

CONTRA COSTA COUNTY OFFICE OF EDUCATION

AUDIT REPORT
JUNE 30, 2025



CONTRA COSTA COUNTY OFFICE OF EDUCATION
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FINANCIAL SECTION

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTSIndependent Auditors' Report

Governing Board
Contra Costa County Office of Education
Pleasant Hill, California

Report on the Audit of the Financial Statements***Opinions***

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Contra Costa County Office of Education, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Contra Costa County Office of Education's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Contra Costa County Office of Education, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Contra Costa County Office of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter***Change in Accounting Principle***

As described in Note 1 to the financial statements, the Contra Costa County Office of Education adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Responsibilities of Management for the Financial Statements (continued)

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 Contra Costa County Office of Education's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Contra Costa County Office of Education'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 Contra Costa County Office of Education's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis, budgetary comparison information, schedule of changes in net OPEB liability and related ratios, schedules of proportionate share of net pension liability, and schedules of county office of education contributions for pensions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2026 on our consideration of the Contra Costa County Office of Education'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 Contra Costa County Office of Education'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 Contra Costa County Office of Education's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Christy White, Inc". The signature is fluid and cursive.

San Diego, California
January 20, 2026

CONTRA COSTA COUNTY OFFICE OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

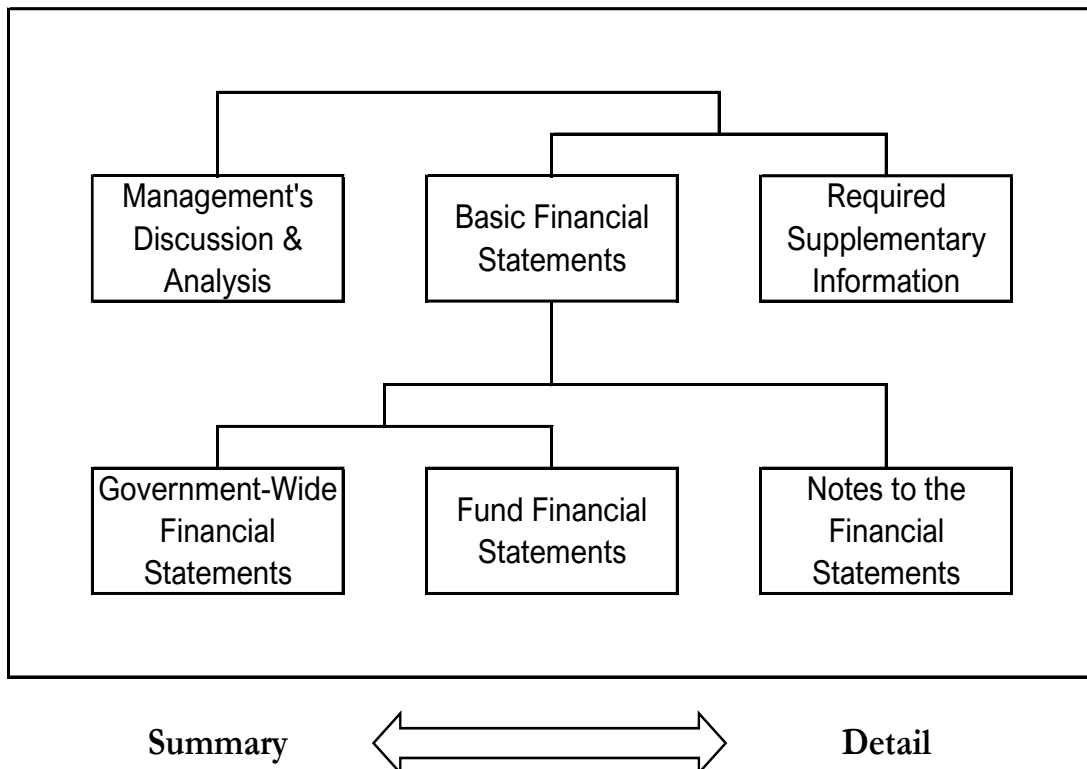
Our discussion and analysis of Contra Costa County Office of Education's (County Office of Education) financial performance provides an overview of the County Office of Education's financial activities for the fiscal year ended June 30, 2025. It should be read in conjunction with the County Office of Education's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The County Office of Education's net position was \$45,134,648 at June 30, 2025. This was an increase of \$18,442,734 from the prior year, after restatement.
- Overall revenues were \$126,698,138 which exceeded expenses of \$108,255,404.

OVERVIEW OF FINANCIAL STATEMENTS

Components of the Financial Section



**CONTRA COSTA COUNTY OFFICE OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2025**

OVERVIEW OF FINANCIAL STATEMENTS (continued)

Components of the Financial Section (continued)

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

- ▶ **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the entity's overall financial position.
- ▶ **Fund financial statements** focus on reporting the individual parts of County Office of Education operations in more detail. The fund financial statements comprise the remaining statements.
 - ▶ **Governmental Funds** provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County Office of Education's programs.
 - ▶ **Fiduciary Funds** report resources held for the benefit of parties outside of the County Office of Education. Fiduciary funds are not reflected in the government-wide statement because the resources of the fund are not available to support the County Office of Education's own programs.

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

Government-Wide Statements

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

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

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

**CONTRA COSTA COUNTY OFFICE OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2025**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The County Office of Education's net position was \$45,134,648 at June 30, 2025, as reflected in the table below. Of this amount, \$(21,717,626) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Governing Board's ability to use that net position for day-to-day operations.

	Governmental Activities		
	2025	2024	Net Change
ASSETS			
Current and other assets	\$ 111,381,848	\$ 86,701,518	\$ 24,680,330
Capital assets	24,896,870	26,215,483	(1,318,613)
Total Assets	136,278,718	112,917,001	23,361,717
DEFERRED OUTFLOWS OF RESOURCES	25,785,202	30,302,646	(4,517,444)
LIABILITIES			
Current liabilities	25,116,850	14,024,292	11,092,558
Long-term liabilities	81,166,095	88,217,136	(7,051,041)
Total Liabilities	106,282,945	102,241,428	4,041,517
DEFERRED INFLOWS OF RESOURCES	10,646,327	11,298,614	(652,287)
NET POSITION			
Net investment in capital assets	24,896,870	26,215,483	(1,318,613)
Restricted	41,955,404	26,447,249	15,508,155
Unrestricted	(21,717,626)	(22,983,127)	1,265,501
Total Net Position	\$ 45,134,648	\$ 29,679,605	\$ 15,455,043

**CONTRA COSTA COUNTY OFFICE OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2025**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position

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

The County Office of Education's total revenues relating to governmental activities were \$126,698,138 consisting mostly of federal and state aid, categorical programs, and property taxes.

The County Office of Education's total expenditures relating to governmental activities were \$108,255,404 predominately related to educating and caring for students.

	Governmental Activities		
	2025	2024	Net Change
REVENUES			
Program revenues			
Charges for services	\$ 18,147,208	\$ 15,425,925	\$ 2,721,283
Operating grants and contributions	54,714,081	40,885,946	13,828,135
Capital grants and contributions	10,565	18,790	(8,225)
General revenues			
Property taxes	21,748,047	21,000,972	747,075
Unrestricted federal and state aid	19,352,016	20,632,113	(1,280,097)
Other	12,726,221	13,081,593	(355,372)
Total Revenues	126,698,138	111,045,339	15,652,799
EXPENSES			
Instruction	37,477,733	35,608,154	1,869,579
Instruction-related services	20,236,843	21,231,216	(994,373)
Pupil services	18,220,251	17,453,117	767,134
General administration	23,425,474	16,656,447	6,769,027
Plant services	5,644,853	5,385,021	259,832
Debt service	26,917	42,759	(15,842)
Other outgo	1,001,396	1,533,925	(532,529)
Depreciation	1,480,717	1,463,596	17,121
Enterprise activities	741,220	744,557	(3,337)
Total Expenses	108,255,404	100,118,792	8,136,612
Change in net position	18,442,734	10,926,547	7,516,187
Net Position - Beginning, as Restated*	26,691,914	18,753,058	7,938,856
Net Position - Ending	\$ 45,134,648	\$ 29,679,605	\$ 15,455,043

**Beginning net position was restated for the 2025 year only.*

**CONTRA COSTA COUNTY OFFICE OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2025**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position (continued)

The net cost of all our governmental activities this year was \$35,383,550 (refer to the table below). The amount that our taxpayers ultimately financed for these activities through taxes was \$21,748,047; the remaining cost was mostly paid by other governments and organizations who subsidized certain programs with grants and contributions.

	Net Cost of Services	
	2025	2024
Instruction	\$ 7,785,375	\$ 10,362,663
Instruction-related services	4,387,687	6,863,792
Pupil services	6,033,124	7,311,897
General administration	10,875,743	13,187,008
Plant services	4,514,287	3,398,818
Debt service	26,917	42,759
Transfers to other agencies	(461,520)	413,041
Depreciation	1,480,717	1,463,596
Enterprise activities	741,220	744,557
Total	\$ 35,383,550	\$ 43,788,131

FINANCIAL ANALYSIS OF THE COUNTY OFFICE OF EDUCATION'S MAJOR FUNDS

The financial performance of the County Office of Education as a whole is reflected in its governmental funds as well. As the County Office of Education completed this year, its governmental funds reported a combined fund balance of \$88,600,979, which is more than last year's ending fund balance of \$72,986,968. The County Office of Education's County School Service Fund had \$18,208,963 more in operating revenues than expenditures for the year ended June 30, 2025.

CURRENT YEAR BUDGET 2024-2025

During the fiscal year, budget revisions and appropriation transfers are presented to the Board for their approval regularly to reflect changes to both revenues and expenditures that become known during the year. In addition, the Board of Education approves financial projections included with the Adopted Budget, First Interim, and Second Interim financial reports. The Unaudited Actuals reflect the County Office of Education's financial projections and current budget based on State and local financial information. For the County School Service fund, there were no significant variations between original and final budget and final budget and actual.

**CONTRA COSTA COUNTY OFFICE OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2025**

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

By the end of 2024-2025 the County Office of Education had invested \$24,986,870 in capital assets, net of accumulated depreciation.

	Governmental Activities		
	2025	2024	Net Change
CAPITAL ASSETS			
Land	\$ 5,558,353	\$ 5,558,353	\$ -
Land improvements	2,331,603	2,331,603	-
Buildings & improvements	40,894,073	40,810,703	83,370
Furniture & equipment	5,167,703	5,088,969	78,734
Less: Accumulated depreciation	(29,054,862)	(27,574,145)	(1,480,717)
Total	\$ 24,896,870	\$ 26,215,483	\$ (1,318,613)

Long-Term Liabilities

At year-end, the County Office of Education had \$80,869,685 in long-term debt, an increase of 10.74% from last year after restatement – as shown in the table below. More detailed information about the County Office of Education's long-term liabilities is presented in footnotes to the financial statements.

