

**WESTMINSTER
SCHOOL DISTRICT
ORANGE COUNTY
AUDIT REPORT
For the Fiscal Year Ended
June 30, 2025**

WESTMINSTER SCHOOL DISTRICT

For the Fiscal Year Ended June 30, 2025

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For the Fiscal Year Ended June 30, 2025

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Financial Section

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Westminster School District
Westminster, 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 Westminster School District, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Westminster School District, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Changes in Accounting Principle

As discussed in Note 1 to the financial statements, the District has implemented the provisions of GASB Statement No. 101, *Compensated Absences*. Accordingly, prior year liabilities on the Statement of Net Position were restated to adopt this standard. Our opinion is not modified with respect to this matter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of proportionate share of the net pension liability, schedule of pension contributions, schedule of changes in the District's total OPEB liability and related ratios, schedule of the District's proportionate share of the net OPEB liability-MPP Program, and the notes to the required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 District's basic financial statements. The Schedule of Expenditures of Federal Awards as required by 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), and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the 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 Schedule of Expenditures of Federal Awards and other supplementary information listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

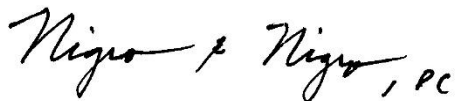
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Nigro & Nigro, PC". The signature is written in a cursive, flowing style.

Murrieta, California
December 1, 2025

WESTMINSTER SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2025

This discussion and analysis of Westminster School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2025. Please read it in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The District's financial status increased overall as a result of this year's operations. Net position of governmental activities increased by \$0.4 million, or 2.4%.
- Governmental expenses were about \$194.6 million. Revenues were about \$194.9 million.
- The District acquired over \$35.4 million in new capital assets during the year.
- Governmental funds decreased by \$10.0 million, or 6.1%.
- Reserves for the General Fund decreased by \$26.9 million or 52.0%. Revenues and other sources were \$167.4 million, and expenditures and other financing uses were \$180.5 million.

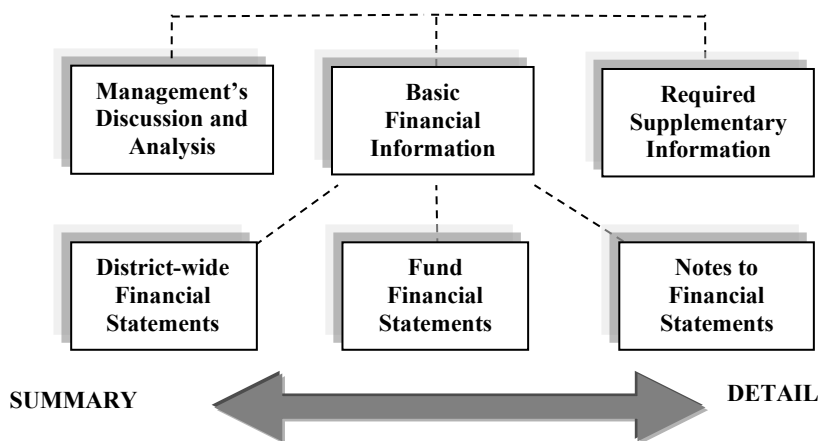
OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are District-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are *fund financial* statements that focus on individual parts of the District, reporting the District's operations in more detail than the District-wide statements.
 - Short and long-term financial information about the activities of the District that operate like businesses (self-insurance funds) are provided in the *proprietary funds* statements.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1. Organization of Westminster School District's Annual Financial Report



The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

WESTMINSTER SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2025

District-Wide Statements

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

The two District-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the District's financial health, or *position*.

4. Over time, increases and decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
5. To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's demographics and the condition of school buildings and other facilities.
6. In the District-wide financial statements, the District's activities are categorized as *Governmental Activities*. Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debt) or to show that it is properly using certain revenues.

The District has two kind of funds:

7. ***Governmental funds*** – All of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, we provide on a separate reconciliation page that explains the relationship (or differences) between them.
8. ***Proprietary funds*** – When the District charges other District funds for the services it provides, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and Statement of Activities. In fact, the District's internal service fund is included within the governmental activities reported in the District-wide statements but provide more detail and additional information, such as cash flows. The District uses the internal service fund to report activities that relate to the District's self-insured programs for health and welfare benefits.

WESTMINSTER SCHOOL DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2025

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's combined net position was higher on June 30, 2025, than it was the year before – increasing 2.4% to (\$15.8) million (See Table A-1).

Table A-1: Statement of Net Position

	Governmental Activities		
	2025	2024*	Net Change
Assets			
Current assets	\$ 172,238,314	\$ 186,599,659	\$ (14,361,345)
Capital assets	214,841,966	184,023,645	30,818,321
Total Assets	<u>387,080,280</u>	<u>370,623,304</u>	<u>16,456,976</u>
Total Deferred Outflows of Resources	<u>56,384,358</u>	<u>59,644,984</u>	<u>(3,260,626)</u>
Liabilities			
Current liabilities	20,246,956	25,712,946	(5,465,990)
Long-term liabilities	412,017,840	400,269,845	11,747,995
Total Liabilities	<u>432,264,796</u>	<u>425,982,791</u>	<u>6,282,005</u>
Total Deferred Inflows of Resources	<u>27,003,116</u>	<u>20,485,368</u>	<u>6,517,748</u>
Net Position			
Net investment in capital assets	9,258,701	10,099,737	(841,036)
Restricted	74,909,976	72,589,858	2,320,118
Unrestricted	(99,971,951)	(98,889,466)	(1,082,485)
Total Net Position	<u>\$ (15,803,274)</u>	<u>\$ (16,199,871)</u>	<u>\$ 396,597</u>

*As restated

Changes in net position, governmental activities. The District's total revenues decreased 3.6% to \$194.9 million (See Table A-2). The decrease is due primarily to decreases in federal and state categorical funds.

The total cost of all programs and services increased 4.0% to \$194.6 million. The District's expenses are predominantly related to educating and caring for students, 70.9%. The purely administrative activities of the District accounted for just 9.6% of total costs. A significant contributor to the increase in costs was an increase in administration expenses.

WESTMINSTER SCHOOL DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2025

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table A-2: Statement of Activities

	Governmental Activities		
	2025	2024	Net Change
Revenues			
Program Revenues:			
Charges for services	\$ 1,010,931	\$ 1,012,575	\$ (1,644)
Operating grants and contributions	62,641,886	65,672,380	(3,030,494)
Capital grants and contributions	-	595,086	(595,086)
General Revenues:			
Property taxes	54,172,016	49,411,781	4,760,235
Federal and state aid not restricted	70,084,410	77,129,645	(7,045,235)
Other general revenues	7,040,649	8,362,691	(1,322,042)
Total Revenues	194,949,892	202,184,158	(7,234,266)
Expenses			
Instruction-related	121,842,420	120,879,072	963,348
Pupil services	16,023,150	15,663,109	360,041
Administration	18,716,722	11,726,649	6,990,073
Plant services	16,743,482	15,485,240	1,258,242
All other activities	21,227,521	23,359,940	(2,132,419)
Total Expenses	194,553,295	187,114,010	7,439,285
Increase (decrease) in net position	\$ 396,597	\$ 15,070,148	\$ (14,673,551)
Total Net Position	\$ (15,803,274)	\$ (16,199,871)	

FINANCIAL ANALYSIS OF THE DISTRICT'S 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 \$154.1 million, which is below last year's ending fund balance of \$164.1 million. The primary cause of the decreased fund balance is a decrease in federal and state aid and spending down building fund on capital projects.

Table A-3: The District's Fund Balances

Fund	Fund Balances				
	July 1, 2024	Revenues	Expenditures	Other Sources and (Uses)	June 30, 2025
General Fund	\$ 86,766,910	\$ 166,320,273	\$ 179,997,438	\$ 573,525	\$ 73,663,270
Student Activities Fund	144,299	318,927	288,311	-	174,915
Child Development Fund	7,236,255	13,414,897	12,727,351	-	7,923,801
Cafeteria Fund	8,597,376	8,882,050	9,480,454	-	7,998,972
Building Fund	11,520,644	237,907	11,758,551	-	-
Capital Facilities Fund	14,189,499	4,680,316	13,520,482	23,959,023	29,308,356
County School Facilities Fund	618,916	35,721	654,637	-	-
Special Reserve Fund (Capital Outlay)	27,880,394	1,465,715	1,979,943	293,872	27,660,038
Bond Interest and Redemption Fund	7,122,944	9,018,019	8,761,623	-	7,379,340
Totals	\$ 164,077,237	\$ 204,373,825	\$ 239,168,790	\$ 24,826,420	\$ 154,108,692

WESTMINSTER SCHOOL DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2025

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (continued)

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. The major budget amendments fall into these categories:

1. Revenues – decreased by \$11,937 primarily to reflect federal and state budget actions.
2. Salaries and benefits costs – increased \$5.3 million to reflect revised cost estimates.
3. Other non-personnel expenses – increased \$5.5 million to revise operational cost estimates.

While the District's final budget for the General Fund anticipated that revenues would fall short of expenditures by about \$16.0 million, the actual results for the year show that revenues fell short of expenditures by roughly \$13.7 million. Actual revenues were \$1.4 million more than anticipated, and expenditures were \$0.9 million less than budgeted.

That amount consists primarily of capital outlay and restricted program dollars that were not spent as of June 30, 2025, that will be carried over into the 2025-26 budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2024-25 the District had acquired \$35.4 million in new capital assets, related to land, construction in progress, site improvements, leases and equipment purchases. (More detailed information about capital assets can be found in Note 6 to the financial statements). Total depreciation expense for the year was \$4.3 million and amortization was \$293,846.

Table A-4: Capital Assets at Year-End, Net of Depreciation

	Governmental Activities		
	2025	2024	Net Change
Land	\$ 3,284,771	\$ 3,284,771	\$ -
Improvement of sites	489,624	528,661	(39,037)
Buildings	191,985,345	143,554,093	48,431,252
Equipment	5,971,598	5,097,224	874,374
Construction in progress	12,242,219	31,264,170	(19,021,951)
Leased assets	737,287	40,676	696,611
Subscription assets	131,122	254,050	(122,928)
Totals	<u>\$ 214,841,966</u>	<u>\$ 184,023,645</u>	<u>\$ 30,818,321</u>

WESTMINSTER SCHOOL DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2025

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (continued)

Long-Term Debt

At year-end the District had \$412.0 million in long-term liabilities – an increase of 2.9% from last year – as shown in Table A-5. (More detailed information about the District's long-term liabilities is presented in Notes 7-9 to the financial statements).

Table A-5: Outstanding Long-Term Debt at Year-End

	Governmental Activities		
	2025	2024*	Net Change
General obligation bonds	\$ 183,751,736	\$ 184,887,715	\$ (1,135,979)
Certificates of participation	48,995,974	27,038,196	21,957,778
Lease liability	745,850	40,849	705,001
Subscription liability	-	65,661	(65,661)
Compensated absences	27,775,430	22,788,545	4,986,885
Supplemental early retirement plan	566,254	1,132,508	(566,254)
Other postemployment benefits	36,938,998	36,878,134	60,864
Net pension liability	113,243,598	127,438,237	(14,194,639)
Totals	\$ 412,017,840	\$ 400,269,845	\$ 11,747,995

**As restated*

FACTORS BEARING ON THE DISTRICT'S FUTURE

California State Budget

The Budget aims to solve a \$11.8 billion General Fund deficit for 2025-26 through reductions, borrowing and fund shifts. The 2025-26 Enacted Budget relies on reserves and deferrals to meet its Proposition 98 obligations for the fiscal year, including the scheduled \$7.1 billion Budget Stabilization Act (BSA) withdrawal in 2025-26. This will leave a combined reserve balance of \$15.7 billion in 2025-26, including \$11.2 billion in the BSA and an additional \$4.5 billion in the state's discretionary reserve account (the Special Fund for Economic Uncertainties).

TK-12 Education

The Budget includes total funding of \$137.6 billion (\$80.5 billion General Fund and \$57.1 billion other funds) for all TK-12 education programs.

Proposition 98

The Budget revised estimates of General Fund revenues resulting in notable adjustments to the Proposition 98 Guarantee. The revised Guarantee for TK-14 schools is calculated to be \$98.5 billion in 2023-24, \$119.9 billion in 2024-25, and \$114.6 billion in 2025-26. These revised Proposition 98 levels represent an increase of approximately \$3.9 billion over the three-year period relative to the 2024 Budget Act. The Budget appropriates the 2024-25 Guarantee at \$118 billion, instead of the currently calculated level of \$119.9 billion. The difference between the appropriated and the calculated levels is \$1.9 billion, which is referred to as "settle-up." The 2024-25 Guarantee level will not be finalized until that fiscal year is certified—a process that will occur throughout 2026.

