HAYWARD UNIFIED SCHOOL DISTRICT

AUDIT REPORT
JUNE 30, 2024

HAYWARD UNIFIED SCHOOL DISTRICT
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FINANCIAL SECTION

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Independent Auditors' Report

Governing Board
Hayward Unified School District
Hayward, California

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Hayward Unified School District, as of June 30, 2024, and the respective changes in financial position 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Hayward Unified School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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 Hayward Unified School 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.

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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 generally accepted auditing standards 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 of the financial statements.

In performing an audit in accordance with generally accepted auditing standards 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 Hayward Unified School 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 Hayward Unified School 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 required supplementary information, such as management's discussion and analysis, budgetary comparison information, schedule of changes in total OPEB liability and related ratios, schedules of proportionate share of net pension liability, and schedules of district contributions for pensions 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 appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hayward Unified School District's basic financial statements. The supplementary information listed in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. 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 February 14, 2025 on our consideration of the Hayward Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Hayward Unified School 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 Hayward Unified School District's internal control over financial reporting and compliance.

Christy White, Inc.

San Diego, California
February 14, 2025

HAYWARD UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

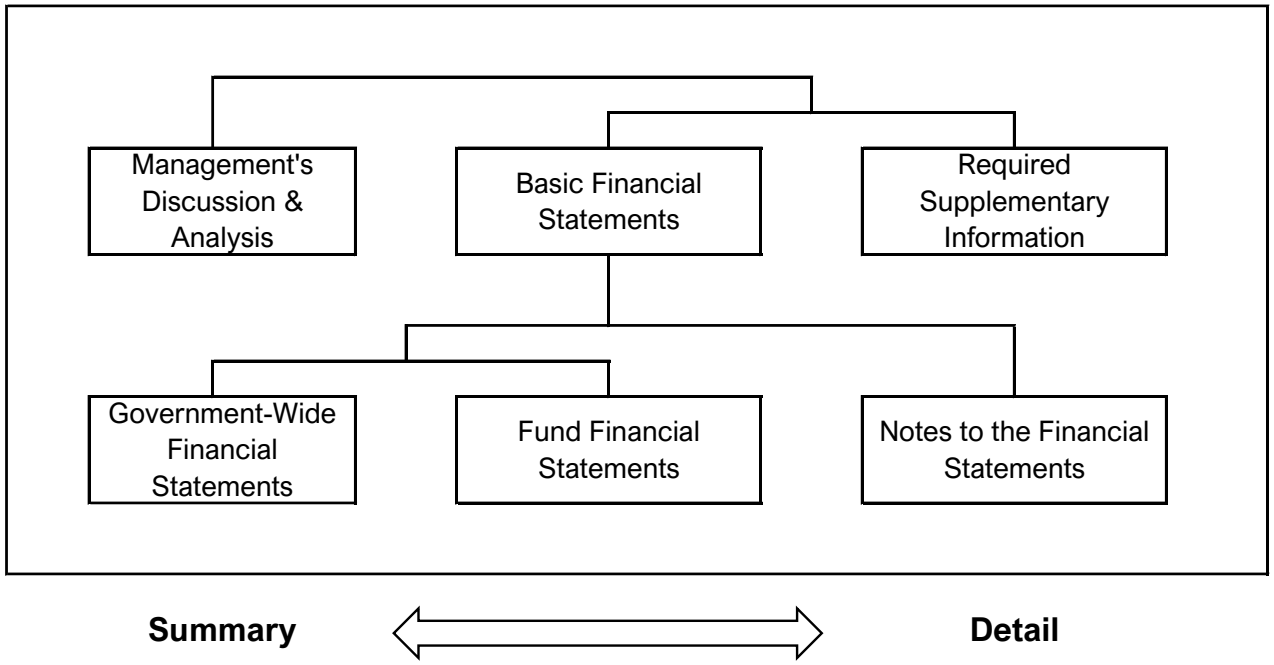
Our discussion and analysis of Hayward Unified School District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2024. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's net position was $(197,725,343) at June 30, 2024. This was a decrease of $12,108,396 from the prior year.
- Overall revenues were $447,654,373 which were exceeded by expenses of $459,762,769.

OVERVIEW OF FINANCIAL STATEMENTS

Components of the Financial Section



OVERVIEW OF FINANCIAL STATEMENTS (continued)

Components of the Financial Section (continued)

This annual report consists of three parts – Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

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

- **Fund financial statements** focus on reporting the individual parts of District operations in more detail. The fund financial statements comprise the remaining statements.

    - **Governmental Funds** provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The basic financial statements are followed by a section of required and other supplementary information that further explain and support the financial statements.

Government-Wide Statements

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

The two government-wide statements report the District's net position and how it has changed. Net position is one way to measure the District's financial health. Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the District include governmental activities. All of the District's basic services are included here, such as regular education, food service, maintenance and general administration. Local control formula funding and federal and state grants finance most of these activities.

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The District's net position was $(197,725,343) at June 30, 2024, as reflected in the table below. Of this amount, $(365,028,764) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Governing Board's ability to use that net position for day-to-day operations.

	Governmental Activities		
	2024	2023	Net Change
ASSETS			
Current and other assets	$ 365,734,579	$ 480,781,766	$ (115,047,187)
Capital assets	733,792,377	637,020,698	96,771,679
Total Assets	1,099,526,956	1,117,802,464	(18,275,508)
DEFERRED OUTFLOWS OF RESOURCES	154,908,725	152,556,493	2,352,232
LIABILITIES			
Current liabilities	82,367,625	87,301,422	(4,933,797)
Long-term liabilities	1,301,498,226	1,289,702,634	11,795,592
Total Liabilities	1,383,865,851	1,377,004,056	6,861,795
DEFERRED INFLOWS OF RESOURCES	68,295,173	78,971,848	(10,676,675)
NET POSITION			
Net investment in capital assets	55,808,599	53,898,192	1,910,407
Restricted	111,494,822	120,910,467	(9,415,645)
Unrestricted	(365,028,764)	(360,425,606)	(4,603,158)
Total Net Position	$ (197,725,343)	$ (185,616,947)	$ (12,108,396)

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the Statement of Activities. The table below takes the information from the Statement and rearranges it slightly, so you can see our total revenues and expenses by year.

	Governmental Activities		
	2024	2023	Net Change
REVENUES			
Program revenues			
Charges for services	$ 1,343,218	$ 1,905,598	$ (562,380)
Operating grants and contributions	124,279,439	138,541,929	(14,262,490)
Capital grants and contributions	566,682	394,060	172,622
General revenues			
Property taxes	144,466,927	134,650,930	9,815,997
Unrestricted federal and state aid	159,627,312	151,692,580	7,934,732
Other	17,370,795	(2,140,068)	19,510,863
Total Revenues	447,654,373	425,045,029	22,609,344
EXPENSES			
Instruction	226,149,012	177,670,113	48,478,899
Instruction-related services	51,487,739	41,882,907	9,604,832
Pupil services	58,148,309	43,336,741	14,811,568
General administration	24,820,428	19,327,955	5,492,473
Plant services	58,153,981	45,048,292	13,105,689
Ancillary services	2,403,177	1,904,467	498,710
Debt service	33,113,897	31,782,660	1,331,237
Other outgo	5,486,226	4,670,503	815,723
Total Expenses	459,762,769	365,623,638	94,139,131
Change in net position	(12,108,396)	59,421,391	(71,529,787)
Net Position - Beginning	(185,616,947)	(245,038,338)	59,421,391
Net Position - Ending	$ (197,725,343)	$ (185,616,947)	$ (12,108,396)

The cost of all our governmental activities this year was $459,762,769 (refer to the table above). The amount that our taxpayers ultimately financed for these activities through taxes was $144,466,927 because a portion of the cost was paid by other governments and organizations who subsidized certain programs with grants and contributions, unrestricted federal and state aid, and other general revenues.

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position (continued)

In the table below, we have presented the net cost of each of the District's functions. 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.

	Net Cost of Services	
	2024	2023
Instruction	$ 158,389,669	$ 95,624,992
Instruction-related services	38,548,889	27,220,842
Pupil services	28,447,781	17,101,640
General administration	21,200,688	15,351,506
Plant services	51,944,831	35,594,947
Ancillary services	486,239	1,249,863
Debt service	33,113,897	31,782,660
Transfers to other agencies	1,441,436	855,601
Total	$ 333,573,430	$ 224,782,051

FINANCIAL ANALYSIS OF THE DISTRICT'S MAJOR FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of $308,905,532, which is less than last year's ending fund balance of $419,570,066. The District's General Fund had $14,882,318 less in operating revenues than expenditures for the year ended June 30, 2024. The District's Building Fund had $99,485,774 less in operating revenues than expenditures for the year ended June 30, 2024. The District's Capital Facilities Fund had $5,879,711 less in operating revenues than expenditures for the year ended June 30, 2024. The District's Bond Interest and Redemption Fund had $6,195,642 more in operating revenues than expenditures for the year ended June 30, 2024.

CURRENT YEAR BUDGET 2023-2024

During the fiscal year, budget revisions and appropriation transfers are presented to the Board for their approval on a regular basis to reflect changes to both revenues and expenditures that become known during the year. In addition, the Board of Education approves financial projections included with the Adopted Budget, First Interim, and Second Interim financial reports. The Unaudited Actuals reflect the District's financial projections and current budget based on State and local financial information.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

By the end of 2023-2024 the District had invested $733,792,377 in capital assets, net of accumulated depreciation.

	Governmental Activities		
	2024	2023	Net Change
CAPITAL ASSETS			
Land	$ 12,619,115	$ 12,619,115	$ -
Construction in progress	99,424,962	63,800,058	35,624,904
Land improvements	69,771,177	69,771,177	-
Buildings & improvements	736,827,564	668,010,162	68,817,402
Furniture & equipment	35,268,154	30,932,300	4,335,854
Less: Accumulated depreciation	(220,118,595)	(208,112,114)	(12,006,481)
Total	$ 733,792,377	$ 637,020,698	$ 96,771,679

Long-Term Liabilities

At year-end, the District had $1,301,498,226 in long-term liabilities, an increase of less than 1% from last year – as shown in the table below. More detailed information about the District's long-term liabilities is presented in footnotes to the financial statements.

	Governmental Activities		
	2024	2023	Net Change
LONG-TERM LIABILITIES			
Total general obligation bonds	$ 795,597,804	$ 805,496,666	$ (9,898,862)
Total certificates of participation	80,572,623	81,663,360	(1,090,737)
Financed purchases	1,175,299	1,548,589	(373,290)
Compensated absences	4,259,293	3,320,218	939,075
Total OPEB liability	128,528,899	122,725,434	5,803,465
Net pension liability	303,466,530	287,430,812	16,035,718
Less: current portion of long-term liabilities	(12,102,222)	(12,482,445)	380,223
Total	$ 1,301,498,226	$ 1,289,702,634	$ 11,795,592

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Several economic factors could impact California school district funding and the District's budget in the next fiscal year:

Long-term Declining Enrollment: Lower birth rates and increased migration out of state have resulted in long-term declining enrollment across California schools. Enrollment can fluctuate due to factors such as population growth, competition from private and parochial schools, inter-district transfers in or out, economic conditions, and housing values. Losses in enrollment will cause a school district to lose operating revenues without necessarily permitting the district to adjust fixed operating costs.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (continued)

Revenue Uncertainties: Proposition 98 guarantees have improved over the 2023-24 fiscal year, but the prior 2022-23 revenues fell short of estimates, reducing the guarantee and resulting in the use of Proposition 98 reserves. California faced a significant budget deficit due to a severe revenue decline in 2022-23, driven mainly by lower income tax collections and economic downturns. However, recent tax forecasts show that actual revenues surpass projections. Surpluses could help fund more Proposition 98 revenue for school districts.

Underfunded Pension Liabilities: The District participates in state employee pension plans, California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) and both are underfunded. The District's proportionate share of the liability is reported in the Statement of Net Position as of June 30, 2024. The amount of the liability is material to the District's financial position. The CalSTRS projected employer contribution rate for 2024-25 is 19.10 percent. The CalPERS projected employer contribution rate for 2024-25 is 27.05 percent. The projected increased pension costs to school employers remain a significant fiscal factor.

Economic Downturn: Higher borrowing costs and reduced investment have slowed economic activity, particularly affecting sectors like technology and startups, which are crucial to California's economy. The unemployment rate is up but might reverse with future jobs in the technology and aerospace industries.

Federal Reserve Actions: The Federal Reserve's interest rate hikes have increased borrowing costs, reducing investment and economic growth.