	Governmental Activities		
	2025	2024	Net Change
LONG-TERM LIABILITIES			
Compensated absences*	\$ 4,698,226	\$ 4,403,461	\$ 294,765
Total OPEB liability	21,013,315	22,166,909	(1,153,594)
Net pension liability	57,485,488	64,326,644	(6,841,156)
Less: current portion of long-term liabilities	(2,327,344)	(296,131)	(2,031,213)
Total	\$ 80,869,685	\$ 90,600,883	\$ (9,731,198)

**Compensated Absences for 2024 was restated in order to record the County Office of Education's compensated absences in accordance with GASB Statement No. 101 which supersedes GASB Statement No. 16 for the year ended June 30, 2025.*

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Several economic and fiscal factors could influence the County Office of Education's financial condition in the coming year, including continued enrollment declines, uncertain federal and state revenues, high pension obligations, and a cooling California economy.

Long-Term Declining Enrollment

California's K–12 system continues to experience enrollment decline. Statewide enrollment fell another 0.5% in 2024–25 to about 5.8 million students, roughly 420,000 fewer than a decade ago. The Department of Finance projects an additional 586,000-student decline by 2033–34. Lower birth rates, high housing costs, and out-migration are key drivers, along with growing competition from charter and private schools. Because many costs—such as staffing and facilities—cannot easily adjust, revenue loss from declining Average Daily Attendance (ADA) creates structural fiscal challenges that require multi-year planning, particularly local education agencies relying on state funds.

**CONTRA COSTA COUNTY OFFICE OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2025**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (continued)

Revenue Uncertainties

- Status of Proposition 98: The 2025–26 State Budget sets the Proposition 98 guarantee at \$114.6 billion, slightly below earlier projections. To maintain K–12 funding commitments amid weaker tax receipts, the State relied on reserve drawdowns, internal borrowing, and limited deferrals. The outlook remains fragile since Proposition 98 revenues are highly sensitive to income-tax and capital-gains fluctuations. A market slowdown could trigger future adjustments. The Legislative Analyst's Office urges local education agencies to budget cautiously and preserve flexibility given ongoing volatility.
- Federal Funding Uncertainties: Federal funding for K–12 education remains uncertain heading into 2025–26. Several large federal programs—including Title I, Title II, IDEA, and after-school and enrichment grants—face potential reductions or delays under current federal budget proposals and continuing appropriations negotiations. The U.S. Department of Education has also paused or delayed disbursement of certain previously approved formula and competitive grants, creating short-term cash-flow and planning challenges for local education agencies. Analyses by nonpartisan agencies such as the Congressional Budget Office and the Learning Policy Institute note that up to \$5–6 billion in K-12 formula funds nationwide remain at risk of reduction or deferral if congressional appropriations are not finalized. While local education agencies are expected to continue receiving baseline allocations during temporary funding resolutions, long-term federal support levels for education could decline modestly in real terms, requiring local education agencies to plan for possible funding interruptions or reductions in future years.

Pension Liabilities and Employer Rates

The County Office of Education participates in CalSTRS and CalPERS, both of which remain underfunded and continue to exert upward pressure on budgets. For 2025–26, the CalSTRS employer rate is 19.10%, and the CalPERS Schools Pool rate is 26.81%. These elevated rates—well above pre-2014 levels—will likely persist through the decade as both systems address unfunded liabilities. Local education agencies must continue to account for escalating pension costs in long-range projections.

Economic and Market Conditions

California's economy has cooled following its post-pandemic rebound. High interest rates, weaker venture investment, and commercial-real-estate softness have slowed growth, especially in tech-dependent regions. The UCLA Anderson Forecast (Fall 2025) expects subdued growth into 2026, with unemployment near 5%. Inflation has eased, but interest rate uncertainty continues to constrain housing and business investment.

Because the State's tax base depends heavily on capital-gains income, stock-market volatility remains a major risk to General Fund and Proposition 98 revenues. Fiscal advisors therefore recommend that local education agencies maintain prudent reserves and avoid long-term commitments based on one-time revenue gains.

Summary

Declining enrollment, volatile revenues, persistent pension costs, and broader economic uncertainty all contribute to a challenging fiscal environment for California local education agencies. The County Office of Education's 2025–26 budget reflects these conditions through conservative revenue assumptions, strong reserves, and continued monitoring of State fiscal trends.

CONTACTING THE COUNTY OFFICE OF EDUCATION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the County Office of Education's finances and to show the County Office of Education's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the County Office of Education's Business Office, at the Contra Costa County Office of Education, 77 Santa Barbara Road; Pleasant Hill, California.

CONTRA COSTA COUNTY OFFICE OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
ASSETS	
Cash and investments	\$ 96,145,455
Accounts receivable	15,236,393
Capital assets:	
Capital assets, not depreciated	5,558,353
Capital assets, net of accumulated depreciation	19,338,517
Total Assets	<u>136,278,718</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	21,689,875
Deferred outflows related to OPEB	4,095,327
Total Deferred Outflows of Resources	<u>25,785,202</u>
LIABILITIES	
Accrued liabilities	11,606,848
Unearned revenue	11,182,658
Long-term liabilities, current portion	2,327,344
Long-term liabilities, non-current portion	81,166,095
Total Liabilities	<u>106,282,945</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	4,252,479
Deferred inflows related to OPEB	6,393,848
Total Deferred Inflows of Resources	<u>10,646,327</u>
NET POSITION	
Net investment in capital assets	24,896,870
Restricted:	
Capital projects	313,008
Educational programs	41,642,396
Unrestricted	(21,717,626)
Total Net Position	<u>\$ 45,134,648</u>

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

**CONTRA COSTA COUNTY OFFICE OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

Function/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES					
Instruction	\$ 37,477,733	\$ 10,623,547	\$ 19,058,246	\$ 10,565	\$ (7,785,375)
Instruction-related services					
Instructional supervision and administration	15,666,954	739,254	12,902,366	-	(2,025,334)
Instructional library, media, and technology	1,060,469	12,047	428,183	-	(620,239)
School site administration	3,509,420	1,148,836	618,470	-	(1,742,114)
Pupil services					
Home-to-school transportation	5,482,956	4,727	35,263	-	(5,442,966)
Food services	107,883	-	71,359	-	(36,524)
All other pupil services	12,629,412	2,318,431	9,757,347	-	(553,634)
General administration					
Centralized data processing	3,797,706	-	-	-	(3,797,706)
All other general administration	19,627,768	2,380,273	10,169,458	-	(7,078,037)
Plant services	5,644,853	881,139	249,427	-	(4,514,287)
Enterprise activities	741,220	-	-	-	(741,220)
Interest on long-term debt	26,917				(26,917)
Other outgo	1,001,396	38,954	1,423,962	-	461,520
Depreciation (unallocated)	1,480,717	-	-	-	(1,480,717)
Total Governmental Activities	\$ 108,255,404	\$ 18,147,208	\$ 54,714,081	\$ 10,565	(35,383,550)
General revenues					
Taxes and subventions					
Property taxes, levied for general purposes					20,435,004
Property taxes, levied for other specific purposes					1,313,043
Federal and state aid not restricted for specific purposes					19,352,016
Interest and investment earnings					4,487,109
Interagency revenues					5,521,454
Miscellaneous					2,717,658
Subtotal, General Revenue					53,826,284
CHANGE IN NET POSITION					18,442,734
Net Position - Beginning, as Restated					26,691,914
Net Position - Ending					\$ 45,134,648

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

**CONTRA COSTA COUNTY OFFICE OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2025**

	County School Service Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS			
Cash and investments	\$ 94,944,719	\$ 1,200,736	\$ 96,145,455
Accounts receivable	13,505,469	1,730,924	15,236,393
Total Assets	\$ 108,450,188	\$ 2,931,660	\$ 111,381,848
LIABILITIES			
Accrued liabilities	\$ 10,868,608	\$ 729,603	\$ 11,598,211
Unearned revenue	10,001,395	1,181,263	11,182,658
Total Liabilities	20,870,003	1,910,866	22,780,869
FUND BALANCES			
Nonspendable	10,000	-	10,000
Restricted	40,934,610	1,020,794	41,955,404
Committed	4,597,932	-	4,597,932
Assigned	35,570,564	-	35,570,564
Unassigned	6,467,079	-	6,467,079
Total Fund Balances	87,580,185	1,020,794	88,600,979
Total Liabilities and Fund Balances	\$ 108,450,188	\$ 2,931,660	\$ 111,381,848

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

**CONTRA COSTA COUNTY OFFICE OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET
POSITION
JUNE 30, 2025**

Total Fund Balance - Governmental Funds \$ 88,600,979

Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets:

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

Capital assets	\$ 53,951,732	
Accumulated depreciation	<u>(29,054,862)</u>	24,896,870

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmatrued interest owing at the end of the period was:

(8,637)

Long-term liabilities:

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Taxable Build America Bonds	\$ 296,410	
Compensated absences	4,698,226	
Total OPEB liability	21,013,315	
Net pension liability	<u>57,485,488</u>	(83,493,439)

Deferred outflows and inflows of resources relating to pensions:

In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.

Deferred outflows of resources related to pensions	\$ 21,689,875	
Deferred inflows of resources related to pensions	<u>(4,252,479)</u>	17,437,396

Deferred outflows and inflows of resources relating to OPEB:

In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to OPEB are reported.

