of risk for the Anaheim Union High School District. As of 1997-1998, the District has purchased an insurance policy for workers' compensation and is fully insured. Unpaid claims liability relates to the period prior to 1997-1998.

The District participates in the Southern California Regional Liability Excess Fund for property and liability coverage and Protected Insurance Program for Schools (PIPS) for workers' compensation coverage. Refer to Note 16 for additional information regarding the JPA's.

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.

Unpaid Claims Liabilities

The fund establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represent the changes in approximate aggregate liabilities for the District from July 1, 2022 to June 30, 2024:

	Workers' Compensation	Health and Welfare	Total
Liability Balance, July 1, 2022	$ 325,802	$ 5,558,000	$ 5,883,802
Claims and changes in estimates	22,798	54,147,504	54,170,302
Claims payments	(36,794)	(52,753,504)	(52,790,298)
Liability Balance, June 30, 2023	311,806	6,952,000	7,263,806
Claims and changes in estimates	1,866,552	59,120,579	60,987,131
Claims payments	(79,620)	(59,752,579)	(59,832,199)
Liability Balance, June 30, 2024	$ 2,098,738	$ 6,320,000	$ 8,418,738
Assets available to pay claims at June 30, 2024	$ 2,213,312	$ 49,984,493	$ 52,197,805

The claims liability is not discounted.

Note 14 - Employee Retirement Systems

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).

For the fiscal year ended June 30, 2024, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 231,924,101	$ 73,550,023	$ 15,829,515	$ 32,600,397
CalPERS	166,736,447	58,228,112	2,983,599	26,500,754
Total	$ 398,660,548	$ 131,778,135	$ 18,813,114	$ 59,101,151

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.

A full description of the pension plan regarding benefit provisions, assumptions for funding, but not accounting purposes, and membership information is listed in the June 30, 2022, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

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 exclusively to the STRP Defined Benefit Program; thus, disclosures are not included for the other plans.

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

	STRP Defined Benefit 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 contributions 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 normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the District's total contributions were $36,477,850.

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

At June 30, 2024, 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:

Total net pension liability, including State share	
Proportionate share of net pension liability	$ 231,924,101
State’s proportionate share of the net pension liability	111,121,359
Total	$ 343,045,460

The net pension liability was measured as of June 30, 2023. 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. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively, was 0.3045% and 0.2947%, resulting in a net increase in the proportionate share of 0.0098%.

For the year ended June 30, 2024, the District recognized pension expense of $32,600,397. In addition, the District recognized pension expense and revenue of $15,115,575 for support provided by the State. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 36,477,850	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	16,511,105	3,420,399
Differences between projected and actual earnings on pension plan investments	992,729	-
Differences between expected and actual experience in the measurement of the total pension liability	18,225,414	12,409,116
Changes of assumptions	1,342,925	-
Total	$ 73,550,023	$ 15,829,515

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 subsequent fiscal year.

The deferred outflows of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources
2025	$ (7,296,510)
2026	(11,434,912)
2027	18,791,564
2028	932,587
Total	$ 992,729

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is seven years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ 2,682,762
2026	3,818,697
2027	2,892,726
2028	3,313,272
2029	3,309,314
Thereafter	4,233,158
Total	$ 20,249,929

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022 and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 2015 through June 30, 2018
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

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 its members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 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. Best estimates of expected 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2023, 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%

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed the 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 occurred 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 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:

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 389,034,173
Current discount rate (7.10%)	231,924,101
1% increase (8.10%)	101,425,875

California Public Employees Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the School Employer Pool (SEP) under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022 annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/forms-publications.

Benefits Provided

CalPERS provide 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 five 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 five 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, 2024, are summarized as follows:

	School Employer Pool (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	26.680%	26.680%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated 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, 2024, are presented above and the total District contributions were $23,139,461.

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

As of June 30, 2024, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $166,736,447. The net pension liability was measured as of June 30, 2023. 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. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively, was 0.4606% and 0.4463%, resulting in a net increase in the proportionate share of 0.0143%.

For the year ended June 30, 2024, the District recognized pension expense of $26,500,754. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 23,139,461	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	3,512,650	422,772
Differences between projected and actual earnings on pension plan investments	17,809,835	-
Differences between expected and actual experience in the measurement of the total pension liability	6,084,684	2,560,827
Changes of assumptions	7,681,482	-
Total	$ 58,228,112	$ 2,983,599

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 subsequent fiscal year.

The deferred outflows of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources
2025	$ 3,322,228
2026	1,968,172
2027	11,965,178
2028	554,257
Total	$ 17,809,835

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.9 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ 5,804,159
2026	5,763,487
2027	2,727,571
Total	$ 14,295,217

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022 and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	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

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

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 target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers 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 these assumptions, the School Employer Pool 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 the School Employer Pool 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:

Discount Rate	Net Pension Liability
1% decrease (5.90%)	$ 241,057,802
Current discount rate (6.90%)	166,736,447
1% increase (7.90%)	105,311,537

Social Security

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by social security or an alternative plan. The District has elected to use Social Security as its alternative plan. The District contributes 6.2% of an employee's gross earnings. An employee is required to contribute 6.2% of his or her gross earnings to the pension plan.

On-Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of $17,757,402 (10.828% of annual payroll). Contributions are no longer appropriated in the annual *Budget Act* for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Note 15 - Commitments and Contingencies

As of June 30, 2024, the District had the following commitments with respect to the unfinished capital projects.

Capital Project	Remaining Construction Commitment	Expected Date of Completion
Western HS Field	$ 586,903	February 2025
Katella HS Pool Renovation	1,133,398	February 2025
Magnolia HS Pool Renovation	322,867	February 2025
Magnolia HS New Admin & Cybersecurity + Music Building and Band Room Renovations	2,718,190	February 2025
Magnolia HS Art Building and Courtyard	146,609	February 2025
Total	$ 4,907,967	

Grants

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2024.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2024.