Stock Market Performance: The steep decline in the stock market in prior years has negatively impacted income tax collections from high-income Californians and corporations. Overall, market performance in 2024 is trending in a positive direction.

These factors contribute to a challenging fiscal environment, potentially affecting the state's ability to maintain or increase funding for school districts. All these factors were considered in preparing the District's 2024-25 fiscal year budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and 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 Services at the District Office, Hayward Unified School District, 24411 Amador Street, Hayward, CA 94544.

HAYWARD UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities
ASSETS	
Cash and investments	$ 331,102,443
Accounts receivable	34,540,406
Inventory	91,730
Capital assets, not depreciated	112,044,077
Capital assets, net of accumulated depreciation	621,748,300
Total Assets	1,099,526,956
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	106,206,156
Deferred outflows related to OPEB	18,415,064
Deferred amount on refunding	30,287,505
Total Deferred Outflows of Resources	154,908,725
LIABILITIES	
Accrued liabilities	69,126,299
Unearned revenue	1,139,104
Long-term liabilities, current portion	12,102,222
Long-term liabilities, non-current portion	1,301,498,226
Total Liabilities	1,383,865,851
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	24,410,531
Deferred inflows related to OPEB	43,884,642
Total Deferred Inflows of Resources	68,295,173
NET POSITION	
Net investment in capital assets	55,808,599
Restricted:	
Capital projects	27,993,154
Debt service	27,723,952
Educational programs	44,637,609
Food service	10,752,292
Associated student body	387,815
Unrestricted	(365,028,764)
Total Net Position	$ (197,725,343)

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

HAYWARD UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Function/Programs	Expenses	Program Revenues: Charges for Services	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	$ 226,149,012	$ 871,791	$ 66,320,870	$ 566,682	$ (158,389,669)
Instruction-related services					
Instructional supervision and administration	23,582,645	6,945	9,732,530	-	(13,843,170)
Instructional library, media, and technology	2,499,592	11,475	350,350	-	(2,137,767)
School site administration	25,405,502	270	2,837,280	-	(22,567,952)
Pupil services					
Home-to-school transportation	7,588,823	3,122	1,275,950	-	(6,309,751)
Food services	14,087,827	92,315	16,004,929	-	2,009,417
All other pupil services	36,471,659	32,715	12,291,497	-	(24,147,447)
General administration					
Centralized data processing	6,640,852	-	879,067	-	(5,761,785)
All other general administration	18,179,576	4,746	2,735,927	-	(15,438,903)
Plant services	58,153,981	14,199	6,194,951	-	(51,944,831)
Ancillary services	2,403,177	23	1,916,915	-	(486,239)
Interest on long-term debt	33,113,897	-	-	-	(33,113,897)
Other outgo	5,486,226	305,617	3,739,173	-	(1,441,436)
Total Governmental Activities	$ 459,762,769	$ 1,343,218	$ 124,279,439	$ 566,682	(333,573,430)
General revenues					
Taxes and subventions					
Property taxes, levied for general purposes					96,479,429
Property taxes, levied for debt service					41,543,782
Property taxes, levied for other specific purposes					6,443,716
Federal and state aid not restricted for specific purposes					159,627,312
Interest and investment earnings					11,240,758
Interagency revenues					1,640,655
Miscellaneous					4,489,382
Subtotal, General Revenue					321,465,034
CHANGE IN NET POSITION					(12,108,396)
Net Position - Beginning					(185,616,947)
Net Position - Ending					$ (197,725,343)

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

HAYWARD UNIFIED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2024

	General Fund	Building Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	$ 77,683,341	$ 104,780,671	$ 68,564,604	$ 40,923,112	$ 39,150,715	$ 331,102,443
Accounts receivable	27,946,216	959,760	288,536	237,196	5,108,698	34,540,406
Due from other funds	1,822,080	-	-	-	1,860,539	3,682,619
Stores inventory	3,045	-	-	-	88,685	91,730
Total Assets	$ 107,454,682	$ 105,740,431	$ 68,853,140	$ 41,160,308	$ 46,208,637	$ 369,417,198
LIABILITIES						
Accrued liabilities	$ 41,234,376	$ 13,923,592	$ 32,363	$ -	$ 499,612	$ 55,689,943
Due to other funds	1,860,539	21,180	92,150	-	1,708,750	3,682,619
Unearned revenue	1,018,192	-	-	-	120,912	1,139,104
Total Liabilities	44,113,107	13,944,772	124,513	-	2,329,274	60,511,666
FUND BALANCES						
Nonspendable	203,045	-	-	-	91,135	294,180
Restricted	39,982,642	91,795,659	68,728,627	41,160,308	43,788,228	285,455,464
Assigned	167,098	-	-	-	-	167,098
Unassigned	22,988,790	-	-	-	-	22,988,790
Total Fund Balances	63,341,575	91,795,659	68,728,627	41,160,308	43,879,363	308,905,532
Total Liabilities and Fund Balances	$ 107,454,682	$ 105,740,431	$ 68,853,140	$ 41,160,308	$ 46,208,637	$ 369,417,198

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

HAYWARD UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Total Fund Balance - Governmental Funds		$ 308,905,532
Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:		
Capital assets:		
In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation:		
Capital assets	$ 953,910,972	
Accumulated depreciation	(220,118,595)	733,792,377
Deferred amount on refunding:		
In governmental funds, the net effect of refunding bonds is recognized when debt is issued, whereas this amount is deferred and amortized in the government-wide financial statements:		30,287,505
Unmatured interest on long-term debt:		
In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmatured interest owing at the end of the period was:		(13,436,356)
Long-term liabilities:		
In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:		
Total general obligation bonds	$ 795,597,804	
Total certificates of participation	80,572,623	
Financed purchases	1,175,299	
Compensated absences	4,259,293	
Total OPEB liability	128,528,899	
Net pension liability	303,466,530	(1,313,600,448)
Deferred outflows and inflows of resources relating to pensions:		
In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.		
Deferred outflows of resources related to pensions	$ 106,206,156	
Deferred inflows of resources related to pensions	(24,410,531)	81,795,625
Deferred outflows and inflows of resources relating to OPEB:		
In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to OPEB are reported.		
Deferred outflows of resources related to OPEB	$ 18,415,064	
Deferred inflows of resources related to OPEB	(43,884,642)	(25,469,578)
Total Net Position - Governmental Activities		$ (197,725,343)

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

HAYWARD UNIFIED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Building Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES						
LCFF sources	$ 247,597,309	$ -	$ -	$ -	$ -	$ 247,597,309
Federal sources	36,048,488	-	-	-	12,297,394	48,345,882
Other state sources	50,915,512	15,803	-	136,797	19,151,487	70,219,599
Other local sources	34,590,621	8,942,799	4,284,431	43,586,564	4,376,519	95,780,934
Total Revenues	369,151,930	8,958,602	4,284,431	43,723,361	35,825,400	461,943,724
EXPENDITURES						
Current						
Instruction	226,390,052	-	-	-	8,429,260	234,819,312
Instruction-related services						
Instructional supervision and administration	23,105,565	-	-	-	659,691	23,765,256
Instructional library, media, and technology	2,321,953	-	-	-	-	2,321,953
School site administration	24,641,635	-	-	-	1,857,638	26,499,273
Pupil services						
Home-to-school transportation	7,509,061	-	-	-	-	7,509,061
Food services	-	-	-	-	13,445,711	13,445,711
All other pupil services	35,788,532	-	-	-	1,693,057	37,481,589
General administration						
Centralized data processing	6,403,961	-	-	-	-	6,403,961
All other general administration	15,034,459	-	160,493	-	839,337	16,034,289
Plant services	35,421,744	292,570	16,334	-	745,524	36,476,172
Facilities acquisition and construction	485,313	108,151,806	4,729,101	-	3,789,739	117,155,959
Ancillary services	1,438,834	-	-	-	977,816	2,416,650
Transfers to other agencies	5,486,226	-	-	-	-	5,486,226
Debt service						
Principal	6,848	-	1,396,442	8,745,000	-	10,148,290
Interest and other	65	-	3,861,772	28,782,719	-	32,644,556
Total Expenditures	384,034,248	108,444,376	10,164,142	37,527,719	32,437,773	572,608,258
Excess (Deficiency) of Revenues Over Expenditures	(14,882,318)	(99,485,774)	(5,879,711)	6,195,642	3,387,627	(110,664,534)
Other Financing Sources (Uses)						
Transfers in	3,750	-	-	-	-	3,750
Transfers out	-	-	-	-	(3,750)	(3,750)
Net Financing Sources (Uses)	3,750	-	-	-	(3,750)	-
NET CHANGE IN FUND BALANCE	(14,878,568)	(99,485,774)	(5,879,711)	6,195,642	3,383,877	(110,664,534)
Fund Balance - Beginning	78,220,143	191,281,433	74,608,338	34,964,666	40,495,486	419,570,066
Fund Balance - Ending	$ 63,341,575	$ 91,795,659	$ 68,728,627	$ 41,160,308	$ 43,879,363	$ 308,905,532

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

HAYWARD UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Net Change in Fund Balances - Governmental Funds		$ (110,664,534)
Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:		
Capital outlay:		
In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:		
Expenditures for capital outlay:	$ 108,778,160	
Depreciation expense:	(12,006,481)	96,771,679
Debt service:		
In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:		10,148,290
Deferred amounts on refunding:		
In governmental funds, deferred amounts on refunding are recognized in the period they are incurred. In the government-wide statements, the deferred amounts on refunding are amortized over the life of the debt. The net effect of the deferred amounts on refunding during the period was:		(1,854,861)
Unmatured interest on long-term debt:		
In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was:		170,921
Accreted interest on long-term debt:		
In governmental funds, accreted interest on capital appreciation bonds is not recorded as an expenditure from current sources. In the government-wide statement of activities, however, this is recorded as interest expense for the period.		(1,109,621)
Compensated absences:		
In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amount earned. The difference between compensated absences paid and compensated absences earned, was:		(939,075)

(continued on next page)

Postemployment benefits other than pensions (OPEB):	
In governmental funds, OPEB expenses are recognized when employer OPEB contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year, the difference between OPEB expenses and actual employer OPEB contributions was:	(3,879,474)
Pensions:	
In governmental funds, pension costs are recognized when employer contributions are made. In the government-wide statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and employer contributions was:	(3,075,941)
Amortization of debt issuance premium or discount:	
In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount is amortized over the life of the debt. Amortization of premium or discount for the period is:	2,324,220
Change in Net Position of Governmental Activities	$ (12,108,396)

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Hayward Unified School District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's *California School Accounting Manual.* The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA). The District operates under a locally elected Board form of government and provides educational services to grades K-12 as mandated by the state. 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 and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student-related activities.

B. Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may also 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. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. The Hayward Schools Financing Corporation is considered a component unit of the District and its activities are included in these financial statements.

C. Basis of Presentation

Government-Wide Statements. The statement of net position and the statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenue, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reserved for the statement of activities. 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 of 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 or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements. The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

Governmental funds are used to account for activities that are governmental in nature. Governmental activities are typically tax-supported and include education of pupils, operation of food service and child development programs, construction and maintenance of school facilities, and repayment of long-term debt.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Major Governmental Funds

General Fund: The General Fund is the main operating fund of the District. It is used to account for all activities except those that are required to be accounted for in another fund. In keeping with the minimum number of funds principle, all of the District's activities are reported in the General Fund unless there is a compelling reason to account for an activity in another fund. A District may have only one General Fund.

Building Fund: This 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. Other authorized revenues to the Building Fund are proceeds from the sale or lease-with-option-to-purchase of real property (*Education Code Section* 17462) and revenue from rentals and leases of real property specifically authorized for deposit into the fund by the governing board (*Education Code Section* 41003).

Capital Facilities Fund: This fund is used primarily to account separately for moneys received from fees levied on developers or other agencies as a condition of approving a development (*Education Code Sections* 17620–17626). The authority for these levies may be county/city ordinances (*Government Code Sections* 65970–65981) or private agreements between the District and the developer. Interest earned in the Capital Facilities Fund is restricted to that fund (*Government Code Section* 66006).

Bond Interest and Redemption Fund: This fund is used for the repayment of bonds issued for the District (*Education Code Sections* 15125–15262). The board of supervisors of the county issues the bonds. The proceeds from the sale of the bonds are deposited in the county treasury to the Building Fund of the District. Any premiums or accrued interest received from the sale of the bonds must be deposited in the Bond Interest and Redemption Fund of the District. The county auditor maintains control over the District's Bond Interest and Redemption Fund. The principal and interest on the bonds must be paid by the county treasurer from taxes levied by the county auditor-controller.