WESTMINSTER SCHOOL DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2025

FACTORS BEARING ON THE DISTRICT'S FUTURE (continued)

Proposition 98 (continued)

The Budget shifts the full TK expansion funding to the TK-12 education side of the Proposition 98 budget, beginning in the 2025-26 fiscal year. This shifts \$232.9 million in ongoing resources from community colleges to TK-12 schools. The purpose of re-benching Proposition 98 for the cost of TK expansion is to ensure that the implementation of universal TK does not create a fiscal burden on existing TK-12 programs.

The Budget includes a LCFF cost-of-living adjustment of 2.3 percent. When combined with population growth adjustments, these baseline adjustments will increase discretionary funds for local educational agencies (LEAs) by \$2.1 billion compared to the 2024 Budget Act. To fully fund the LCFF, the Budget uses \$405.3 million from the Proposition 98 Rainy Day Fund to support LCFF costs in 2025-26.

Budgetary deferrals of \$246.6 million for TK-12 education from 2024-25 will be fully repaid in 2025-26. However, to fully fund the LCFF and maintain the level of 2025-26 principal apportionments, the Budget defers \$1.9 billion in LCFF funding from June 2026 to July 2026.

Funding Results for Education Programs

In the 2025-26 school year, the Budget provides a total of \$2.1 billion ongoing Proposition 98 General Fund (inclusive of all prior years' investments) to support the full implementation of universal TK. The Budget also provides an additional \$1.2 billion ongoing Proposition 98 General Fund to support further lowering the average student-to-adult ratio from 12:1 to 10:1 in every TK classroom.

The Budget provides \$515.1 million ongoing for the full implementation of the Expanded Learning Opportunities Program by increasing the number of elementary schools that offer universal access to students. Additionally, the Budget includes \$10.4 million to increase the minimum grant amount from \$50,000 to \$100,000 per LEA.

The Budget provides \$480 million to support literacy instruction aligned with the ELA/ELD Framework and includes multiple investments intended to support teachers and improve access to the educator pipeline. In addition, the Budget allocates \$1.7 billion one-time Proposition 98 General Fund for the Student Support and Professional Development Discretionary Block Grant, as well as numerous one-time grants for various new and ongoing program support.

Federal Implications

Because the State Budget was approved in late June, it does not reflect the impact of the cuts in federal spending included in the federal omnibus tax and spending bill signed in early July. The bill does not make any statutory or direct funding adjustments to TK-12 federal education programs, including Title I and the Individuals with Disabilities Education Act. However, the bill allocates \$100 million to the OMB to conduct reviews across the executive branch aimed at identifying "budget and accounting efficiencies."

All of these factors were considered in preparing the Westminster School District budget for the 2025-26 fiscal year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the District's Business Office at Westminster School District, 14121 Cedarwood Avenue, Westminster, California 92683.

WESTMINSTER SCHOOL DISTRICT*Statement of Net Position**June 30, 2025*

	Governmental Activities
ASSETS	
Deposits and investments	\$ 156,446,893
Accounts receivable	15,506,610
Prepaid expenses	129,705
Inventories	140,639
Other current assets	14,467
Capital assets:	
Non-depreciable capital assets	15,526,990
Depreciable capital assets	280,640,395
Less accumulated depreciation	(82,193,828)
Lease assets	867,397
Less accumulated amortization	(130,110)
Subscription assets	539,314
Less accumulated amortization	(408,192)
Total assets	<u>387,080,280</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts on refunding	2,206,354
Deferred outflows related to OPEB	6,334,469
Deferred outflows related to pensions	<u>47,843,535</u>
Total deferred outflows of resources	<u>56,384,358</u>
LIABILITIES	
Accounts payable	17,512,929
Accrued interest payable	2,178,790
Unearned revenue	555,237
Noncurrent liabilities:	
Due or payable within one year	6,930,150
Due in more than one year:	
Other than OPEB and pensions	254,905,094
Total OPEB liability	36,938,998
Net pension liability	<u>113,243,598</u>
Total liabilities	<u>432,264,796</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to OPEB	5,784,788
Deferred inflows related to pensions	<u>21,218,328</u>
Total deferred inflows of resources	<u>27,003,116</u>
NET POSITION	
Net investment in capital assets	9,258,701
Restricted for:	
Capital projects	29,308,356
Debt service	7,379,340
Student body activities	174,915
Child nutrition programs	7,998,972
Categorical programs	30,048,393
Unrestricted	<u>(99,971,951)</u>
Total Net Position	<u>\$ (15,803,274)</u>

WESTMINSTER SCHOOL DISTRICT

Statement of Activities

For the Fiscal Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Instruction	\$ 105,079,377	\$ 5,998	\$ 20,673,356	\$ (84,400,023)
Instruction-Related Services:				
Supervision of instruction	7,352,145	2,365	3,069,962	(4,279,818)
Instructional library, media and technology	1,203,050	-	(18)	(1,203,068)
School site administration	8,207,848	46,099	657,817	(7,503,932)
Pupil Support Services:				
Home-to-school transportation	2,010,577	-	-	(2,010,577)
Food services	7,851,423	2,935	8,231,260	382,772
All other pupil services	6,161,150	9,229	2,538,917	(3,613,004)
General Administration Services:				
Data processing services	2,815,641	-	-	(2,815,641)
Other general administration	15,901,081	4,849	2,869,607	(13,026,625)
Plant services	16,743,482	2,536	8,370,296	(8,370,650)
Ancillary services	289,781	-	318,927	29,146
Community services	12,721,094	4,105	12,704,221	(12,768)
Interest on long-term debt	7,204,122	-	-	(7,204,122)
Other outgo	718,678	932,815	3,207,541	3,421,678
Amortization (unallocated)	293,846	-	-	(293,846)
Total Governmental Activities	<u>\$ 194,553,295</u>	<u>\$ 1,010,931</u>	<u>\$ 62,641,886</u>	<u>(130,900,478)</u>
General Revenues:				
Property taxes				54,172,016
Federal and state aid not restricted to specific purpose				70,084,410
Interest and investment earnings				5,371,399
Miscellaneous				<u>1,669,250</u>
Subtotal general revenues				<u>131,297,075</u>
Change in net position				<u>396,597</u>
Net position - July 1, 2024, as originally stated				4,849,690
Adjustments for restatements (Note 12)				<u>(21,049,561)</u>
Net position - July 1, 2024, as restated				<u>(16,199,871)</u>
Net position - June 30, 2025				<u>\$ (15,803,274)</u>

WESTMINSTER SCHOOL DISTRICT*Balance Sheet – Governmental Funds**June 30, 2025*

	General Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Deposits and investments	\$ 74,540,521	\$ 31,498,155	\$ 26,721,255	\$ 23,670,998	\$ 156,430,929
Accounts receivable	11,567,976	60,511	486,548	3,391,528	15,506,563
Due from other funds	302,148	759,796	493,872	1,909,465	3,465,281
Stores inventories	9,931	-	-	130,708	140,639
Prepaid expenditures	129,705	-	-	-	129,705
Other current assets	-	-	14,467	-	14,467
Total Assets	<u>\$ 86,550,281</u>	<u>\$ 32,318,462</u>	<u>\$ 27,716,142</u>	<u>\$ 29,102,699</u>	<u>\$ 175,687,584</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 12,217,310	\$ 1,798,616	\$ 56,104	\$ 3,405,495	\$ 17,477,525
Due to other funds	620,461	1,211,490	-	1,714,179	3,546,130
Unearned revenue	49,240	-	-	505,997	555,237
Total Liabilities	<u>12,887,011</u>	<u>3,010,106</u>	<u>56,104</u>	<u>5,625,671</u>	<u>21,578,892</u>
Fund Balances					
Nonspendable	239,636	-	-	131,608	371,244
Restricted	22,124,592	29,308,356	-	23,345,420	74,778,368
Committed	12,571,348	-	-	-	12,571,348
Assigned	13,861,775	-	27,660,038	-	41,521,813
Unassigned	24,865,919	-	-	-	24,865,919
Total Fund Balances	<u>73,663,270</u>	<u>29,308,356</u>	<u>27,660,038</u>	<u>23,477,028</u>	<u>154,108,692</u>
Total Liabilities and Fund Balances	<u>\$ 86,550,281</u>	<u>\$ 32,318,462</u>	<u>\$ 27,716,142</u>	<u>\$ 29,102,699</u>	<u>\$ 175,687,584</u>

WESTMINSTER SCHOOL DISTRICT

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2025

Total Fund Balances - Governmental Funds

\$ 154,108,692

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital, leased, and subscription assets and accumulated depreciation and amortization.

Capital assets at historical cost:	296,167,385	
Accumulated depreciation:	(82,193,828)	
Leased assets	867,397	
Subscription assets	539,314	
Accumulated amortization	<u>(538,302)</u>	
Net:		214,841,966

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:

(2,178,790)

Deferred amounts on refunding represent amounts paid to an escrow agent in excess of the outstanding debt at the time of the payment for refunded bonds which have been defeased. In the government-wide statements it is recognized as a deferred outflow. The remaining deferred amounts on refunding at the end of the period were:

2,206,354

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:

General obligation bonds payable	183,751,736	
Certificates of participation payable	48,995,974	
Lease liability	745,850	
Compensated absences payable	27,775,430	
Supplemental early retirement plan	566,254	
Other postemployment benefits	36,938,998	
Net pension liability	<u>113,243,598</u>	
Total		(412,017,840)

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 and inflows relating to OPEB for the period were:

Deferred outflows of resources	6,334,469	
Deferred inflows of resources	<u>(5,784,788)</u>	
Total		549,681

Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to operate for the benefit of governmental activities, assets, deferred outflows of resources, liabilities, and deferred inflows of resources of internal service funds are reported with governmental activities in the statement of net position. Net position for internal service funds is:

61,456

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 inflows and outflows relating to pensions for the period were:

Deferred outflows of resources	47,843,535	
Deferred inflows of resources	<u>(21,218,328)</u>	
Total		<u>26,625,207</u>

Total Net Position - Governmental Activities

\$ (15,803,274)

WESTMINSTER SCHOOL DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds For the Fiscal Year Ended June 30, 2025

	General Fund	Formerly Major Fund Child Development Fund	Formerly Major Fund Building Fund	Formerly Non-major Fund Capital Facilities Fund	Special Reserve Fund for Capital Outlay	Formerly Major Fund Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES								
LCFF sources	\$ 108,897,990			\$ -	\$ -		\$ -	\$ 108,897,990
Federal sources	13,954,702			-	-		6,637,616	20,592,318
Other state sources	29,257,181			-	-		14,182,748	43,439,929
Other local sources	14,210,400			4,680,316	1,465,715		11,087,157	31,443,588
Total Revenues	166,320,273			4,680,316	1,465,715		31,907,521	204,373,825
EXPENDITURES								
Current:								
Instruction	114,832,986			-	-		-	114,832,986
Instruction-Related Services:								
Supervision of instruction	8,124,825			-	-		67,032	8,191,857
Instructional library, media and technology	944,548			-	-		-	944,548
School site administration	8,917,495			-	-		-	8,917,495
Pupil Support Services:								
Home-to-school transportation	1,823,081			-	-		-	1,823,081
Food services	1,250			-	-		9,192,583	9,193,833
All other pupil services	6,937,410			-	-		45,550	6,982,960
Ancillary services	1,470			-	-		288,311	289,781
Community services	1,838,220			-	-		11,548,855	13,387,075
General Administration Services:								
Data processing services	2,982,600			-	-		-	2,982,600
Other general administration	9,858,059			11,550	-		-	9,869,609
Transfers of indirect costs	(1,016,904)			-	-		1,016,904	-
Plant services	14,284,298			90,531	634,600		1,915	15,011,344
Capital outlay	9,498,785			12,397,344	-		12,748,154	34,644,283
Intergovernmental transfers	718,678			-	-		-	718,678
Debt service:								
Principal	228,057			700,000	820,000		2,343,763	4,091,820
Interest	22,580			321,057	525,343		6,417,860	7,286,840
Total Expenditures	179,997,438			13,520,482	1,979,943		43,670,927	239,168,790
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,677,165)			(8,840,166)	(514,228)		(11,763,406)	(34,794,965)
OTHER FINANCING SOURCES (USES)								
Interfund transfers in	200,000			-	493,872		-	693,872
Interfund transfers out	(493,872)			-	(200,000)		-	(693,872)
Issuance of debt - leases	867,397			-	-		-	867,397
Issuance of debt - certificates of participation	-			21,205,000	-		-	21,205,000
Premium on debt issuance	-			2,754,023	-		-	2,754,023
Total Other Financing Sources and Uses	573,525			23,959,023	293,872		-	24,826,420
Net Change in Fund Balances	(13,103,640)			15,118,857	(220,356)		(11,763,406)	(9,968,545)
Fund Balances, July 1, 2024, as originally reported	86,766,910	7,236,255	11,520,644	-	27,880,394	7,122,944	23,550,090	164,077,237
Change within financial reporting entity (major to non-major fund)	-	(7,236,255)	(11,520,644)	-	-	(7,122,944)	25,879,843	-
Change within financial reporting entity (non-major to major fund)	-	-	-	14,189,499	-	-	(14,189,499)	-
Fund Balances - July 1, 2024, as restated	86,766,910	-	-	14,189,499	27,880,394	-	35,240,434	164,077,237
Fund Balances - June 30, 2025	\$ 73,663,270			\$ 29,308,356	\$ 27,660,038		\$ 23,477,028	\$ 154,108,692