Note 16 - Participation in Joint Powers Agencies and Public Entity Risk Pools

The District is a member of the North Orange County Regional Occupational Program (NOCROP), the Southern California Regional Liability Excess Fund (SCRLEF), the Protected Insurance Program for Schools (PIPS) public entity risk pools. The District pays an annual premium to each entity for its health and property/liability coverage, education services, and workers' compensation coverage. The relationships between the District and the pools are such that they are not component units of the District for financial reporting purposes.

These entities have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the District are included in these statements. Audited financial statements are available from the respective entities.

The District has appointed one board member to the governing board of NOCROP, SCRLEF, and PIPS.

During the year-ended June 30, 2024, the District made payments of $10,333,424, $3,560,020, and $7,242,958 to NOCROP, SCRLEF, and PIPS, respectively, for services rendered.

Note 17 - Restatement – Correction of Error in Previously Issued Financial Statements

The District's prior-year governmental activities net position and fund balance of the Building Fund have been restated as of July 1, 2023, to correct an error reported in the prior-year financial statements. The error was an understatement of accounts payable. The effect of the restatement is as follows:

	Building Fund	Total Governmental Funds
Beginning Fund Balance, as previously reported on June 30, 2023	$ 41,223,562	$ 438,267,612
Adjustment to accounts payable	(395,868)	(395,868)
Fund Balance - Beginning, as restated at July 1, 2023	$ 40,827,694	$ 437,871,744
Governmental Activities		
Net Position - Beginning, previously reported at June 30, 2023		$ 259,280,891
Adjustment to accounts payable		(395,868)
Net Position, Beginning, as restated at July 1, ,2023		$ 258,885,023

If these amounts had been properly recorded in the prior year, the change in net position and change in fund balance would have been adjusted as follows for the year ended June 30, 2023:

	June 30, 2023 As Previously Reported	Correction of Error	June 30, 2023 As Restated
Government-Wide			
Governmental Activities	$ 185,186,200	$ (395,868)	$ 184,790,332
Governmental Funds			
Building Fund	$ (29,091,501)	$ (395,868)	$ (29,487,369)

Note 18 - Restatement – Change within the Reporting Entity

During fiscal year 2023-2024, there was a change within the financial reporting entity which resulted in the Special Reserve Fund for Capital Outlay Projects being reported as a major governmental fund instead of as a non-major governmental fund. As a result, fund balance of the Special Reserve Fund for Capital Outlay Projects of $42,053,673 which was previously reported in the non-major governmental funds is now reported as a major governmental fund with a beginning fund balance of $42,053,673. This resulted in adjustments to and restatements of beginning fund balance as follows:

	Governmental Funds	
	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds
Beginning, as previously reported on June 30, 2023	$ -	$ 101,842,731
Change to or within the financial reporting entity	42,053,673	(42,053,673)
Beginning, as restated on July 1, 2023	$ 42,053,673	$ 59,789,058

Required Supplementary Information
June 30, 2024

Anaheim Union High School District

	Budgeted Amounts			Variances - Positive (Negative)
	Original	Final	Actual	Final to Actual
Revenues				
Local Control Funding Formula	$ 421,089,560	$ 422,660,635	$ 422,683,740	$ 23,105
Federal sources	68,399,243	72,099,562	51,388,315	(20,711,247)
Other State sources	63,342,315	77,418,066	78,183,974	765,908
Other local sources	13,968,940	38,840,069	35,644,842	(3,195,227)
Total revenues [1]	566,800,058	611,018,332	587,900,871	(23,117,461)
Expenditures				
Current				
Certificated salaries	188,887,219	199,927,716	199,029,301	898,415
Classified salaries	72,635,749	82,754,480	82,646,826	107,654
Employee benefits	149,544,455	154,818,649	149,046,432	5,772,217
Books and supplies	32,789,572	28,882,646	15,891,097	12,991,549
Services and operating expenditures	49,139,381	69,593,578	55,811,066	13,782,512
Other outgo	14,904,068	15,278,427	15,716,962	(438,535)
Capital outlay	54,274,664	49,301,166	37,802,671	11,498,495
Debt service				
Debt service - principal	355,617	783,019	782,048	971
Debt service - interest and other	37,684	552,710	560,320	(7,610)
Total expenditures [1]	562,568,409	601,892,391	557,286,723	44,605,668
Excess of Revenues Over Expenditures	4,231,649	9,125,941	30,614,148	21,488,207
Other Financing Sources (Uses)				
Other sources - SBITAs	-	-	518,429	518,429
Transfers out	(3,800,000)	(36,555,677)	(35,055,677)	1,500,000
Net Financing Uses	(3,800,000)	(36,555,677)	(34,537,248)	2,018,429
Net Change in Fund Balances	431,649	(27,429,736)	(3,923,100)	23,506,636
Fund Balance - Beginning	295,201,319	295,201,319	295,201,319	-
Fund Balance - Ending	$ 295,632,968	$ 267,771,583	$ 291,278,219	$ 23,506,636

[1] Due to consolidation of Fund 14, Deferred Maintenance Fund, for reporting purposes into the General Fund, additional revenues and expenditures pertaining to this fund are included in the Actual (GAAP Basis) revenues and expenditures; however, they are not included in the original and final General Fund budgets.