Non-Major Governmental Funds

Special Revenue Funds: Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The District maintains the following special revenue funds:

Student Activity Fund: This fund may be used to account for student body activities that do not meet the fiduciary criteria established in GASB Statement No. 84.

Adult Education Fund: This fund is used to account separately for federal, state, and local revenues for adult education programs. Money in this fund shall be expended for adult education purposes only. Moneys received for programs other than adult education shall not be expended for adult education (*Education Code Sections* 52616[b] and 52501.5[a]).

Child Development Fund: This fund is used to account separately for federal, state, and local revenues to operate child development programs. All moneys received by the District for, or from the operation of, child development services covered under the Child Care and Development Services Act (*Education Code Section* 8200 et seq.) shall be deposited into this fund. The moneys may be used only for expenditures for the operation of child development programs. The costs incurred in the maintenance and operation of child development services shall be paid from this fund, with accounting to reflect specific funding sources (*Education Code Section* 8328).

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Non-Major Governmental Funds (continued)

Special Revenue Funds: (continued)

Cafeteria Fund: This fund is used to account separately for federal, state, and local resources to operate the food service program (*Education Code Sections* 38090–38093). The Cafeteria Fund shall be 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: Capital project funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

County School Facilities Fund: This 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), or the 2004 State School Facilities Fund (Proposition 55) 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 et seq.).

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

D. Basis of Accounting – Measurement Focus

Government-Wide Financial Statements
The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Net Position equals assets and deferred outflows of resources minus liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. The net position should be reported as restricted when constraints placed on its use 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 results from special revenue funds and the restrictions on their use.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting – Measurement Focus (continued)

Revenues – Exchange and Non-Exchange Transactions
Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means 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. Generally, "available" means collectible within the current period or within 60 days after year-end. However, to achieve comparability of reporting among California school districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to State-aid apportionments, the California Department of Education has defined available for school districts as collectible within one year.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from the grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned Revenue
Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

Certain grants received that have not met eligibility requirements are recorded as unearned revenue. On the governmental fund financial statements, receivables that will not be collected within the available period are also recorded as unearned revenue.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position

Cash and Cash Equivalents
The District's cash and cash equivalents consist of 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.

Inventories
Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time the individual inventory items are requisitioned. Inventories are valued at historical cost and consist of expendable supplies held for consumption.

Capital Assets
The accounting and reporting treatment applied to the capital assets associated with a fund is determined by its measurement focus. Capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their acquisition value as of the date received. The District maintains a capitalization threshold of $5,000. The District does not own any infrastructure as defined in GASB Statement No. 34. 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. All reported capital assets, except for land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over 5-50 years depending on asset types.

Interfund Balances
On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Due from other funds/Due to other funds." These amounts are eliminated in the statement of net position.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)

Compensated Absences

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. For governmental funds, the current portion of unpaid compensated absences is recognized 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 resource. These amounts are recorded in the fund from which the employees who have accumulated leave are paid.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken because such benefits do not vest, nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide 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 obligations of the funds.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB, and OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

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

Valuation Date	July 1, 2022
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over five years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

Premiums and Discounts

In the government-wide financial statements, long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)

Deferred Outflows/Deferred Inflows of Resources

In addition to assets, the District will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the District will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Pensions

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

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification reflects amounts that are not in spendable form. Examples include inventory, lease receivables (net of related deferred inflows), prepaid items, the long-term portion of loans receivable, and nonfinancial assets held for resale. This classification also reflects amounts that are in spendable form but that are legally or contractually required to remain intact, such as the principal of a permanent endowment.

Restricted - The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Governing Board. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. In contrast to restricted fund balance, committed fund balance may be redirected by the government to other purposes as long as the original constraints are removed or modified in the same manner in which they were imposed, that is, by the same formal action of the Governing Board.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)

Fund Balance (continued)

Assigned - The assigned fund balance classification reflects amounts that the government *intends* to be used for specific purposes. Assignments may be established either by the Governing Board or by a designee of the governing body and are subject to neither the restricted nor committed levels of constraint. In contrast to the constraints giving rise to committed fund balance, constraints giving rise to assigned fund balance are not required to be imposed, modified, or removed by formal action of the Governing Board. The action does not require the same level of formality and may be delegated to another body or official. Additionally, the assignment need not be made before the end of the reporting period, but rather may be made any time prior to the issuance of the financial statements.

Unassigned - In the General Fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes. However, deficits in any fund, including the General Fund that cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

F. Interfund Activity

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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements. Interfund transfers are eliminated in the statement of activities.

G. 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.

H. Budgetary Data

The budgetary process is prescribed by provisions of the California Education Code and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District governing board satisfied these requirements. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Budgetary Data (continued)

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. For purposes of the budget, on-behalf payments have not been included as revenue and expenditures as required under generally accepted accounting principles.

I. 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 Auditor-Controller bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

J. New Accounting Pronouncements

GASB Statement No. 99 – In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The statement addresses various practice issues, including: (a) clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives, (b) disclosures related to nonmonetary transactions; clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements, (c) terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and (d) terminology used in Statement 53 to refer to resource flows statements. A portion of this statement was effective upon issuance, while the remaining portions of this statement were effective for periods beginning after June 15, 2022 and for periods beginning after June 15, 2023. The District has fully implemented this Statement as of June 30, 2024.

GASB Statement No. 100 – In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement is effective for periods beginning after June 15, 2023. The District has fully implemented this Statement as of June 30, 2024.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. New Accounting Pronouncements (continued)

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for periods beginning after December 15, 2023. The District has not yet determined the impact on the financial statements.

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures.* This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This statement is effective for periods beginning after June 15, 2024. The District has not yet determined the impact on the financial statements.

GASB Statement No. 103 – In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The statement is effective for periods beginning after June 15, 2025. The District has not yet determined the impact on the financial statements.

NOTE 2 – CASH AND INVESTMENTS

A. Summary of Cash and Investments

	Governmental Activities
Investment in county treasury	$ 259,415,924
Fair value adjustment	(2,677,888)
Cash on hand and in banks	2,814,897
Cash with fiscal agent	71,321,335
Cash in revolving fund	202,450
Local agency investment fund	25,725
Total	$ 331,102,443

B. 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; collateralized mortgage obligations; and the County Investment Pool.

Investment in County Treasury – The District maintains substantially all of its cash in the County Treasury in accordance with *Education Code Section* 41001. The Alameda County Treasurer's pooled investments are managed by the County Treasurer who reports on a monthly basis to the board of supervisors. In addition, the function of the County Treasury Oversight Committee is to review and monitor the County's investment policy. The committee membership includes the Treasurer and Tax Collector, the Auditor-Controller, Chief Administrative Officer, Superintendent of Schools Representative, and a public member. The fair value of the District's investment in the pool is 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.

Cash with Fiscal Agent – This represents amounts held by a third-party custodian in the District's name, to be used for capital projects.

Local Agency Investment Fund (LAIF) – Investments are held in relation to this program offered to local agencies and are part of the Pooled Money Investment Account (PMIA).

NOTE 2 – CASH AND INVESTMENTS (continued)

C. General Authorizations

Except for investments by trustees of debt proceeds, the authority to invest District funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website. The table below identifies the investment types permitted by California Government Code.

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

D. 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 Treasury. The District maintains a pooled investment with the County Treasury with a fair value of approximately $256,738,036. The average weighted maturity for this pool is 742 days. The District also carries amounts on deposit with the Local Agency Investment Fund (LAIF) with an amortized book value of $25,725 and the same fair value.

E. 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. The investments in the County Treasury are not required to be rated.

NOTE 2 – CASH AND INVESTMENTS (continued)

F. 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 not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2024,$2,525,588 of the District's bank balance was exposed to custodial credit risk.

G. Fair Value

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy 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 (unadjusted) in active markets for identical assets.

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, either directly or indirectly.

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 reasonable 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.

Uncategorized - Investments in the Alameda County Treasury Investment Pool and Local Agency Investment Fund are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at $1.00 net asset value per share.

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

	Uncategorized
Investment in county treasury	$ 256,738,036
Local agency investment fund	25,725
Total	$ 256,763,761

NOTE 3 – ACCOUNTS RECEIVABLE

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

	General Fund	Building Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Governmental Activities
Federal Government						
Categorical aid	$ 20,704,127	$ -	$ -	$ -	$ 2,130,086	$ 22,834,213
State Government						
Categorical aid	2,494,527	-	-	-	1,739,102	4,233,629
Lottery	1,091,831	-	-	-	-	1,091,831
Local Government						
Other local sources	3,655,731	959,760	288,536	237,196	1,239,510	6,380,733
Total	$ 27,946,216	$ 959,760	$ 288,536	$ 237,196	$ 5,108,698	$ 34,540,406

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

	Balance July 01, 2023	Additions	Deletions	Balance June 30, 2024
Governmental Activities				
Capital assets not being depreciated				
Land	$ 12,619,115	$ -	$ -	$ 12,619,115
Construction in progress	63,800,058	104,442,306	68,817,402	99,424,962
Total capital assets not being depreciated	76,419,173	104,442,306	68,817,402	112,044,077
Capital assets being depreciated				
Land improvements	69,771,177	-	-	69,771,177
Buildings & improvements	668,010,162	68,817,402	-	736,827,564
Furniture & equipment	30,932,300	4,335,854	-	35,268,154
Total capital assets being depreciated	768,713,639	73,153,256	-	841,866,895
Less: Accumulated depreciation				
Land improvements	30,744,012	2,965,836	-	33,709,848
Buildings & improvements	152,158,989	8,694,353	-	160,853,342
Furniture & equipment	25,209,113	346,292	-	25,555,405
Total accumulated depreciation	208,112,114	12,006,481	-	220,118,595
Total capital assets being depreciated, net	560,601,525	61,146,775	-	621,748,300
Governmental Activities				
Capital Assets, net	$ 637,020,698	$ 165,589,081	$ 68,817,402	$ 733,792,377

Depreciation expense for the year ended June 30, 2024 was charged to governmental activities as follows:

Instruction	$ 37,926
Instructional supervision and administration	5,115
School site administration	3,458
Food services	82,431
All other pupil services	78,576
Centralized data processing	5,087
All other general administration	5,771
Plant services	11,786,178
Ancillary services	1,939
Total	$ 12,006,481

NOTE 5 – INTERFUND TRANSACTIONS

A. Interfund Receivables/Payables (Due From/Due To)

Individual interfund receivable and payable balances at June 30, 2024 were as follows:

	Due From Other Funds		
Due To Other Funds	General Fund	Non-Major Governmental Funds	Total
General Fund	$ -	$ 1,860,539	$ 1,860,539
Building Fund	21,180	-	21,180
Capital Facilities Fund	92,150	-	92,150
Non-Major Governmental Funds	1,708,750	-	1,708,750
Total	$ 1,822,080	$ 1,860,539	$ 3,682,619

Due from the General Fund to the Adult Education Fund to move expenditures to the correct fund.	$ 2,203
Due from the General Fund to the Child Development Fund to move resource to the correct fund.	1,691,402
Due from the General Fund to the Cafeteria Fund for indirect costs.	166,934
Due from the Adult Education Fund to the General Fund for temporary loan, indirect costs and expenditures.	1,517,514
Due from the Child Development Fund to the General Fund for indirect cost and expenditures.	46,564
Due from the Cafeteria Fund to the General Fund for payroll reclassification.	144,672
Due from the Building Fund to the General Fund to move expenditures to the correct fund.	21,180
Due from the Capital Facilities Fund to the General Fund for admin fees.	92,150
Total	$ 3,682,619

B. Interfund Transfers

Interfund transfers for the year ended June 30, 2024 consisted of $3,750 transferred from the Child Development Fund to the General Fund for reclassifications.