WESTMINSTER SCHOOL DISTRICT

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities For the Fiscal Year Ended June 30, 2025

Total Net Change in Fund Balances - Governmental Funds \$ (9,968,545)

Amounts reported for governmental activities in the statement of activities are different because:

In governmental funds, the costs of capital assets, lease assets and subscription assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets, lease assets and subscription assets are allocated over their estimated useful lives and their lease terms as depreciation expense and amortization expense respectively. The difference between capital outlay expenditures and depreciation expense and amortization expense for the period is:

Expenditures for capital outlay	35,440,262	
Depreciation expense	(4,317,073)	
Amortization expense	(293,846)	30,829,343

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 a reduction of liabilities. Expenditures for repayment of the principal portion of long-term debt were:

4,091,820

In governmental funds, proceeds from debt are recognized as Other Financing Sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from debt, net of issue premium or discount, were:

(24,826,420)

Deferred amounts on refunding represent amounts paid to an escrow agent in excess of the outstanding debt at the time of the payment for refunded bonds which have been defeased. In governmental funds these charges are recognized as an expenditure. However, in the statement of activities these amounts are amortized over the shorter of the life of the refunded bonds or the refunding bonds. The difference between current year amounts and the current year amortization was:

(225,057)

In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting gain or loss was:

(11,022)

In governmental funds, accreted interest on capital appreciation bonds is not recorded as an expenditure from current resources. In the government-wide statement of activities, however, this is recorded as interest expense for the period. Accreted interest additions less accreted interest paid during the year was:

(1,547,483)

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 premiums or discount for the period was:

820,944

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 that 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:

1,011,734

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 amounts earned. The difference between compensated absences paid and compensated absences earned was:

(4,986,885)

In the government-wide statements, expenses must be accrued in connection with any liabilities incurred during the period that are not expected to be liquidated with current financial resources, including early retirement incentives. This year, expenses incurred for such obligations were:

566,254

In government funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:

6,219,280

In government funds, OPEB costs are recognized when employer contributions are made. In the statement of activities, OPEB costs are recognized on the accrual basis. This year, the difference between accrual-basis OPEB costs and actual employer contributions was:

(1,638,822)

The internal service fund is used by management to charge the cost of self-insurance activities. The net revenue (expense) of the internal service fund is reported with governmental activities.

61,456

Change in Net Position of Governmental Activities

\$ 396,597

WESTMINSTER SCHOOL DISTRICT
Statement of Net Position – Proprietary Fund
For the Fiscal Year Ended June 30, 2025

		Governmental Activities
		Internal Service Funds
ASSETS		
Current Assets		
Deposits and investments	\$	15,964
Accounts receivable		47
Due from other funds		80,849
Total Assets		96,860
LIABILITIES		
Accrued liabilities		35,404
NET POSITION		
Restricted	\$	61,456

WESTMINSTER SCHOOL DISTRICT*Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund
For the Fiscal Year Ended June 30, 2025*

	Governmental Activities
	Internal Service Funds
OPERATING REVENUES	
Charges to other funds	\$ 141,024
Other local revenues	<u>19,068</u>
Total operating revenues	<u>160,092</u>
OPERATING EXPENSES	
Services and other operating expenses	<u>98,983</u>
Operating Income (Loss)	61,109
NON-OPERATING REVENUES	
Interest income	<u>347</u>
Change in net position	61,456
Net position, July 1, 2024	<u>-</u>
Net position, June 30, 2025	<u><u>\$ 61,456</u></u>

WESTMINSTER SCHOOL DISTRICT
Statement of Cash Flows – Proprietary Fund
For the Fiscal Year Ended June 30, 2025

	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from assessments made to other funds	\$ 79,243
Cash payments for payroll, insurance and operating costs	<u>(63,579)</u>
Net cash provided (used) by operating activities	15,664
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>300</u>
Net increase (decrease) in cash and cash equivalents	15,964
Cash, July 1, 2024	<u>-</u>
Cash, June 30, 2025	<u><u>\$ 15,964</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 61,109
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Changes in assets and liabilities:	
(Increase) decrease in due from other funds	(80,849)
Increase (decrease) in accounts payable	<u>35,404</u>
Net cash provided (used) by operating activities	<u><u>\$ 15,664</u></u>

WESTMINSTER SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Westminster School District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The following is a summary of the more significant policies:

A. Reporting Entity

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 of the District.

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. For financial reporting purposes, the component unit described below has a financial and operational relationship, which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 80, *Blending Requirements For Certain Component Units* and thus is included in the financial statements of the District. The component unit, although a legally separate entity, is reported in the financial statements using the blended presentation method as if it were part of the District's operations because the governing board of the component unit is essentially the same as the governing board of the District and because its purpose is to finance the construction of facilities to be used for the direct benefit of the District.

The Westminster School District and the Westminster School District Financing Corporation (the Corporation), as represented by the 2016 Refunding Certificates of Participation have a financial and operational relationship which meets the reporting entity definition criteria of the GASB Statement No. 14, *The Financial Reporting Entity*, for inclusion of the Corporation as a component unit of the District. The financial activity of the Corporation with respect to the 2016 Refunding Certificates of Participation is presented in the financial statements within the Capital Facilities Fund. Certificates of participation issued by the Corporation are included as long-term liabilities in the government-wide financial statements. Individually prepared financial statements are not prepared for the Westminster School District Financing Corporation.

B. Basis of Presentation, Basis of Accounting

1. Basis of Presentation

District-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the primary government (the District) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues 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.

WESTMINSTER SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

1. Basis of Presentation (continued)

District-Wide Financial Statements (continued)

Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the District's funds. Separate statements for each fund category are presented. 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 nonmajor funds.

Major Governmental Funds

The District maintains the following major governmental funds:

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

Capital Facilities Fund: This fund is used to primarily account separately for moneys received from fees levied on development projects as a condition of approval (*Education Code* Sections 17620-17626 and *Government Code* Section 65995 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). This fund may also be used to account for any other revenues specifically for capital projects that are not restricted to fund 21, 25, 30, 35, or 49.

Non-Major Governmental Funds

The District maintains the following non-major governmental funds:

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

Student Activity Fund: The District maintains a separate fund for each school that operates an ASB fund, whether it is organized or not.

Child Development Fund: This fund is used to account separately for federal, state, and local revenues to operate child development programs.

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 and 38093).

WESTMINSTER SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

1. Basis of Presentation (continued)

Non-Major Governmental Funds (continued):

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

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.

County School Facilities Fund: This fund is used to account for state apportionments provided for modernization of school facilities under SB50.

Debt Service Funds: Debt service funds are established to account for the accumulation of resources for and they payment of principal and interest on general long-term debt.

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

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service. The District has the following proprietary fund:

Internal Service Funds: Internal Service funds may be used to account for goods or services provided to other funds of the District on a cost-reimbursement basis. The District's self-insurance programs include a health and welfare benefits. The internal activity of these funds is eliminated in the government-wide statement of activities.

2. Measurement Focus, Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting, as are the proprietary fund financial statements. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

WESTMINSTER SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

2. Measurement Focus, Basis of Accounting (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

As a general rule the effect of interfund activity has been eliminated from the District-wide financial statements. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

3. Revenues - Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year. Generally, available is defined as collectible within 60 days. However, to achieve comparability of reporting among California 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 districts as collectible within one year. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

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

C. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated as of June 30.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Cash and Cash Equivalents

The District considers cash and cash equivalents to be cash on hand and demand deposits. In addition, because the Treasury Pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

WESTMINSTER SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

2. Inventories and Prepaid Items

Inventories are valued at cost using the weighted average basis. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items

3. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Description	Estimated Lives
Buildings	20-50 years
Improvements/Infrastructure	5-50 years
Equipment	2-15 years

4. 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 combined 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.

5. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position 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 Statement of Net Position 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 will not be recognized as an inflow of resources (revenue) until that time.

WESTMINSTER SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

6. Compensated Absences

The District has implemented GASB Statement No. 101, *Compensated Absences*. A liability is reported for unused vacation leave. Although sick leave is not paid out upon separation, a liability is recorded for the portion of sick leave that is more likely than not to be used for paid time off. The liability is measured using current pay rates and includes applicable salary-related costs.

7. Leases

Lessee:

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

Lessor:

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

8. Subscription-Based Information Technology Arrangements

The District recognizes a subscription liability and an intangible right-to-use subscriptions IT asset (subscription IT asset) in the government-wide financial statements. At the commencement of the lease liability, the District measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription IT asset is initially measured as the initial amount of the subscription liability, plus certain initial direct costs. Subsequently, the subscription IT asset is amortized on a straight-line basis over the subscription term or useful life of the underlying asset. The amortization period varies from 2 to 4 years.

9. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District Plan and CalSTRS Medicare Premium Payment (MPP) Program 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, the Plans recognize benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating in interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

WESTMINSTER SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

10. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District Plan and CalSTRS Medicare Premium Payment (MPP) Program 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, the Plans recognize benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

11. Pensions

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

12. Fund Balances

The fund balance for governmental funds is reported in classifications based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Nonspendable: Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid assets.

Restricted: Fund balance is reported as restricted when the constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provision or by enabling legislation.

Committed: The District's highest decision-making level of authority rests with the District's Board. Fund balance is reported as committed when the Board passes a resolution that places specified constraints on how resources may be used. The Board can modify or rescind a commitment of resources through passage of a new resolution.

Assigned: Resources that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent may be expressed by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

Unassigned: Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned and may be utilized by the District for any purpose. When expenditures are incurred, and both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

WESTMINSTER SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

13. Net Position

Net position is classified into three components: net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets** - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- **Restricted** - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Minimum Fund Balance Policy

The District has adopted a formal minimum fund balance policy, as recommended by GASB Statement No. 54; the Board intends to maintain a minimum assigned and unassigned fund balance of at least 3%. If the assigned and unassigned fund balance falls below the level set by the Board due to an emergency situation, unexpected expenditures, or revenue shortfalls, the Board shall develop a plan to recover the reserve balance which may include dedicating new unrestricted revenues, reducing expenditures, and/or increasing revenues or pursuing other funding sources.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed unless the governing board has provided otherwise in its commitment or assignment actions.

F. Property Tax Calendar

The County is responsible for the assessment, collection, and apportionment of property taxes for all jurisdictions including the schools and special districts within the County. The Board of Supervisors levies property taxes as of September 1 on property values assessed on July 1. Secured property tax payments are due in two equal installments. The first is generally due November 1 and is delinquent with penalties on December 10, and the second is generally due on February 1 and is delinquent with penalties on April 10. Secured property taxes become a lien on the property on January 1.

WESTMINSTER SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

H. Change in Accounting Principle

During the year ended June 30, 2025, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This standard requires the recognition of accrued compensated absences as a liability in the financial statements. The implementation resulted in a cumulative effect adjustment to beginning net position to reflect the recognition of accumulated leave liabilities previously unrecorded. The impact on the District's beginning net position was a decrease of \$21.0 million.

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits and investments as of June 30, 2025 are classified in the accompanying financial statements as follows:

Governmental funds and activities	\$ 156,430,929
Proprietary funds	<u>15,964</u>
Governmental Activities	<u><u>\$ 156,446,893</u></u>

Deposits and investments as of June 30, 2025 consist of the following:

Cash on hand and in banks	\$ 635,659
Cash in revolving fund	100,900
Investments	<u>155,710,334</u>
Total Deposits and Investments	<u><u>\$ 156,446,893</u></u>

Pooled Funds

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the interest-bearing Orange County Treasurer's Pooled Investment Fund. The District is considered to be an involuntary participant in an external investment pool. The fair value of the District's investment in the pool is reported in the financial statements at amounts based upon the District's pro-rata share of the fair value provided by the Orange 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 Orange County Treasurer, which is recorded on the amortized basis.

The District also maintains deposits in the State's Local Agency Investment Fund (LAIF). The LAIF, a voluntary program created by statute, began in 1977 as an investment alternative for California's local governments and special districts. This program offers local agencies the opportunity to participate in a major portfolio, which invests hundreds of millions of dollars. All securities are purchased under the authority of Government Code Sections 16430 and 16480.4. The State Treasurer's Office takes delivery of all securities purchased on a delivery versus payment basis using a third party custodian. All investments are purchased at market and a market valuation is conducted monthly.

WESTMINSTER SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Pooled Funds (continued)

Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party and the District's share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institutions. In addition, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit).