Anaheim Union High School District

Schedule of Changes in the District's Total OPEB Liability and Related Ratios

Year Ended June 30, 2024

	2024	2023	2022	2021
Total OPEB Liability				
Service cost	$ 3,176,110	$ 3,202,099	$ 4,489,009	$ 3,870,080
Interest	3,279,757	3,079,452	2,034,330	2,329,292
Differences between expected and actual experience in the measurement of the total OPEB liability	-	(4,855,016)	-	(25,796,543)
Changes of assumptions	(1,144,354)	(369,994)	(21,239,367)	11,016,030
Benefit payments	(3,005,006)	(2,947,973)	(3,141,515)	(2,653,070)
Net change in total OPEB liability	2,306,507	(1,891,432)	(17,857,543)	(11,234,211)
Total OPEB Liability - Beginning	83,279,975	85,171,407	103,028,950	114,263,161
Total OPEB Liability - Ending	$ 85,586,482	$ 83,279,975	$ 85,171,407	$ 103,028,950
Covered Payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Total OPEB Liability as a Percentage of Covered Payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021

	2020	2019	2018
Total OPEB Liability			
Service cost	$ 2,643,573	$ 2,408,818	$ 2,659,508
Interest	3,278,804	3,417,335	3,773,411
Differences between expected and actual experience in the measurement of the total OPEB liability	-	(13,324,792)	-
Changes of assumptions	7,781,060	5,752,014	-
Benefit payments	(3,077,907)	(3,786,266)	(2,974,091)
Net change in total OPEB liability	10,625,530	(5,532,891)	3,458,828
Total OPEB Liability - Beginning	103,637,631	109,170,522	105,711,694
Total OPEB Liability - Ending	$ 114,263,161	$ 103,637,631	$ 109,170,522
Covered Payroll	N/A[1]	N/A[1]	N/A[1]
Total OPEB Liability as a Percentage of Covered Payroll	N/A[1]	N/A[1]	N/A[1]
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018

[1] The OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay. Therefore, no measure of payroll is presented.

Note: In the future, as data becomes available, ten years of information will be presented.

Year ended June 30,	2024	2023	2022	2021
Proportion of the net OPEB liability	0.4504%	0.4423%	0.4396%	0.4812%
Proportionate share of the net OPEB liability	$ 1,366,746	$ 1,456,970	$ 1,753,552	$ 2,039,084
Covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Proportionate share of the net OPEB liability as a percentage of its covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	(0.96%)	(0.94%)	(0.80%)	(0.71%)
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020

Year ended June 30,	2020	2019	2018
Proportion of the net OPEB liability	0.4932%	0.4747%	0.4962%
Proportionate share of the net OPEB liability	$ 1,836,494	$ 1,816,867	$ 2,087,528
Covered payroll	N/A[1]	N/A[1]	N/A[1]
Proportionate share of the net OPEB liability as a percentage of its covered payroll	N/A[1]	N/A[1]	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	(0.81%)	(0.40%)	0.01%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017

[1] As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP Program; therefore, the covered payroll disclosure is not applicable.

Note : In the future, as data becomes available, ten years of information will be presented.

Anaheim Union High School District

Schedule of the District's Proportionate Share of the Net Pension Liability - CalSTRS

Year Ended June 30, 2024

CalSTRS	2024	2023	2022	2021	2020
Proportion of the net pension liability	0.3045%	0.2947%	0.2925%	0.2761%	0.2788%
Proportionate share of the net pension liability	$ 231,924,101	$ 204,780,180	$ 133,099,264	$ 267,603,460	$ 251,777,560
State's proportionate share of the net pension liability	111,121,359	102,553,113	66,970,388	137,949,615	137,361,468
Total	$ 343,045,460	$ 307,333,293	$ 200,069,652	$ 405,553,075	$ 389,139,028
Covered payroll	$ 188,591,188	$ 174,299,421	$ 160,778,718	$ 152,670,427	$ 151,829,644
Proportionate share of the net pension liability as a percentage of its covered payroll	122.98%	117.49%	82.78%	175.28%	165.83%
Plan fiduciary net position as a percentage of the total pension liability	81%	81%	87%	72%	73%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019

	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.2645%	0.2741%	0.2893%	0.3109%	0.3034%
Proportionate share of the net pension liability	$ 243,050,018	$ 253,465,278	$ 233,962,152	$ 209,282,863	$ 177,288,550
State's proportionate share of the net pension liability	139,157,502	149,947,918	133,190,479	110,687,564	107,054,481
Total	$ 382,207,520	$ 403,413,196	$ 367,152,631	$ 319,970,427	$ 284,343,031
Covered payroll	$ 142,788,683	$ 146,765,787	$ 155,056,682	$ 140,928,288	136,384,781
Proportionate share of the net pension liability as a percentage of its covered payroll	170.22%	172.70%	150.89%	148.50%	129.99%
Plan fiduciary net position as a percentage of the total pension liability	71%	69%	70%	74%	77%
Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

CalPERS	2024	2023	2022	2021	2020
Proportion of the net pension liability	0.4606%	0.4463%	0.4475%	0.4497%	0.4543%
Proportionate share of the net pension liability	$ 166,736,447	$ 153,569,776	$ 91,000,926	$ 137,989,406	$ 132,396,092
Covered payroll	$ 82,456,456	$ 68,200,336	$ 65,224,662	$ 65,969,849	$ 63,184,597
Proportionate share of the net pension liability as a percentage of its covered payroll	202.21%	225.17%	139.52%	209.17%	209.54%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	81%	70%	70%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019

	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.4487%	0.4720%	0.4928%	0.4998%	0.5010%
Proportionate share of the net pension liability	$ 119,650,838	$ 112,690,488	$ 97,336,612	$ 73,663,959	$ 56,879,614
Covered payroll	$ 55,201,623	$ 60,547,264	$ 60,359,787	$ 54,558,219	52,325,387
Proportionate share of the net pension liability as a percentage of its covered payroll	216.75%	186.12%	161.26%	135.02%	108.70%
Plan fiduciary net position as a percentage of the total pension liability	71%	72%	74%	79%	83%
Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

CalSTRS	2024	2023	2022	2021	2020
Contractually required contribution	$ 36,477,850	$ 36,020,917	$ 29,491,462	$ 25,965,763	$ 26,106,643
Less contributions in relation to the contractually required contribution	36,477,850	36,020,917	29,491,462	25,965,763	26,106,643
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 190,983,508	$ 188,591,188	$ 174,299,421	$ 160,778,718	$ 152,670,427
Contributions as a percentage of covered payroll	19.10%	19.10%	16.92%	16.15%	17.10%

