

EDEN AREA REGIONAL OCCUPATIONAL PROGRAM

AUDIT REPORT

JUNE 30, 2025

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
TABLE OF CONTENTS
JUNE 30, 2025**

FINANCIAL SECTION

Report on the Audit of the Financial Statements	1
Management’s Discussion and Analysis.....	4
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position.....	11
Statement of Activities	12
Fund Financial Statements	
Governmental Funds – Balance Sheet.....	13
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	14
Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances.....	15
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	16
Notes to Financial Statements.....	18

REQUIRED SUPPLEMENTARY INFORMATION

General Fund – Budgetary Comparison Schedule	50
Schedule of Changes in Net OPEB Liability and Related Ratios.....	51
Schedule of OPEB Contributions	52
Schedule of OPEB Investment Returns	53
Schedule of the Program’s Proportionate Share of the Net Pension Liability - CalSTRS	54
Schedule of the Program’s Proportionate Share of the Net Pension Liability - CalPERS	55
Schedule of Program Contributions - CalSTRS	56
Schedule of Program Contributions - CalPERS	57
Notes to Required Supplementary Information	58

SUPPLEMENTARY INFORMATION

Schedule of Financial Trends and Analysis	60
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements	61
Notes to Supplementary Information	62

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
TABLE OF CONTENTS
JUNE 30, 2025**

OTHER INFORMATION

Local Education Agency Organization Structure63

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*.....64
Report on State Compliance and on Internal Control over Compliance for State Programs.....66

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of Auditors' Results.....70
Financial Statement Findings71
State Award Findings and Questioned Costs72
Summary Schedule of Prior Audit Findings.....73

FINANCIAL SECTION

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTSIndependent Auditors' Report

Governing Board
Eden Area Regional Occupational Program
Hayward, California

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

We have audited the accompanying financial statements of the governmental activities and each major fund of the Eden Area Regional Occupational Program, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Eden Area Regional Occupational Program'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, and each major fund of the Eden Area Regional Occupational Program, 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 Eden Area Regional Occupational Program 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 Eden Area Regional Occupational Program 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 Eden Area Regional Occupational Program'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 Eden Area Regional Occupational Program'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 Eden Area Regional Occupational Program'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, schedule of OPEB contributions, schedule of OPEB investment returns, schedules of proportionate share of net pension liability, and schedules of program 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 Eden Area Regional Occupational Program's basic financial statements. The supplementary information listed in the table of contents 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 December 18, 2025 on our consideration of the Eden Area Regional Occupational Program'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 Eden Area Regional Occupational Program'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 Eden Area Regional Occupational Program's internal control over financial reporting and compliance.