The market value of the pledged securities in the collateral pool must equal at least 110 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, 2025, \$112,896 of the District's bank balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agency, but not in the name of the District.

Investments - Interest Rate Risk

The District's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District's investment policy limits investment purchases to investments with a term not to exceed three years. Investments purchased with maturity terms greater than three years require approval by the Board of Trustees. Investments purchased with maturities greater than one year require written approval by the Superintendent prior to commitment. Maturities of investments held at June 30, 2025, consist of the following:

	Rating	Reported Amount	Maturity		Fair Value Measurement
			Less Than One Year	One Year Through Five Years	
Investment maturities:					
Orange County Investment Pool	N/A	\$ 107,168,020	\$ 107,168,020	\$ -	Uncategorized
Local Agency Investment Fund (LAIF)	N/A	10,897,619	10,897,619	-	Uncategorized
U.S. Bank Money Market Funds	N/A	22,295,479	22,294,579	-	Level 1
Income Producing Property	N/A	15,349,216	15,349,216	-	Level 2
Total Investments		<u>\$ 155,710,334</u>	<u>\$ 155,709,434</u>	<u>\$ -</u>	

Investments - Credit Risk

The District's investment policy limits investment choices to obligations of local, state and federal agencies, commercial paper, certificates of deposit, repurchase agreements, corporate notes, banker acceptances, and other securities allowed by *State Government Code* Section 53600. At June 30, 2025, all investments represented governmental securities which were issued, registered and held by the District's agent in the District's name.

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Investments - Concentration of Credit Risk

The District does not place limits on the amount it may invest in any one issuer. At June 30, 2025, the District had the following investments that represent more than five percent of the District’s net investments, excluding cash in the investment pools.

U.S. Bank Money Market Funds	14.3%
Income Producing Property	9.9%

Fair Value Measurements

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

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

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

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

Uncategorized – Investments in the Orange County Treasury Investment Pool 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 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.

WESTMINSTER SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2025, consisted of the following:

	Governmental Activities					
	General Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay	Non-Major Governmental Funds	Total Governmental Funds	Self-Insurance Fund
Federal Government:						
Categorical aid programs	\$ 2,798,797	\$ -	\$ -	\$ 1,713,069	\$ 4,511,866	\$ -
State Government:						
LCFF sources	4,871,794	-	-	-	4,871,794	-
Lottery	472,910	-	-	-	472,910	-
Categorical aid programs	2,341,993	-	-	1,419,824	3,761,817	-
Local:						
Lease & rentals	20,331	-	-	-	20,331	-
Interest	567,508	31,001	486,548	53,724	1,138,781	47
Other local	494,643	29,510	-	204,911	729,064	-
Total	\$ 11,567,976	\$ 60,511	\$ 486,548	\$ 3,391,528	\$ 15,506,563	\$ 47

NOTE 4 – INTERFUND TRANSACTIONS

Balances Due To/From Other Funds

Balances due/to other funds at June 30, 2025, consisted of the following:

	Due From Other Funds					
	General Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds	Self-Insurance Fund
General Fund	\$ -	\$ -	\$ 493,872	\$ 45,740	\$ 539,612	\$ 80,849
Capital Facilities Fund	2,217	-	-	1,209,273	1,211,490	-
Non-Major Governmental Funds	299,931	759,796	-	654,452	1,714,179	-
Total	\$ 302,148	\$ 759,796	\$ 493,872	\$ 1,909,465	\$ 3,465,281	\$ 80,849

General Fund due to Child Development Fund for indirect costs	\$ 45,740
General Fund due to Self-Insurance Fund for insurance expenses	80,849
General Fund due to Special Reserve Fund for Capital Outlay Projects for capital outlay expenses	493,872
Child Development Fund due to General Fund for indirect, insurance and miscellaneous expenses	232,444
Cafeteria Fund due to General Fund for gas, oil, postage, insurance, and indirect costs	60,503
Building Fund due to General Fund for miscellaneous expenses	6,984
Building Fund due to Capital Facilities Fund for capital outlay expenses	759,796
Capital Facilities Fund due to General Fund for lease expenses	2,217
Capital Facilities Fund due to Child Development Fund for lease expenses	9,301
Capital Facilities Fund due to Building Fund for capital outlay expenses	1,199,972
County School Facilities Fund due to Building Fund for capital outlay expenses	654,452
Total	\$ 3,546,130

Transfers To/From Other Funds

Transfers to/from other funds for the year ended June 30, 2025, consisted of the following:

Transfer from the Special Reserve Fund for Capital Outlay Projects to the General Fund for rental income	\$ 200,000
Transfer from the General Fund to the Special Reserve Fund for Capital Outlay Projects for capital outlay projects	493,872
Total Interfund Transfers Out	\$ 693,872

WESTMINSTER SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 5 – FUND BALANCES

At June 30, 2025, fund balances of the District's governmental funds were classified as follows:

	General Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay	Non-Major Governmental Funds	Total
Nonspendable:					
Revolving cash	\$ 100,000	\$ -	\$ -	\$ 900	\$ 100,900
Stores inventories	9,931	-	-	130,708	140,639
Prepaid expenditures	129,705	-	-	-	129,705
Total Nonspendable	239,636	-	-	131,608	371,244
Restricted:					
Categorical programs	22,124,592	-	-	7,923,801	30,048,393
Student body funds	-	-	-	174,915	174,915
Child nutrition program	-	-	-	7,867,364	7,867,364
Capital projects	-	29,308,356	-	-	29,308,356
Debt service	-	-	-	7,379,340	7,379,340
Total Restricted	22,124,592	29,308,356	-	23,345,420	74,778,368
Committed:					
Uninsured litigation Contingency (AB218)	11,000,000	-	-	-	11,000,000
Attract/retain/strategic plan	1,571,348	-	-	-	1,571,348
Total Committed	12,571,348	-	-	-	12,571,348
Assigned:					
Federal funding contingency	6,300,000	-	-	-	6,300,000
Technology refresh	750,000	-	-	-	750,000
Textbook adoption	500,000	-	-	-	500,000
Safety programs	200,000	-	-	-	200,000
Marketing	500,000	-	-	-	500,000
Vacation liability	1,300,000	-	-	-	1,300,000
Declining enrollment contingency	1,061,775	-	-	-	1,061,775
Bus replacement	500,000	-	-	-	500,000
Deferred maintenance program	750,000	-	-	-	750,000
Curriculum alignment/elevate	1,000,000	-	-	-	1,000,000
CAPE interest	1,000,000	-	-	-	1,000,000
Capital projects	-	-	27,660,038	-	27,660,038
Total Assigned	13,861,775	-	27,660,038	-	41,521,813
Unassigned:					
Remaining unassigned balances	24,865,919	-	-	-	24,865,919
Total Unassigned	24,865,919	-	-	-	24,865,919
Total	\$ 73,663,270	\$ 29,308,356	\$ 27,660,038	\$ 23,477,028	\$ 154,108,692

WESTMINSTER SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 6 – CAPITAL ASSETS, DEPRECIATION, AND AMORTIZATION

Capital asset activity for the year ended June 30, 2025, was as follows:

	Balance, July 1, 2024	Additions	Deletions	Balance, June 30, 2025
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 3,284,771	\$ -	\$ -	\$ 3,284,771
Construction in progress	31,264,170	724,969	19,746,920	12,242,219
Total capital assets not being depreciated	34,548,941	724,969	19,746,920	15,526,990
Capital assets being depreciated				
Site improvements	7,687,267	-	-	7,687,267
Buildings	201,164,123	52,009,493	-	253,173,616
Furniture and equipment	18,220,601	1,585,323	26,412	19,779,512
Total capital assets being depreciated	227,071,991	53,594,816	26,412	280,640,395
Less accumulated depreciation:				
Site improvements	(7,158,606)	(39,037)	-	(7,197,643)
Buildings	(57,610,030)	(3,578,241)	-	(61,188,271)
Furniture and equipment	(13,123,377)	(699,795)	(15,258)	(13,807,914)
Total accumulated depreciation	(77,892,013)	(4,317,073)	(15,258)	(82,193,828)
Net depreciable capital assets	149,179,978	49,277,743	11,154	198,446,567
Sub-total capital assets, net	183,728,919	50,002,712	19,758,074	213,973,557
Leased assets:				
Equipment leases	556,379	867,397	556,379	867,397
Accumulated amortization for:				
Equipment leases	(515,703)	(170,918)	(556,511)	(130,110)
Total leased assets, net	40,676	696,479	(132)	737,287
Subscription assets:				
IT Subscriptions	539,314	-	-	539,314
Accumulated amortization for:				
IT Subscriptions	(285,264)	(122,928)	-	(408,192)
Total subscription assets, net	254,050	(122,928)	-	131,122
Governmental Activities Capital Assets, net	\$ 184,023,645	\$ 50,576,263	\$ 19,757,942	\$ 214,841,966

Depreciation expense was charged to governmental activities as follows:

Governmental Activities:	
Instruction	\$ 3,403,502
Supervision of instruction	4,806
Instructional library, media, and technology	26,695
School site administration	44,978
Home-to-school transportation	212,151
Food services	90,051
Community services	28,936
Data processing	159,499
All other administration	215,969
Plant services	130,486
Total	\$ 4,317,073

WESTMINSTER SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB OR PENSIONS

Changes in long-term debt for the year ended June 30, 2025, were as follows:

	Balance, July 1, 2024	Additions	Deductions	Balance, June 30, 2025	Amount Due Within One Year
General Obligation Bonds:					
Principal Payments	\$ 155,518,451	\$ -	\$ 2,343,763	\$ 153,174,688	\$ 2,115,243
Accreted Interest	24,156,458	2,943,720	1,396,237	25,703,941	1,584,757
Unamortized Issuance Premium	5,376,342	-	345,338	5,031,004	345,338
Unamortized Issuance Discount	(163,536)	-	(5,639)	(157,897)	(5,639)
Total GO Bonds	184,887,715	2,943,720	4,079,699	183,751,736	4,039,699
Certificates of Participation					
Principal Payments	24,475,000	21,205,000	1,520,000	44,160,000	1,655,000
Unamortized Issuance Premium	2,563,196	2,754,023	481,245	4,835,974	502,594
Total Certificates of Participation	27,038,196	23,959,023	2,001,245	48,995,974	2,157,594
Lease Liability	40,849	867,397	162,396	745,850	166,603
Subscription Liability	65,661	-	65,661	-	-
Supplemental Employee Retirement Plan	1,132,508	-	566,254	566,254	566,254
Compensated Absences:					
Vacation Leave	1,738,984	50,237	-	1,789,221	-
Sick Leave*	21,049,561	4,936,648	-	25,986,209	-
Sub-Totals	\$ 235,953,474	\$ 32,757,025	\$ 6,875,255	\$ 261,835,244	\$ 6,930,150

* Beginning balance of sick leave has been restated due to the implementation of GASB Statement No. 101

Payments on the general obligation bonds will be made by the Bond Interest and Redemption Fund with local revenues. Payments on the certificates of participation are made by the Capital Facilities Fund and the Special Reserve Fund for Capital Outlay Projects. The General Fund will make payments for the supplemental employee retirement plan, lease liabilities and subscriptions. Additions and deductions for compensated absences are reported net of their cumulative change in the current year.

A. General Obligation Bonds

Election of 2008 (Measure O)

General obligation bonds were authorized at an election of the registered voters of the District held on November 4, 2008 authorizing the issuance of \$130 million principal amount of general obligation bonds to finance the acquisition, construction, modernization and equipping of certain District schools, sites and facilities and to pay the costs of issuing the Bonds.

Election of 2016 (Measure T)

General obligation bonds were authorized at an election of the registered voters of the District held on November 8, 2016 authorizing the issuance of \$76 million principal amount of general obligation bonds for the purpose of financing the renovation, construction and improvement of school facilities.

Defeasance of Debt

The District has defeased certain general obligation bonds by placing the proceeds of new refunding bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2025, there was no principal balance outstanding on the defeased debt.

The difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. At June 30, 2025, deferred outflows on refunding, including certificates of participation, were \$2,206,354.

WESTMINSTER SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB OR PENSIONS (continued)

A. General Obligation Bonds (continued)

Summary

The Bonds are general obligations of the District, payable solely from ad valorem property taxes. The County Board is empowered and obligated to annually levy such ad valorem property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of the principal of and interest on the Bonds when due.