	2019	2018	2017	2016	2015
Contractually required contribution	$ 24,717,866	$ 20,604,407	$ 18,463,136	$ 16,637,582	$ 12,514,432
Less contributions in relation to the contractually required contribution	24,717,866	20,604,407	18,463,136	16,637,582	12,514,432
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 151,829,644	$ 142,788,683	$ 146,765,787	$ 155,056,682	$ 140,928,288
Contributions as a percentage of covered payroll	16.28%	14.43%	12.58%	10.73%	8.88%

CalPERS	2024	2023	2022	2021	2020
Contractually required contribution	$ 23,139,461	$ 20,919,203	$ 15,624,697	$ 13,501,505	$ 13,009,914
Less contributions in relation to the contractually required contribution	23,139,461	20,919,203	15,624,697	13,501,505	13,009,914
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 86,729,614	$ 82,456,456	$ 68,200,336	$ 65,224,662	$ 65,969,849
Contributions as a percentage of covered payroll	26.680%	25.370%	22.910%	20.700%	19.721%

	2019	2018	2017	2016	2015
Contractually required contribution	$ 11,412,402	$ 8,573,364	$ 8,408,804	$ 7,150,824	$ 6,422,048
Less contributions in relation to the contractually required contribution	11,412,402	8,573,364	8,408,804	7,150,824	6,422,048
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 63,184,597	$ 55,201,623	$ 60,547,264	$ 60,359,787	$ 54,558,219
Contributions as a percentage of covered payroll	18.062%	15.531%	13.888%	11.847%	11.771%

Note 1 - Purpose of Schedules

Budgetary Comparison Schedule

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and provisions of the California Education Code. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

This schedule presents information for the original and final budgets and actual results of operations, as well as the variances from the final budget to actual results of operations.

Schedule of Changes in the District's Total OPEB Liability and Related Ratios

This schedule presents information on the District's changes in the total OPEB liability, including beginning and ending balances. In the future, as data becomes available, ten years of information will be presented.

- *Change in Benefit Terms* – There were no changes in benefit terms.
- *Changes of Assumptions* – The discount rate changed from 3.86% in 2023 to 3.97% in 2024 and the healthcare cost trend rate changed from 5.50% in 2023 to 5.20% in 2024.

Schedule of the District's Proportionate Share of the Net OPEB Liability - MPP Program

This schedule presents information on the District's proportionate share of the net OPEB Liability – MPP Program and the plans' fiduciary net position. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – The plan rate of investment return assumption was changed from 3.54% to 3.65% since the previous valuation.

Schedule of the District's Proportionate Share of the Net Pension Liability

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.
- *Changes of Assumptions* – There were no changes in economic assumptions for the CalSTRS or CalPERS plans from the previous valuations.

Schedule of the District's Contributions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.

Supplementary Information
June 30, 2024

Anaheim Union High School District

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed Through California Department of Education (CDE)			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	$ 7,712,130
School Improvement Funding for LEAs	84.010	15438	165,384
Subtotal			7,877,514
COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	28,332,091
COVID 19: Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs	84.425U	15620	157,074
COVID 19: Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	84.425U	15621	2,559,600
COVID 19: American Rescue Plan - Homeless Children and Youth II (ARP-HCY II)	84.425W	15566	530,974
Subtotal			31,579,739
Title III, English Learner Student Program	84.365	14346	1,026,687
Title III, Immigrant Education Program	84.365	15146	67,311
Subtotal			1,093,998
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	894,126
Title II, Part A, Supporting Effective Instruction	84.367	14341	1,229,386
Carl D. Perkins Career and Technical Education: Secondary, Section 131	84.048	14894	602,857
Passed Through Greater Anaheim SELPA			
Special Education (IDEA) Cluster			
Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	6,160,525
Mental Health Allocation Plan, Part B, Sec 611	84.027A	15197	322,901
Total Special Education (IDEA) Cluster			6,483,426
Passed through California Department of Rehabilitation			
State Vocational Rehabilitation Services Program	84.126A	[1]	115,345
Passed through Napa County Office of Education			
Cali-Reads	84.323A	[1]	15,258
Passed through California State University Fullerton			
California State Gear Up Program	84.334A	[1]	44,918
Innovative Approaches to Literacy; Full-Service Community Schools; and Promise Neighborhood	84.215	[2]	986,145
Total U.S. Department of Education			50,922,712

[1] Pass-Through Entity Number not available
[2] Direct award

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services			
Passed Through CSUF Auxiliary Services Corporation			
Health Careers Opportunity Program	93.822	S-6874-AUHSD	$ 9,208
Total U.S. Department of Health and Human Services			9,208
U.S. Department of Agriculture			
Passed Through CDE			
Child Nutrition Cluster			
School Programs (School Breakfast Needy)	10.553	13526	3,828,012
School Programs (NSL Sec 4)	10.555	13523	2,254,650
School Programs (NSL Sec 11)	10.555	13524	13,289,157
Meal Supplements	10.555	13755	216,907
Commodities	10.555	13524	2,056,542
COVID 19: Supply Chain Assistance	10.555	15655	2,579,571
Subtotal			20,396,827
Total Child Nutrition Cluster			24,224,839
Total U.S. Department of Agriculture			24,224,839
U.S. Department of Defense			
Passed Through Orange County Department of Education			
Junior Reserve Officers Training Corps	12.000	[1]	456,394
Total U.S. Department of Defense			456,394
Total Federal Financial Assistance			$ 75,613,153

[1] Pass-Through Entity Number not available

Anaheim Union High School District
Schedule of Average Daily Attendance
Year Ended June 30, 2024