San Diego, California
December 18, 2025

\

EDEN AREA REGIONAL OCCUPATIONAL PROGRAM MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

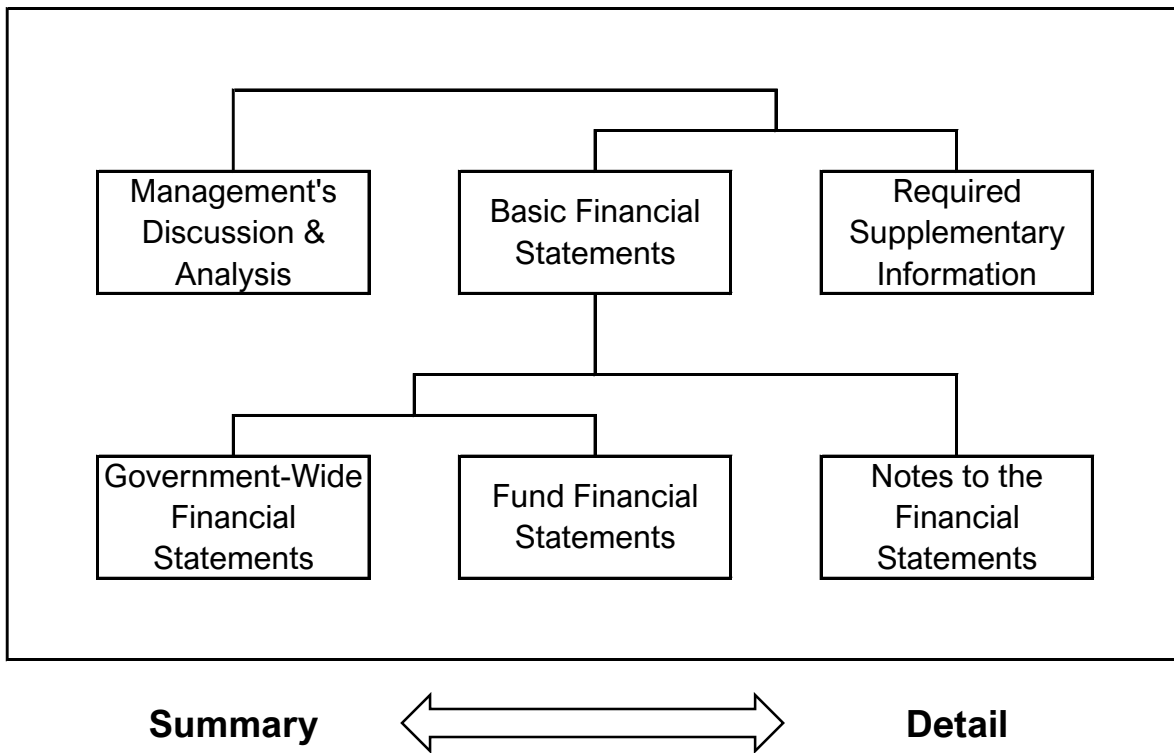
Our discussion and analysis of Eden Area Regional Occupational Program's (Program) financial performance provides an overview of the Program's financial activities for the fiscal year ended June 30, 2025. It should be read in conjunction with the Program's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- ▶ The Program's net position was \$7,001,269 at June 30, 2025. This was an increase of \$717,541 from the prior year, after restatement.
- ▶ Overall revenues were \$19,231,952 which exceeded expenses of \$18,514,411.

OVERVIEW OF FINANCIAL STATEMENTS

Components of the Financial Section



**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
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 Program. 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 Program 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 Program's programs.

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

Government-Wide Statements

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

The government-wide financial statements of the Program include governmental activities. All of the Program's basic services are included here, such as regular education, maintenance and general administration.

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2025**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The Program's net position was \$7,001,269 at June 30, 2025, as reflected in the table below. Of this amount, \$3,332,805 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	\$ 15,938,985	\$ 16,974,732	\$ (1,035,747)
Capital assets	2,218,607	2,359,741	(141,134)
Total Assets	18,157,592	19,334,473	(1,176,881)
DEFERRED OUTFLOWS OF RESOURCES	2,317,292	2,894,448	(577,156)
LIABILITIES			
Current liabilities	3,935,531	5,380,854	(1,445,323)
Long-term liabilities	8,023,086	8,438,994	(415,908)
Total Liabilities	11,958,617	13,819,848	(1,861,231)
DEFERRED INFLOWS OF RESOURCES	1,514,998	1,298,641	216,357
NET POSITION			
Net investment in capital assets	2,183,536	2,353,461	(169,925)
Restricted	1,484,928	479,010	1,005,918
Unrestricted	3,332,805	4,277,962	(945,157)
Total Net Position	\$ 7,001,269	\$ 7,110,433	\$ (109,164)

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
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 Program as a whole are reported in the Statement of Activities. The table below takes the information from the Statement and rearranges it slightly, so you can see our total revenues and expenses for the year.