A summary of all bonds issued and outstanding at June 30, 2025, follows:

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance, July 1, 2024	Additions	Deductions	Balance, June 30, 2025
Election of 2008 (Measure O)								
Series 2009A-1	10/8/2009	8/1/2029	2.00% - 5.79%	\$ 34,995,681	\$ 4,958,874	\$ -	\$ 946,428	\$ 4,012,446
Series 2013A	3/28/2013	8/1/2052	0.60% - 5.70%	20,998,754	19,679,577	-	97,335	19,582,242
Election of 2016 (Measure T)								
Series A	2/16/2017	8/1/2046	3.00% - 5.00%	18,000,000	12,935,000	-	395,000	12,540,000
Series B	11/29/2018	8/1/2048	4.00% - 5.00%	14,000,000	13,165,000	-	45,000	13,120,000
Series C	12/9/2020	8/1/2050	2.00% - 4.00%	15,000,000	14,880,000	-	-	14,880,000
Series D	5/18/2022	8/1/2051	2.10% - 5.00%	15,000,000	14,700,000	-	295,000	14,405,000
Series E	3/30/2023	8/1/2051	4.00% - 5.00%	14,000,000	14,000,000	-	-	14,000,000
Refunding Bonds								
2016 Refunding	3/16/2016	8/1/2034	2.00% - 5.00%	21,330,000	20,430,000	-	100,000	20,330,000
2017 Refunding, Series A	10/19/2017	8/1/2053	3.375%	4,925,000	4,925,000	-	-	4,925,000
2017 Refunding, Series B	10/19/2017	8/1/2053	3.83% - 4.03%	29,740,000	29,740,000	-	-	29,740,000
2020 Refunding	12/9/2020	8/1/2031	0.834% - 2.104%	6,105,000	6,105,000	-	465,000	5,640,000
Totals				\$ 194,094,435	\$ 155,518,451	\$ -	\$ 2,343,763	\$ 153,174,688
Accreted Interest:					Balance, July 1, 2024	Additions	Deductions	Balance, June 30, 2025
Series 2009A-1					\$ 7,123,150	\$ 754,641	\$ 1,128,572	\$ 6,749,219
Series 2013A					17,033,308	2,189,079	267,665	18,954,722
Totals					\$ 24,156,458	\$ 2,943,720	\$ 1,396,237	\$ 25,703,941

The annual requirements to amortize general obligation bonds outstanding as of June 30, 2025, were as follows:

Fiscal Year	Principal	Interest	Total
2025-2026	\$ 2,115,243	\$ 6,190,989	\$ 8,306,232
2026-2027	1,966,665	6,343,422	8,310,087
2027-2028	2,110,281	6,519,710	8,629,991
2028-2029	2,205,355	6,907,337	9,112,692
2029-2030	2,023,275	7,557,204	9,580,479
2030-2035	30,588,722	23,138,919	53,727,641
2035-2040	26,803,470	34,369,714	61,173,184
2040-2045	23,251,877	33,628,756	56,880,633
2045-2050	35,276,187	32,727,856	68,004,043
2050-2054	26,833,613	19,245,770	46,079,383
Totals	\$ 153,174,688	\$ 176,629,677	\$ 329,804,365

WESTMINSTER SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB OR PENSIONS (continued)

B. Certificates of Participation

2016 Refunding Certificates of Participation

In March 2016, the District issued the 2016 Refunding Certificates of Participation in the amount of \$14,370,000. The Certificates have a final maturity date of December 1, 2034, with interest rates ranging from 2.00 to 5.00%. Proceeds from the Certificates were used to provide funds to refinance the District's 2006 Refunding Certificates of Participation and to pay for cost of issuance.

2021 Certificates of Participation (Refinancing of 2015 Energy Conservation Projects)

In February 2021, the District issued the 2021 Certificates of Participation (Refinancing of 2015 Energy Conservation Projects) in the amount of \$17,710,000. The Certificates have a final maturity date of May 1, 2035, with interest rates ranging from 2.00 to 4.00%. Proceeds from the Certificates were used to provide funds to refinance on a current basis an outstanding tax-exempt lease obligation relating to energy efficiency equipment and to pay for cost of issuance.

2024 Certificates of Participation (2024 School Financing Project)

On July 31, 2024, the District issued \$21,205,000 of Certificates of Participation pursuant to a trust agreement between the District and the Westminster School District Financing Corporation. Pursuant to a site lease dated July 1, 2024, the District will lease the site and improvements known as Warner Middle School to the Corporation and will lease the property back from the Corporation. The transaction does not qualify as a lease agreement under GASB Statement No.87. The proceeds of the certificates are being used to finance capital improvements to District sites and facilities.

The outstanding certificate of participation debt is as follows:

Fiscal Year	Principal	Interest	Total
2025-2026	\$ 1,655,000	\$ 1,805,013	\$ 3,460,013
2026-2027	3,370,000	1,734,513	5,104,513
2027-2028	3,680,000	1,583,263	5,263,263
2028-2029	4,005,000	1,418,063	5,423,063
2029-2030	4,355,000	1,242,363	5,597,363
2030-2035	27,095,000	3,159,231	30,254,231
Total	\$ 44,160,000	\$ 10,942,446	\$ 55,102,446

The certificates mature as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Balance, July 1, 2024	Additions	Deductions	Balance, June 30, 2025
3/31/2016	12/1/2034	2.00-5.00%	\$ 14,370,000	\$ 9,480,000	\$ -	\$ 700,000	\$ 8,780,000
2/15/2021	5/1/2035	2.00-4.00%	17,710,000	14,995,000	-	820,000	14,175,000
7/1/2024	4/15/2035	4.00-5.00%	21,205,000	-	21,205,000	-	21,205,000
Totals			\$ 53,285,000	\$ 24,475,000	\$ 21,205,000	\$ 1,520,000	\$ 44,160,000

WESTMINSTER SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB OR PENSIONS (continued)

C. Leases

The District has entered into an agreement to lease various equipment. At June 30, 2025, the District has recognized right-to-use assets of \$737,287 (net of accumulated amortization) and a lease liability of \$745,850 related to this agreement. The District is required to make principal and interest payments through fiscal year 2030. The lease agreement has an interest rate of 3.16%.

The remaining principal and interest payment requirements for the lease obligation debt as of June 30, 2025 are as follows:

Fiscal Year	Principal	Interest	Total
2025-2026	\$ 166,603	\$ 21,170	\$ 187,773
2026-2027	171,945	15,828	187,773
2027-2028	177,458	10,315	187,773
2028-2029	183,147	4,626	187,773
2029-2030	46,697	246	46,943
Totals	<u>\$ 745,850</u>	<u>\$ 52,185</u>	<u>\$ 798,035</u>

D. Supplemental Early Retirement Plan (SERP)

The District offered a supplemental early retirement incentive plan through the Public Agency Retirement System (PARS). The plan was offered to eligible employees who retired on or before June 30, 2023. The District purchased an annuity through PARS for the employees. Benefit payments are scheduled to be paid over a three year period beginning July 1, 2023. Future payments are as follows:

Fiscal Year	Payment
2025-26	<u>\$ 566,254</u>

WESTMINSTER SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

For the fiscal year ended June 30, 2025, the District reported total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	\$ 36,555,419	\$ 6,334,469	\$ 5,784,788	\$ 3,344,219
MPP Program	383,579	-	-	(92,193)
Totals	<u>\$ 36,938,998</u>	<u>\$ 6,334,469</u>	<u>\$ 5,784,788</u>	<u>\$ 3,252,026</u>

The details of each plan are as follows:

District Plan

Plan Administration

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

Plan Membership

At the valuation date, the Plan Membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefit payments	56
Active employees	<u>780</u>
Total	<u><u>836</u></u>

Benefits Provided

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

The benefit payment requirements of Plan members and the District are established and may be amended by the District, the Westminster Teachers Association (WTA), the local California Service Employees Association (CSEA), and unrepresented groups. The benefit payment is based on projected pay-as-you-go financing requirements. For fiscal year 2024-2025, the District paid \$1,613,204 for benefits.

Total OPEB Liability of the District

The District's total OPEB liability of \$36,555,419 was measured as of June 30, 2025, and the total OPEB liability was determined by an actuarial valuation as of July 1, 2024.

WESTMINSTER SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

District Plan (continued)

Actuarial Assumptions

The assumptions and methods displayed in this section were selected from the complete set of assumptions used to calculate liabilities for the plan. The District has reviewed the assumptions and recommended to the actuary that they be used. The following assumptions were applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	July 1, 2024
Valuation interest rate	4.81%
Salary increases	3.25%
Healthcare cost trend rates	7.00% trending down to 4.04%
Inflation	2.60%

In accordance with GASB 75, the discount rate as of June 30, 2024 and June 30, 2025 is the 20 year municipal bond yield. As of June 30, 2024, a rate of 4.21% was used. As of June 30, 2025, a rate of 4.81% was used.

Mortality rates were based on the 2024 CalSTRS Mortality Table for certificated employees and the 2021 CalPERS Active Mortality for Miscellaneous Employees Table for classified employees.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2024	\$ 36,402,362
Changes for the year:	
Service cost	1,757,977
Interest	1,572,942
Changes of assumptions	(1,564,658)
Benefit payments	(1,613,204)
Net changes	153,057
Balance at June 30, 2025	<u>\$ 36,555,419</u>

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

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

Discount Rate	OPEB Liability
1% decrease	\$ 38,944,317
Current discount rate	\$ 36,555,419
1% increase	\$ 34,268,721

WESTMINSTER SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

District Plan (continued)

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

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

Healthcare Cost Trend Rate	OPEB Liability
1% decrease	\$ 33,182,502
Current trend rate	\$ 36,555,419
1% increase	\$ 40,428,051

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$3,344,219. In addition, at June 30, 2025, the District reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,153,534	\$ 2,112,908
Changes of assumptions	2,180,935	3,671,880
Totals	<u>\$ 6,334,469</u>	<u>\$ 5,784,788</u>

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

Year Ended June 30:	Deferred Outflows/ (Inflows) of Resources
2026	\$ (8,124)
2027	(33,315)
2028	233,489
2029	172,450
2030	195,196
Thereafter	(10,015)
Totals	<u>\$ 549,681</u>

WESTMINSTER SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Medicare Premium Payment (MPP) Program

Plan Description

The MPP Program is a cost-sharing multiple-employer other postemployment benefit (OPEB) plan established pursuant to Chapter 1032, Statutes of 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefit Fund (THBF).

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023, annual actuarial valuation report, Medicare Premium Payment Program. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <https://www.calstrs.com/general-information/gasb-6768>.

Benefits Provided

The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the DB Program who were retired or began receiving a disability allowance prior to July 1, 2012, and were not eligible for premium-free Medicare Part A. Members who retire on or after July 1, 2012, are not eligible for coverage under the MPP Program.

As of June 30, 2024, 4,121 retirees participated in the MPP Program; however, the number of retired members who will participate in the program in the future is unknown as eligibility cannot be predetermined.

The MPP Program is funded on a pay-as-you-go basis from a portion of monthly employer contributions. In accordance with *Education Code* Section 22950, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

Total OPEB Liability

At June 30, 2025, the District reported a liability of \$383,579 for its proportionate share of the net OPEB liability for the MPP Program. The total OPEB liability for the MPP Program as of June 30, 2024, was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023, and rolling forward the total OPEB liability to June 30, 2024. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportions of the net OPEB liability for the two most recent measurement periods were:

	<u>Percentage Share of MPP Program</u>		<u>Change Increase/ (Decrease)</u>
	<u>Fiscal Year Ending June 30, 2025</u>	<u>Fiscal Year Ending June 30, 2024</u>	
Measurement Date	<u>June 30, 2024</u>	<u>June 30, 2023</u>	
Proportion of the Net OPEB Liability	0.143906%	0.156794%	(0.012888%)

For the year ended June 30, 2025, the District reported OPEB expense of \$(92,193).

WESTMINSTER SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Medicare Premium Payment (MPP) Program (continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	June 30, 2024
Valuation Date	June 30, 2023
Experience Study	July 1, 2007 through June 30, 2022
Actuarial Cost Method	Entry age actuarial cost method
Investment Rate of Return	3.93%
Healthcare Cost Trend Rates	5.0% for Medicare Part A, and 6.5% for Medicare Part B

Assumptions were made about future participation (enrollment) into the MPP Program as CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' ages increase. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility but are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 154 or an average of 0.12% of the potentially eligible population of 132,333.

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

Discount Rate

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2024, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund (SMIF), which is a pooled investment program administered by the California State Treasurer.

As the MPP Program is funded on a pay-as-you-go basis, the OPEB plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, the MPP Program used the Bond Buyer's 20-Bond GO Index from Bondbuyer.com as of June 30, 2024, as the discount rate, which was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate as of June 30, 2024, was 3.93%, which is an increase of 0.28% from 3.65% as of June 30, 2023.

WESTMINSTER SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Medicare Premium Payment (MPP) Program (continued)

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

The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net 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:

Discount Rate	MPP OPEB Liability
1% decrease	\$ 413,873
Current discount rate	\$ 383,579
1% increase	\$ 356,942

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

The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using Medicare costs trend rates that are one percentage-point lower or one percentage-point higher than the current rates:

Medicare Cost Trend Rates	MPP OPEB Liability
1% decrease	\$ 355,345
Current trend rate	\$ 383,579
1% increase	\$ 415,102

NOTE 9 – PENSION PLANS

Qualified employees are covered under multiple-employer defined benefit pension 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).