	Final Report	
	Second Period Report 84A21926	Annual Report CE285339
Regular ADA		
Seventh and eighth	7,865.99	7,849.89
Ninth through twelfth	17,099.18	16,999.32
Total Regular ADA	24,965.17	24,849.21
Extended Year Special Education		
Seventh and eighth	13.52	13.42
Ninth through twelfth	50.07	52.93
Total Extended Year Special Education	63.59	66.35
Special Education, Nonpublic, Nonsectarian Schools		
Seventh and eighth	12.88	14.07
Ninth through twelfth	25.79	28.73
Total Special Education, Nonpublic, Nonsectarian Schools	38.67	42.80
Extended Year Special Education, Nonpublic, Nonsectarian Schools		
Seventh and eighth	1.63	1.63
Ninth through twelfth	3.66	3.66
Total Extended Year Special Education, Nonpublic, Nonsectarian Schools	5.29	5.29
Total ADA	25,072.72	24,963.65

Anaheim Union High School District
Schedule of Instructional Time
Year Ended June 30, 2024

Grade Level	1986-1987 Minutes Requirement	2023-2024 Actual Minutes	Number of Minutes Credited Form J-13A*	Total Minutes Offered	Traditional Calendar			Multitrack Calendar			Status
					Number of Actual Days	Number of Days Credited Form J-13A*	Total Days Offered	Number of Actual Days	Number of Days Credited Form J-13A	Total Days Offered	
Grades 7 - 8	54,000										
Grade 7		60,354	355	60,709	179	1	180	N/A	N/A	N/A	Complied
Grade 8		60,354	355	60,709	179	1	180	N/A	N/A	N/A	Complied
Grades 9 - 12	64,800										
Grade 9		64,549	377	64,926	179	1	180	N/A	N/A	N/A	Complied
Grade 10		64,549	377	64,926	179	1	180	N/A	N/A	N/A	Complied
Grade 11		64,549	377	64,926	179	1	180	N/A	N/A	N/A	Complied
Grade 12		64,549	377	64,926	179	1	180	N/A	N/A	N/A	Complied

* The District received an approved J-13A for 355 minutes for grades 7 to 8 and 377 minutes for grades 9 to 12 and 1 day.

There were no adjustments to the Unaudited Actual Financial Report which required reconciliation to the audited financial statements at June 30, 2024.

	(Budget) 2025 [1]	2024	2023 [1]	2022 [1]
General Fund [3]				
Revenues	$ 535,908,153	$ 587,387,510	$ 625,238,032	$ 489,952,954
Other sources	-	518,429	264,943	-
Total revenues and other sources	535,908,153	587,905,939	625,502,975	489,952,954
Expenditures	540,591,663	555,004,788	509,702,745	461,523,212
Other uses	3,800,000	36,555,677	3,851,230	3,703,788
Total expenditures and other uses	544,391,663	591,560,465	513,553,975	465,227,000
Increase (Decrease) in Fund Balance	(8,483,510)	(3,654,526)	111,949,000	24,725,954
Ending Fund Balance	$ 271,463,607	$ 279,947,117	$ 283,601,643	$ 171,652,643
Available Reserves [2]	$ 68,873,923	$ 75,769,163	$ 36,726,909	$ 24,332,965
Available Reserves as a Percentage of Total Outgo	12.65%	12.81%	7.15%	5.23%
Long-Term Liabilities including OPEB and Pensions	N/A	$ 786,086,991	$ 756,360,399	$ 638,449,078
K-12 Average Daily Attendance at P-2	23,381	25,073	25,263	26,092

The General Fund balance has increased by $108,294,474 over the past two years, and the fiscal year 2024-2025 budget projects a decrease of $8,483,510 (3.0%). For a district this size, the State recommends available reserves of at least three percent of total General Fund expenditures and other uses (total outgo).

The District has incurred operating surpluses in two of the past three years but anticipates incurring an operating deficit during the 2024-2025 fiscal year. Total long-term liabilities have increased by $147,637,913 over the past two years.

Average daily attendance has decreased by 1,019 over the past two years and an additional decrease of 1,692 ADA is anticipated during fiscal year 2024-2025.

[1] Financial information for 2025, 2023, and 2022 are included for analytical purposes only and has not been subjected to audit.

[2] Available reserves consist of all unassigned fund balances including all amounts reserved for economic uncertainties contained with the General Fund.

[3] General Fund amounts do not include activity related to the consolidation of the Deferred Maintenance Fund as required by GASB Statement No. 54.

	Student Activity Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
Assets						
Deposits and investments	$ 3,189,496	$ 15,449,555	$ 18,294,669	$ 83,822	$ 16,844,321	$ 53,861,863
Receivables	-	5,980,976	75,103	310	107,871	6,164,260
Due from other funds	-	872,138	2,520,601	-	-	3,392,739
Stores inventories	-	338,260	-	-	-	338,260
Total assets	$ 3,189,496	$ 22,640,929	$ 20,890,373	$ 84,132	$ 16,952,192	$ 63,757,122
Liabilities and Fund Balances						
Liabilities						
Accounts payable	$ -	$ 420,160	$ 2,586,350	$ -	$ -	$ 3,006,510
Due to other funds	-	1,894,835	27,761	-	-	1,922,596
Unearned revenue	-	148,536	-	-	-	148,536
Total liabilities	-	2,463,531	2,614,111	-	-	5,077,642
Fund Balances						
Nonspendable	3,335	338,260	-	-	-	341,595
Restricted	3,186,161	19,839,138	18,276,262	84,132	16,952,192	58,337,885
Total fund balances	3,189,496	20,177,398	18,276,262	84,132	16,952,192	58,679,480
Total liabilities and fund balances	$ 3,189,496	$ 22,640,929	$ 20,890,373	$ 84,132	$ 16,952,192	$ 63,757,122