	Governmental Activities		
	2025	2024	Net Change
REVENUES			
Program revenues			
Charges for services	\$ 750,306	\$ 744,632	\$ 5,674
Operating grants and contributions	6,817,273	6,554,965	262,308
General revenues			
Unrestricted federal and state aid	1,024,690	992,963	31,727
Other	10,639,683	10,761,407	(121,724)
Total Revenues	19,231,952	19,053,967	177,985
EXPENSES			
Instruction	11,446,449	12,425,660	(979,211)
Instruction-related services	2,218,514	2,270,368	(51,854)
Pupil services	1,404,217	1,576,093	(171,876)
General administration	2,143,129	1,969,860	173,269
Plant services	1,301,385	1,263,839	37,546
Debt service	717	-	717
Other outgo	-	4,615	(4,615)
Total Expenses	18,514,411	19,510,435	(996,024)
Change in net position	717,541	(456,468)	1,174,009
Net Position - Beginning, as Restated*	6,283,728	7,566,900	(1,283,172)
Net Position - Ending	\$ 7,001,269	\$ 7,110,432	\$ (109,163)

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

The cost of all our governmental activities this year was \$18,514,411 (refer to the table above).

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
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)

In the table below, we have presented the net cost of each of the Program’s functions. Net cost shows the financial burden that was placed on the Program’s taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

	Net Cost of Services	
	2025	2024
Instruction	\$ 6,308,729	\$ 6,519,982
Instruction-related services	340,190	1,351,399
Pupil services	986,712	1,249,827
General administration	2,073,640	1,821,176
Plant services	1,236,844	1,263,839
Debt service	717	-
Transfers to other agencies	-	4,615
Total	\$ 10,946,832	\$ 12,210,838

FINANCIAL ANALYSIS OF THE PROGRAM’S MAJOR FUNDS

The financial performance of the Program as a whole is reflected in its governmental funds as well. As the Program completed this year, its governmental funds reported a combined fund balance of \$12,251,171, which is more than last year’s ending fund balance of \$11,593,877. The Program’s General Fund had \$832,283 more in operating revenues than expenditures for the year ended June 30, 2025. The Program’s Special Reserve Fund for Capital Outlay Projects had \$229,614 less 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 on a regular basis to reflect changes to both revenues and expenditures that become known during the year. In addition, the Board of Education approves financial projections included with the Adopted Budget, First Interim, and Second Interim financial reports. The Unaudited Actuals reflect the Program’s financial projections and current budget based on State and local financial information.

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
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 Program had invested \$2,218,607 in capital assets, net of accumulated depreciation and amortization.

	Governmental Activities		
	2025	2024	Net Change
CAPITAL ASSETS			
Buildings & improvements	\$ 4,238,959	\$ 4,238,959	\$ -
Furniture & equipment	1,314,417	1,201,311	113,106
Less: Accumulated depreciation	(3,368,910)	(3,086,130)	(282,780)
Lease assets - buildings & improvements	54,625	72,852	(18,227)
Lease assets - furniture & equipment	-	41,941	(41,941)
Less: Accumulated amortization (lease assets)	(20,484)	(109,192)	88,708
Total	\$ 2,218,607	\$ 2,359,741	\$ (141,134)

Long-Term Liabilities

At year-end, the Program had \$8,023,086 in long-term liabilities, a decrease of 13.14% from last year – as shown in the table below. More detailed information about the Program’s long-term liabilities is presented in footnotes to the financial statements.

	Governmental Activities		
	2025	2024	Net Change
LONG-TERM LIABILITIES			
Leases	\$ 35,071	\$ 6,280	\$ 28,791
Compensated absences*	1,014,341	894,983	119,358
Net OPEB liability	397,994	335,764	62,230
Net pension liability	6,823,397	8,028,671	(1,205,274)
Less: current portion of long-term liabilities	(247,717)	(29,040)	(218,677)
Total	\$ 8,023,086	\$ 9,236,658	\$ (1,213,572)

**Compensated Absences for 2024 was restated in order to record the District’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 Program’s financial condition in the coming year, including continued enrollment declines, uncertain 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.

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
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 agencies to budget cautiously and preserve flexibility given ongoing volatility.