For the fiscal year ended June 30, 2025, the District reported net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expenses for each of the above plans as follows:

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	\$ 66,254,154	\$ 26,850,578	\$ 14,706,063	\$ 4,321,426
CalPERS	46,989,444	20,992,957	6,512,265	7,531,293
Totals	<u>\$ 113,243,598</u>	<u>\$ 47,843,535</u>	<u>\$ 21,218,328</u>	<u>\$ 11,852,719</u>

WESTMINSTER SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 9 – PENSION PLANS (continued)

The details of each plan are as follows:

A. California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <https://www.calstrs.com/general-information/gasb-6768>.

Benefits Provided

The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0% of final compensation for each year of credited service.

The STRP is a multiple-employer, cost-sharing defined benefit plan composed of four programs: Defined Benefit (DB) Program, Defined Benefit Supplement (DBS) Program, Cash Balance Benefit (CBB) Program and Replacement Benefits (RB) Program. A Supplemental Benefit Maintenance Account (SBMA) exists within the STRP and provides purchasing power protection for DB Program benefits. The STRP holds assets for the exclusive purpose of providing benefits to members of these programs and their beneficiaries. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor and obligor of the trust. In addition, the state is both an employer and non-employer contributing entity to the STRP.

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

	STRP Defined Benefit Program	
	On or before December 31, 2012	On or after January 1, 2013
Hire Date	December 31, 2012	January 1, 2013
Benefit Formula	2% at 60	2% at 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	60	62
Monthly Benefits as a Percentage of Eligible Compensation	2.0%-2.4%	2.0%-2.4%
Required Member Contribution Rate	10.25%	10.205%
Required Employer Contribution Rate	19.10%	19.10%
Required State Contribution Rate	10.828%	10.828%

WESTMINSTER SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 9 – PENSION PLANS (continued)

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

Contributions

The parameters for member, employer and state contribution rates are set by the California Legislature and the Governor and detailed in the Teachers' Retirement Law. Current contribution rates were established by California Assembly Bill 1469 (CalSTRS Funding Plan), which was passed into law in June 2014 and established a schedule of contribution rate increases shared among members, employers and the state to bring CalSTRS toward full funding by 2046.

The contribution rates for each program for the year ended June 30, 2025, are presented above, and the District's total contributions were \$13,229,632.

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

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

District's proportionate share of net pension liability	\$	66,254,154
State's proportionate share of the net pension liability associated with the District		30,397,634
Total	\$	96,651,788

The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportions of the net pension liability for the two most recent measurement periods were:

	Percentage Share of Risk Pool		Change Increase/ (Decrease)
	Fiscal Year Ending June 30, 2025	Fiscal Year Ending June 30, 2024	
Measurement Date	June 30, 2024	June 30, 2023	
Proportion of the Net Pension Liability	0.098647%	0.106005%	(0.007358%)

WESTMINSTER SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 9 – 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, 2025, the District recognized pension expense of \$4,321,426. In addition, the District recognized pension expense and revenue of \$(2,904,332) for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 13,229,632	\$ -
Net change in proportionate share of net pension liability	5,836,726	7,016,544
Difference between projected and actual earnings on pension plan investments	-	267,333
Changes of assumptions	290,022	4,524,929
Differences between expected and actual experience	7,494,198	2,897,257
Totals	\$ 26,850,578	\$ 14,706,063

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 7 years.

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
2026	\$ 1,333,250	\$ 5,912,500
2027	6,945,267	1,433,196
2028	1,520,991	2,014,225
2029	1,997,455	2,071,488
2030	1,402,759	1,333,610
Thereafter	421,224	1,941,044
Totals	\$ 13,620,946	\$ 14,706,063

WESTMINSTER SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 9 – PENSION PLANS (continued)

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

Actuarial Methods and Assumptions

The total pension liability for the STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023, and rolling forward the total pension liability to June 30, 2024. Significant actuarial methods and assumptions used in the financial reporting actuarial valuation to determine the total pension liability as of June 30, 2024, include:

Valuation Date	June 30, 2023
Experience Study	July 1, 2007, through June 30, 2022
Actuarial Cost Method	Individual Entry Age
Investment Rate of Return	7.00%
Inflation	2.75%
Payroll Growth	3.50%

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

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

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

Asset Class	Assumed Asset Allocation	Long-Term Expected Rate of Return	Long-Term Expected Real Rate of Return
Public Equity	38.0%	8.00%	5.25%
Real Estate	15.0%	6.80%	4.05%
Private Equity	14.0%	9.50%	6.75%
Fixed Income	14.0%	5.20%	2.45%
Risk Mitigating Strategies	10.0%	5.00%	2.25%
Inflation Sensitive	7.0%	6.40%	3.65%
Cash/Liquidity	2.0%	2.80%	0.05%

WESTMINSTER SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 9 – 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%, which was unchanged from the prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers are made at statutory contribution rates in accordance with the rate increases. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments and administrative expenses occur midyear. Based on those assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	\$ 117,844,461
Current discount rate (7.10%)	\$ 66,254,154
1% increase (8.10%)	\$ 23,174,108

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS pursuant to Sections 22954, 22955, and 22955.1 of the *Education Code* and *Public Resources Code* Section 6217.5. Under accounting principles generally accepted in the United States of America, these contributions are reported as revenues and expenditures in the fund financial statements. The total amount recognized by the District for its proportionate share of the State's on-behalf contributions is \$6,141,921.

B. California Public Employees Retirement System (CalPERS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023, annual actuarial valuation report, Schools Pool Accounting Report. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/employers/actuarial-resources/gasb>.

WESTMINSTER SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 9 – PENSION PLANS (continued)

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

Benefits Provided

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

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

	Schools Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire Date		
Benefit Formula	2% at 55	2% at 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	55	62
Required Employee Contribution Rate	7.00%	8.00%
Required Employer Contribution Rate	27.05%	27.05%

Contributions

The benefits for the defined benefit pension plans are funded by contributions from members, employers, non-employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer's benefit formulas. In some circumstances, contributions are made by the employer to satisfy member contribution requirements. Member and employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Non-employer contributions are not expected each year, but when provided they are accrued for. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2025, are presented above, and the total District contributions were \$7,750,700.

WESTMINSTER SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 9 – 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

As of June 30, 2025, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$46,989,444. The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportions of the net pension liability for the two most recent measurement periods were:

	Percentage Share of Risk Pool		
	Fiscal Year Ending June 30, 2025	Fiscal Year Ending June 30, 2024	Change Increase/ (Decrease)
Measurement Date	June 30, 2024	June 30, 2023	
Proportion of the Net Pension Liability	0.131480%	0.129021%	0.002460%

For the year ended June 30, 2025, the District recognized pension expense of \$7,531,293. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 7,750,700	\$ -
Net change in proportionate share of net pension liability	1,275,202	1,012,180
Difference between projected and actual earnings on pension plan investments	6,989,052	5,163,784
Changes of assumptions	1,038,625	-
Differences between expected and actual experience	3,939,378	336,301
Totals	<u>\$ 20,992,957</u>	<u>\$ 6,512,265</u>

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.9 years.

WESTMINSTER SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 9 – 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)

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
2026	\$ 6,427,124	\$ 4,445,354
2027	5,265,475	911,825
2028	1,379,950	577,543
2029	169,708	577,543
2030	-	-
Thereafter	-	-
Totals	\$ 13,242,257	\$ 6,512,265

Actuarial Methods and Assumptions

Total pension liability for the Schools Pool was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2023 and rolling forward the total pension liability to June 30, 2024. The financial reporting actuarial valuation as of June 30, 2023 used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2023
Experience Study	2000-2019
Actuarial Cost Method	Individual entry age normal
Discount Rate	6.9%
Inflation Rate	2.3%
Salary Increases	Varies by entry age and service

Post-retirement mortality rates are based on CalPERS' experience and include generational mortality improvement using 80 percent of Scale MP 2020 published by the Society of Actuaries. These tables are used to estimate the value of benefits expected to be paid for service and disability retirements. For disability retirements, impaired longevity is recognized by a separate table.

In determining the long-term expected rate of return, CalPERS took into account 20-year market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

WESTMINSTER SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 9 – PENSION PLANS (continued)

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

Actuarial Methods and Assumptions (continued)

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

Asset Class	Assumed Asset Allocation	Real Return
Global Equity Cap-weighted	30.00%	4.54%
Global Equity Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

Discount Rate

The discount rate used to measure the total pension liability was 6.9%. The discount rate is not adjusted for administrative expenses. The fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return for the pension plan's investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (5.9%)	\$ 69,803,210
Current discount rate (6.9%)	\$ 46,989,444
1% increase (7.9%)	\$ 28,143,456

C. Public Agency Retirement System (PARS)

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by social security or an alternative plan. The District has elected to use PARS as its alternative plan.

D. Payables to the Pension Plans

At June 30, 2025, the District reported payables of \$1,345,679 and \$727,289 for the outstanding amount of legally required contributions to the CalSTRS and CalPERS pension plans, respectively, for the fiscal year ended June 30, 2025.

WESTMINSTER SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 10 – COMMITMENTS AND CONTINGENCIES

A. State and Federal Allowances, Awards, and Grants

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

B. Construction Commitments

As of June 30, 2025, the District had commitments with respect to unfinished capital projects of approximately \$724,969.

C. Litigation

The District is involved in certain legal matters that arose out of the normal course of business. The District has not accrued a liability for any potential litigation against it because it does not meet the criteria to be considered a liability at June 30, 2025.

NOTE 11 – PARTICIPATION IN PUBLIC ENTITY RISK POOLS, JOINT POWER AUTHORITIES AND OTHER RELATED PARTY TRANSACTIONS

The District is a member of the Northern Orange County Liability and Property Self-Insurance Authority, Northern Orange County Self-Funded Workers' Compensation Insurance Agency, and the Self-Insured Schools of California III for property and liability, workers' compensation and health and welfare insurance coverage. The relationships between the District and the pools are such that they are not component units of the District for financial reporting purposes.

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

NOTE 12 – ADJUSTMENT FOR RESTATEMENT

During the year, the District recorded the following restatement:

	Statement of Activities
Net position - July 1, 2024, as originally stated	\$ 4,849,690
Implementation of GASB 101	(21,049,561)
Net position - July 1, 2024, as restated	<u>\$ (16,199,871)</u>

Required Supplementary Information

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WESTMINSTER SCHOOL DISTRICT
Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget - Pos (Neg)
Revenues				
LCFF Sources	\$ 108,252,934	\$ 108,581,540	\$ 108,897,990	\$ 316,450
Federal	19,253,058	14,355,087	13,954,702	(400,385)
Other State	26,676,768	29,510,096	29,257,181	(252,915)
Other Local	10,717,303	12,441,403	14,210,400	1,768,997
Total Revenues	164,900,063	164,888,126	166,320,273	1,432,147
Expenditures				
Current:				
Certificated Salaries	66,381,604	68,278,994	69,008,741	(729,747)
Classified Salaries	22,633,508	25,288,272	26,016,549	(728,277)
Employee Benefits	41,608,171	42,403,357	42,358,272	45,085
Books and Supplies	8,282,331	6,636,706	5,113,119	1,523,587
Services and Other Operating Expenditures	16,087,364	27,258,196	25,924,334	1,333,862
Transfers of Indirect Costs	(998,050)	(1,069,794)	(1,016,904)	(52,890)
Capital Outlay	14,537,076	10,732,397	10,607,108	125,289
Other Outgo	1,456,755	1,333,678	1,986,219	(652,541)
Total Expenditures	169,988,759	180,861,806	179,997,438	864,368
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,088,696)	(15,973,680)	(13,677,165)	2,296,515
Other Financing Sources and Uses				
Interfund Transfers In	-	-	200,000	200,000
Interfund Transfers Out	493,872	493,872	(493,872)	(987,744)
Issuance of debt - lease	-	-	867,397	867,397
Total Other Financing Sources and Uses	493,872	493,872	573,525	79,653
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(4,594,824)	(15,479,808)	(13,103,640)	2,376,168
Fund Balance, July 1, 2024	70,854,132	86,766,910	86,766,910	-
Fund Balance, June 30, 2025	\$ 66,259,308	\$ 71,287,102	\$ 73,663,270	\$ 2,376,168

WESTMINSTER SCHOOL DISTRICT

Schedule of Proportionate Share of the Net Pension Liability-CalSTRS For the Fiscal Year Ended June 30, 2025