Deferred outflows of resources related to OPEB	\$ 4,095,327	
Deferred inflows of resources related to OPEB	<u>(6,393,848)</u>	(2,298,521)

Total Net Position - Governmental Activities		<u>\$ 45,134,648</u>
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**CONTRA COSTA COUNTY OFFICE OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025**

	County School Service Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES			
LCFF sources	\$ 38,435,221	\$ 827,953	\$ 39,263,174
Federal sources	7,445,944	2,787,602	10,233,546
Other state sources	30,087,248	3,907,148	33,994,396
Other local sources	45,812,751	331,040	46,143,791
Total Revenues	121,781,164	7,853,743	129,634,907
EXPENDITURES			
Current			
Instruction	37,282,693	3,190,756	40,473,449
Instruction-related services			
Instructional supervision and administration	14,309,631	2,798,656	17,108,287
Instructional library, media, and technology	907,355	181,633	1,088,988
School site administration	3,369,259	570,962	3,940,221
Pupil services			
Home-to-school transportation	5,485,953	3,420	5,489,373
Food services	107,883	-	107,883
All other pupil services	11,903,136	1,646,871	13,550,007
General administration			
Centralized data processing	4,011,712	1,819	4,013,531
All other general administration	19,605,357	738,638	20,343,995
Plant services	5,303,673	302,463	5,606,136
Facilities acquisition and construction	179,768	21,509	201,277
Enterprise activities	756,928	-	756,928
Transfers to other agencies	9,428	991,968	1,001,396
Debt service			
Principal	307,534	-	307,534
Interest and other	31,891	-	31,891
Total Expenditures	103,572,201	10,448,695	114,020,896
Excess (Deficiency) of Revenues			
Over Expenditures	18,208,963	(2,594,952)	15,614,011
Other Financing Sources (Uses)			
Transfers in	-	2,512,458	2,512,458
Transfers out	(2,512,458)	-	(2,512,458)
Net Financing Sources (Uses)	(2,512,458)	2,512,458	-
NET CHANGE IN FUND BALANCE	15,696,505	(82,494)	15,614,011
Fund Balance - Beginning	71,883,680	1,103,288	72,986,968
Fund Balance - Ending	\$ 87,580,185	\$ 1,020,794	\$ 88,600,979

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

**CONTRA COSTA COUNTY OFFICE OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

Net Change in Fund Balances - Governmental Funds **\$ 15,614,011**

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

Capital outlay:

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

Expenditures for capital outlay:	\$	162,104	
Depreciation expense:		(1,480,717)	(1,318,613)

Debt service:

In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:

307,534

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was:

4,974

Compensated absences:

In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amount earned. The difference between compensated absences paid and compensated absences earned, was:

(294,765)

Postemployment benefits other than pensions (OPEB):

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

56,369

Pensions:

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

4,073,224

Change in Net Position of Governmental Activities

\$ 18,442,734

CONTRA COSTA COUNTY OFFICE OF EDUCATION
 FIDUCIARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2025

	<u>Custodial Fund</u>
	<u>Warrant/Pass-through Fund</u>
ASSETS	
Cash and investments	\$ 14,435,396
Accounts receivable	11,369,719
Total Assets	<u>25,805,115</u>
LIABILITIES	
Accrued liabilities	25,805,115
Total Liabilities	<u>\$ 25,805,115</u>
NET POSITION	
Restricted	-
Unrestricted	\$ -
Total Net Position	<u>\$ -</u>

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

CONTRA COSTA COUNTY OFFICE OF EDUCATION
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 JUNE 30, 2025

	<u>Custodial Fund</u>
	<u>Warrant/Pass-through Fund</u>
ADDITIONS	
Contributions	\$ 375,403,772
Total Additions	<u>375,403,772</u>
DEDUCTIONS	
Due to other agencies	<u>375,403,772</u>
Total Deductions	<u>\$ 375,403,772</u>
CHANGE IN NET POSITION	-
Net Position - Beginning	<u>-</u>
Net Position - Ending	<u>\$ -</u>

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

CONTRA COSTA COUNTY OFFICE OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Contra Costa County Office of Education (the “County Office of Education”) accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's *California School Accounting Manual*. The accounting policies of the County Office of Education conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

The County Office of Education operates under a locally elected Board form of government and provides educational services to grades K-12 as mandated by the state. A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the County Office of Education consists of all funds, departments and agencies that are not legally separate from the County Office of Education. For the County Office of Education, this includes general operations and student-related activities.

B. Component Units

Component units are legally separate organizations for which the County Office of Education is financially accountable. Component units may also include organizations that are fiscally dependent on the County Office of Education in that the County Office of Education approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the County Office of Education is not financially accountable but the nature and significance of the organization's relationship with the County Office of Education is such that exclusion would cause the County Office of Education's financial statements to be misleading or incomplete. The County Office of Education has no such component units.

C. Basis of Presentation

Government-Wide Statements. The statement of net position and the statement of activities display information about the primary government (the County Office of Education). 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 revenue, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the County Office of Education's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reserved for the statement of activities. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting of operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the County Office of Education.

Fund Financial Statements. The fund financial statements provide information about the County Office of Education's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – 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 non-major funds.

CONTRA COSTA COUNTY OFFICE OF EDUCATION
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

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

Fiduciary funds are used to account for resources held for the benefit of parties outside of the County Office of Education that cannot be used to support the County's own programs.

Major Governmental Funds

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

Non-Major Governmental Funds

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

Charter Schools Fund: This fund may be used by authorizing County Office's to account separately for the activities of County Office-operated charter schools that would otherwise be reported in the authorizing County Office's County School Service Fund.

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

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

CONTRA COSTA COUNTY OFFICE OF EDUCATION
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Non-Major Governmental Funds (continued)

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

County School Facilities Fund: This fund is established pursuant to *Education Code Section 17070.43* to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), or the 2004 State School Facilities Fund (Proposition 55) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code Section 17070 et seq.*).

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

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

Warrant/Pass-Through Fund: This fund exists primarily to account separately for amounts collected from employees for federal taxes, state taxes, transfers to credit unions, and other contributions.

D. Basis of Accounting – Measurement Focus

Government-Wide and Fiduciary Fund Financial Statements

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

Net Position equals assets and deferred outflows of resources minus liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. The net position should be reported as restricted when constraints placed on its use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities results from special revenue funds and the restrictions on their use.

Governmental Funds

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting – Measurement Focus (continued)

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Available” means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Generally, “available” means collectible within the current period or within 60 days after year-end. However, to achieve comparability of reporting among California school County Office of Educations and so as not to distort normal revenue patterns, with specific respect to reimbursements grants and corrections to State-aid apportionments, the California Department of Education has defined available for school County Office of Educations as collectible within one year.

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

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

Unearned Revenue

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

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

Expenses/Expenditures

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

CONTRA COSTA COUNTY OFFICE OF EDUCATION
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Cash and Cash Equivalents

The County Office of Education's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

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

Inventories

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

Capital Assets

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

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their acquisition value as of the date received. The County Office of Education maintains a capitalization threshold of \$5,000. The County Office of Education does not own any infrastructure as defined in GASB Statement No. 34. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. All reported capital assets, except for land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings and Improvements	25-50 years
Furniture and Equipment	5-20 years
Vehicles	8 years

CONTRA COSTA COUNTY OFFICE OF EDUCATION
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Compensated Absences

In accordance with GASB Statement No. 101, *Compensated Absences*, accumulated unpaid employee vacation and sick leave benefits are accrued as a liability in the government-wide financial statements as the benefits are earned, provided they accumulate and are more likely than not to be used or paid. The measurement of this liability includes estimated salary amounts and the employer's share of related taxes and benefits, as applicable, that are directly related to these compensated absences.

For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resources. These amounts are recorded in the fund from which the employees who have accumulated leave are paid. For accumulated sick leave benefits, a liability is recognized for the portion that employees have earned and that are more likely than not to be used or paid. The County Office of Education's policy for sick leave recognition aligns with this criterion, accruing the liability based on historical usage patterns and other relevant factors.

Accrued Liabilities and Long-Term Obligations

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

Postemployment Benefits Other Than Pensions (OPEB)

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

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

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

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

Premiums and Discounts

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

CONTRA COSTA COUNTY OFFICE OF EDUCATION
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Pensions

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

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the County Office of Education is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are noted on the following page.

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

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

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

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

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

CONTRA COSTA COUNTY OFFICE OF EDUCATION
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Balance (continued)

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

F. Interfund Activity

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

G. Estimates

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

H. Budgetary Data

The budgetary process is prescribed by provisions of the California Education Code and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The County Office of Education governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for. For purposes of the budget, on-behalf payments have not been included as revenue and expenditures as required under generally accepted accounting principles.

I. Property Tax

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

CONTRA COSTA COUNTY OFFICE OF EDUCATION
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. New Accounting Pronouncements

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for periods beginning after December 15, 2023. The County Office of Education has implemented this Statement as of June 30, 2025.

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This statement is effective for periods beginning after June 15, 2024. The County Office of Education has implemented this Statement as of June 30, 2025.

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

GASB Statement No. 104 – In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The statement is effective for periods beginning after June 15, 2025. The County Office of Education has not yet determined the impact on the financial statements.

NOTE 2 – CASH AND INVESTMENTS

A. Summary of Cash and Investments

	Governmental Activities	Fiduciary Funds
Investment in county treasury	\$ 94,650,868	\$ 14,444,757
Fair value adjustment	(62,575)	(9,361)
Cash with fiscal agent	10,000	-
Local Agency Investment Fund (LAIF)	1,547,162	-
Total	\$ 96,145,455	\$ 14,435,396

CONTRA COSTA COUNTY OFFICE OF EDUCATION
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 2 – CASH AND INVESTMENTS (continued)

B. Policies and Practices

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

Investment in County Treasury – The County Office of Education maintains substantially all of its cash in the County Treasury in accordance with *Education Code Section 41001*. The Contra Costa County Treasurer's pooled investments are managed by the County Treasurer who reports on a monthly basis to the board of supervisors. In addition, the function of the County Treasury Oversight Committee is to review and monitor the County's investment policy. The committee membership includes the Treasurer and Tax Collector, the Auditor-Controller, Chief Administrative Officer, Superintendent of Schools Representative, and a public member. The fair value of the County Office of Education's investment in the pool is based upon the County Office of Education's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Local Agency Investment Fund – The County Office of Education is considered to be a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California government code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the County Office of Education's investment in the pool is reported in the accompanying financial statement at amounts based upon the County Office of Education's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the LAIF, which is recorded on the amortized cost basis.

CONTRA COSTA COUNTY OFFICE OF EDUCATION
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 2 – CASH AND INVESTMENTS (continued)

C. General Authorizations

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

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

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County Office of Education manages its exposure to interest rate risk by investing in the County Treasury. The County Office of Education maintains a pooled investment with the County Treasury with a fair value of \$94,588,293. The average weighted maturity for this pool is 277 days. The Local Agency Investment Fund consists of amounts on deposit with the State Investment Pool with an amortized book value of \$94,650,868 and had the same fair market value.

E. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investments in the County Treasury are not required to be rated.

CONTRA COSTA COUNTY OFFICE OF EDUCATION
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 2 – CASH AND INVESTMENTS (continued)

F. Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the County Office of Education's deposits may not be returned to it. The County Office of Education does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2025, the County Office of Education's bank balance was not exposed to custodial credit risk.

G. Fair Value

The County Office of Education categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, either directly or indirectly.