Pension Liabilities and Employer Rates

The Program 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. The Program 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 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 school districts and related agencies. The Program's 2025–26 budget reflects these conditions through conservative revenue assumptions, strong reserves, and continued monitoring of State fiscal trends.

CONTACTING THE PROGRAM'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the Program's finances and to show the Program's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Business Office, 26316 Hesperian Blvd, Hayward, California. 94545.

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2025**

	Governmental Activities
ASSETS	
Cash and investments	\$ 13,963,678
Accounts receivable	1,972,921
Prepaid expenses	2,386
Capital assets:	
Capital assets, net of accumulated depreciation	2,184,466
Lease assets, net of accumulated amortization	34,141
Total Assets	18,157,592
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	2,210,006
Deferred outflows related to OPEB	107,286
Total Deferred Outflows of Resources	2,317,292
LIABILITIES	
Accrued liabilities	1,416,323
Unearned revenue	2,271,491
Long-term liabilities, current portion	247,717
Long-term liabilities, non-current portion	8,023,086
Total Liabilities	11,958,617
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	1,504,067
Deferred inflows related to OPEB	10,931
Total Deferred Inflows of Resources	1,514,998
NET POSITION	
Net investment in capital assets	2,183,536
Restricted:	
Educational programs	1,484,928
Unrestricted	3,332,805
Total Net Position	\$ 7,001,269

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

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

Function/Programs	Expenses	Program Revenues		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenues and Changes in Net Position
				Governmental Activities
GOVERNMENTAL ACTIVITIES				
Instruction	\$ 11,446,449	\$ 483,427	\$ 4,654,293	\$ (6,308,729)
Instruction-related services				
Instructional supervision and administration	348,728	59,584	262,982	(26,162)
School site administration	1,869,786	138,007	1,417,751	(314,028)
Pupil services				
Home-to-school transportation	845,622	-	-	(845,622)
All other pupil services	558,595	2,039	415,466	(141,090)
General administration				
Centralized data processing	306,533	-	-	(306,533)
All other general administration	1,836,596	9,393	60,096	(1,767,107)
Plant services	1,301,385	57,856	6,685	(1,236,844)
Interest on long-term debt	717	-	-	(717)
Total Governmental Activities	\$ 18,514,411	\$ 750,306	\$ 6,817,273	(10,946,832)
General revenues				
Taxes and subventions				
Federal and state aid not restricted for specific purposes				1,024,690
Interest and investment earnings				767,260
Interagency revenues				9,541,237
Miscellaneous				331,186
Subtotal, General Revenue				11,664,373
CHANGE IN NET POSITION				717,541
Net Position - Beginning, as Restated				6,283,728
Net Position - Ending				\$ 7,001,269

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

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2025**

	General Fund	Special Reserve Fund for Capital Outlay Projects	Total Governmental Funds
ASSETS			
Cash and investments	\$ 9,962,991	\$ 4,000,687	\$ 13,963,678
Accounts receivable	1,940,284	32,637	1,972,921
Prepaid expenditures	2,386	-	2,386
Total Assets	\$ 11,905,661	\$ 4,033,324	\$ 15,938,985
LIABILITIES			
Accrued liabilities	\$ 1,367,126	\$ 49,197	\$ 1,416,323
Unearned revenue	2,271,491	-	2,271,491
Total Liabilities	3,638,617	49,197	3,687,814
FUND BALANCES			
Nonspendable	17,386	-	17,386
Restricted	1,484,928	-	1,484,928
Assigned	3,920,007	3,984,127	7,904,134
Unassigned	2,844,723	-	2,844,723
Total Fund Balances	8,267,044	3,984,127	12,251,171
Total Liabilities and Fund Balances	\$ 11,905,661	\$ 4,033,324	\$ 15,938,985

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

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET
POSITION
JUNE 30, 2025**

Total Fund Balance - Governmental Funds \$ 12,251,171

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, lease assets, accumulated depreciation and accumulated amortization:

Capital assets	\$ 5,553,376	
Lease assets	54,625	
Accumulated depreciation	(3,368,910)	
Accumulated amortization (lease assets)	<u>(20,484)</u>	2,218,607