<i>Last Ten Fiscal Years</i>					
Employer's Fiscal Year Measurement Period	2024-25 2023-24	2023-24 2022-23	2022-23 2021-22	2021-22 2020-21	2020-21 2019-20
District's proportion of the net pension liability	0.0986%	0.1060%	0.1027%	0.1026%	0.0942%
District's proportionate share of the net pension liability	\$ 66,254,154	\$ 80,734,210	\$ 71,359,781	\$ 46,704,318	\$ 91,274,195
State's proportionate share of the net pension liability associated with the District	30,397,634	38,682,030	35,736,699	23,499,801	47,051,858
Totals	<u>\$ 96,651,788</u>	<u>\$ 119,416,240</u>	<u>\$ 107,096,480</u>	<u>\$ 70,204,119</u>	<u>\$ 138,326,053</u>
District's covered payroll	<u>\$ 66,782,565</u>	<u>\$ 65,620,576</u>	<u>\$ 59,965,816</u>	<u>\$ 55,197,127</u>	<u>\$ 52,401,901</u>
District's proportionate share of the net pension liability as a percentage of its covered payroll	99.21%	123.03%	119.00%	84.61%	174.18%
Plan fiduciary net position as a percentage of the total pension liability	84%	81%	81%	87%	72%
Employer's Fiscal Year Measurement Period	2019-20 2018-19	2018-19 2017-18	2017-18 2016-17	2016-17 2015-16	2015-16 2014-15
District's proportion of the net pension liability	0.0959%	0.0941%	0.0944%	0.0956%	0.0963%
District's proportionate share of the net pension liability	\$ 86,613,919	\$ 86,461,126	\$ 87,296,936	\$ 77,330,644	\$ 64,859,171
State's proportionate share of the net pension liability associated with the District	47,253,675	49,503,039	51,644,130	44,022,956	34,303,352
Totals	<u>\$ 133,867,594</u>	<u>\$ 135,964,165</u>	<u>\$ 138,941,066</u>	<u>\$ 121,353,600</u>	<u>\$ 99,162,523</u>
District's covered payroll	<u>\$ 51,175,135</u>	<u>\$ 49,592,737</u>	<u>\$ 49,189,936</u>	<u>\$ 46,997,661</u>	<u>\$ 43,552,162</u>
District's proportionate share of the net pension liability as a percentage of its covered payroll	169.25%	174.34%	177.47%	164.54%	148.92%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%

WESTMINSTER SCHOOL DISTRICT

Schedule of Proportionate Share of the Net Pension Liability-CalPERS For the Fiscal Year Ended June 30, 2025

<i>Last Ten Fiscal Years</i>					
Employer's Fiscal Year Measurement Period	2024-25 2023-24	2023-24 2022-23	2022-23 2021-22	2021-22 2020-21	2020-21 2019-20
District's proportion of the net pension liability	0.1315%	0.1290%	0.1265%	0.1310%	0.1351%
District's proportionate share of the net pension liability	\$ 46,989,444	\$ 46,704,027	\$ 43,510,389	\$ 26,630,353	\$ 41,464,625
District's covered payroll	\$ 25,947,571	\$ 22,561,179	\$ 18,488,835	\$ 18,779,662	\$ 19,471,396
District's proportionate share of the net pension liability as a percentage of its covered payroll	181.09%	207.01%	235.33%	141.80%	212.95%
Plan fiduciary net position as a percentage of the total pension liability	72%	70%	70%	81%	70%
Employer's Fiscal Year Measurement Period	2019-20 2018-19	2018-19 2017-18	2017-18 2016-17	2016-17 2015-16	2015-16 2014-15
District's proportion of the net pension liability	0.1319%	0.1371%	0.1382%	0.1408%	0.1380%
District's proportionate share of the net pension liability	\$ 38,443,494	\$ 36,562,486	\$ 32,997,952	\$ 27,814,919	\$ 20,341,379
District's covered payroll	\$ 17,857,031	\$ 17,873,427	\$ 17,664,675	\$ 16,817,692	\$ 15,069,153
District's proportionate share of the net pension liability as a percentage of its covered payroll	215.28%	204.56%	186.80%	165.39%	134.99%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	79%

WESTMINSTER SCHOOL DISTRICT
Schedule of Pension Contributions-CalSTRS
For the Fiscal Year Ended June 30, 2025

Last Ten Fiscal Years

Employer's Fiscal Year	2024-25	2023-24	2022-23	2021-22	2020-21
Contractually required contribution	\$ 13,229,632	\$ 12,755,470	\$ 12,533,530	\$ 10,146,216	\$ 8,914,336
Contributions in relation to the contractually required contribution	<u>13,229,632</u>	<u>12,755,470</u>	<u>12,533,530</u>	<u>10,146,216</u>	<u>8,914,336</u>
Contribution deficiency (excess):	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	<u>\$ 69,265,089</u>	<u>\$ 66,782,565</u>	<u>\$ 65,620,576</u>	<u>\$ 59,965,816</u>	<u>\$ 55,197,127</u>
Contributions as a percentage of covered payroll	<u>19.10%</u>	<u>19.10%</u>	<u>19.10%</u>	<u>16.92%</u>	<u>16.15%</u>

Employer's Fiscal Year	2019-20	2018-19	2017-18	2016-17	2015-16
Contractually required contribution	\$ 8,960,725	\$ 8,331,312	\$ 7,156,232	\$ 6,188,094	\$ 5,042,849
Contributions in relation to the contractually required contribution	<u>8,960,725</u>	<u>8,331,312</u>	<u>7,156,232</u>	<u>6,188,094</u>	<u>5,042,849</u>
Contribution deficiency (excess):	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	<u>\$ 52,401,901</u>	<u>\$ 51,175,135</u>	<u>\$ 49,592,737</u>	<u>\$ 49,189,936</u>	<u>\$ 46,997,661</u>
Contributions as a percentage of covered payroll	<u>17.10%</u>	<u>16.28%</u>	<u>14.43%</u>	<u>12.58%</u>	<u>10.73%</u>

WESTMINSTER SCHOOL DISTRICT
Schedule of Pension Contributions-CalPERS
For the Fiscal Year Ended June 30, 2025

Last Ten Fiscal Years

Employer's Fiscal Year	2024-25	2023-24	2022-23	2021-22	2020-21
Contractually required contribution	\$ 7,750,700	\$ 6,922,812	\$ 5,723,771	\$ 4,235,792	\$ 3,887,390
Contributions in relation to the contractually required contribution	<u>7,750,700</u>	<u>6,922,812</u>	<u>5,723,771</u>	<u>4,235,792</u>	<u>3,887,390</u>
Contribution deficiency (excess):	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	<u>\$ 28,653,235</u>	<u>\$ 25,947,571</u>	<u>\$ 22,561,179</u>	<u>\$ 18,488,835</u>	<u>\$ 18,779,662</u>
Contributions as a percentage of covered payroll	<u>27.050%</u>	<u>26.680%</u>	<u>25.370%</u>	<u>22.910%</u>	<u>20.700%</u>

Employer's Fiscal Year	2019-20	2018-19	2017-18	2016-17	2015-16
Contractually required contribution	\$ 3,839,954	\$ 3,225,337	\$ 2,775,922	\$ 2,453,270	\$ 1,992,392
Contributions in relation to the contractually required contribution	<u>3,839,954</u>	<u>3,225,337</u>	<u>2,775,922</u>	<u>2,453,270</u>	<u>1,992,392</u>
Contribution deficiency (excess):	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	<u>\$ 19,471,396</u>	<u>\$ 17,857,031</u>	<u>\$ 17,873,427</u>	<u>\$ 17,664,675</u>	<u>\$ 16,817,692</u>
Contributions as a percentage of covered payroll	<u>19.721%</u>	<u>18.062%</u>	<u>15.531%</u>	<u>13.888%</u>	<u>11.847%</u>

WESTMINSTER SCHOOL DISTRICT

Schedule of Changes in the District's Total OPEB Liability and Related Ratios For the Fiscal Year Ended June 30, 2025

*Last Ten Fiscal Years**

Employer's Fiscal Year Measurement Period	2024-25 2024-25	2023-24 2023-24	2022-23 2022-23	2021-22 2021-22
Total OPEB liability				
Service cost	\$ 1,757,977	\$ 1,430,311	\$ 1,443,408	\$ 1,659,106
Interest	1,572,942	1,364,243	1,262,145	665,402
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	5,513,120	-	(465,393)
Changes of assumptions or other inputs	(1,564,658)	(2,878,974)	687,921	(259,351)
Benefit payments	(1,613,204)	(1,244,519)	(1,170,636)	(931,621)
Net change in total OPEB liability	153,057	4,184,181	2,222,838	668,143
Total OPEB liability - beginning	36,402,362	32,218,181	29,995,343	29,327,200
Total OPEB liability - ending	<u>\$ 36,555,419</u>	<u>\$ 36,402,362</u>	<u>\$ 32,218,181</u>	<u>\$ 29,995,343</u>
Covered payroll	<u>\$ 74,517,124</u>	<u>\$ 76,789,641</u>	<u>\$ 63,565,425</u>	<u>\$ 65,121,400</u>
Net OPEB liability as a percentage of covered payroll	<u>49.06%</u>	<u>47.41%</u>	<u>50.69%</u>	<u>46.06%</u>

Employer's Fiscal Year Measurement Period	2020-21 2020-21	2019-20 2019-20	2018-19 2018-19	2017-18 2017-18
Total OPEB liability				
Service cost	\$ 1,576,064	\$ 1,092,665	\$ 1,090,836	\$ 1,079,406
Interest	746,354	791,892	814,553	809,932
Changes of benefit terms	-	747,236	-	395,076
Differences between expected and actual experience	-	(7,825,443)	-	-
Changes of assumptions or other inputs	919,925	5,416,963	394,878	305,438
Benefit payments	(789,819)	(1,269,642)	(1,235,761)	(1,052,639)
Net change in total OPEB liability	2,452,524	(1,046,329)	1,064,506	1,537,213
Total OPEB liability - beginning	26,874,676	27,921,005	26,856,499	25,319,286
Total OPEB liability - ending	<u>\$ 29,327,200</u>	<u>\$ 26,874,676</u>	<u>\$ 27,921,005</u>	<u>\$ 26,856,499</u>
Covered payroll	<u>\$ 59,167,527</u>	<u>\$ 61,009,233</u>	<u>\$ 51,036,769</u>	<u>\$ 52,640,152</u>
Net OPEB liability as a percentage of covered payroll	<u>49.57%</u>	<u>44.05%</u>	<u>54.71%</u>	<u>51.02%</u>

** This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

WESTMINSTER SCHOOL DISTRICT

Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program For the Fiscal Year Ended June 30, 2025

*Last Ten Fiscal Years**

Employer's Fiscal Year Measurement Period	2024-25 2023-24	2023-24 2022-23	2022-23 2021-22	2021-22 2020-21
District's proportion of net OPEB liability	0.1439%	0.1568%	0.1541%	0.1543%
District's proportionate share of net OPEB liability	\$ 383,579	\$ 475,772	\$ 507,711	\$ 615,318
Covered payroll ¹	N/A	N/A	N/A	N/A
District's net OPEB liability as a percentage of covered payroll ¹	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	(1.02%)	(0.96%)	(0.94%)	(0.80%)

Employer's Fiscal Year Measurement Period	2020-21 2019-20	2019-20 2018-19	2018-19 2017-18	2017-18 2016-17
District's proportion of net OPEB liability	0.1427%	0.1697%	0.1689%	0.1709%
District's proportionate share of net OPEB liability	\$ 695,491	\$ 631,772	\$ 646,321	\$ 718,973
Covered payroll ¹	N/A	N/A	N/A	N/A
District's net OPEB liability as a percentage of covered payroll ¹	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	(0.71%)	(0.81%)	(0.40%)	0.01%

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

** This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

WESTMINSTER SCHOOL DISTRICT

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2025

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

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

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

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

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

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District.

Change in benefit terms – There were no changes in benefit terms since the previous valuations for either CalSTRS and CalPERS.

Change of assumptions – There were no changes in economic assumptions since the previous valuations for either CalSTRS or CalPERS.
in the discount rate.

Schedule of District Contributions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution.

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

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

Change in benefit terms – There were no changes in benefit terms since the previous valuation.

Change of assumptions – Liability changes resulting from changes in economic and demographic assumptions are deferred based on the average working life. The discount rate was changed from 4.21 percent to 4.81 percent since the previous valuation.

WESTMINSTER SCHOOL DISTRICT

*Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025*

NOTE 1 – PURPOSE OF SCHEDULES (continued)

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

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

Change in benefit terms – There were no changes in benefit terms since the previous valuation.

Change of assumptions – The discount rate was changed from 3.65 percent to 3.93 percent since the previous valuation.