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

H. Fair Value (continued)

Uncategorized - Investments in the Contra Costa County Treasury Investment Pool and Local Agency Investment Funds are not measured using the input levels above because the County Office of Education'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 County Office of Education's fair value measurements at June 30, 2025 were as follows:

	<u>Uncategorized</u>
Investment in county treasury	\$ 109,023,689
Local Agency Investment Fund (LAIF)	1,547,162
Total	<u>\$ 110,570,851</u>

CONTRA COSTA COUNTY OFFICE OF EDUCATION
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 3 – ACCOUNTS RECEIVABLE

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

	County School Service Fund	Non-Major Governmental Funds	Governmental Activities	Fiduciary Funds
Federal Government				
Categorical aid	\$ 1,615,603	\$ 1,374,925	\$ 2,990,528	\$ -
State Government				
Apportionment	-	2,284	2,284	-
Categorical aid	4,995,191	109,958	5,105,149	-
Lottery	68,571	5,776	74,347	-
Local Government				
Other local sources	6,826,104	237,981	7,064,085	11,369,719
Total	\$ 13,505,469	\$ 1,730,924	\$ 15,236,393	\$ 11,369,719

NOTE 4 – CAPITAL ASSETS

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

	Balance July 01, 2024	Additions	Deletions	Balance June 30, 2025
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 5,558,353	\$ -	\$ -	\$ 5,558,353
Total capital assets not being depreciated	5,558,353	-	-	5,558,353
Capital assets being depreciated				
Land improvements	2,331,603	-	-	2,331,603
Buildings & improvements	40,810,703	83,370	-	40,894,073
Furniture & equipment	5,088,969	89,387	10,653	5,167,703
Total capital assets being depreciated	48,231,275	172,757	10,653	48,393,379
Less: Accumulated depreciation				
Land improvements	1,363,904	98,140	-	1,462,044
Buildings & improvements	22,506,091	1,178,683	-	23,684,774
Furniture & equipment	3,704,150	203,894	-	3,908,044
Total accumulated depreciation	27,574,145	1,480,717	-	29,054,862
Total capital assets being depreciated, net	20,657,130	(1,307,960)	10,653	19,338,517
Governmental Activities				
Capital Assets, net	\$ 26,215,483	\$ (1,307,960)	\$ 10,653	\$ 24,896,870

NOTE 5 – INTERFUND TRANSACTIONS

The individual interfund transfer for the year ended June 30, 2025 consisted of a transfer of \$2,512,458 from the County School Service Fund to the Charter Schools Fund to support the charter school program.

CONTRA COSTA COUNTY OFFICE OF EDUCATION
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 6 – ACCRUED LIABILITIES

Accrued liabilities at June 30, 2025 consisted of the following:

	County School Service Fund	Non-Major Governmental Funds	County-Wide	Governmental Activities	Fiduciary Funds
Vendors payable	\$ 3,402,763	\$ 729,603	\$ -	\$ 4,132,366	25,805,115
Unmatured interest	-	-	8,637	8,637	-
Due to grantor government	7,465,845	-	-	7,465,845	-
Total	\$ 10,868,608	\$ 729,603	\$ 8,637	\$ 11,606,848	\$ 25,805,115

NOTE 7 – UNEARNED REVENUE

Unearned revenue at June 30, 2025 consisted of the following:

	County School Service Fund	Non-Major Governmental Funds	Governmental Activities
Federal sources	\$ 24,985	\$ 118,030	\$ 143,015
State categorical sources	9,382,293	1,063,233	10,445,526
Local sources	594,117	-	594,117
Total	\$ 10,001,395	\$ 1,181,263	\$ 11,182,658

NOTE 8 – LONG-TERM LIABILITIES

A schedule of changes in long-term liabilities for the year ended June 30, 2025 consisted of the following:

	Restated Balance July 01, 2024	Additions	Deductions	Balance June 30, 2025	Balance Due In One Year
Governmental Activities					
Taxable Build America Bonds	\$ 603,944	\$ -	\$ 307,534	296,410	\$ 296,410
Compensated absences*	4,403,461	294,765	-	4,698,226	2,030,934
Total OPEB liability	22,166,909	-	1,153,594	21,013,315	-
Net pension liability	64,326,644	-	6,841,156	57,485,488	-
Total	\$ 91,500,958	\$ 294,765	\$ 8,302,284	\$ 83,493,439	\$ 2,327,344

*The change in the compensated absences liability is presented as a net change.

- Payments for bonds associated with Taxable Build America Bonds are made in the County School Service Fund.

CONTRA COSTA COUNTY OFFICE OF EDUCATION
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 8 – LONG-TERM LIABILITIES

A. Taxable Build America Bonds

On October 15, 2010 the County Office of Education entered into a Taxable Build America Equipment Lease/Purchase agreement with the Bank of America to finance and install solar panels. The agreement does not qualify as a lease under GASB Statement No. 87. The annual requirements to amortize general obligation bonds payable outstanding as of June 30, 2025, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Subsidy</u>	<u>Total</u>
2026	\$ 296,410	\$ 31,891	\$ (11,162)	\$ 317,139
Total	\$ 296,410	\$ 31,891	\$ (11,162)	\$ 317,139

B. Compensated Absences

Beginning total unpaid employee compensated absences was \$4,403,461 after restatement and increased by a net amount of \$294,765 during the year ended June 30, 2025. The ending compensated absences at June 30, 2025 amounted to \$4,698,226. This amount is included as part of long-term liabilities in the government-wide financial statements.

C. Other Postemployment Benefits

The County Office of Education's beginning total OPEB liability was \$22,166,909 and decreased by \$1,153,594 during the year ended June 30, 2025. The ending total OPEB liability at June 30, 2025 was \$21,013,315. See Note 10 for additional information regarding the total OPEB liability.

D. Net Pension Liability

The County Office of Education's beginning net pension liability was \$64,326,644 and decreased by \$6,841,156 during the year ended June 30, 2025. The ending net pension liability at June 30, 2025 was \$57,485,488. See Note 11 for additional information regarding the net pension liability.

CONTRA COSTA COUNTY OFFICE OF EDUCATION
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 9 – FUND BALANCES

Fund balances were composed of the following elements at June 30, 2025:

	County School Service Fund	Non-Major Governmental Funds	Total Governmental Funds
Non-spendable			
Revolving cash	\$ 10,000	\$ -	\$ 10,000
Total non-spendable	10,000	-	10,000
Restricted			
Educational programs	40,934,610	707,786	41,642,396
Capital projects	-	313,008	313,008
Total restricted	40,934,610	1,020,794	41,955,404
Committed			
Other commitments	4,597,932	-	4,597,932
Total committed	4,597,932	-	4,597,932
Assigned			
Other assignments	35,570,564	-	35,570,564
Total assigned	35,570,564	-	35,570,564
Unassigned	6,467,079	-	6,467,079
Total	\$ 87,580,185	\$ 1,020,794	\$ 88,600,979

The County Office of Education is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The County Office of Education's Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to 2 percent of County School Service Fund expenditures and other financing use.

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Plan Description

The County Office of Education's defined benefit OPEB plan, Contra Costa County Office of Education Retiree Benefit Plan (the Plan) is described below. The Plan is a single employer defined benefit plan administered by the County Office of Education which offers medical, dental and vision benefits to both active and retired employees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

CONTRA COSTA COUNTY OFFICE OF EDUCATION
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

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

B. Benefits Provided

The eligibility requirements and benefits provided by the Plan are described below.

	<u>Certificated</u>	<u>Classified</u>	<u>Management</u>
Benefit types provided	Medical, dental and vision	Medical, dental and vision	Medical, dental and vision
Duration of Benefits	Lifetime	Lifetime	Lifetime
Required Service	10 years at age 55; or 5 years at age 60	10 years at age 55; or 5 years at age 60	10 years at age 55; or 5 years at age 60
Minimum Age	55	55	55
Dependent Coverage	No	No	No
County Office of Education Contribution %	100%	100%	100%
County Cap	Pre-65: Highest Single HMO Premium for medical Post 65: PERS minimum	Pre-65: Highest Single HMO Premium for medical Post 65: PERS minimum	Pre-65: Highest Single HMO Premium for medical Post 65: PERS minimum

C. Contributions

For the measurement period, the County Office of Education contributed \$1,209,325 to the Plan, all of which was used for current premiums. There is no actuarially determined contribution, nor any contribution requirement established by statute or contract. The County Office of Education's contribution is currently based on a projected pay as-you-go funding method, that is, benefits are payable when due.

D. Plan Membership

Membership of the Plan consisted of the following:

	<u>Number of participants</u>
Inactive employees receiving benefits	349
Inactive employees entitled to but not receiving benefits*	-
Participating active employees	396
Total number of participants**	745

*Information not provided

**As of the June 30, 2023 valuation date

E. Total OPEB Liability

The County Office of Education's total OPEB liability of \$21,013,315 was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2023.

CONTRA COSTA COUNTY OFFICE OF EDUCATION
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

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

F. 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:

Economic assumptions:

Inflation	2.50%
Salary increase	2.75%
Discount rate	3.93%
Healthcare cost trend rate	4.00%

Non-economic assumptions:

Mortality:

Certificated	2020 CalSTRS Mortality Table
Classified	2021 CalPERS Active Mortality for Miscellaneous Employees Table

Retirement rates:

Certificated	Hired 2012 and earlier: 2020 CalSTRS 2.0%@60 Rates Hired 2013 and later: 2020 CalSTRS 2.0%@62 Rates
Classified	Hired 2012 and earlier: 2021 CalPERS 2.0%@55 Rates for School Employees Hired 2013 and later: 2021 CalPERS 2.0%@62 Rates for Schools Employee
Confidential Management	2021 CalPERS 2.0%@62 Rates for Schools Employees Hired 2012 and earlier: 2021 CalPERS 2.0%@55 Rates for Schools Employees Hired 2013 and later: 2021 CalPERS 2.0%@62 Rates for Schools Employees

The actuarial assumptions used in the June 30, 2023 valuation were based on a review of plan experience during the period July 1, 2021 to June 30, 2023.

The discount rate was based on the Bond Buyer 20 Bond Index. The actuary assumed contributions would be sufficient to fully fund the obligation.