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:

Leases	\$ 35,071	
Compensated absences	1,014,341	
Net OPEB liability	397,994	
Net pension liability	<u>6,823,397</u>	(8,270,803)

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	\$ 2,210,006	
Deferred inflows of resources related to pensions	<u>(1,504,067)</u>	705,939

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	\$ 107,286	
Deferred inflows of resources related to OPEB	<u>(10,931)</u>	96,355

Total Net Position - Governmental Activities \$ 7,001,269

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025**

	General Fund	Special Reserve Fund for Capital Outlay Projects	Total Governmental Funds
REVENUES			
Federal sources	\$ 524,505	\$ -	\$ 524,505
Other state sources	6,446,976	-	6,446,976
Other local sources	12,536,139	215,563	12,751,702
Total Revenues	19,507,620	215,563	19,723,183
EXPENDITURES			
Current			
Instruction	11,887,239	-	11,887,239
Instruction-related services			
Instructional supervision and administration	343,315	-	343,315
School site administration	1,957,461	-	1,957,461
Pupil services			
Home-to-school transportation	830,715	-	830,715
All other pupil services	579,736	-	579,736
General administration			
Centralized data processing	304,495	-	304,495
All other general administration	1,847,563	-	1,847,563
Plant services	898,262	445,177	1,343,439
Debt service			
Principal	25,834	-	25,834
Interest and other	717	-	717
Total Expenditures	18,675,337	445,177	19,120,514
Excess (Deficiency) of Revenues Over Expenditures	832,283	(229,614)	602,669
Other Financing Sources (Uses)			
Transfers in	-	1,500,000	1,500,000
Other sources	54,625	-	54,625
Transfers out	(1,500,000)	-	(1,500,000)
Net Financing Sources (Uses)	(1,445,375)	1,500,000	54,625
NET CHANGE IN FUND BALANCE	(613,092)	1,270,386	657,294
Fund Balance - Beginning	8,880,136	2,713,741	11,593,877
Fund Balance - Ending	\$ 8,267,044	\$ 3,984,127	\$ 12,251,171

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

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
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 \$ 657,294

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

Expenditures for capital outlay:	\$ 167,731	
Depreciation expense:	(282,780)	
Amortization expense (lease assets):	(26,085)	(141,134)

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:

25,834

Debt proceeds:

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

(54,625)

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:

(119,358)

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:

(83,804)

(continued on the next page)

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES, continued
FOR THE YEAR ENDED JUNE 30, 2025**

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: 433,334

Change in Net Position of Governmental Activities	<u>\$ 717,541</u>
--	-------------------

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Eden Area Regional Occupational Program (the “Program”) 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 Program 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 Program was formed in 1971 under the laws of the State of California. The Program was formed by a joint powers agreement among the following school districts: Castro Valley Unified School District, San Leandro Unified School District, and San Lorenzo Unified School District. Hayward Unified School District joined the Program on January 1, 1991. The purpose of the Program is to provide career preparation and training to youths and adults residing in the member districts that formed the joint powers entity.

The Program is funded by each participating member district. The Program has the responsibility to develop, oversee and evaluate the course material presented.

The Program is governed by an appointed board and maintains its own paid operational staff. The board is comprised of one member selected by each participating district’s governing board. The Program is fiscally responsible for its own operation, major financing arrangements and contracts. Its significant accounting policies, as detailed below, are the same as for any independent California local educational agency.

B. Component Units

Component units are legally separate organizations for which the Program is financially accountable. Component units may also include organizations that are fiscally dependent on the Program in that the Program 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 Program is not financially accountable but the nature and significance of the organization’s relationship with the Program is such that exclusion would cause the Program’s financial statements to be misleading or incomplete. The Program 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 Program). These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenue, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the Program’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 is self-financing or draws from the general revenues of the Program.