	Student Activity Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund
Revenues				
Federal sources	$ -	$ 24,224,838	$ -	$ -
Other State sources	-	12,095,111	-	5,933,974
Other local sources	5,366,657	644,783	8,145,724	17,727
	-			
Total revenues	5,366,657	36,964,732	8,145,724	5,951,701
Expenditures				
Current				
Pupil services				
Food services	-	29,213,565	-	-
Administration				
All other administration	-	850,815	95,427	-
Plant services	-	352,840	-	-
Ancillary services	5,351,821	-	-	-
Facility acquisition and construction	-	77,744	13,558,923	94
Debt service				
Principal	-	-	-	-
Interest and other	-	-	-	-
Total expenditures	5,351,821	30,494,964	13,654,350	94
Excess (Deficiency) of Revenues Over Expenditures	14,836	6,469,768	(5,508,626)	5,951,607
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Other sources - proceeds from issuance of general obligation bonds	-	-	-	-
Other sources - premium from issuance of general obligation bonds	-	-	-	-
Transfers out	-	-	(2,896,753)	(5,933,974)
Other uses - payment to refunded bonds escrow agent	-	-	-	-
Net Financing Sources (Uses)	-	-	(2,896,753)	(5,933,974)
Net Change in Fund Balances	14,836	6,469,768	(8,405,379)	17,633
Fund Balance - Beginning, as previously reported	3,174,660	13,707,630	26,681,641	66,499
Adjustments (Note 18)	-	-	-	-
Fund Balance - Beginning, as restated	3,174,660	13,707,630	26,681,641	66,499
Fund Balance - Ending	$ 3,189,496	$ 20,177,398	$ 18,276,262	$ 84,132

	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
Revenues			
Federal sources		$ -	$ 24,224,838
Other State sources		77,745	18,106,830
Other local sources		20,133,357	34,308,248
Total revenues		20,211,102	76,639,916
Expenditures			
Current			
Pupil services			
Food services		-	29,213,565
Administration			
All other administration		-	946,242
Plant services		-	352,840
Ancillary services		-	5,351,821
Facility acquisition and construction		-	13,636,761
Debt service			
Principal		10,555,000	10,555,000
Interest and other		9,160,634	9,160,634
Total expenditures		19,715,634	69,216,863
Excess (Deficiency) of Revenues Over Expenditures		495,468	7,423,053
Other Financing Sources (Uses)			
Transfers in		-	-
Other sources - proceeds from issuance of general obligation bonds		48,040,000	48,040,000
Other sources - premium from issuance of general obligation bonds		6,664,024	6,664,024
Transfers out		-	(8,830,727)
Other uses - payment to refunded bonds escrow agent		(54,405,928)	(54,405,928)
Net Financing Sources (Uses)		298,096	(8,532,631)
Net Change in Fund Balances		793,564	(1,109,578)
Fund Balance - Beginning, as previously reported	42,053,673	16,158,628	101,842,731
Adjustments (Note 18)	(42,053,673)	-	(42,053,673)
Fund Balance - Beginning, as restated	-	16,158,628	59,789,058
Fund Balance - Ending	$ -	$ 16,952,192	$ 58,679,480

Note 1 - Purpose of Schedules

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 Anaheim Union High School District (the District) under programs of the federal government for the year ended June 30, 2024. The information 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 the operations of the District, it is not intended to and does not present the net position or changes in net position, fund balance, or cash flows of the District.

Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Indirect Cost Rate

The District has not elected to use the ten percent de minimis cost rate.

Food Donation

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2024, the District did not report any commodities in inventory.

Schedule of Average Daily Attendance (ADA)

Average daily attendance (ADA) 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

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. The District has met its target funding. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of *Education Code* Sections 46200 through 46207.

Districts must maintain their instructional minutes at the 1986-87 requirements, as required by *Education Code* Section 46201.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actual Financial Report to the audited financial statements.

Schedule of Financial Trends and Analysis

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

Non-Major Governmental Funds - Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances

These schedules are included to provide information regarding the individual funds that have been included in the Non-Major Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.

Other Information
June 30, 2024

Anaheim Union High School District

Organization

The Anaheim Union High School District was established in 1898 and consists of an area comprising approximately 46 square miles. The District operates eight high schools, one continuation high school, eight junior high schools, one 7-12 academy, one special education facility, and an independent study program. There were no boundary changes during the year.

Governing Board

MEMBER	OFFICE	TERM EXPIRES
Annemarie Randle-Trejo	President	2026
Jessica Guerrero	Clerk	2026
Katherine H. Smith	Assistant Clerk	2024
Brian O'Neal	Member	2024
Ron Hoshi	Member	2026

Administration

Michael B. Matsuda	Superintendent
Nancy Nien	Assistant Superintendent, Business
Jaron Fried, Ed.D.	Assistant Superintendent, Educational Services
Brad Jackson	Assistant Superintendent, Human Resources

Independent Auditor's Reports
June 30, 2024

Anaheim Union High School District

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Governing Board
Anaheim Union High School District
Anaheim, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Anaheim Union High School District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 4, 2024.

Correction of Error

As discussed in Note 17 to the financial statements, certain errors resulting in an understatement of amounts previously reported for accounts payable as of June 30, 2023, were discovered during the current year. Accordingly, a restatement has been made to the Building Fund's fund balance and governmental activities net position as of July 1, 2023 to correct the error. Our opinions are not modified with respect to this matter.

Report on Internal Controls 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001 that we consider to be a material weakness.

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*.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

We noted certain matters that we reported to management of the District in a separate letter dated December 4, 2024.

Purpose of this Report

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

Eide Bailly LLP

Rancho Cucamonga, California
December 4, 2024

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Governing Board
Anaheim Union High School District
Anaheim, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Anaheim 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, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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, 2024.