NOTE 6 – ACCRUED LIABILITIES

Accrued liabilities at June 30, 2024 consisted of the following:

	General Fund	Building Fund	Capital Facilities Fund	Non-Major Governmental Funds	District-Wide	Governmental Activities
Payroll	$ 37,293,733	$ -	$ -	$ 13,353	$ -	$ 37,307,086
Construction	-	13,923,592	32,363	-	-	13,955,955
Vendors payable	2,385,333	-	-	486,259	-	2,871,592
Unmatured interest	-	-	-	-	13,436,356	13,436,356
Due to grantor government	1,555,310	-	-	-	-	1,555,310
Total	$ 41,234,376	$ 13,923,592	$ 32,363	$ 499,612	$ 13,436,356	$ 69,126,299

NOTE 7 – UNEARNED REVENUE

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

	General Fund	Non-Major Governmental Funds	Governmental Activities
Federal sources	$ 859,445	$ 120,912	$ 980,357
State categorical sources	158,747	-	158,747
Total	$ 1,018,192	$ 120,912	$ 1,139,104

NOTE 8 – LONG-TERM LIABILITIES

A schedule of changes in long-term liabilities for the year ended June 30, 2024 consisted of the following:

	Balance July 01, 2023	Additions	Deductions	Balance June 30, 2024	Balance Due In One Year
Governmental Activities					
General obligation bonds	$ 748,650,496	$ -	$ 8,631,564	$ 740,018,932	$ 8,084,088
Unamortized premium	49,292,198	-	2,263,483	47,028,715	2,263,483
Accreted interest	7,553,972	1,109,621	113,436	8,550,157	-
Total general obligation bonds	805,496,666	1,109,621	11,008,483	795,597,804	10,347,571
Certificates of participation	69,825,000	-	-	69,825,000	-
Unamortized premium	1,761,360	-	60,737	1,700,623	60,737
Subtotal certificates of participation	71,586,360	-	60,737	71,525,623	60,737
Direct placement certificates of participation	10,077,000	-	1,030,000	9,047,000	1,051,000
Total certificates of participation	81,663,360	-	1,090,737	80,572,623	1,111,737
Financed purchases	1,548,589	-	373,290	1,175,299	642,914
Compensated absences	3,320,218	939,075	-	4,259,293	-
Total OPEB liability	122,725,434	5,803,465	-	128,528,899	-
Net pension liability	287,430,812	16,035,718	-	303,466,530	-
Total	$ 1,302,185,079	$ 23,887,879	$ 12,472,510	$ 1,313,600,448	$ 12,102,222

- Payments for general obligation bonds are made in the Bond Interest and Redemption Fund.
- Payments on certificates of participation are made in the Capital Facilities Fund.
- Payments for financed purchases are made in the General Fund and Capital Facilities Fund.
- Payments for compensated absences are typically liquidated in the General Fund and the Non-Major Governmental Funds.

A. Compensated Absences

Total unpaid employee compensated absences as of June 30, 2024 amounted to $4,259,293. This amount is included as part of long-term liabilities in the government-wide financial statements.

B. General Obligation Bonds

On July 1, 2010, the District issued Election of 2008, Series 2010A General Obligation Bonds totaling $20,969,877 and were issued as capital appreciation bonds. In August 2015, the District refunded $13,404,891 of the Bonds through the issuance of 2015 General Obligation Refunding Bonds. The remaining bonds after refunding bear interest at rates from 7.23% to 12.00% and are scheduled to mature serially through August 1, 2034.

NOTE 8 – LONG-TERM LIABILITIES (continued)

B. General Obligation Bonds (continued)

On August 12, 2015, the District issued Election of 2014, Series 2015 General Obligation Bonds totaling $95,000,000. The Bonds were issued as current interest bonds, bear interest at rates ranging from 3.00% to 5.00% and are scheduled to mature through August 1, 2040.

On August 12, 2015, the District issued 2015 General Obligation Refunding Bonds totaling $113,185,000. The proceeds were used to refund all of the Election of 2008, Series 2010B Bonds. The Refunding Bonds bear interest at rates ranging from 3.00% to 5.00% and are scheduled to mature through August 1, 2040.

On May 11, 2017, the District issued Election of 2014, Series 2017 General Obligation Bonds totaling $134,000,000. The Bonds were issued as current interest bonds, bear interest at rates ranging from 3.00% to 5.00%, and are scheduled to mature through August 1, 2042.

On February 27, 2019, the District issued Election of 2018, Series 2019A General Obligation Bonds totaling $125,000,000. The Bonds were issued as current interest bonds, bear interest at rates ranging from 4.00% to 5.00% and are scheduled to mature through August 1, 2048.

On February 27, 2019, the District issued Election of 2018, Series 2019B General Obligation Bonds totaling $20,000,000. The Bonds were issued as current interest bonds, bear interest at rates ranging from 4.00% to 5.00% and are scheduled to mature through August 1, 2031.

On February 27, 2019, the District issued 2019 General Obligation Refunding Bonds totaling $86,315,000. The proceeds were used to advance refund all of the Election of 2008, Series 2008 Bonds and a portion of the District's Election 2008, Series 2010A Bonds. The Refunding Bonds bear interest at rates ranging from 3.25% to 5.00% and are scheduled to mature through August 1, 2040.

On August 26, 2020, the District issued Election of 2018, Series 2020 General Obligation Bonds totaling $170,000,000. The Bonds were issued as current interest bonds, bear interest at rates ranging from 0.30% to 5.00% and are scheduled to mature through August 1, 2050.

On August 26, 2020, the District issued 2020 General Obligation Refunding Bonds totaling $175,095,000. The proceeds were used to advance refund a portion of the District’s Election of 2014, Series 2015 Bonds and a portion of the District's 2015 General Obligation Refunding Bonds. The Refunding Bonds bear interest at rates ranging from 2.02% to 5.00% and are scheduled to mature through August 1, 2040. The refunding resulted in savings of $18,629,335 and a net present value of savings of $13,056,655.

On April 5, 2022, the District issued Election of 2018, Series 2022 General Obligation Bonds totaling $66,700,000. The Bonds were issued as current interest bonds, bear interest at rates ranging from 4.00% to 5.00% and are scheduled to mature through August 1, 2050.

Repayment of all general obligation bond issuances are made from tax collections received from the county in which the District is located.

NOTE 8 – LONG-TERM LIABILITIES (continued)

B. General Obligation Bonds (continued)

General obligation bonds outstanding at June 30, 2024 were as follows:

Series	Bonds Outstanding July 01, 2023	Additions	Deductions	Bonds Outstanding June 30, 2024
Election 2008, Series 2010A	$ 3,090,496	$ -	$ 31,564	$ 3,058,932
Election 2014, Series 2015	11,695,000	-	1,190,000	10,505,000
2015 GO Refunding Bonds	25,970,000	-	1,760,000	24,210,000
Election 2014, Series 2017	126,290,000	-	1,380,000	124,910,000
Election 2018, Series 2019A	125,000,000	-	-	125,000,000
Election 2018, Series 2019B	4,965,000	-	-	4,965,000
2019 GO Refunding Bonds	84,155,000		500,000	83,655,000
Election 2018, Series 2020	133,590,000	-	-	133,590,000
2020 GO Refunding Bonds	170,695,000	-	1,895,000	168,800,000
Election 2018, Series 2022	63,200,000	-	1,875,000	61,325,000
	$ 748,650,496	$ -	$ 8,631,564	$ 740,018,932

Series	Accretion July 01, 2023	Additions	Deductions	Accretion June 30, 2024
Election 2008, Series 2010A	$ 7,553,972	$ 1,109,621	$ 113,436	$ 8,550,157

The general obligation bonds are scheduled to mature as follows:

Year Ended June 30,	Principal	Interest	Total
2025	$ 8,084,088	$ 28,628,978	$ 36,713,066
2026	9,255,175	28,358,041	37,613,216
2027	10,423,208	28,048,433	38,471,641
2028	12,235,622	27,696,007	39,931,629
2029	14,120,942	27,269,699	41,390,641
2030 - 2034	103,245,227	128,309,082	231,554,309
2035 - 2039	155,539,670	114,559,080	270,098,750
2040 - 2044	247,985,000	62,217,681	310,202,681
2045 - 2049	117,575,000	24,885,025	142,460,025
2050 - 2051	61,555,000	2,508,300	64,063,300
Total	$ 740,018,932	$ 472,480,326	$ 1,212,499,258

NOTE 8 – LONG-TERM LIABILITIES (continued)

C. Certificates of Participation

In November 2021, the District issued direct placement 2021 Refunding Certificates of Participation (Refunding COPs) with an initial principal amount of $11,331,000. The Refunding COPs bear interest at 2.16% and mature through June 1, 2032. The proceeds were used to prepay the outstanding balance of the 2012 COPs.

Scheduled payments for the Refunding COPs are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	$ 1,051,000	$ 182,750	$ 1,233,750
2026	1,074,000	161,520	1,235,520
2027	1,097,000	139,824	1,236,824
2028	1,118,000	117,665	1,235,665
2029	1,143,000	95,082	1,238,082
2030 - 2032	3,564,000	144,934	3,708,934
Total	$ 9,047,000	$ 841,775	$ 9,888,775

In November 2022, the District issued 2022 Certificates of Participation (COPs) with an initial principal amount of $69,825,000 bearing interest at rates between 5.00 and 5.25 percent and scheduled to mature through August 1, 2052.

Scheduled payments for the COPs are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	$ -	$ 3,636,888	$ 3,636,888
2026	-	3,636,888	3,636,888
2027	-	3,636,888	3,636,888
2028	-	3,636,888	3,636,888
2029	115,000	3,634,013	3,749,013
2030 - 2034	2,555,000	17,907,563	20,462,563
2035 - 2039	6,865,000	16,760,813	23,625,813
2040 - 2044	12,975,000	14,272,863	27,247,863
2045 - 2049	21,615,000	9,795,844	31,410,844
2050 - 2053	25,700,000	2,839,725	28,539,725
Total	$ 69,825,000	$ 79,758,373	$ 149,583,373

D. Financed Purchases

The District finances computers, office equipment, vehicles, buses and facilities under long-term purchase agreements. The following is a schedule of future payments:

Year Ended June 30,	Payment
2025	$ 665,997
2026	540,994
Total minimum payments	1,206,991
Less amount representing interest	(31,692)
Present value of minimum payments	$ 1,175,299

NOTE 8 – LONG-TERM LIABILITIES (continued)

E. Other Postemployment Benefits

The District's beginning total OPEB liability was $122,725,434 and increased by $5,803,465 during the year ended June 30, 2024. The ending total OPEB liability at June 30, 2024 was $128,528,899. See Note 10 for additional information regarding the total OPEB liability.

F. Net Pension Liability

The District's beginning net pension liability was $287,430,812 and increased by $16,035,718 during the year ended June 30, 2024. The ending net pension liability at June 30, 2024 was $303,466,530. See Note 11 for additional information regarding the net pension liability.

NOTE 9 – FUND BALANCES

Fund balances were composed of the following elements at June 30, 2024:

	General Fund	Building Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Non-spendable						
Revolving cash	$ 200,000	$ -	$ -	$ -	$ 2,450	$ 202,450
Stores inventory	3,045	-	-	-	88,685	91,730
Total non-spendable	203,045	-	-	-	91,135	294,180
Restricted						
Educational programs	39,982,642	-	-	-	4,654,967	44,637,609
Food service	-	-	-	-	10,752,292	10,752,292
Associated student body	-	-	-	-	387,815	387,815
Capital projects	-	91,795,659	68,728,627	-	27,993,154	188,517,440
Debt service	-	-	-	41,160,308	-	41,160,308
Total restricted	39,982,642	91,795,659	68,728,627	41,160,308	43,788,228	285,455,464
Assigned						
Deferred maintenance	167,098	-	-	-	-	167,098
Total assigned	167,098	-	-	-	-	167,098
Unassigned	22,988,790	-	-	-	-	22,988,790
Total	$ 63,341,575	$ 91,795,659	$ 68,728,627	$ 41,160,308	$ 43,879,363	$ 308,905,532

The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The District's Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to no less than 3 percent of General Fund expenditures and other financing uses.

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Plan Description

The Hayward Unified School District's defined benefit OPEB plan, Hayward Unified School District Retiree Benefit Plan (the Plan) is described below. The Plan is a single-employer defined benefit plan administered by the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

B. Benefits Provided

Certificated (HEA) unit members who have attained age 55 and have completed 10 years of District service will be eligible to receive a monthly medical benefit up to the Kaiser Region 1 single rate until age 65. After 65, unit members hired before June 30, 1998 are eligible to receive up to the Medicare premium they are enrolled in, plus Medicare Part B premium, capped at the Kaiser Region 1 Area Basic single rate, until age 70. After age 70, the benefit is PEMCHA minimum only. For unit members hired on or after June 30, 1998, the benefit is PEMCHA minimum only after age 65.