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

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

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

Major Governmental Funds

General Fund: The General Fund is the main operating fund of the Program. 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 Program's activities are reported in the General Fund unless there is a compelling reason to account for an activity in another fund. A Program may have only one General Fund.

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

D. Basis of Accounting – Measurement Focus

Government-Wide Financial Statements

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

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

Governmental Funds

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

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting – Measurement Focus (continued)

Revenues – Exchange and Non-Exchange Transactions

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

Non-exchange transactions, in which the Program 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 Program must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the Program 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 Program prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Program 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 Program’s policy to use restricted resources first, then unrestricted resources as they are needed.

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
 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 Program’s cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the statement of cash flows.

Investments

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

Inventories

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

Capital Assets

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

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their acquisition value as of the date received. The Program maintains a capitalization threshold of \$5,000. The Program 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.

Included in capital assets are right to use lease assets as a result of implementing GASB Statement No. 87. The right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, plus ancillary charges necessary to place the lease into service. The right to use lease assets are amortized on a straight-line basis over the life of the related lease.

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	9 years
Furniture and Equipment	5 to 20 years

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
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)

Interfund Balances

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

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 Program'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 net 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

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
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)

Postemployment Benefits Other Than Pensions (OPEB) (continued)

Gains and losses related to changes in net 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 and proprietary fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

Deferred Outflows/Deferred Inflows of Resources

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

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

Pensions

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

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
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

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

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

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

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

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

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

The Program 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.

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented 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 Program 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.

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
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 Program 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 Program 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 Program 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 Program has not yet determined the impact on the financial statements.

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2025**

NOTE 2 – CASH AND INVESTMENTS

A. Summary of Cash and Investments

	Governmental Activities
Investment in county treasury	\$ 13,784,236
Fair value adjustment	94,366
Cash on hand and in banks	70,076
Cash in revolving fund	15,000
Total	\$ 13,963,678

B. Policies and Practices

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

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
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 Program funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website. The table below identifies the investment types permitted by California Government Code.

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

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Program manages its exposure to interest rate risk by investing in the County Treasury. The Program maintains a pooled investment with the County Treasury with a fair value of approximately \$13,878,602. The average weighted maturity for this pool is 833 days.

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.

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
 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 Program's deposits may not be returned to it. The Program 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 Program's bank balance was not exposed to custodial credit risk.

G. Fair Value

The Program 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 Program's own data. The Program should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the Program are not available to other market participants.

Uncategorized - Investments in the Alameda County Treasury Investment Pool are not measured using the input levels above because the Program'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 Program's fair value measurements at June 30, 2025 were as follows:

	<u>Uncategorized</u>
Investment in county treasury	<u>\$ 13,878,602</u>
Total	<u>\$ 13,878,602</u>

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

NOTE 3 – ACCOUNTS RECEIVABLE

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

	General Fund	Special Reserve Fund for Capital Outlay Projects	Governmental Activities
Federal Government			
Categorical aid	\$ 147,206	\$ -	\$ 147,206
State Government			
Categorical aid	628,062	-	628,062
Local Government			
Other local sources	1,165,016	32,637	1,197,653
Total	\$ 1,940,284	\$ 32,637	\$ 1,972,921

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 being depreciated				
Buildings & improvements	\$ 4,238,959	\$ -	\$ -	\$ 4,238,959
Furniture & equipment	1,201,311	113,106	-	1,314,417
Total capital assets being depreciated	5,440,270	113,106	-	5,553,376
Less: Accumulated depreciation				
Buildings & improvements	1,973,900	117,897	-	2,091,797
Furniture & equipment	1,112,230	164,883	-	1,277,113
Total accumulated depreciation	3,086,130	282,780	-	3,368,910
Total capital assets being depreciated, net	2,354,140	(169,674)	-	2,184,466
Lease assets being amortized				
Buildings & improvements	72,852	54,625	72,852	54,625
Furniture & equipment	41,941	-	41,941	-
Total lease assets being amortized	114,793	54,625	114,793	54,625
Less: Accumulated amortization for lease assets				
Buildings & improvements	67,251	26,085	72,852	20,484
Furniture & equipment	41,941	-	41,941	-
Total accumulated amortization for lease assets	109,192	26,085	114,793	20,484
Total lease assets being amortized, net	5,601	28,540	-	34,141
Governmental Activities				
Capital Assets, net	\$ 2,359,741	\$ (141,134)	\$ -	\$ 2,218,607