CONTRA COSTA COUNTY OFFICE OF EDUCATION
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

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

G. Changes in Total OPEB Liability

	<u>June 30, 2025</u>
Total OPEB Liability	
Service cost	\$ 1,007,213
Interest on total OPEB liability	805,404
Changes of assumptions	(1,756,886)
Benefits payments	<u>(1,209,325)</u>
Net change in total OPEB liability	(1,153,594)
Total OPEB liability - beginning	<u>22,166,909</u>
Total OPEB liability - ending	<u>\$ 21,013,315</u>
 Plan fiduciary net position	
Covered-employee payroll	\$ 43,814,044
 County Office of Education's total OPEB liability as a percentage of covered-employee payroll	 47.96%

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

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

	1% Decrease	Valuation Discount Rate	1% Increase
	<u>(2.93%)</u>	<u>(3.93%)</u>	<u>(4.93%)</u>
Total OPEB liability	\$ 23,549,979	\$ 21,013,315	\$ 18,888,158

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

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

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
	<u>(3.00%)</u>	<u>(4.00%)</u>	<u>(5.00%)</u>
Total OPEB liability	\$ 18,301,129	\$ 21,013,315	\$ 24,213,477

CONTRA COSTA COUNTY OFFICE OF EDUCATION
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

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

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

For the fiscal year ended June 30, 2025, the County Office of Education recognized OPEB expense of \$1,331,329. At June 30, 2025, the County Office of Education reported deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,034,044	\$ 2,631,968
Changes in assumptions	1,673,585	3,761,880
County Office of Education contributions subsequent to the measurement date	1,387,698	-
Total	\$ 4,095,327	\$ 6,393,848

The \$1,387,698 reported as deferred outflows of resources related to OPEB resulting from County Office of Education contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2026. Other amounts reported deferred outflows and deferred inflows of resources related to pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2026	\$ 1,082,632	\$ 1,477,562
2027	633,548	1,430,187
2028	364,906	1,430,187
2029	356,261	1,293,556
2030	261,660	652,554
Thereafter	8,622	109,802
Total	\$ 2,707,629	\$ 6,393,848

NOTE 11 – PENSION PLANS

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

	Net pension liability	Deferred outflows related to pensions	Deferred inflows related to pensions	Pension expense
CalSTRS Pension	\$ 17,740,988	\$ 6,942,896	\$ 3,968,029	\$ 707,951
CalPERS Pension	39,744,500	14,746,979	284,450	5,159,613
Total	\$ 57,485,488	\$ 21,689,875	\$ 4,252,479	\$ 5,867,564

CONTRA COSTA COUNTY OFFICE OF EDUCATION
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS)

Plan Description

The County Office of Education contributes to the California State Teachers' Retirement System (CalSTRS); a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate annual comprehensive financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, P.O. Box 15275, Sacramento, CA 95851-0275.

Benefits Provided

The CalSTRS defined benefit plan has two benefit formulas:

1. CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor, known as the career factor. The maximum benefit with the career factor is 2.4 percent of final compensation.
2. CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

Contributions

Active plan CalSTRS 2% at 60 and 2% at 62 members are required to contribute 10.25% and 10.205% of their salary for fiscal year 2025, respectively, and the County Office of Education is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2025 was 19.10% of annual payroll. The contribution requirements of the plan members are established by state statute. Contributions to the plan from the County Office of Education were \$3,624,041 for the year ended June 30, 2025.

On-Behalf Payments

The County Office of Education was the recipient of on-behalf payments made by the State of California to CalSTRS for K-12 education. These payments consist of state general fund contributions of approximately \$2,159,067 to CalSTRS.

CONTRA COSTA COUNTY OFFICE OF EDUCATION
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 11 – PENSION PLANS (continued)

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

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

At June 30, 2025, the County Office of Education reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the County Office of Education. The amount recognized by the County Office of Education 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 County Office of Education were as follows:

County Office of Education's proportionate share of the net pension liability	\$	17,740,988
State's proportionate share of the net pension liability associated with the County Office of Education		8,139,751
Total	\$	25,880,739

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2023 and rolling forward the total pension liability to June 30, 2024. The County Office of Education proportion of the net pension liability was based on a projection of the County Office of Education's long-term share of contributions to the pension plan relative to the projected contributions of all participating local education agencies, actuarially determined. At June 30, 2024, the County Office of Education's proportion was 0.026 percent, which was an decrease of 0.004 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the County Office of Education recognized pension expense of \$707,951. In addition, the County Office of Education recognized pension expense and revenue of \$(777,702) for support provided by the State. At June 30, 2025, the County Office of Education reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual earnings on plan investments	\$ -	\$ 71,584
Differences between expected and actual experience	2,006,734	775,803
Changes in assumptions	77,660	1,211,648
Changes in proportion and differences between County Office of Education contributions and proportionate share of contributions	1,234,461	1,908,994
County Office of Education contributions subsequent to the measurement date	3,624,041	-
Total	\$ 6,942,896	\$ 3,968,029

CONTRA COSTA COUNTY OFFICE OF EDUCATION
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 11 – PENSION PLANS (continued)

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

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

The \$3,624,041 reported as deferred outflows of resources related to pensions resulting from County Office of Education contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2026	\$ 623,098	\$ 2,412,894
2027	623,098	(328,496)
2028	584,268	353,111
2029	584,268	1,126,108
2030	583,476	201,809
2031	320,647	202,603
Total	<u>\$ 3,318,855</u>	<u>\$ 3,968,029</u>

Actuarial Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2023, and rolling forward the total pension liability to June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on MP-2021 series tables adjusted to fit CalSTRS experience.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2022.

CONTRA COSTA COUNTY OFFICE OF EDUCATION
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 11 – PENSION PLANS (continued)

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

Actuarial Assumptions (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance–PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 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. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2024, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return*
Public Equity	38%	5.25%
Real Estate	15%	4.05%
Private Equity	14%	6.75%
Fixed Income	14%	2.45%
Risk Mitigating Strategies	10%	2.25%
Inflation Sensitive	7%	3.65%
Cash/Liquidity	2%	0.05%
	<u>100%</u>	

*Real return is net of assumed 2.75% inflation.

Discount Rate

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

Sensitivity of the County Office of Education's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
County Office of Education's proportionate share of the net pension liability	\$ 31,555,412	\$ 17,740,988	\$ 6,205,370

CONTRA COSTA COUNTY OFFICE OF EDUCATION
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 11 – PENSION PLANS (continued)

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

Pension Plan Fiduciary Net Position

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

B. California Public Employees' Retirement System (CalPERS)

Plan Description

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

Benefits Provided

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

Contributions

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

The County Office of Education is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2025 was 27.05% of annual payroll. Contributions to the plan from the County Office of Education were \$6,316,747 for the year ended June 30, 2025.

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

At June 30, 2025, the County Office of Education reported a liability of \$39,744,500 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2023 and rolling forward the total pension liability to June 30, 2024. The County Office of Education's proportion of the net pension liability was based on a projection of the County Office of Education's long-term share of contributions to the pension plan relative to the projected contributions of all participating school County Office of Educations, actuarially determined. At June 30, 2024, the County Office of Education's proportion was 0.111 percent, which was a decrease of 0.004 percent from its proportion measured as of June 30, 2023.

CONTRA COSTA COUNTY OFFICE OF EDUCATION
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 11 – PENSION PLANS (continued)

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

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

For the year ended June 30, 2025, the County Office of Education recognized pension expense of \$5,159,613. At June 30, 2025, the County Office of Education reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual earnings on plan investments	\$ 1,543,844	\$ -
Differences between expected and actual experience	3,331,995	284,450
Changes in assumptions	878,488	-
Changes in proportion and differences between County Office of Education contributions and proportionate share of contributions	2,675,905	-
County Office of Education contributions subsequent to the measurement date	6,316,747	-
Total	<u>\$ 14,746,979</u>	<u>\$ 284,450</u>

The \$6,316,747 reported as deferred outflows of resources related to pensions resulting from County Office of Education contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2026	\$ 3,699,898	\$ 284,450
2027	4,267,582	-
2028	951,248	-
2029	(488,496)	-
Total	<u>\$ 8,430,232</u>	<u>\$ 284,450</u>

Actuarial Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2023, and rolling forward the total pension liability to June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

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

CONTRA COSTA COUNTY OFFICE OF EDUCATION
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 11 – PENSION PLANS (continued)

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

Actuarial Assumptions (continued)

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

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from 2000 to 2019.

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

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

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

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

CONTRA COSTA COUNTY OFFICE OF EDUCATION
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 11 – PENSION PLANS (continued)

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

Discount Rate

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

Sensitivity of the County Office of Education’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the County Office of Education’s proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the County Office of Education’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
County Office of Education's proportionate share of the net pension liability	\$ 59,040,787	\$ 39,744,500	\$ 23,804,231

Pension Plan Fiduciary Net Position

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

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. Grants

The County Office of Education received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the County School Service Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the County Office of Education at June 30, 2025.

B. Litigation

The County Office of Education involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the County Office of Education at June 30, 2025.

C. Construction Commitments

As of June 30, 2025, the County Office of Education had no commitments with respect to unfinished capital projects.

CONTRA COSTA COUNTY OFFICE OF EDUCATION
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 13 – PARTICIPATION IN JOINT POWERS AUTHORITIES

The County Office of Education participates in four joint powers agreement (JPA) entities, the Contra Costa County Schools Insurance Group (CCCSIG), Schools Self-Insurance of Contra Costa County (SSICCC), Alameda Contra Costa Schools Financial Authority JPA, Northern California Regional Liability Excess Fund (ReLiEF), Schools Association for Excess Risk JPA (SAFER), and Northern California Medi-Cal Administrative Services JPA. The County Office of Education pays an annual premium to each entity for its health, workers' compensation, and property liability coverage.

Each JPA is governed by a board consisting of a representative from each member school agency. Each governing board controls the operations of its JPA independent of any influence by the County Office of Education beyond the school agency's representation on the governing boards.

Each JPA is independently accountable for its fiscal matters. Budgets are not subject to any approval other than that of the respective governing boards. Member County Office of Education share surpluses and deficits proportionately to their participation in the JPA.

The relationship between the County Office of Education and the JPAs are such that none of the JPAs are a component unit of the County Office of Education for financial reporting purposes. Financial information for Contra Costa Schools Financial Authority is available from the entity.

NOTE 14 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

A. Pension Plans

Pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the County Office of Education recognized deferred outflows of resources related to pensions and deferred inflows of resources related to pensions in the County Office of Education wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 11. At June 30, 2025, total deferred outflows related to pensions was \$21,689,875 and total deferred inflows related to pensions was \$4,252,479.

B. Other Postemployment Benefits

Pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the County Office of Education recognized deferred outflows of resources related to other postemployment benefits and deferred inflows of resources related to other postemployment benefits in the County Office of Education -wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 10. At June 30, 2025, total deferred outflows related to other postemployment benefits was \$4,095,327 and total deferred inflows related to other postemployment benefits was \$6,393,848.