For all other bargaining units, members who have attained age 55 and have completed 10 years of District service are eligible to receive a monthly medical benefit up to the Kaiser Region 1 single rate until age 65. After 65, members are eligible to receive up to the Medicare premium they are enrolled in, plus Medicare Part B premium, capped at the Kaiser Bay Area Basic single rate, until age 70. There is one retiree receiving lifetime benefits. After age 70, the benefit is PEMCHA minimum only. Confidential members hired on or after November 8, 1994 are subject to the same provisions as Certificated hired on or after June 30, 1998.

Members who do not meet the District eligibility requirements but have attained age 50 and have 5 years CalPERS service (age 52 and five if hired after January 1, 2013) and retire directly with the District, are eligible to receive the PEMHCA minimum only.

Survivor benefits are available for those who elect CalPERS survivor annuity. The District also pays a percent-of-premium administrative fee to CalPERS.

C. Contributions

For the measurement period, the District contributed $3,445,646 to the Plan, all of which was used for current premiums.

D. Plan Membership

Membership of the Plan consisted of the following:

	Number of participants
Inactive employees receiving benefits	959
Inactive employees entitled to but not receiving benefits*	-
Participating active employees	1,828
Total number of participants**	2,787

*Information not provided
**As of the July 1, 2022 valuation date

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

E. Total OPEB Liability

The Hayward Unified School District's total OPEB liability of $128,528,899 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2022 and rolled forward to the measurement date using standard actuarial update procedures.

F. Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Economic assumptions:

Inflation	2.50%
Salary increases	3.00%
Discount rate	3.97%
Healthcare cost trend rate	5.50%

Non-economic assumptions:
Pre-retirement Mortality: Certificated: CalSTRS Experience Analysis 2015-2018; Non-Certificated: CalPERS Experience Study 2000-2019

Post-retirement Mortality: Certificated: CalSTRS Experience Analysis 2015-2018; Non-Certificated: CalPERS Experience Study 2000-2019

Discount Rate*:* Given the District's decision not to fund the program, all future benefit payments were discounted using a high quality municipal bond rate of 3.97%. The municipal bond rate was based on the week closest but not later than the measurement date of the Fidelity GO Bond 20-Year High Grade Rate index as published by the Federal Reserve. The Fidelity GO Bond 20-Year High Grade Rate index consists of general obligation bonds which are scheduled mature in 20 years, with an average rating roughly equivalent to Moody's Investors Service's Aa2 rating or Standard & Poor's Corp.'s AA.

The actuarial assumptions used in the July 1, 2022 valuation were based on a review of plan experience during the period 2020 to 2022.

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

G. Changes in Total OPEB Liability

	June 30, 2024
Total OPEB Liability	
Service cost	$ 5,865,167
Interest on total OPEB liability	4,922,255
Changes of assumptions	(1,538,311)
Benefits payments	(3,445,646)
Net change in total OPEB liability	5,803,465
Total OPEB liability - beginning	122,725,434
Total OPEB liability - ending	$ 128,528,899
Covered-employee payroll	$ 256,768,146
District's total OPEB liability as a percentage of covered-employee payroll	50.06%

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

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

	1% Decrease (2.97%)	Valuation Discount Rate (3.97%)	1% Increase (4.97%)
Total OPEB liability	$ 143,587,902	$ 128,528,899	$ 115,698,333

I. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability of the Hayward Unified School District, as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	1% Decrease (4.50%)	Healthcare Cost Trend Rate (5.50%)	1% Increase (6.50%)
Total OPEB liability	$ 110,312,511	$ 128,528,899	$ 151,282,806

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

J. OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the Hayward Unified School District recognized OPEB expense of $7,962,189. At June 30, 2024, the Hayward Unified School 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	$ -	$ 18,222,529
Changes in assumptions	18,415,064	25,662,113
Total	$ 18,415,064	$ 43,884,642

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

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2025	$ 3,792,403	$ 7,254,763
2026	3,792,403	7,254,763
2027	3,792,403	7,254,763
2028	3,637,478	7,254,763
2029	2,368,655	7,254,763
Thereafter	1,031,722	7,610,827
Total	$ 18,415,064	$ 43,884,642

NOTE 11 – PENSION PLANS

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS), and classified employees are members of the California Public Employees' Retirement System (CalPERS). The District reported its proportionate share of the net pension liabilities, pension expense, deferred outflow of resources, and deferred inflow of resources for each of the above plans as follows:

	Net pension liability	Deferred outflows related to pensions	Deferred inflows related to pensions	Pension expense
STRS Pension	$ 170,935,147	$ 58,547,945	$ 13,265,413	$ 26,433,617
PERS Pension	132,531,383	47,658,211	11,145,118	27,661,371
Total	$ 303,466,530	$ 106,206,156	$ 24,410,531	$ 54,094,988

A. California State Teachers' Retirement System (CalSTRS)

Plan Description

The District contributes to the California State Teachers' Retirement System (CalSTRS); a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7919 Folsom Blvd., Sacramento, CA 95826.

Benefits Provided

The CalSTRS defined benefit plan has two benefit formulas:

1. CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor, known as the career factor. The maximum benefit with the career factor is 2.4 percent of final compensation.

2. CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Contributions

Active plan CalSTRS 2% at 60 and 2% at 62 members are required to contribute 10.25% and 10.205% of their salary for fiscal year 2024, respectively, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2024 was 19.10% of annual payroll. The contribution requirements of the plan members are established by state statute. Contributions to the plan from the District were $30,354,754 for the year ended June 30, 2024.

On-Behalf Payments

The District was the recipient of on-behalf payments made by the State of California to CalSTRS for K-12 education. These payments consist of state general fund contributions of approximately $13,099,991 to CalSTRS.

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:

District's proportionate share of the net pension liability	$	170,935,147
State's proportionate share of the net pension liability associated with the District		81,901,316
Total	$	252,836,463

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2022 and rolling forward the total pension liability to 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. At June 30, 2023, the District's proportion was 0.224 percent, which was a decrease of 0.007 percent from its proportion measured as of June 30, 2022.

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

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

For the year ended June 30, 2024, the District recognized pension expense of $26,433,617. In addition, the District recognized pension expense and revenue of $(1,189,360) 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
Differences between projected and actual earnings on plan investments	$ -	$ 731,672
Differences between expected and actual experience	13,432,687	9,145,898
Changes in assumptions	989,777	-
Changes in proportion and differences between District contributions and proportionate share of contributions	13,770,727	3,387,843
District contributions subsequent to the measurement date	30,354,754	-
Total	$ 58,547,945	$ 13,265,413

The $30,354,754 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2025	$ 5,838,129	$ 8,753,201
2026	5,901,816	11,457,819
2027	5,681,534	(11,419,270)
2028	5,043,512	2,908,930
2029	3,495,028	1,050,573
2030	2,233,172	514,160
Total	$ 28,193,191	$ 13,265,413

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Actuarial Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

Consumer Price Inflation	2.75%
Investment Rate of Return*	7.10%
Wage Inflation	3.50%

* Net of investment expenses, but gross of administrative expenses.

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on MP-2016 series tables adjusted to fit CalSTRS experience.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2018.

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 (Pension Consulting Alliance–PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2023 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 as of June 30, 2022, 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%
	100%	

*Real return is net of assumed 2.75 inflation.

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increases per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the net pension liability	$ 286,730,069	$ 170,935,147	$ 74,753,968

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalSTRS financial report.

B. California Public Employees' Retirement System (CalPERS)

Plan Description

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS); a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95811.

Benefits Provided

The benefits for the defined benefit plan are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years of credited service.

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees' Retirement System (CalPERS) (continued)

Contributions

Active plan members who entered into the plan prior to January 1, 2013, are required to contribute 7.0% of their salary. The California Public Employees' Pension Reform Act (PEPRA) specifies that new members entering into the plan on or after January 1, 2013, shall pay the higher of fifty percent of normal costs or 8.0% of their salary. Additionally, for new members entering the plan on or after January 1, 2013, the employer is prohibited from paying any of the employee contribution to CalPERS unless the employer payment of the member's contribution is specified in an employment agreement or collective bargaining agreement that expires after January 1, 2013.

The District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2024 was 26.68% of annual payroll. Contributions to the plan from the District were $20,664,293 for the year ended June 30, 2024.

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 of $132,531,383 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2022 and rolling forward the total pension liability to 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. At June 30, 2023, the District's proportion was 0.366 percent, which was a decrease of 0.003 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized pension expense of $27,661,371. 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
Differences between projected and actual earnings on plan investments	$ 14,156,246	$ -
Differences between expected and actual experience	4,836,445	2,035,487
Changes in assumptions	6,105,668	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,895,559	9,109,631
District contributions subsequent to the measurement date	20,664,293	-
Total	$ 47,658,211	$ 11,145,118

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees' Retirement System (CalPERS) (continued)

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

The $20,664,293 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025, Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2025	$ 9,503,036	$ 4,863,354
2026	6,169,443	4,520,105
2027	10,880,884	1,761,659
2028	440,555	-
Total	$ 26,993,918	$ 11,145,118

Actuarial Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Discount Rate	6.90%
Salary Increases	Varies by Entry Age and Service

CalPERS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are derived using CalPERS' membership data for all funds. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 80% of scale MP 2020.

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from 2000 through 2019.

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. In determining the long-term expected rate of return, both short-term and long-term market return expectations as well as the expected pension fund cash flows were taken into account. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees' Retirement System (CalPERS) (continued)

Actuarial Assumptions (continued)
The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	Assumed Asset Allocation	Real Return Years 1 – 10*
Global Equity – cap-weighted	30.0%	4.54%
Global Equity – non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed securities	5.0%	0.50%
Investment grade corporates	10.0%	1.56%
High yield	5.0%	2.27%
Emerging market debt	5.0%	2.48%
Private debt	5.0%	3.57%
Real assets	15.0%	3.21%
Leverage	(5.0)%	(0.59)%
	100.0%	

*An expected inflation of 2.30% used for this period. Figures are based on the 2021-22 CalPERS Asset Liability Management Study

Discount Rate
The discount rate used to measure the total pension liability was 6.90 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Schools Pool. The results of the crossover testing for the Schools Pool are presented in a detailed report that can be obtained at CalPERS' website.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate
The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability	$ 191,606,122	$ 132,531,383	$ 83,707,455

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

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. 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.

B. 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.

C. Construction Commitments

As of June 30, 2024, the District had commitments with respect to unfinished capital projects of $126,054,659.

NOTE 13 – PARTICIPATION IN JOINT POWERS AUTHORITIES

The District participates in two joint ventures under joint powers authorities (JPAs), the Schools Insurance Authority and the Eden Area Regional Occupational Program. The relationships between the District and the JPAs are such that the JPAs are not component units of the District for financial reporting purposes.

The JPAs 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 JPAs and the District are included in these statements. The audited financial statements are generally available from the respective entities.

NOTE 14 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

A. Refunded Debt

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities,* the District recognized deferred outflows or inflows of resources in the District-wide financial statements. The deferred outflow of resources pertains to the difference in the carrying value of the refunded debt and its reacquisition price (deferred amount on refunding). Previous financial reporting standards require this to be presented as part of the District's long-term debt. This deferred outflow of resources is recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the new debt, whichever is shorter. At June 30, 2024, the deferred amount on refunding was $30,287,505.

NOTE 14 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (continued)

B. Pension Plans

Pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* the District recognized deferred outflows of resources related to pensions and deferred inflows of resources related to pensions in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 11. At June 30, 2024, total deferred outflows related to pensions was $106,206,156 and total deferred inflows related to pensions was $24,410,531.

C. Other Postemployment Benefits

Pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* the District recognized deferred outflows of resources related to other postemployment benefits and deferred inflows of resources related to other postemployment benefits in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 10. At June 30, 2024, total deferred outflows related to other postemployment benefits was $18,415,064 and total deferred inflows related to other postemployment benefits was $43,884,642.