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2025**

NOTE 4 – CAPITAL ASSETS (continued)

Depreciation and amortization expense was charged to governmental activities as follows:

Governmental Activities	
Instruction	\$ 186,186
Instructional supervision and administration	7,585
School site administration	21,860
Home-to-school transportation	14,907
All other pupil services	22,237
Centralized data processing	6,043
All other general administration	32,105
Plant services	17,942
Total	<u>\$ 308,865</u>

NOTE 5 – INTERFUND TRANSACTIONS

Operating Transfers

Interfund transfers for the year ended June 30, 2025 consisted of the General Fund transferring \$1,500,000 to the Special Reserve Fund for Capital Outlay Projects for future capital outlay projects.

NOTE 6 – ACCRUED LIABILITIES

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

	General Fund	Special Reserve Fund for Capital Outlay Projects	Governmental Activities
Payroll	\$ 216,839	\$ -	\$ 216,839
Vendors payable	733,059	49,197	782,256
Due to member districts	417,228	-	417,228
Total	<u>\$ 1,367,126</u>	<u>\$ 49,197</u>	<u>\$ 1,416,323</u>

NOTE 7 – UNEARNED REVENUE

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

	General Fund
State categorical sources	\$ 2,247,414
Local sources	24,077
Total	<u>\$ 2,271,491</u>

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2025**

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					
Leases	\$ 6,280	\$ 54,625	\$ 25,834	\$ 35,071	\$ 27,895
Compensated absences*	894,983	119,358	-	1,014,341	219,822
Net OPEB liability	335,764	62,230	-	397,994	-
Net pension liability	8,028,671	-	1,205,274	6,823,397	-
Total	\$ 9,265,698	\$ 236,213	\$ 1,231,108	\$ 8,270,803	\$ 247,717

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

- Payments for leases are made in the General Fund.

A. Leases

The Program entered into various agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB No. 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The Program initially entered into an agreement to lease facilities for the Electrical Trainee Program for one year, beginning October 2020. The lease terminated in September 2021. The lease has subsequently been extended with the current extension expiring in September 2026 with annual increases of \$150 per month.

At June 30, 2025, the Program has recognized a right-to-use asset of \$34,141, net of accumulated amortization and a lease liability of \$35,071 related to this agreement. During the fiscal year, the Program recorded \$26,085 in amortization expense and \$717 in interest expense for the right-to-use the facility. The Program used a discount rate of 2.02%, based on the SLGS rate over the same time period.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025, were as follows:

Year Ended June 30,	Lease Payment
2026	\$ 28,350
2027	7,200
Total minimum lease payments	35,550
Less amount representing interest	(479)
Present value of minimum lease payments	\$ 35,071

B. Compensated Absences

The beginning restated total unpaid employee compensated absences was \$894,983 and increased by a net amount of \$119,358 during the year ended June 30, 2025. The ending compensated absences at June 30, 2025 amounted to \$1,014,341. This amount is included as part of long-term liabilities in the government-wide financial statements.

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

NOTE 8 – LONG-TERM LIABILITIES (continued)

C. Other Postemployment Benefits

The Program’s beginning net OPEB liability was \$335,764 and increased by \$62,230 during the year ended June 30, 2025. The ending net OPEB liability at June 30, 2025 was \$397,994. See Note 10 for additional information regarding the net OPEB liability.

D. Net Pension Liability

The Program’s beginning net pension liability was \$8,028,671 and decreased by \$1,205,274 during the year ended June 30, 2025. The ending net pension liability at June 30, 2025 was \$6,823,397. See Note 11 for additional information regarding the net pension liability.