CONTRA COSTA COUNTY OFFICE OF EDUCATION
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 15 – RESTATEMENT OF NET POSITION

The beginning net position of the Governmental Activities has been restated due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. GASB 101 establishes recognition and measurement guidance for liabilities related to compensated absences, requiring that the liability be recognized when leave is attributable to services already rendered and it is probable that the leave will be used or paid. This standard supersedes certain provisions of GASB Statement No. 16.

The cumulative effect of applying GASB 101 required a restatement of the beginning net position, as follows:

	Governmental Activities
Net Position - Beginning, as Previously Reported	\$ 29,679,605
Restatement	<u>(2,987,691)</u>
Net Position - Beginning, as Restated	<u>\$ 26,691,914</u>

REQUIRED SUPPLEMENTARY INFORMATION

**CONTRA COSTA COUNTY OFFICE OF EDUCATION
COUNTY SCHOOL SERVICE FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual*	Variances -
	Original	Final	(Budgetary Basis)	Final to Actual
REVENUES				
LCFF sources	\$ 37,879,859	\$ 38,511,665	\$ 38,435,221	\$ (76,444)
Federal sources	5,022,832	7,802,475	7,445,944	(356,531)
Other state sources	20,696,760	21,574,118	30,087,248	8,513,130
Other local sources	34,813,302	50,294,475	44,734,653	(5,559,822)
Total Revenues	98,412,753	118,182,733	120,703,066	2,520,333
EXPENDITURES				
Certificated salaries	17,320,351	18,541,842	17,982,957	558,885
Classified salaries	22,129,271	23,651,830	22,960,045	691,785
Employee benefits	25,574,669	25,721,948	24,564,361	1,157,587
Books and supplies	1,571,111	2,190,735	1,548,591	642,144
Services and other operating expenditures	28,608,676	44,514,599	36,670,181	7,844,418
Capital outlay	1,767,613	1,393,508	235,851	1,157,657
Other outgo				
Excluding transfers of indirect costs	422,155	376,950	348,853	28,097
Transfers of indirect costs	(571,807)	(779,922)	(738,638)	(41,284)
Total Expenditures	96,822,039	115,611,490	103,572,201	12,039,289
Excess (Deficiency) of Revenues				
Over Expenditures	1,590,714	2,571,243	17,130,865	14,559,622
Other Financing Sources (Uses)				
Transfers out	3,470,529	4,425,348	(4,212,458)	(8,637,806)
Net Financing Sources (Uses)	3,470,529	4,425,348	(4,212,458)	(8,637,806)
NET CHANGE IN FUND BALANCE	5,061,243	6,996,591	12,918,407	5,921,816
Fund Balance - Beginning	40,874,823	49,670,533	49,670,533	-
Fund Balance - Ending	\$ 45,936,066	\$ 56,667,124	\$ 62,588,940	\$ 5,921,816

*Actual amounts reported in this schedule are for the County School Service Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Special Reserve Fund for Other Than Capital Outlay Projects and the Special Reserve Fund for Post-Employment Benefits, in accordance with the fund type definitions promulgated by GASB Statement No. 54. Additionally, the schedule above does not reflect reclassifying journal entries.

**CONTRA COSTA COUNTY OFFICE OF EDUCATION
SCHEDULE OF CHANGES IN THE COUNTY OFFICE OF EDUCATION'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2025**

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability								
Service cost	\$ 1,007,213	\$ 1,151,047	\$ 1,470,545	\$ 1,415,849	\$ 1,039,737	\$ 1,132,087	\$ 1,101,788	\$ 1,072,300
Interest on total OPEB liability	805,404	693,298	487,056	584,692	749,147	781,678	776,033	685,731
Difference between expected and actual experience	-	1,232,807	16,381	(5,328,329)	170,779	(850,127)	-	-
Changes of assumptions	(1,756,886)	793,918	(3,685,911)	336,963	4,127,583	737,732	(799,372)	-
Benefits payments	(1,209,325)	(1,265,685)	(1,063,983)	(1,007,758)	(1,100,338)	(913,389)	(976,702)	(939,137)
Net change in total OPEB liability	(1,153,594)	2,605,385	(2,775,912)	(3,998,583)	4,986,908	887,981	101,747	818,894
Total OPEB liability - beginning	22,166,909	19,561,524	22,337,436	26,336,019	21,349,111	20,461,130	20,359,383	19,540,489
Total OPEB liability - ending	\$ 21,013,315	\$ 22,166,909	\$ 19,561,524	\$ 22,337,436	\$ 26,336,019	\$ 21,349,111	\$ 20,461,130	\$ 20,359,383
 Covered-employee payroll	 \$ 43,814,044	 \$ 38,283,319	 \$ 36,162,441	 \$ 30,399,514	 \$ 28,793,096	 \$ 32,536,836	 \$ 35,543,875	 \$ 34,310,946
 County Office of Education's total OPEB liability as a percentage of covered-employee payroll	 47.96%	 57.90%	 54.09%	 73.48%	 91.47%	 65.62%	 57.57%	 59.34%

See accompanying note to required supplementary information.

**CONTRA COSTA COUNTY OFFICE OF EDUCATION
SCHEDULE OF THE COUNTY OFFICE OF EDUCATION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
County Office of Education's proportion of the net pension liability	0.026%	0.030%	0.024%	0.025%	0.027%	0.031%	0.034%	0.033%	0.034%	0.037%
County Office of Education's proportionate share of the net pension liability	\$ 17,740,988	\$ 22,657,684	\$ 17,002,644	\$ 11,249,850	\$ 25,920,249	\$ 30,644,243	\$ 31,515,290	\$ 30,685,401	\$ 27,801,600	\$ 25,115,191
State's proportionate share of the net pension liability associated with the County Office of Education	8,139,751	10,856,130	8,514,974	5,660,606	13,361,783	12,363,715	18,044,066	18,153,372	15,829,285	13,283,132
Total	<u>\$ 25,880,739</u>	<u>\$ 33,513,814</u>	<u>\$ 25,517,618</u>	<u>\$ 16,910,456</u>	<u>\$ 39,282,032</u>	<u>\$ 43,007,958</u>	<u>\$ 49,559,356</u>	<u>\$ 48,838,773</u>	<u>\$ 43,630,885</u>	<u>\$ 38,398,323</u>
County Office of Education's covered payroll	\$ 17,682,772	\$ 17,960,753	\$ 14,283,526	\$ 14,053,292	\$ 14,843,383	\$ 18,647,083	\$ 18,477,381	\$ 16,123,268	\$ 17,342,557	\$ 17,288,711
County Office of Education's proportionate share of the net pension liability as a percentage of its covered payroll	100.33%	126.15%	119.04%	80.05%	174.62%	164.34%	170.56%	190.32%	160.31%	145.27%
Plan fiduciary net position as a percentage of the total pension liability	83.55%	80.62%	81.20%	87.21%	71.82%	72.56%	70.99%	69.46%	70.04%	74.02%

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

**CONTRA COSTA COUNTY OFFICE OF EDUCATION
SCHEDULE OF THE COUNTY OFFICE OF EDUCATION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALPERS
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
County Office of Education's proportion of the net pension liability	0.111%	0.115%	0.108%	0.105%	0.112%	0.123%	0.122%	0.120%	0.123%	0.129%
County Office of Education's proportionate share of the net pension liability	\$ 39,744,500	\$ 41,668,960	\$ 37,044,327	\$ 21,273,464	\$ 34,290,526	\$ 35,872,169	\$ 32,513,602	\$ 28,724,680	\$ 24,307,612	\$ 19,052,770
County Office of Education's covered payroll	\$ 20,600,547	\$ 20,347,569	\$ 16,424,868	\$ 9,873,955	\$ 10,473,434	\$ 17,421,911	\$ 16,778,845	\$ 16,921,415	\$ 15,710,980	\$ 14,815,296
County Office of Education's proportionate share of the net pension liability as a percentage of its covered payroll	192.93%	204.79%	225.54%	215.45%	327.40%	205.90%	193.78%	169.75%	154.72%	128.60%
Plan fiduciary net position as a percentage of the total pension liability	72.29%	69.96%	69.76%	80.97%	70.00%	70.05%	70.85%	71.87%	73.90%	79.43%

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

See accompanying note to required supplementary information.

**CONTRA COSTA COUNTY OFFICE OF EDUCATION
SCHEDULE OF COUNTY OFFICE OF EDUCATION CONTRIBUTIONS - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Contractually required contribution	\$ 3,624,041	\$ 3,427,817	\$ 3,419,013	\$ 2,420,525	\$ 2,214,481	\$ 2,580,802	\$ 2,932,904	\$ 3,126,500	\$ 2,223,232	\$ 1,868,188
Contributions in relation to the contractually required contribution*	(3,624,041)	(3,427,817)	(3,419,013)	(2,420,525)	(2,214,481)	(2,580,802)	(2,932,904)	(3,126,500)	(2,223,232)	(1,868,188)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County Office of Education's covered payroll	\$ 19,813,089	\$ 17,682,772	\$ 17,960,753	\$ 14,283,526	\$ 14,053,292	\$ 14,843,383	\$ 18,647,083	\$ 18,477,381	\$ 16,123,268	\$ 17,342,557
Contributions as a percentage of covered payroll	18.29%	19.39%	19.04%	16.95%	15.76%	17.39%	15.73%	16.92%	13.79%	10.77%

*Amounts do not include on-behalf contributions

**CONTRA COSTA COUNTY OFFICE OF EDUCATION
SCHEDULE OF COUNTY OFFICE OF EDUCATION CONTRIBUTIONS - CALPERS
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Contractually required contribution	\$ 6,316,747	\$ 5,885,190	\$ 5,170,791	\$ 3,891,428	\$ 3,206,595	\$ 3,227,418	\$ 3,052,596	\$ 2,567,223	\$ 2,192,326	\$ 1,820,287
Contributions in relation to the contractually required contribution*	(6,316,747)	(5,885,190)	(5,170,791)	(3,891,428)	(3,206,595)	(3,227,418)	(3,052,596)	(2,567,223)	(2,192,326)	(1,820,287)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County Office of Education's covered payroll	\$ 24,000,955	\$ 20,600,547	\$ 20,347,569	\$ 16,424,868	\$ 9,873,955	\$ 10,473,434	\$ 17,421,911	\$ 16,778,845	\$ 16,921,415	\$ 15,710,980
Contributions as a percentage of covered payroll	26.32%	28.57%	25.41%	23.69%	32.48%	30.82%	17.52%	15.30%	12.96%	11.59%

*Amounts do not include on-behalf contributions

See accompanying note to required supplementary information.