REQUIRED SUPPLEMENTARY INFORMATION

HAYWARD UNIFIED SCHOOL DISTRICT
GENERAL FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual*	Variances -
	Original	Final	(Budgetary Basis)	Final to Actual
REVENUES				
LCFF sources	$ 245,641,929	$ 250,682,102	$ 247,597,309	$ (3,084,793)
Federal sources	28,400,982	32,194,925	36,138,989	3,944,064
Other state sources	40,935,748	50,407,941	50,915,512	507,571
Other local sources	25,962,171	28,278,951	30,823,316	2,544,365
Total Revenues	340,940,830	361,563,919	365,475,126	3,911,207
EXPENDITURES				
Certificated salaries	149,818,765	149,905,019	167,797,604	(17,892,585)
Classified salaries	57,850,955	63,045,111	71,443,153	(8,398,042)
Employee benefits	68,095,847	71,718,832	78,872,210	(7,153,378)
Books and supplies	13,493,854	14,708,501	9,928,846	4,779,655
Services and other operating expenditures	37,563,322	46,234,682	49,697,179	(3,462,497)
Capital outlay	13,875	278,342	540,260	(261,918)
Other outgo				
Excluding transfers of indirect costs	4,540,029	4,524,418	5,493,139	(968,721)
Transfers of indirect costs	(917,288)	(898,517)	(839,337)	(59,180)
Total Expenditures	330,459,359	349,516,388	382,933,054	(33,416,666)
Excess (Deficiency) of Revenues Over Expenditures	10,481,471	12,047,531	(17,457,928)	(29,505,459)
Other Financing Sources (Uses)				
Transfers in	-	-	3,750	3,750
Net Financing Sources (Uses)	-	-	3,750	3,750
NET CHANGE IN FUND BALANCE	10,481,471	12,047,531	(17,454,178)	(29,501,709)
Fund Balance - Beginning	79,574,994	79,574,994	79,574,994	-
Fund Balance - Ending	$ 90,056,465	$ 91,622,525	$ 62,120,816	$ (29,501,709)

* The actual amounts reported on this schedule do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance for the following reasons:

- Revenues for Medi-Cal Billing Option and Medi-Cal Administrative Activities are presented as federal revenues in this schedule, while these amounts have been reclassified as local revenues in the Statement of Revenues, Expenditures, and Changes in Fund Balance.
- The amounts on that schedule include the financial activity of the Deferred Maintenance Fund in accordance with the fund type definitions promulgated by GASB Statement No. 54 and the Private-Purpose Trust Fund in accordance with the fund type definitions promulgated by GASB Statement No. 84.

See accompanying notes to required supplementary information.

HAYWARD UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability							
Service cost	$ 5,865,167	$ 5,899,303	$ 9,146,823	$ 7,836,316	$ 8,286,606	$ 7,509,292	$ 7,290,575
Interest on total OPEB liability	4,922,255	4,542,369	2,961,295	3,326,016	4,345,789	4,182,331	3,929,259
Difference between expected and actual experience	-	(1,640,645)	-	(29,037,510)	-	-	-
Changes of assumptions	(1,538,311)	(2,409,443)	(33,257,856)	16,507,519	12,333,309	7,591,345	-
Benefits payments	(3,445,646)	(5,098,694)	(4,986,358)	(4,366,475)	(4,404,888)	(4,113,478)	(4,342,250)
Net change in total OPEB liability	5,803,465	1,292,890	(26,136,096)	(5,734,134)	20,560,816	15,169,490	6,877,584
Total OPEB liability - beginning	122,725,434	121,432,544	147,568,640	153,302,774	132,741,958	117,572,468	110,694,884
Total OPEB liability - ending	$ 128,528,899	$ 122,725,434	$ 121,432,544	$ 147,568,640	$ 153,302,774	$ 132,741,958	$ 117,572,468
Covered-employee payroll	$ 256,768,146	$ 231,489,274	$ 196,835,123	$ 186,360,215	$ 190,696,000	$ 184,238,933	$ 180,492,472
District's total OPEB liability as a percentage of covered-employee payroll	50.06%	53.02%	61.69%	79.18%	80.39%	72.05%	65.14%

See accompanying notes to required supplementary information.

HAYWARD UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
District's proportion of the net pension liability	0.224%	0.231%	0.244%	0.230%	0.228%	0.226%	0.229%	0.238%	0.245%	0.226%
District's proportionate share of the net pension liability	$ 170,935,147	$ 160,393,846	$ 111,245,838	$ 222,936,896	$ 205,752,928	$ 207,444,203	$ 211,644,000	$ 192,118,000	$ 164,849,000	$ 132,051,000
State's proportionate share of the net pension liability associated with the District	81,901,316	80,325,708	55,975,756	114,923,066	112,252,864	118,772,089	125,208,000	109,380,000	87,187,000	79,738,000
Total	$ 252,836,463	$ 240,719,554	$ 167,221,594	$ 337,859,962	$ 318,005,792	$ 326,216,292	$ 336,852,000	$ 301,498,000	$ 252,036,000	$ 211,789,000
District's covered payroll	$ 151,566,430	$ 136,664,875	$ 132,267,007	$ 128,280,612	$ 124,654,795	$ 121,291,000	$ 121,678,000	$ 118,379,000	$ 113,651,000	$ 100,648,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	112.8%	117.4%	84.1%	173.8%	165.1%	171.0%	173.9%	162.3%	145.0%	131.2%
Plan fiduciary net position as a percentage of the total pension liability	80.6%	81.2%	87.2%	71.8%	72.6%	71.0%	69.5%	70.0%	74.0%	76.5%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

See accompanying notes to required supplementary information.

HAYWARD UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALPERS
FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
District's proportion of the net pension liability	0.366%	0.369%	0.395%	0.367%	0.362%	0.370%	0.377%	0.380%	0.366%	0.357%
District's proportionate share of the net pension liability	$ 132,531,383	$ 127,036,966	$ 80,310,051	$ 112,489,621	$ 105,449,430	$ 98,775,181	$ 90,048,000	$ 75,139,000	$ 53,900,000	$ 40,536,000
District's covered payroll	$ 67,818,426	$ 57,817,675	$ 56,480,112	$ 52,898,274	$ 50,210,510	$ 49,065,000	$ 48,238,000	$ 45,643,000	$ 40,483,000	$ 37,484,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	195.4%	219.7%	142.2%	212.7%	210.0%	201.3%	186.7%	164.6%	133.1%	108.1%
Plan fiduciary net position as a percentage of the total pension liability	70.0%	69.8%	81.0%	70.0%	70.0%	70.8%	71.9%	73.9%	79.4%	83.4%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

See accompanying notes to required supplementary information.

HAYWARD UNIFIED SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution	$ 30,354,754	$ 26,901,370	$ 22,583,979	$ 21,399,325	$ 21,942,597	$ 20,268,893	$ 17,661,385	$ 15,307,142	$ 12,702,085	$ 10,092,193
Contributions in relation to the contractually required contribution*	(30,354,754)	(26,901,370)	(22,583,979)	(21,399,325)	(21,942,597)	(20,268,893)	(17,661,385)	(15,307,142)	(12,702,085)	(10,092,193)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 162,074,413	$ 151,566,430	$ 136,664,875	$ 132,267,007	$ 128,280,612	$ 124,654,795	$ 121,291,000	$ 121,678,000	$ 118,379,000	$ 113,651,000
Contributions as a percentage of covered payroll	18.73%	17.75%	16.53%	16.18%	17.11%	16.26%	14.56%	12.58%	10.73%	8.88%

*Amounts do not include on-behalf contributions

See accompanying notes to required supplementary information.

HAYWARD UNIFIED SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALPERS
FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution	$ 20,664,293	$ 17,102,088	$ 13,018,317	$ 11,895,112	$ 10,651,793	$ 9,159,084	$ 7,620,247	$ 6,699,319	$ 5,407,313	$ 4,765,296
Contributions in relation to the contractually required contribution*	(20,664,293)	(17,102,088)	(13,018,317)	(11,895,112)	(10,651,793)	(9,159,084)	(7,620,247)	(6,699,319)	(5,407,313)	(4,765,296)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 71,047,702	$ 67,818,426	$ 57,817,675	$ 56,480,112	$ 52,898,274	$ 50,210,510	$ 49,065,000	$ 48,238,000	$ 45,643,000	$ 40,483,000
Contributions as a percentage of covered payroll	29.09%	25.22%	22.52%	21.06%	20.14%	18.24%	15.53%	13.89%	11.85%	11.77%

*Amounts do not include on-behalf contributions

See accompanying notes to required supplementary information.

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

This schedule is required by GASB Statement No. 34 as required supplementary information (RSI) for the General Fund and for each major special revenue fund that has a legally adopted annual budget. The budgetary comparison schedule presents both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows, and balances, stated on the District's budgetary basis. A separate column to report the variance between the final budget and actual amounts is also presented, although not required.

Schedule of Changes in Total OPEB Liability and Related Ratios

This 10-year schedule is required by GASB Statement No. 75 for all sole and agent employers that provide other postemployment benefits (OPEB). Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 75 was applicable. The schedule presents the sources of change in the total OPEB liability, and the components of the total OPEB liability and related ratios, including the total OPEB liability as a percentage of covered-employee payroll.

Changes in Benefit Terms

There were no changes in benefit terms.

Changes in Assumptions

The discount rate was changed from 3.86% to 3.97% and the current healthcare cost trend rate was changed from 6.00% to 5.50% since the previous measurement.

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

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the District's proportion (percentage) of the collective net pension liability, the District's proportionate share (amount) of the collective net pension liability, the District's covered payroll, the District's proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability.

Changes in Benefit Terms

There were no changes in benefit terms since the previous valuations for CalSTRS or CalPERS.

Changes in Assumptions

There were no changes in economic assumptions since the previous valuations for CalSTRS or CalPERS.

Schedule of District Contributions

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the District's statutorily or contractually required employer contribution, the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the difference between the statutorily or contractually required employer contribution and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the District's covered payroll, and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution as a percentage of the District's covered payroll.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2024, the District incurred an excess of expenditures over appropriations in individual major funds presented in the Budgetary Comparison Schedule by major object code as follows:

	Expenditures and Other Uses		
	Budget	Actual	Excess
General Fund			
Certificated salaries	$ 149,905,019	$ 167,797,604	$ 17,892,585
Classified salaries	$ 63,045,111	$ 71,443,153	$ 8,398,042
Employee benefits	$ 71,718,832	$ 78,872,210	$ 7,153,378
Services and other operating expenditures	$ 46,234,682	$ 49,697,179	$ 3,462,497
Capital outlay	$ 278,342	$ 540,260	$ 261,918
Other outgo			
Excluding transfers of indirect costs	$ 4,524,418	$ 5,493,139	$ 968,721

SUPPLEMENTARY INFORMATION

HAYWARD UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster	AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF EDUCATION:			
Passed through California Department of Education:			
Title I, Part A			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	$ 4,700,035
Comprehensive Support and Improvement for LEAs	84.010	15438	1,253,931
Subtotal Title I, Part A			5,953,966
Adult Education			
Adult Education: Adult Basic Education & ESL	84.002A	14508	424,285
Adult Education: Adult Secondary Education	84.002	13978	140,482
Adult Education: English Literacy and Civics Education	84.002A	14109	153,380
Subtotal Adult Education			718,147
Title I, Migrant Education	84.011	14326	551,548
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	709,544
Title III			
Title III, English Learner Student Program	84.365	14346	587,669
Title III, Immigrant Education Program	84.365	15146	164,579
Subtotal Title III			752,248
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	355,738
Title IV, Part B, 21st Century Community Learning Centers Program	84.287	14349	4,182,543
Special Education Cluster			
IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	4,489,185
ARP IDEA Part B, Sec 611, Local Assistance Entitlement	84.027	15638	21
IDEA Mental Health Average Daily Attendance (ADA) Allocation, Part B, Sec 611	84.027A	15197	204,914
IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	250,664
Subtotal Special Education Cluster			4,944,784
Strengthening Career and Technical Education for the 21st Century (Perkins V)	84.048	14894	222,318
Innovative Approaches to Literacy			
Hayward Full-Service Community Schools	84.215J	14346	609,747
Promise Neighborhood Grant	84.215N	15146	1,741,295
Subtotal Innovative Approaches to Literacy			2,351,042
COVID-19 Emergency Acts Funding/Education Stabilization Fund Discretionary Grants:			
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425	15559	11,485,905
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	709,681
American Rescue Plan - Homeless Children and Youth II (ARP HYC II) Program	84.425	15566	17,367
After School Education and Safety (ASES) Rate Increase: ESSER III State Reserve Summer	84.425	15652	1,845,000
21st Century Community Learning Centers (CCLC): ESSER III Summer Program	84.425	15650	1,845,000
Subtotal Education Stabilization Fund Discretionary Grants			15,902,953
Total U. S. Department of Education			36,644,831
U. S. DEPARTMENT OF AGRICULTURE:			
Passed through California Department of Education:			
Child Nutrition Cluster			
School Breakfast Program - Basic	10.553	13525	25,795
School Breakfast Program - Needy	10.553	13526	1,956,813
National School Lunch Program	10.555	13391	4,656,998
USDA Commodities	10.555	*	645,482
Summer Food Service Program for Children	10.559	13004	203,710
Supply Chain Assistance (SCA) Funds	10.555	15655	152,077
Local Food for Schools	10.555	15708	41,145
Subtotal Child Nutrition Cluster			7,682,020
Passed through California Department of Social Services:			
CACFP Claims - Centers and Family Day Care	10.558	13393	1,162,945
Total U. S. Department of Agriculture			8,844,965
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
Passed through California Department of Education:			
Child Development: Fed Child Care - CCDF	93.596	13609	1,756,891
Refugee School Impact Program	93.576	*	40,760
Administration for Children and Families	93.566	*	75,230
Total U. S. Department of Health & Human Services			1,872,881
Total Federal Expenditures			$ 47,362,677

* - Pass-Through Entity Identifying Number not available or not applicable

See accompanying note to supplementary information.