Basis for Opinion on Each Major Federal Program

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

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.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Eide Bailly LLP

Rancho Cucamonga, California
December 4, 2024

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on State Compliance and on Internal Control Over Compliance

To the Governing Board
Anaheim Union High School District
Anaheim, California

Report on Compliance

Opinion on State Compliance

We have audited Anaheim Union High School District's (the District) compliance with the requirements specified in the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to the District's state program requirements identified below for the year ended June 30, 2024.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 2024.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), and the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditor's 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 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 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 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.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the 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 *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a 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 *2023-2024 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 consider 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 *2023-2024 Guide for 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 controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

2023-2024 K-12 Audit Guide Procedures	Procedures Performed
Local Education Agencies Other Than Charter Schools	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Not Applicable
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable

2023-2024 K-12 Audit Guide Procedures	Procedures Performed
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not Applicable
K-3 Grade Span Adjustment	Not Applicable
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
Home to School Transportation Reimbursement	Yes
School Districts, County Offices of Education, and Charter Schools	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Yes
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Not Applicable
Career Technical Education Incentive Grant	Yes
Expanded Learning Opportunities Program	Not Applicable
Transitional Kindergarten	Not Applicable
Charter Schools	
Attendance	Not Applicable
Mode of Instruction	Not Applicable
Nonclassroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes – Classroom Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

The term "Not Applicable" is used above to mean either the District did not offer the program during the current fiscal year, the District did not participate in the program during the current fiscal year, or the program applies to a different type of local education agency.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Rancho Cucamonga, California
December 4, 2024

Schedule of Findings and Questioned Costs
June 30, 2024

Anaheim Union High School District

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major program	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)	No

Identification of major programs

Name of Federal Program or Cluster	Federal Financial Assistance Listing
Child Nutrition Cluster	10.553, 10.555
COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U
COVID 19: Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs	84.425U
COVID 19: Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	84.425U
COVID 19: American Rescue Plan - Homeless Children and Youth II (ARP-HCY II)	84.425W

Dollar threshold used to distinguish between type A and type B programs	$2,268,395
Auditee qualified as low-risk auditee?	No

State Compliance

Internal control over state compliance programs	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for programs	Unmodified

The following finding represents a material weakness related to the financial statements that is required to be reported in accordance with *Government Auditing Standards*. The finding has been coded as follows:

Five Digit Code	AB 3627 Finding Type
30000	Internal Control

2024-001 30000 – Internal Control over Financial Reporting (Material Weakness)

Criteria or Specific Requirements

Management is responsible for the design, implementation, and maintenance of internal controls to ensure the financial statements are free from material misstatement, whether due to error or fraud. Such internal controls should include a review of all adjusting entries, reclassifying entries, and conversion entries used in the preparation of the District's financial statements. The District should ensure that all applicable accounting principles are adhered to when preparing the financial statements.

Condition

During the course of our engagement, we identified a certain material misstatement of balances within the District's 2022-2023 unaudited actuals financial report. Through review of supporting records, we noted that the District's beginning net position of the governmental activities and beginning fund balance of the Building Fund were overstated as a result of an understatement of accounts payable of $395,868. This misstatement was caused by an error, which has been detailed in Note 17.

Context

The condition was identified through review of available District records related to the financial account balances in the Governmental Funds.

Cause

The cause of the condition identified appears to be due to inadequate review processes related to the preparation of the District's year-end financial statements, which includes the related conversion entries in preparation of the government-wide financial statements.

Effect

Due to the condition identified, the District's prior period ending net position and the prior period ending fund balance of the Building Fund were overstated by $395,868.

Repeat Finding

No.

Recommendation

A thorough review of the District's financial statements, including all adjusting entries, reclassifying entries, and conversion entries should take place before the financial statements are finalized by the District's business department.

Corrective Action Plan and Views of Responsible Officials

The Business department identified appropriate staff responsible for the reporting of accruals and retention as related to the various facilities funds.

The accounting staff provided early notification and repeated follow-up to ensure that proper accounting procedures were followed and reported in a timely manner.

During the annual year-end closing process, these records and procedures were reviewed by multiple staff as a way to verify all projects and expenditures were appropriately and accurately recorded.

None reported.

None reported.

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

EideBailly

CPAs & BUSINESS ADVISORS

Management
Anaheim Union High School District
Anaheim, California

In planning and performing our audit of the financial statements of Anaheim Union High School District (the District) for the year ended June 30, 2024, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted matters that are opportunities for strengthening internal controls and operating efficiency. The following items represent conditions noted by our audit that we consider important enough to bring to your attention. This letter does not affect our report dated December 4, 2024, on the government-wide financial statements of the District.

Associated Student Body (ASB)

Brookhurst Junior High

Observations

1. Based on the review of the cash receipting procedures, it was noted that club advisors are not consistently providing adequate supporting documentation for cash collections. Out of 15 deposits tested, 11 contained various receipts that were not supported by adequate documentation or a paper trail. As a result, the completeness and timeliness of these deposits could not be verified.

2. During review of cash collection procedures for the student store, it was noted that student store deposit count sheets did not always contain explicit indication that a count was performed by two individuals. Out of 15 deposits tested, nine did not indicated a second person counting money received.

3. Based on the review of the cash receipting procedures, it was noted that six out of 15 receipts tested were not deposited in a timely manner. The delay in deposits ranged from nine to 15 days from the date of receipt. This could result in large cash balances being maintained at the sites, which can hinder the safeguarding of ASB assets.

4. During our review of student store activities, it was noted that daily sales reports are not always prepared for student store sales. Out of nine student store deposits tested, two did not contain a daily sales report.

10681 Foothill Blvd., Ste. 300 | Rancho Cucamonga, CA 91730-3831 | T 909.466.4410 | F 909.466.4431 | EOE

5. During review of cash disbursement procedures, it was noted that invoices are not always required before cash is disbursed. Out of seven cash disbursements tested, one did not contain an invoice for the amount disbursed. Additionally, this amount seems to have been a double reimbursement for an amount already reimbursed without the initial check being voided. This can lead to potential overpayment of ASB funds.

6. Based on the review of the disbursement procedures, it was noted that four of seven disbursements tested did not contain explicit receiving documentation to indicate that goods had been received. As a result, the vendor invoice was paid without direct confirmation that the goods being ordered had been received by the ASB.

7. In reviewing the site's outstanding check listing for the September 2023 reconciliation, we noted that numerous checks were over six months old making the probability of them clearing the account quite low.