**CONTRA COSTA COUNTY OFFICE OF EDUCATION
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

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

Schedule of Changes in Total OPEB Liability and Related Ratios

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

Changes in Benefit Terms

There were no changes in OPEB benefit terms since the prior measurement date.

Changes in Assumptions

The discount rate changed from 3.65% to 3.93% since the prior measurement.

Schedule of the County Office of Education's Proportionate Share of the Net Pension Liability

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. The schedule presents the County Office of Education's proportion (percentage) of the collective net pension liability, the County Office of Education's proportionate share (amount) of the collective net pension liability, the County Office of Education's covered payroll, the County Office of Education's proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability.

Changes in Benefit Terms

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

Changes in Assumptions

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

Schedule of County Office of Education Contributions

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. The schedule presents the County Office of Education's statutorily or contractually required employer contribution, the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the difference between the statutorily or contractually required employer contribution and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the County Office of Education's covered payroll, and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution as a percentage of the County Office of Education's covered payroll.

**CONTRA COSTA COUNTY OFFICE OF EDUCATION
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2025, the County Office of Education incurred an excess of expenditures over appropriations in individual major funds presented in the Budgetary Comparison Schedule by major object code as follows:

	Expenditures and Other Uses		
	Budget	Actual	Excess
County School Service Fund			
Other outgo			
Transfers of indirect costs	\$ (779,922)	\$ (738,638)	\$ 41,284

SUPPLEMENTARY INFORMATION

**CONTRA COSTA COUNTY OFFICE OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor/Program or Cluster	AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF EDUCATION:			
<i>Passed through California Department of Education:</i>			
Title I, Part A			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	\$ 1,126,678
Comprehensive Support and Improvement for LEAs	84.010	15438	185,642
ESEA: ESSA School Improvement (CSI) funding for COEs	84.010	15439	354,945
Title I, Part D, Local Delinquent Programs	84.010	14357	300,652
Subtotal Title I, Part A			<u>1,967,917</u>
Adult Education: Adult Secondary Education	84.002	13978	147,076
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	16,166
Title II, Comprehensive Literacy State Development (CLSD) Grant	84.371	15493	647,663
Title III, Technical Assistance	84.365	14967	187,008
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	92,603
Department of Rehabilitation: Workability II, Transitions Partnership Program	84.126	10006	624,074
Special Education Cluster			
IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	29,254
IDEA Mental Health Average Daily Attendance (ADA) Allocation, Part B, Sec 611	84.027A	15197	3,227
Subtotal Special Education Cluster			<u>32,481</u>
IDEA Early Intervention Grants, Part C	84.181	23761	194,613
Education for Homeless Children and Youth, Subtitle VII-B McKinney-Vento Act	84.196	14332	429,060
COVID-19 Emergency Acts Funding/Education Stabilization Fund Discretionary Grants:			
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425	15559	134,730
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs	84.425	15620	118,644
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	84.425	15621	187,375
American Rescue Plan-Homeless Children and Youth (ARP-HCY) Program	84.425	15564	30,553
ARP Homeless Children and Youth - Statewide Activities (ARP- HYC Statewide Activities)	84.425	15636	2,796,340
American Rescue Plan - Homeless Children and Youth II (ARP HYC II) Program	84.425	15566	3,550
Subtotal Education Stabilization Fund Discretionary Grants			<u>3,271,192</u>
Total U. S. Department of Education			<u>7,609,853</u>
U. S. DEPARTMENT OF AGRICULTURE:			
<i>Passed through California Department of Education:</i>			
Child Nutrition Cluster			
School Breakfast Program - Needy	10.553	13526	20,374
National School Lunch Program	10.555	13391	34,049
Subtotal Child Nutrition Cluster			<u>54,423</u>
Total U. S. Department of Agriculture			<u>54,423</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
<i>Passed through California Department of Education:</i>			
Child Care and Development Block Grant			
Child Development: Quality Improvement Activities	93.575	14130	1,351,178
Federal Local Planning Councils	93.575	13946	124,104
Subtotal Child Care and Development Block Grant			<u>1,475,282</u>
Title IV-E, Foster Youth	93.600	10016	86,898
Total U. S. Department of Health & Human Services			<u>1,562,180</u>
U. S. DEPARTMENT OF THE TREASURY:			
<i>Passed through California Department of Education:</i>			
COVID-19 Emergency Acts Funding:			
Workforce Investment Grant	17.259	10055	1,007,090
Total U. S. Department of the Treasury			<u>1,007,090</u>
Total Federal Expenditures			<u>\$ 10,233,546</u>

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

**CONTRA COSTA COUNTY OFFICE OF EDUCATION
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2025**

Golden Gate Community Charter School

Grade Level	Minutes Requirement	Actual Instructional Minutes	Number of Days	Status
Grade 6	54,000	66,060	180	Complied
Grade 7	54,000	66,600	180	Complied
Grade 8	54,000	66,600	180	Complied
Grade 9	64,800	66,600	180	Complied
Grade 10	64,800	66,600	180	Complied
Grade 11	64,800	66,600	180	Complied
Grade 12	64,800	66,600	180	Complied

**CONTRA COSTA COUNTY OFFICE OF EDUCATION
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)
FOR THE YEAR ENDED JUNE 30, 2025**

	Second Period Report	Annual Report
GOLDEN GATE COMMUNITY CHARTER SCHOOL		
NONCLASSROOM-BASED CHARTER SCHOOL		
Nonclassroom-based Seventh through Eighth		
Community Day School	2.05	3.34
Total Nonclassroom-based Seventh through Eighth	2.05	3.34
Nonclassroom-based Ninth through Twelfth		
Community Day School	47.68	51.12
Total Nonclassroom-based Ninth through Twelfth	47.68	51.12
TOTAL NONCLASSROOM-BASED CHARTER SCHOOL	49.73	54.46
TOTAL CHARTER SCHOOL	49.73	54.46

	Second Period Report	Annual Report
DISTRICT FUNDED COUNTY PROGRAMS		
TK/K through Third		
Special Education - Special Day Class	22.90	24.70
Extended Year Special Education - Nonpublic Schools	3.42	2.65
Total TK/K through Third	26.32	27.35
Fourth through Sixth		
Special Education - Special Day Class	21.10	22.88
Extended Year Special Education - Nonpublic Schools	3.27	1.67
Total Fourth through Sixth	24.37	24.55
Seventh through Eighth		
Special Education - Special Day Class	16.64	17.34
Extended Year Special Education - Nonpublic Schools	1.38	1.38
Total Seventh through Eighth	18.02	18.72
Ninth through Twelfth		
Special Education - Special Day Class	82.58	81.65
Extended Year Special Education - Nonpublic Schools	6.15	6.15
Total Ninth through Twelfth	88.73	87.80
Total District Funded County Programs	157.44	158.42

	Second Period Report	Annual Report
JUVENILE COURT SCHOOLS		
ELEMENTARY		
Juvenile Halls, Homes, and Camps	2.36	2.23
Total Elementary	2.36	2.23
SECONDARY		
Juvenile Halls, Homes, and Camps	49.27	46.94
Total Secondary	49.27	46.94
Total Juvenile Court Schools	51.63	49.17
ADULTS		
Adults in Correctional Facilities	233.65	247.11

**CONTRA COSTA COUNTY OFFICE OF EDUCATION
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

	2026 (Budget)	2025	2024	2023
County School Service Fund - Budgetary Basis**				
Revenues And Other Financing Sources	\$ 104,643,336	\$ 120,703,066	\$ 94,239,952	\$ 80,809,742
Expenditures And Other Financing Uses	110,093,685	107,784,659	90,218,352	83,364,917
Net change in Fund Balance	<u>\$ (5,450,349)</u>	<u>\$ 12,918,407</u>	<u>\$ 4,021,600</u>	<u>\$ (2,555,175)</u>
Ending Fund Balance	<u>\$ 57,138,591</u>	<u>\$ 62,588,940</u>	<u>\$ 40,874,823</u>	<u>\$ 36,853,223</u>
Available Reserves*	<u>\$ 6,605,621</u>	<u>\$ 6,467,079</u>	<u>\$ 5,212,728</u>	<u>\$ 7,700,231</u>
Available Reserves As A Percentage Of Outgo	<u>6.00%</u>	<u>6.00%</u>	<u>5.78%</u>	<u>9.24%</u>
Long-term Liabilities	<u>\$ 81,166,095</u>	<u>\$ 57,485,488</u>	<u>\$ 75,786,744</u>	<u>\$ 57,213,716</u>
Average Daily Attendance At P-2	<u>234</u>	<u>234</u>	<u>251</u>	<u>267</u>

The County School Service Fund balance has increased by \$25,735,717 over the past two years. However, the fiscal year 2025-26 budget projects a decrease of \$5,450,349. For a County Office of Education this size, the State recommends available reserves of at least 2% of County School Service Fund expenditures, transfers out, and other uses (total outgo).

The County Office of Education has incurred operating surpluses in two of the past three years but anticipates incurring an operating deficit during the 2025-26 fiscal year. Total long-term obligations have increased by \$271,772 over the past two years.

Average daily attendance has decreased by 33 ADA over the past two years. No change in ADA is anticipated during the 2025-26 fiscal year.

*Available reserves consist of all unassigned fund balance within the County School Service Fund.

**The actual amounts reported in this schedule are for the County School Service Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Special Reserve Fund for Other Than Capital Outlay Projects and the Special Reserve Fund for Postemployment Benefits, in accordance with the fund type definitions promulgated by GASB Statement No. 54.