HAYWARD UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)
FOR THE YEAR ENDED JUNE 30, 2024

	Second Period Report	Annual Report
SCHOOL DISTRICT		
TK/K through Third		
Regular ADA	5,093.69	5,116.49
Extended Year Special Education	11.94	11.94
Special Education - Nonpublic Schools	3.00	4.06
Extended Year Special Education - Nonpublic Schools	0.52	0.52
Total TK/K through Third	5,109.15	5,133.01
Fourth through Sixth		
Regular ADA	3,868.00	3,874.40
Extended Year Special Education	6.19	6.19
Special Education - Nonpublic Schools	2.60	4.89
Extended Year Special Education - Nonpublic Schools	0.14	0.23
Total Fourth through Sixth	3,876.93	3,885.71
Seventh through Eighth		
Regular ADA	2,393.06	2,402.09
Extended Year Special Education	4.15	4.15
Special Education - Nonpublic Schools	3.79	4.39
Extended Year Special Education - Nonpublic Schools	0.51	0.51
Total Seventh through Eighth	2,401.51	2,411.14
Ninth through Twelfth		
Regular ADA	4,729.11	4,692.20
Extended Year Special Education	12.43	12.43
Special Education - Nonpublic Schools	18.41	24.13
Extended Year Special Education - Nonpublic Schools	1.61	1.61
Total Ninth through Twelfth	4,761.56	4,730.37
TOTAL SCHOOL DISTRICT	16,149.15	16,160.23

See accompanying note to supplementary information.

HAYWARD UNIFIED SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2024

Grade Level	Minutes Requirement	2023-24 Actual Minutes	Number of Days	Status
Kindergarten	36,000	39,290	180	Complied
Grade 1	50,400	52,710	180	Complied
Grade 2	50,400	52,710	180	Complied
Grade 3	50,400	52,710	180	Complied
Grade 4	54,000	54,025	180	Complied
Grade 5	54,000	54,025	180	Complied
Grade 6	54,000	54,025	180	Complied
Grade 7	54,000	58,379	180	Complied
Grade 8	54,000	58,379	180	Complied
Grade 9	64,800	64,835	180	Complied
Grade 10	64,800	64,835	180	Complied
Grade 11	64,800	64,835	180	Complied
Grade 12	64,800	64,835	180	Complied

See accompanying note to supplementary information.

HAYWARD UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

	2025 (Budget)	2024	2023	2022
General Fund - Budgetary Basis**				
Revenues And Other Financing Sources	$ 343,959,195	$ 365,478,876	$ 378,061,095	$ 320,236,545
Expenditures And Other Financing Uses	372,202,536	382,933,054	344,620,879	304,115,885
Net change in Fund Balance	$ (28,243,341)	$ (17,454,178)	$ 33,440,216	$ 16,120,660
Ending Fund Balance	$ 33,877,475	$ 62,120,816	$ 79,574,994	$ 46,169,778
Available Reserves*	$ 11,276,258	$ 22,988,790	$ 14,868,715	$ 21,145,662
Available Reserves As A Percentage Of Outgo	3.03%	6.00%	4.31%	6.95%
Long-term Liabilities	$ 1,301,498,226	$ 1,313,600,448	$ 1,302,185,079	$ 1,146,884,798
Average Daily Attendance At P-2	16,278	16,149	16,045	15,503

The General Fund ending fund balance has increased by $15,951,038 over the past two years. However, the fiscal year 2024-25 budget projects a decrease of $28,243,341. For a District this size, the State recommends available reserves of at least 3% of General Fund expenditures, transfers out, 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 2024-25 fiscal year. Total long-term obligations have increased by $166,715,650 over the past two years.

Average daily attendance has increased by 646 ADA over the past two years. A further increase of 129 ADA is anticipated during the 2024-25 fiscal year.

*Available reserves consist of all unassigned fund balance within the General Fund.

**The actual amounts reported in this schedule are for the General Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Deferred Maintenance Fund, in accordance with the fund type definitions promulgated by GASB Statement No. 54 and the Private-Purpose Trust Fund in accordance with the fund type definitions promulgated by GASB Statement No. 84. Audit adjustments made in prior years are also not included on this schedule.

See accompanying note to supplementary information.

HAYWARD UNIFIED SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Cafeteria Fund	Deferred Maintenance Fund	Building Fund	Private-Purpose Trust Fund
June 30, 2024, annual financial and budget report fund balance	$ 62,120,816	$ 8,955,645	$ 527,280	$ 93,545,998	$ 693,479
Adjustments and reclassifications:					
Increase (decrease) in total fund balances:					
Accounts payable accruals	-	-	-	(1,750,339)	-
Accounts receivable accruals	-	1,887,782	-	-	-
Fund balance transfer (GASB 54)	527,280	-	(527,280)	-	-
Fund balance transfer (GASB 84)	693,479	-	-	-	(693,479)
Net adjustments and reclassifications	1,220,759	1,887,782	(527,280)	(1,750,339)	(693,479)
June 30, 2024, audited financial statement fund balance	$ 63,341,575	$ 10,843,427	$ -	$ 91,795,659	$ -

See accompanying note to supplementary information.

HAYWARD UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2024

Charter #	Charter School	Status	Included in Audit Report
0684	Leadership Public School - Hayward	Active	No
0836	Impact Academy of Arts & Technology	Active	No
1514	Knowledge Enlightens You (KEY) Academy	Active	No
1543	Hayward Twin Oaks Montessori	Active	No

See accompanying note to supplementary information.

HAYWARD UNIFIED SCHOOL DISTRICT
COMBINING BALANCE SHEET
JUNE 30, 2024

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds
ASSETS							
Cash and investments	$ 387,815	$ 1,349,938	$ 1,062,693	$ 8,581,599	$ 26,239,843	$ 1,528,827	$ 39,150,715
Accounts receivable	-	1,644,251	820,412	2,419,551	212,126	12,358	5,108,698
Due from other funds	-	2,203	1,691,402	166,934	-	-	1,860,539
Stores inventory	-	-	-	88,685	-	-	88,685
Total Assets	$ 387,815	$ 2,996,392	$ 3,574,507	$ 11,256,769	$ 26,451,969	$ 1,541,185	$ 46,208,637
LIABILITIES							
Accrued liabilities	$ -	$ 110,429	$ 241,425	$ 147,758	$ -	$ -	$ 499,612
Due to other funds	-	1,517,514	46,564	144,672	-	-	1,708,750
Unearned revenue	-	-	-	120,912	-	-	120,912
Total Liabilities	-	1,627,943	287,989	413,342	-	-	2,329,274
FUND BALANCES							
Non-spendable	-	-	-	91,135	-	-	91,135
Restricted	387,815	1,368,449	3,286,518	10,752,292	26,451,969	1,541,185	43,788,228
Total Fund Balances	387,815	1,368,449	3,286,518	10,843,427	26,451,969	1,541,185	43,879,363
Total Liabilities and Fund Balances	$ 387,815	$ 2,996,392	$ 3,574,507	$ 11,256,769	$ 26,451,969	$ 1,541,185	$ 46,208,637

See accompanying note to supplementary information.

HAYWARD UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds
REVENUES							
Federal sources	$ -	$ 718,147	$ 1,756,891	$ 9,822,356	$ -	$ -	$ 12,297,394
Other state sources	-	3,357,762	9,422,064	6,371,661	-	-	19,151,487
Other local sources	960,121	1,697,649	198,347	262,953	1,185,006	72,443	4,376,519
Total Revenues	960,121	5,773,558	11,377,302	16,456,970	1,185,006	72,443	35,825,400
EXPENDITURES							
Current							
Instruction	-	1,956,052	6,473,208	-	-	-	8,429,260
Instruction-related services							
Instructional supervision and administration	-	372,229	287,462	-	-	-	659,691
School site administration	-	898,388	959,250	-	-	-	1,857,638
Pupil services							
Food services	-	-	-	13,445,711	-	-	13,445,711
All other pupil services	-	1,692,849	208	-	-	-	1,693,057
General administration							
All other general administration	-	153,634	329,403	356,300	-	-	839,337
Plant services	-	505,080	240,444	-	-	-	745,524
Facilities acquisition and construction	-	-	435,822	75,909	-	3,278,008	3,789,739
Ancillary services	977,816	-	-	-	-	-	977,816
Total Expenditures	977,816	5,578,232	8,725,797	13,877,920	-	3,278,008	32,437,773
Excess (Deficiency) of Revenues Over Expenditures	(17,695)	195,326	2,651,505	2,579,050	1,185,006	(3,205,565)	3,387,627
Other Financing Sources (Uses)							
Transfers out	-	-	(3,750)	-	-	-	(3,750)
Net Financing Sources (Uses)	-	-	(3,750)	-	-	-	(3,750)
NET CHANGE IN FUND BALANCE	(17,695)	195,326	2,647,755	2,579,050	1,185,006	(3,205,565)	3,383,877
Fund Balance - Beginning	405,510	1,173,123	638,763	8,264,377	25,266,963	4,746,750	40,495,486
Fund Balance - Ending	$ 387,815	$ 1,368,449	$ 3,286,518	$ 10,843,427	$ 26,451,969	$ 1,541,185	$ 43,879,363

See accompanying note to supplementary information.

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The District has not elected to use the 10 percent de minimis indirect cost rate.

The following schedule provides reconciliation between revenues reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance, and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amounts represent Federal funds that have been recorded as revenues in a prior year that have been expended by June 30, 2024 or Federal funds that have been recorded as revenues in the current year and were not expended by June 30, 2024.

	AL Number	Amount
Total Federal Revenues reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance		$ 48,345,882
Supply Chain Assistance (SCA) Funds	10.555	(977,391)
Pandemic EBT Local Administrative Grant	10.649	(5,814)
Total Expenditures reported in the Schedule of Expenditures of Federal Awards		$ 47,362,677

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

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

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.

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 Annual Financial and Budget Report Unaudited Actuals to the audited financial statements.

Schedule of Charter Schools

This schedule lists all charter schools chartered by the District and displays information for each charter school on whether or not the charter school is included in the District audit.

Combining Statements – Non-Major Funds

These statements provide information on the District’s non-major funds.

OTHER INFORMATION

HAYWARD UNIFIED SCHOOL DISTRICT
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
JUNE 30, 2024

Hayward Unified School District, a political subdivision of the State of California, was established on July 1, 1963. The mission of the District is to promote educational excellence by empowering students to become dynamic leaders in a global society. The District operates twenty-one elementary schools, five middle schools, three 9-12 high schools, one continuation school and an adult school. There were no changes in the boundaries of the District during the year.

GOVERNING BOARD

Member	Office	Term Expires
Mr. Peter Bufete	President	December 2024
Mrs. Sara Prada	Vice President	December 2024
Dr. April Oquenda	Clerk	December 2026
Mr. Joe Ramos	Trustee	December 2024
Mr. Ken Rawdon	Trustee	December 2026

DISTRICT ADMINISTRATORS

Dr. Jason Reimann
Superintendent

Ms. Chien Wu-Fernandez
Associate Superintendent, Student and Family Support Services

Dr. Lisa Davies
Assistant Superintendent, Educational Services

Ms. Luz Cazares
Interim Assistant Superintendent, Business Services

Ms. Kim Watts
Assistant Superintendent, Human Resources

OTHER INDEPENDENT AUDITORS' REPORTS

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*

Independent Auditors' Report

Governing Board
Hayward Unified School District
Hayward, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hayward Unified School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Hayward Unified School District's basic financial statements, and have issued our report thereon dated February 14, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hayward Unified School 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 Hayward Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Hayward Unified School 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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Findings #2024-001 and #2024-002 that we consider to be significant deficiencies.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hayward Unified School 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*.

Hayward Unified School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Hayward Unified School District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Hayward Unified School 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.