Recommendations

1. Pre-numbered triplicate receipts or logs should be utilized when collecting money for all ASB events and transactions. If utilizing a log, the students name and amount being turned in should be documented. If using a receipt book, the receipts should be issued in sequential order to all individuals turning in monies for ASB events. Teachers and administrators who collect monies should be equipped with a triplicate receipts book or log sheet. The white copy of the receipt should be issued to the person turning in the monies, the yellow receipt or log sheet should be utilized for deposit back-up, and the pink copy should be retained in the receipt book for audit purposes. When teachers are turning in monies for deposit, a cash count sheet should be turned in with the yellow copy of the receipts and monies to clearly identify the total amount being turned in.

2. Student store deposit count sheets should indicate the individuals who are counting cash received through the student store and each individual should sign and date the count sheet once completed.

3. The ASB, should, at a minimum, make their deposits once a week to minimize the amount of cash held at the site. During weeks of high cash activity, there may be a need to make more than one deposit. The District should communicate specific guidelines for this procedure, including the maximum cash on hand that should be maintained at the site.

4. Daily sales reports provide a reconciliation between the sales recorded for the day and the amount of money collected for the day. From these reports, the ASB can determine if there is an overage or shortage of funds collected. Daily overages and shortages in the register may indicate that merchandise was sold and not accounted for correctly on the register. To enhance the accountability and accounting of the student store activity, the importance of ringing all merchandise sales up and correctly reconciling sales daily should be emphasized to all who work the register. If there is a discrepancy, the ASB can evaluate and develop methods to reduce such variances from occurring. Additionally, the ASB can analyze the daily sales reports to view trends in sales. These trends may help the ASB predict/adjust their inventory to meet demand. Without the daily sales report, the ASB cannot effectively reconcile the amount of recorded sales for the day and money collected.

5. Invoices for all disbursements must be received and verified before any money is disbursed.

6. All goods being ordered should be documented with explicit receiving documentation. Documentation should indicate the date that the goods have been received and documentation regarding whether or not the goods have been received intact, undamaged, and in the correct quantities. Payments for vendor invoices should only be made once the receiving documentation is available.

7. Outstanding checks over six months old should be credited back to the appropriate account and taken off the subsequent bank reconciliations. Although the chances are low, the check may clear on a subsequent bank statement. In this case, the amount should be charged against the appropriate account and described as "outstanding check written off-cleared".

South Junior High

Observations

1. Based on the review of the cash receipting procedures, it was noted that three out of nine receipts tested were not deposited in a timely manner. The delay in deposits ranged from nine to 24 days from the date of receipt. This could result in large cash balances being maintained at the sites, which can hinder the safeguarding of ASB assets.

2. In reviewing the site's outstanding check listing for the September 2023 reconciliation, we noted that numerous checks were over six months old making the probability of them clearing the account quite low.

Recommendations

1. The ASB, should, at a minimum, make their deposits once a week to minimize the amount of cash held at the site. During weeks of high cash activity, there may be a need to make more than one deposit. The District should communicate specific guidelines for this procedure, including the maximum cash on hand that should be maintained at the site.

2. Outstanding checks over six months old should be credited back to the appropriate account and taken off the subsequent bank reconciliations. Although the chances are low, the check may clear on a subsequent bank statement. In this case, the amount should be charged against the appropriate account and described as "outstanding check written off-cleared".

Loara High

Observations

1. Based on the review of the disbursement procedures, it was noted that two of 20 disbursements tested were not approved prior to transactions taking place. This could potentially lead to spending in excess of available funds. Additionally, expenditures of a questionable nature could arise if disbursements are not pre-approved.

2. In reviewing the site's outstanding check listing for the September 2023 reconciliation, we noted that numerous checks were over six months old making the probability of them clearing the account quite low.

Recommendations

1. In order to ensure proper internal controls over the ASB disbursements, the site should ensure that all disbursement transactions are pre-approved by authorized administrative personnel and the student council. This would allow the student council to determine if the proposed activities are appropriate and to determine if sufficient funding is available to finance the activities or the purchases.

2. Outstanding checks over six months old should be credited back to the appropriate account and taken off the subsequent bank reconciliations. Although the chances are low, the check may clear on a subsequent bank statement. In this case, the amount should be charged against the appropriate account and described as "outstanding check written off-cleared".

Savanna High

Observations

1. Based on the review of the cash receipting procedures, it was noted that five out of five receipts tested were not deposited in a timely manner. The delay in deposits ranged from nine to 43 days from the date of receipt. This could result in large cash balances being maintained at the sites, which can hinder the safeguarding of ASB assets.

2. Based on the review of the disbursement procedures, it was noted that one of nine disbursements tested were not approved prior to transactions taking place. This could potentially lead to spending in excess of available funds. Additionally, expenditures of a questionable nature could arise if disbursements are not pre-approved.

3. In reviewing the site's outstanding check listing for the September reconciliation, we noted that numerous checks were over six months old making the probability of them clearing the account quite low.

Recommendations

1. The ASB, should, at a minimum, make their deposits once a week to minimize the amount of cash held at the site. During weeks of high cash activity, there may be a need to make more than one deposit. The District should communicate specific guidelines for this procedure, including the maximum cash on hand that should be maintained at the site.

2. In order to ensure proper internal controls over the ASB disbursements, the site should ensure that all disbursement transactions are pre-approved by authorized administrative personnel and the student council. This would allow the student council to determine if the proposed activities are appropriate and to determine if sufficient funding is available to finance the activities or the purchases.

3. Outstanding checks over six months old should be credited back to the appropriate account and taken off the subsequent bank reconciliations. Although the chances are low, the check may clear on a subsequent bank statement. In this case, the amount should be charged against the appropriate account and described as “outstanding check written off-cleared”.

We will review the status of the current year comments during our next audit engagement.

Eide Bailly LLP

Rancho Cucamonga, California
December 4, 2024