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Supplementary Information

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WESTMINSTER SCHOOL DISTRICT*Schedule of Average Daily Attendance**For the Fiscal Year Ended June 30, 2025*

	Second Period Report	Annual Report
Regular ADA & Extended Year:		
Grades TK-3	3,231.14	3,232.94
Grades 4-6	2,512.69	2,516.00
Grades 7-8	1,711.29	1,707.47
Total Regular ADA	7,455.12	7,456.41
Special Education, Nonpublic, Nonsectarian Schools:		
Grades TK-3	1.35	1.28
Grades 4-6	2.09	2.10
Grades 7-8	1.26	1.17
Total Special Education, Nonpublic, Nonsectarian Schools ADA	4.70	4.55
Total ADA	7,459.82	7,460.96

WESTMINSTER SCHOOL DISTRICT*Schedule of Instructional Time**For the Fiscal Year Ended June 30, 2025*

<u>Grade Level</u>	<u>Instructional Minute Requirement</u>	<u>Instructional Minutes Offered</u>	<u>Instructional Days Offered</u>	<u>Status</u>
Kindergarten	36,000	53,670	180	Complied
Grade 1	50,400	52,240	180	Complied
Grade 2	50,400	52,240	180	Complied
Grade 3	50,400	52,240	180	Complied
Grade 4	54,000	54,190	180	Complied
Grade 5	54,000	54,190	180	Complied
Grade 6	54,000	54,190	180	Complied
Grade 7	54,000	54,190	180	Complied
Grade 8	54,000	54,190	180	Complied

WESTMINSTER SCHOOL DISTRICT
Schedule of Financial Trends and Analysis
For the Fiscal Year Ended June 30, 2025

General Fund	(Budget) 2026 ²	2025 ³	2024	2023
Revenues and other financing sources	\$ 156,600,481	\$ 167,387,670	\$ 175,264,481	\$ 174,503,165
Expenditures and other financing uses	171,662,074	180,491,310	169,430,363	152,386,139
Change in fund balance (deficit)	(15,061,593)	(13,103,640)	5,834,118	22,117,026
Ending fund balance	<u>\$ 58,601,677</u>	<u>\$ 73,663,270</u>	<u>\$ 86,766,910</u>	<u>\$ 80,932,792</u>
Available reserves ¹	<u>\$ 17,479,851</u>	<u>\$ 24,865,919</u>	<u>\$ 51,791,681</u>	<u>\$ 24,468,121</u>
Available reserves as a percentage of total outgo	<u>10.2%</u>	<u>13.8%</u>	<u>30.6%</u>	<u>16.1%</u>
Total long-term debt	<u>\$ 408,063,120</u>	<u>\$ 412,017,840</u>	<u>\$ 400,269,845</u>	<u>\$ 400,211,656</u>
Average daily attendance at P-2	<u>7,289</u>	<u>7,460</u>	<u>7,487</u>	<u>7,522</u>

The General Fund balance has decreased by \$7.3 million over the past two years. The fiscal year 2025-26 adopted budget projects a decrease of \$15.1 million. For a district of this size, the state recommends available reserves of at least 3% of total general fund expenditures, transfers out, and other uses (total outgo).

The District has incurred an operating surplus in two of the past three years, but anticipates incurring an operating deficit during the 2025-26 fiscal year. Long-term debt has increased by \$11.8 million over the past two years.

Average daily attendance has decreased by 62 since 2022-23. In 2025-26, ADA is projected to decrease by 171.

¹ Available reserves consist of all unassigned fund balances in the General Fund.

² Revised budget September 2025

WESTMINSTER SCHOOL DISTRICT

*Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
For the Fiscal Year Ended June 30, 2025*

*There were no differences between the Annual Financial and Budget Report and the
Audited Financial Statements in any funds.*

WESTMINSTER SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Sub-total Expenditures	Federal Expenditures
Federal Programs:				
U.S. Department of Agriculture:				
Passed through California Dept. of Education (CDE):				
School Breakfast Program - Especially Needy	10.553	13526	\$ 827,485	
National School Lunch Program	10.555	13523	3,863,172	
USDA Donated Foods	10.555	N/A	377,677	
Total Child Nutrition Cluster				\$ 5,068,334
Passed through California Department of Social Services (CDSS):				
CACFP Claims - Centers and Family Day Care Homes	10.558	13529	706,623	
CACFP Cash in Lieu of Commodities	10.558	13534	302,839	
Total Child and Adult Care Food Program				1,009,462
Total U.S. Department of Agriculture				6,077,796
U.S. Department of Education:				
Passed through California Dept. of Education (CDE):				
Every Student Succeeds Act (ESSA):				
Title I, Part A, Basic Grants, Low-Income and Neglected	84.010	14329		2,509,630
Title II, Part A, Supporting Effective Instruction	84.367	14341		363,283
English Language Acquisition State Grants				
Title III, Immigrant Education Program	84.365	15146	41,895	
Title III, Limited English Proficiency	84.365	14346	444,025	
Subtotal English Language Acquisition State Grants				485,920
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396		397,616
Title IX, Part A, McKinney-Vento Homeless Assistance Grants	84.196	14332		79,060
IDEA Early Intervention Grants	84.181	23761		183
COVID-19 Education Stabilization Fund:				
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559		7,988,019
Individuals with Disabilities Education Act (IDEA):				
Basic Local Assistance Entitlement	84.027	13379	1,954,843	
IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	81,071	
IDEA Mental Health Allocation Plan, Part B, Sec 611	84.027A	15197	94,369	
IDEA Preschool Staff Development, Part B, Sec 619	84.173A	13431	708	
Total Special Education (IDEA) Cluster				2,130,991
Total U.S. Department of Education				13,954,702
U.S. Department of Health and Human Services				
Passed through California Dept. of Social Services:				
Early Education: Federal Child Care, Center-based	93.596	13609	501,394	
COVID 19 Early Education: Coronavirus Response and Relief Supplemental				
Appropriations (CRRSA) Act - One-time Stipend	93.575	15555	194,277	
COVID 19 ARP California State Preschool Program One-time Stipend	93.575	15640	313,823	
Child Care and Development Programs Administered by California				
Department of Social Services (Federal Funds)	93.596	10163	193,370	
Total Child Care and Development Fund Cluster				1,202,864
Total U.S. Department of Health and Human Services				1,202,864
Total Expenditures of Federal Awards				\$ 21,235,362

Of the federal expenditures presented in the schedule, the District provided no awards to recipients.

WESTMINSTER SCHOOL DISTRICT

Note to the Supplementary Information

June 30, 2025

NOTE 1 – PURPOSE OF SCHEDULES

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 number of instructional days offered by the District and whether the District complied with Article 8 (commencing with Section 46200) of Chapter 2 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 Unaudited Actual financial report 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 and whether or not the charter school is included in the District audit.

Schedule of Expenditures of Federal Awards

The 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 the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements. The District did not elect to use the ten percent de minimis indirect cost rate.

The following schedule provides a 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.

	Assistance Listing Number	Amount
Total Federal Revenues from the Statement of Revenues, Expenditures, and Changes in Fund Balances		\$ 20,592,318
Differences between Federal Revenues and Expenditures:		
Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act - One-time Stipend	93.575	194,277
ARP California State Preschool Program One-time Stipend	93.575	313,823
Child Care and Development Programs Administered by California Department of Social Services	93.596	157,440
Child Development Associates, American Rescue Plan Act	93.575	(22,496)
Total Schedule of Expenditures of Federal Awards		<u>\$ 21,235,362</u>

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Other Information

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WESTMINSTER SCHOOL DISTRICT

Local Educational Agency Organization Structure For the Fiscal Year Ended June 30, 2025

The Westminster School District was established in 1872 and covers the Westminster area of Orange County. The District operates under a locally elected five-member Board form of government and provides educational services to grades K - 8 as mandated by the State and/or Federal agencies. The District operates 13 elementary schools, three middle schools, a child-care program, and a special programs center. There were no boundary changes during the year.

BOARD OF TRUSTEES

Member	Office	Term Expires
Jeremy Khalaf	President	December 2026
Khanh Nguyen	Vice President	December 2026
Tina Gustin-Gurney	Clerk	December 2026
David Johnson	Member	December 2028
Frances Nguyen	Member	December 2028

DISTRICT ADMINISTRATORS

Gunn Marie Hansen, Ph.D.,
Superintendent

Rich Montgomery,
Deputy Superintendent, Human Resources

Manuel Cardoso,
Assistant Superintendent, Business Services

Richard J. Noblett, Ed.D.,
Assistant Superintendent, Educational Services

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Other Independent Auditors' Reports

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

Board of Trustees
Westminster School District
Westminster, 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 Westminster School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 1, 2025.

Report on Internal Control Over Financial Reporting

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

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

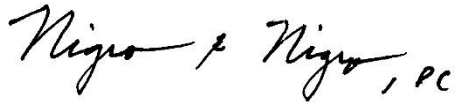
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "Nigro & Nigro, PC". The signature is written in a cursive, flowing style.

Murrieta, California
December 1, 2025



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

Board of Trustees
Westminster School District
Westminster, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Westminster 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 the Westminster School District's major federal programs for the year ended June 30, 2025. The Westminster 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, the Westminster 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, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the Westminster 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 on compliance for each major federal program. Our audit does not provide a legal determination of the Westminster 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 laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Westminster School District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Westminster 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 material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Westminster 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, Government Auditing Standards, and the Uniform Guidance, we:

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

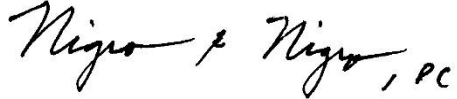
Report on Internal Control Over Compliance

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

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Murrieta, California
December 1, 2025



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

Board of Trustees
Westminster School District
Westminster, California

Report on Compliance

Opinion

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

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

Basis for Opinion

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

Description	Procedures Performed
Local Education Agencies Other Than Charter Schools:	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Independent Study	No*
Continuation Education	Not Applicable
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	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
Home to School Transportation Reimbursement	Yes

Description	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
Kindergarten Continuance	Yes
Charter Schools:	
Attendance	Not Applicable
Mode of Instruction	Not Applicable
Nonclassroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes – Classroom-Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

Areas marked as “Not Applicable” were not operated by the District.

*The District offers an Independent Study Program; however, the ADA was below threshold required for testing; therefore, we did not perform procedures related to the Independent Study Program.

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

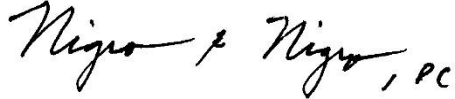
Report on Internal Control over Compliance

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

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

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

A handwritten signature in black ink that reads "Nigro & Nigro, PC". The signature is written in a cursive, flowing style.

Murrieta, California
December 1, 2025

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Schedule of Findings and Questioned Costs

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WESTMINSTER SCHOOL DISTRICT

Summary of Auditors' Results

For the Fiscal Year Ended June 30, 2025

Financial Statements

Type of auditors' report issued	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(s) identified not considered to be material weaknesses?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(s) identified not considered to be material weaknesses?	<u>None reported</u>
Type of auditors' report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance Sec. 200.516 (a)?	<u>No</u>
Identification of major programs:	

Assistance Listing

<u>Numbers</u>	<u>Name of Federal Program or Cluster</u>
	Elementary and Secondary School
<u>84.425U</u>	<u>Emergency Relief III (ESSER III) Fund</u>
<u>10.558</u>	<u>Child and Adult Care Food Program</u>
<u>93.575, 93.596</u>	<u>Child Care and Development Fund Cluster</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>No</u>

State Awards

Type of auditors' report issued on compliance for state programs:	<u>Unmodified</u>
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WESTMINSTER SCHOOL DISTRICT

Financial Statement Findings

For the Fiscal Year Ended June 30, 2025

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*. Pursuant to Assembly Bill (AB) 3627, all audit findings must be identified as one or more of the following categories:

<u>Five Digit Code</u>	<u>AB 3627 Finding Types</u>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Programs
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

There were no financial statement findings in 2024-25.

WESTMINSTER SCHOOL DISTRICT
Federal Award Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2025

This section identifies the audit findings required to be reported by the Uniform Guidance, Section 200.516 (e.g., significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).

There were no federal award findings or questioned costs in 2024-25.

WESTMINSTER SCHOOL DISTRICT
State Award Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2025

This section identifies the audit findings pertaining to noncompliance with state program rules and regulations.

There were no state award findings or questioned costs in 2024-25.

WESTMINSTER SCHOOL DISTRICT

Summary Schedule of Prior Audit Findings

For the Fiscal Year Ended June 30, 2025

Original Finding No.	Finding	Code	Recommendation	Current Status
<i>2024-001 Cafeteria Meal Claims</i>	Code of Federal Regulations, 7CFR sections 210.8, 220.11, 2015.10 and 225.15(c), require that monthly claims for reimbursement for meals and snacks served to eligible students be submitted within 60 days following the last day of the month covered by the claim. In conjunction each month's claim for reimbursement and all data used in the claims review process must be maintained on file. During our testing of controls over claims for reimbursement, we discovered data entry errors in the District's reporting of the number of meals served.	30000, 50000	We recommend that the District develop and implement procedures to ensure that the meals served and reported on the CNIPS claims are accurate. This will ensure that the District is properly reimbursed at the time of submission.	Implemented.