Purpose of this Report

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



San Diego, California
February 14, 2025

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Independent Auditors' Report

Governing Board
Hayward Unified School District
Hayward, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Hayward Unified School District's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Hayward Unified School District's major federal programs for the year ended June 30, 2024. Hayward Unified School 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, Hayward Unified School District complied, in all material respects, with the types of 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR)* 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 Hayward Unified School 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 audit opinion on compliance for each major federal program. Our audit does not provide a legal determination of Hayward Unified School 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 the laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Hayward Unified School District's federal programs.

Auditor's Responsibilities for the Audit for 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 Hayward Unified School 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance 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. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user of the report on compliance about Hayward Unified School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards and *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 Hayward Unified School District's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Hayward Unified School 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 Hayward Unified School 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 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.

Report on Internal Control Over Compliance (continued)

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.

Christy White, Inc.

San Diego, California
February 14, 2025

REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE FOR STATE PROGRAMS

Independent Auditors' Report

Governing Board
Hayward Unified School District
Hayward, California

Report on State Compliance

Opinion on State Compliance

We have audited Hayward Unified School District's 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 Hayward Unified School District's state program requirements as identified in the table in the Auditor's Responsibilities for the Audit of State Compliance section of our report for the year ended June 30, 2024.

In our opinion, Hayward Unified School District complied, in all material respects, with the laws and regulations of the applicable laws and regulations of the applicable state programs for the year ended June 30, 2024.

Basis for Opinion on State Compliance

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

We are required to be independent of Hayward Unified School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of Hayward Unified School 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 the laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Hayward Unified School District's state programs.

Auditor's Responsibilities for the Audit of State Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the state compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Hayward Unified School 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 generally accepted auditing standards, *Government Auditing Standards*, and the K-12 Audit Guide 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 Hayward Unified School District's compliance with the requirements of the applicable state programs as a whole.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards,* and the K-12 Audit Guide, 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 Hayward Unified School District's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- Obtain an understanding of Hayward Unified School 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 K-12 Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of Hayward Unified School District's internal control over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine Hayward Unified School District's compliance with the state laws and regulations applicable to the following items:

PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other Than Charter Schools	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	No
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
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	Yes
Apprenticeship: Related and Supplemental Instruction	Yes
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
Home to School Transportation Reimbursement	Yes

Auditor's Responsibilities for the Audit of State Compliance (continued)

PROGRAM NAME	PROCEDURES PERFORMED
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	Not Applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Not Applicable
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Charter Schools	
Attendance; for charter schools	Not Applicable
Mode of Instruction; for charter schools	Not Applicable
Nonclassroom-Based Instruction/Independent Study; for charter schools	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction; for charter schools	Not Applicable
Annual Instructional Minutes - Classroom Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

We did not perform testing for Independent Study, because the ADA reported did not meet the threshold required for testing.

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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are described in the accompanying schedule of findings and questioned costs as Findings #2024-003 and #2024-004. Our opinion on state compliance is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Hayward Unified School District's response to the noncompliance findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Hayward Unified School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 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 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 State Compliance section 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 K-12 Audit Guide. Accordingly, this report is not suitable for any other purpose.

Christy White, Inc.

San Diego, California
February 14, 2025

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

HAYWARD UNIFIED SCHOOL DISTRICT
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2024

FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	Yes
Non-compliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major program:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditors' report issued:	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:	

AL Number(s)	Name of Federal Program or Cluster
84.027, 84.027A, 84.173	Special Education Cluster
84.425, 84.425U	Education Stabilization Fund Discretionary Grants

Dollar threshold used to distinguish between Type A and Type B programs:	$ 1,420,880
Auditee qualified as low-risk auditee?	No

STATE AWARDS

Internal control over state programs:	
Material weaknesses identified?	No
Significant deficiency(ies) identified?	None Reported
Any audit findings disclosed that are required to be reported in accordance with *2023-24 Guide for Annual Audits of California K-12 Local Education Agencies* ?	Yes
Type of auditors' report issued on compliance for state programs:	Unmodified

FIVE DIGIT CODE	AB 3627 FINDING TYPE
20000	Inventory of Equipment
30000	Internal Control

FINDING #2024-001: FINANCIAL REPORTING (30000)

Criteria: 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 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 our audit, we found deficiencies in internal control over financial reporting in the Cafeteria Fund and Building Fund. As summarized in the Reconciliation of Annual Financial and Budget Report with Audited Financial Statements, we noted transactions within these funds that were not properly accounted for. These discrepancies resulted in audit adjustments to be posted to the financial statements.

Effect: Audit adjustments were required due to misstatements within the unaudited financial statements prepared by the District. A lack of proper internal controls can lead to accounting irregularities going undetected.

Cause: Lack of adequate oversight and/or noncompliance with District accounting policies.

Repeat Finding: This is not a repeat finding.

Recommendation: The District should implement procedures to ensure that the related accruals are properly recorded during the closing process.

Corrective Action Plan: The District will develop a decision tree checklist to be used by the Business Support Services accounting staff when processing accruals during the closing process. Management will review the checklist when approving the processing of the accruals.

FINDING #2024-002: CAPITAL ASSETS (20000)

Criteria: The District's capital asset policies require the capitalization and annual depreciation of capital assets with a current value of $5,000 or more. Per GASB Statement 34 and Education Code Section 35168, the District must maintain current, auditable asset listings to support the amount reported on the government-wide statement of net position.

Condition: We determined that a detailed listing of capital assets had not been updated to reflect depreciation for new assets since the District converted to using Escape as their general ledger software.

Effect: Without including new capital assets on the capital asset depreciation schedule, the District does not maintain adequate control over depreciation expenses for buildings, site improvements, and other assets as they relate to the government-wide financial statements.

Cause: There has been turnover in positions that maintain and update the capital asset listing as well as the software conversion.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend the District implement procedures to ensure the capital asset listing is updated to include depreciation of all assets of the District.

Corrective Action Plan: The District will implement the Escape Fixed Asset tracking feature to manage all capital assets, including the calculation of depreciation.

HAYWARD UNIFIED SCHOOL DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

FIVE DIGIT CODE	AB 3627 FINDING TYPE
50000	Federal Compliance

There were no federal award findings or questioned costs for the year ended June 30, 2024.

HAYWARD UNIFIED SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

FIVE DIGIT CODE	AB 3627 FINDING TYPE
10000	Attendance
40000	State Compliance
42000	Charter School Facilities Programs
43000	Apprenticeship: Related and Supplemental Instruction
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

FINDING #2024-003: SITE ATTENDANCE (10000)

Criteria: In accordance with California Education Code Section 44809 and California Code of Regulations, Title 5, Section 401, the California Department of Education is required to approve the forms and procedures that constitute the District's attendance accounting system. The approved attendance reporting system must be used to claim Average Daily Attendance on the Report of School District Attendance. The District's attendance accounting system requires that the certificated teacher who is instructing the students verify all attendance information on their attendance reports and sign the reports each week. The attendance records should be properly stored to ensure that the records are available to support attendance days claimed.

Condition: During our tests over state compliance of attendance, we found that the District was not following their attendance reporting procedures. Teachers were either not signing and dating the attendance reports or not signing them on a timely basis. The school sites where this was noted were Eden Gardens Elementary School, Longwood Elementary School, Fairview Elementary School, and Faith Ringgold School of Arts and Science.

Based on our review, it was determined that there were no questioned costs or losses of attendance as no errors were noted in attendance reporting.

Cause: Internal controls not in place to ensure that teachers sign attendance reports weekly.

Effect: Without strengthening internal controls over attendance reporting, average daily attendance (ADA) may not be accurately reported to the California Department of Education (CDE).

ADA Impact: There is no financial impact as no errors were noted in attendance reporting.

Repeat Finding: Yes, this is a repeat of Finding #2023-002.

Recommendation: We recommend the District maintain written records of attendance that are prepared daily and signed weekly by the teacher instructing the students. The records should be properly stored to ensure that records are available to support attendance days claimed.

Corrective Action Plan: The District will provide training to site attendance staff in the correct and timely attendance reporting procedures, including ensuring that teachers sign the attendance rosters each week. The District will establish internal audit procedures in the central office to monitor site compliance with the attendance reporting procedures

FINDING #2024-004: SCHOOL ACCOUNTABILITY REPORT CARD (72000)

Criteria: School Accountability Report Cards (SARCs), should contain information regarding school facility conditions, as indicated in the most recently prepared facility inspection tool (FIT) form or a local evaluation instrument that meets the same criteria, as per Education Code Sections 33126(b)(8) and 1700(d).

Condition: During the review of the School Accountability Report Cards (SARCs), the auditor found that the information contained on the SARC for Fairview Elementary School and Schafer Elementary School did not match the information that was recorded on their respective Facilities Inspection Tool (FIT) Forms.

Cause: It appears that the District did not update the SARC to reflect the results of the most recent FIT report.

Effect: The District is not in compliance with the related sections of California Education Code.

Context: For Schafer Elementary School, the Cleanliness category was rated as “Good” on the FIT Form but was rated as both "Good” and “Fair” on the SARC. For Fairview Elementary School, the Restrooms/Fountains category was rated “Good” on the FIT form but “Fair” on the SARC.

Questioned Cost: There are no questioned costs associated with this finding.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend the District update their School Accountability Report Cards to accurately reflect FIT results.

Corrective Action Plan: The District will create and implement a management review checklist to facilitate proofreading and error checking of the SARC reports before publication.

HAYWARD UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

FINDING #2023-001: COMPREHENSIVE SCHOOL SAFETY PLAN (40000)

Criteria: Pursuant to California Education Code Sections 32280 - 32289, all California public schools kindergarten and grades one through twelve must develop a comprehensive school safety plan (CSSP) by March 1 of the current school year that is then subsequently approved by the Governing Board. Additionally, if the District does not develop and approve a comprehensive school safety plan by October 15, a letter must be submitted to the State Superintendent of Public Instruction.

Condition: In testing the comprehensive school safety plan at Harder Elementary, it was noted that there was no evidence that the plan was approved by the school site prior to the required deadline of March 1 for the current audit year. Additionally, none of the plans were subsequently approved by the District's Governing Board.

Cause: Administrative oversight.

Effect: The District did not adhere to comprehensive school safety plan requirements per California Education Code.

Questioned Costs: If a school is found to be willfully non-compliant, a fine of $2,000 may be imposed. The District did not submit a letter to the State Superintendent of Public Instruction by October 15 providing the reasons for non-compliance.

Repeat Finding: Yes, this is a repeat of Finding #2022-002.

Recommendation: We recommend that District school sites develop and approve a comprehensive school safety plan (CSSP) by March 1 of the current school year that is then subsequently approved by the Governing Board.

Corrective Action Plan: The District has established an annual process and timeline to support the completion and approval of the CSSP by school sites prior to March 1 and by the Board at a subsequent Board meeting.

Current Status: Implemented.

FINDING #2023-002: SITE ATTENDANCE (10000)

Criteria: In accordance with California Education Code Section 44809 and California Code of Regulations, Title 5, Section 401, the California Department of Education is required to approve the forms and procedures that constitute the District's attendance accounting system. The approved attendance reporting system must be used to claim Average Daily Attendance on the Report of School District Attendance. The District's attendance accounting system requires that the certificated teacher who is instructing the students verify all attendance information on their attendance reports and sign the reports each week. The attendance records should be properly stored to ensure that the records are available to support attendance days claimed.

Condition: During our tests over state compliance of attendance, we found that the District was not following their attendance reporting procedures. Teachers were either not signing and dating the attendance reports or not signing them on a timely basis. The school sites where this was noted were Southgate Elementary, Harder Elementary, Cherryland Elementary, East Avenue Elementary, and Cesar Chavez Middle School.

Based on our review, it was determined that there were no questioned costs or losses of attendance as no errors were noted in attendance reporting.

Cause: Internal controls not in place to ensure that teachers sign attendance reports weekly.

Effect: Without strengthening internal controls over attendance reporting, average daily attendance (ADA) may not be accurately reported to the California Department of Education (CDE).

ADA Impact: There is no financial impact as no errors were noted in attendance reporting.

Repeat Finding: Yes, this is a repeat of Finding #2022-003.

Recommendation: We recommend the District maintain written records of attendance that are prepared daily and signed weekly by the teacher instructing the students. The records should be properly stored to ensure that records are available to support attendance days claimed.

Corrective Action Plan: The District will provide training for attendance reporting to school sites at the start of the school year and reminders throughout the year.

Current Status: Not implemented, see Finding #2024-003.