**CONTRA COSTA COUNTY OFFICE OF EDUCATION
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

	County School Service Fund	Special Reserve Fund for Other Than Capital Outlay Projects	Special Reserve Fund for Postemployment Benefits
June 30, 2025, annual financial and budget report fund balance	\$ 62,588,940	\$ 9,138,633	\$ 15,852,612
Adjustments and reclassifications:			
Increase (decrease) in total fund balances:			
Fund balance transfer (GASB 54)	24,991,245	(9,138,633)	(15,852,612)
Net adjustments and reclassifications	24,991,245	(9,138,633)	(15,852,612)
June 30, 2025, audited financial statement fund balance	<u>\$ 87,580,185</u>	<u>\$ -</u>	<u>\$ -</u>

**CONTRA COSTA COUNTY OFFICE OF EDUCATION
SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2025**

Charter #	Charter School	Status	Included in Audit Report
333	Manzanita Middle	Active	No
868	Making Waves Academy	Active	No
1400	Clayton Valley Charter High	Active	No
1622	Caliber: Beta Academy	Active	No
1650	Summit Public School K2	Active	No
1773	Contra Costa School of Performing Arts	Active	No
1887	Golden Gate Community Charter School	Active	Yes
1933	Invictus Academy of Richmond	Active	No

**CONTRA COSTA COUNTY OFFICE OF EDUCATION
COMBINING BALANCE SHEET
JUNE 30, 2025**

	Charter Schools Fund	Adult Education Fund	Child Development Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds
ASSETS						
Cash and investments	\$ 164,242	\$ 217,722	\$ 505,764	\$ 219,101	\$ 93,907	\$ 1,200,736
Accounts receivable	494,444	1	1,236,479	-	-	1,730,924
Total Assets	\$ 658,686	\$ 217,723	\$ 1,742,243	\$ 219,101	\$ 93,907	\$ 2,931,660
LIABILITIES						
Accrued liabilities	\$ 22,816	\$ 29,541	\$ 677,246	\$ -	\$ -	\$ 729,603
Unearned revenue	118,030	-	1,063,233	-	-	1,181,263
Total Liabilities	140,846	29,541	1,740,479	-	-	1,910,866
FUND BALANCES						
Restricted	517,840	188,182	1,764	219,101	93,907	1,020,794
Total Fund Balances	517,840	188,182	1,764	219,101	93,907	1,020,794
Total Liabilities and Fund Balances	\$ 658,686	\$ 217,723	\$ 1,742,243	\$ 219,101	\$ 93,907	\$ 2,931,660

See accompanying note to supplementary information.

**CONTRA COSTA COUNTY OFFICE OF EDUCATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025**

	Charter Schools Fund	Adult Education Fund	Child Development Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds
REVENUES						
LCFF sources	\$ 827,953	\$ -	\$ -	\$ -	\$ -	\$ 827,953
Federal sources	1,312,320	-	1,475,282	-	-	2,787,602
Other state sources	445,660	2,230,857	1,230,631	-	-	3,907,148
Other local sources	6,200	1,813	308,104	10,564	4,359	331,040
Total Revenues	2,592,133	2,232,670	3,014,017	10,564	4,359	7,853,743
EXPENDITURES						
Current						
Instruction	2,762,855	427,901	-	-	-	3,190,756
Instruction-related services						
Instructional supervision and administration	302,472	226,536	2,269,648	-	-	2,798,656
Instructional library, media, and technology	71,862	109,771	-	-	-	181,633
School site administration	480,272	90,690	-	-	-	570,962
Pupil services						
Home-to-school transportation	3,420	-	-	-	-	3,420
All other pupil services	806,352	318,679	521,840	-	-	1,646,871
General administration						
Centralized data processing	1,819	-	-	-	-	1,819
All other general administration	477,835	42,128	218,675	-	-	738,638
Plant services	302,463	-	-	-	-	302,463
Facilities acquisition and construction	-	-	-	21,509	-	21,509
Transfers to other agencies	-	991,968	-	-	-	991,968
Total Expenditures	5,209,350	2,207,673	3,010,163	21,509	-	10,448,695
Excess (Deficiency) of Revenues Over Expenditures	(2,617,217)	24,997	3,854	(10,945)	4,359	(2,594,952)
Other Financing Sources (Uses)						
Transfers in	2,512,458	-	-	-	-	2,512,458
Net Financing Sources (Uses)	2,512,458	-	-	-	-	2,512,458
NET CHANGE IN FUND BALANCE	(104,759)	24,997	3,854	(10,945)	4,359	(82,494)
Fund Balance - Beginning	622,599	163,185	(2,090)	230,046	89,548	1,103,288
Fund Balance - Ending	\$ 517,840	\$ 188,182	\$ 1,764	\$ 219,101	\$ 93,907	\$ 1,020,794

See accompanying note to supplementary information.

**CONTRA COSTA COUNTY OFFICE OF EDUCATION
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the County Office of Education and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

The County Office of Education has not elected to use the de minimis indirect cost rate of up to 15 percent.

Schedule of Average Daily Attendance (ADA)

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the County of Education. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to local education agencies. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

Schedule of Instructional Time

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

Schedule of Financial Trends and Analysis

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

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

Schedule of Charter Schools

This schedule lists all Charter Schools chartered by the County Office of Education and displays information for each Charter School on whether or not the Charter School is included in the County Office of Education audit.

Combining Statements – Non-Major Funds

These statements provide information on the County Office of Education's non-major funds.

OTHER INFORMATION

**CONTRA COSTA COUNTY OFFICE OF EDUCATION
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
JUNE 30, 2025**

The Contra Costa County Office of Education was organized in 1865 under the laws of the State of California. The County Office of Education is the administrative agency for nine elementary school districts, seven unified school districts, two high school districts, one community college and one charter school. There were no changes in the boundaries in the current year.

GOVERNING BOARD

Member	Office	Term Expires
Annette Lewis	Vice President	December 9, 2026
Sarah Butler	Vice President	December 13, 2026
Yazmin Llamas	Member	December 15, 2028
Mike Maxwell	Member	December 9, 2026
Daniel Nathan-Heiss	Member	December 15, 2028

COUNTY OFFICE OF EDUCATION ADMINISTRATORS

Lynn Mackey
Superintendent

Daniela Parasidis
Deputy Superintendent, Business Services

Hector Galicia
Assistant Superintendent, Human Resources

Nick Berger
Senior Director of Student Programs and Services

Shannon Ortland
Assistant Superintendent of Educational Services

Marcus Walton
Director II, Communications and Special Projects

Michelle Kiernan
Executive Assistant to Board and Superintendent

Natalia Ciccone
Executive Assistant to Board and Superintendent

OTHER INDEPENDENT AUDITORS' REPORTS

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

Governing Board
Contra Costa County Office of Education
Pleasant Hill, 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 Contra Costa County Office of Education, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Contra Costa County Office of Education's basic financial statements, and have issued our report thereon dated January 20, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Contra Costa County Office of Education'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 Contra Costa County Office of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of Contra Costa County Office of Education'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 Contra Costa County Office of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



San Diego, California
January 20, 2026

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

Governing Board
Contra Costa County Office of Education
Pleasant Hill, California

Report on Compliance for Each Major Federal Program***Opinion on Each Major Federal Program***

We have audited Contra Costa County Office of Education'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 Contra Costa County Office of Education's major federal programs for the year ended June 30, 2025. Contra Costa County Office of Education'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, Contra Costa County Office of Education 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 (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit for Compliance

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Contra Costa County Office of Education's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Contra Costa County Office of Education'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 Contra Costa County Office of Education's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

Report on Internal Control Over Compliance (continued)

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

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

A handwritten signature in blue ink that reads "Christy White, Inc". The signature is written in a cursive, flowing style.

San Diego, California
January 20, 2026

**REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL
OVER COMPLIANCE FOR STATE PROGRAMS**Independent Auditors' Report

Governing Board
Contra Costa County Office of Education
Pleasant Hill, California

Report on State Compliance***Opinion on State Compliance***

We have audited Contra Costa County Office of Education's compliance with the requirements specified in the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to Contra Costa County Office of Education's state program requirements as identified in the table in the Auditor's Responsibilities for the Audit of State Compliance section of our report for the year ended June 30, 2025.

In our opinion, Contra Costa County Office of Education complied, in all material respects, with the laws and regulations of the applicable laws and regulations of the applicable state programs for the year ended June 30, 2025.

Basis for Opinion on State Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* (the K-12 Audit Guide). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of State Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of State Compliance

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, and the K-12 Audit Guide, we:

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

PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other Than Charter Schools	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Independent Study	No
Continuation Education	Not Applicable
Instructional Time	Not Applicable
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Not Applicable
Classroom Teacher Salaries	Not Applicable
Early Retirement Incentive	Not Applicable
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Yes
Middle or Early College High Schools or Programs	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

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

PROGRAM NAME	PROCEDURES PERFORMED
School Districts, County Offices of Education, and Charter Schools	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Not Applicable
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	Not Applicable
Transitional Kindergarten	Yes
Kindergarten Continuance	Not Applicable
Charter Schools	
Attendance; for charter schools	Yes
Mode of Instruction; for charter schools	Not Applicable
Nonclassroom-Based Instruction/Independent Study; for charter schools	Yes
Determination of Funding for Nonclassroom-Based Instruction; for charter schools	Yes
Annual Instructional Minutes - Classroom Based	Yes
Charter School Facility Grant Program	Not Applicable

We did not perform testing for the independent study program because ADA was not material.

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

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state 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 state 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.

Report on Internal Control Over Compliance (continued)

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the K-12 Audit Guide. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Christy White, Inc". The signature is written in a cursive, flowing style.

San Diego, California
January 20, 2026

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**CONTRA COSTA COUNTY OFFICE OF EDUCATION
SUMMARY OF AUDITORS' RESULTS
FOR THE 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(ies) identified?	<u>None Reported</u>
Non-compliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major program:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Type of auditors' report issued:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)?	<u>No</u>
Identification of major programs:	

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>93.575</u>	<u>Child Care and Development Block Grant</u>
<u>84.425</u>	<u>Education Stabilization Fund Discretionary Grants</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

Internal control over state programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Any audit findings disclosed that are required to be reported in accordance with <i>2024-25 Guide for Annual Audits of California K-12 Local Education Agencies ?</i>	<u>No</u>
Type of auditors' report issued on compliance for state programs:	<u>Unmodified</u>

**CONTRA COSTA COUNTY OFFICE OF EDUCATION
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

FIVE DIGIT CODE

20000
30000
60000

AB 3627 FINDING TYPE

Inventory of Equipment
Internal Control
Miscellaneous

There were no financial statement findings for the year ended June 30, 2025.

**CONTRA COSTA COUNTY OFFICE OF EDUCATION
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

FIVE DIGIT CODE

50000

AB 3627 FINDING TYPE

Federal Compliance

There were no federal award findings or questioned costs for the year ended June 30, 2025.

**CONTRA COSTA COUNTY OFFICE OF EDUCATION
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

FIVE DIGIT CODE

10000
40000
42000
43000
60000
61000
62000
70000
71000
72000

AB 3627 FINDING TYPE

Attendance
State Compliance
Charter School Facilities Programs
Apprenticeship: Related and Supplemental Instruction
Miscellaneous
Classroom Teacher Salaries
Local Control Accountability Plan
Instructional Materials
Teacher Misassignments
School Accountability Report Card

There were no state award findings or questioned costs for the year ended June 30, 2025.

**CONTRA COSTA COUNTY OFFICE OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

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