NOTE 9 – FUND BALANCES

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

	General Fund	Special Reserve Fund for Capital Outlay Projects	Total Governmental Funds
Nonspendable			
Revolving cash	\$ 15,000	\$ -	\$ 15,000
Prepaid expenditures	2,386	-	2,386
Total nonspendable	<u>17,386</u>	-	<u>17,386</u>
Restricted			
Educational programs	1,484,928	-	1,484,928
Total restricted	<u>1,484,928</u>	-	<u>1,484,928</u>
Assigned			
Program operations	2,312,115	-	2,312,115
Middle College initiative	600,000	-	600,000
Additional instructor - 3 years	300,000	-	300,000
Transportation increase	104,775	-	104,775
Deficit spending resolution	369,402	-	369,402
Adult education	3,670	-	3,670
Postemployment benefits	230,045	-	230,045
Capital outlay	-	3,984,127	3,984,127
Total assigned	<u>3,920,007</u>	<u>3,984,127</u>	<u>7,904,134</u>
Unassigned	2,844,723	-	2,844,723
Total	<u>\$ 8,267,044</u>	<u>\$ 3,984,127</u>	<u>\$ 12,251,171</u>

The Program 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 Program’s Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to no less than three percent of General Fund expenditures and other financing uses.

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Plan Description

The Eden Area Regional Occupational Program’s defined benefit OPEB plan, Eden Area Regional Occupational Program Retiree Benefit Plan (the Plan) is described below. The Program is a participant in the California Employer’s Retiree Benefit Trust (CERBT), an agent multiple-employer defined benefit post-employment healthcare plan administered by CalPERS.

B. OPEB Plan Fiduciary Net Position

Detailed information about the Plan’s fiduciary net position is available in the separately-issued CERBT Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained by contacting CERBT.

C. Benefits Provided

Employees who become eligible for retirement under CalPERS or CalSTRS are eligible to continue the Program’s medical plans under California Public Employees Medical and Hospital Care Act. The Program contribution towards retirees is the minimum employer contribution under the unequal method. The minimum employer contributions for 2024 and 2025 are \$157 and \$158, respectively. The unequal method is used to phase in benefit payments. The Program currently pays 100% of the minimum employer contribution for 2021 and later years.

Certificated and classified employees hired prior to March 1, 1986 are eligible for Program-paid health and dental insurance (limited to the amounts paid for present employees) until age 65, provided they meet the following criteria:

- Eligible for retirement under the California Public Employees Retirement or the State Teachers Retirement system.
- Attain age 55 or older at the time of retirement from the Program.
- Worked for the Program for a minimum of 12 continuous years.

As of the valuation date, the Program is currently paying dental benefits for two retirees over age 65.

D. Contributions

For the measurement period, the Program contributed \$35,431 to the Plan, all of which was used for current premiums. The contribution requirements of Plan members and the Program are established and amended by the Program. The required contribution is based on projected pay-as-you-go financing requirements. The Program has established an irrevocable trust account with CERBT.

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2025**

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

E. Plan Membership

Membership of the Plan consisted of the following:

	<u>Number of participants</u>
Inactive employees receiving benefits	10
Inactive employees entitled to but not receiving benefits*	-
Participating active employees	<u>14</u>
Total number of participants**	<u>24</u>

*Information not provided

**As of the June 30, 2023 valuation date

F. Net OPEB Liability

The components of the net OPEB liability of the Program at June 30, 2025, were as follows:

Total OPEB liability	\$ 1,264,188
Plan fiduciary net position	<u>(866,194)</u>
Program's net OPEB liability	<u>\$ 397,994</u>
 Plan fiduciary net position as a percentage of total OPEB liability	 68.52%

G. Investments

Investment Policy and Rate of Return

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the governing board by a majority vote of its members. It is the policy of the Program to pursue an investment strategy that reduces risks through the prudent diversification for the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocation over short time spans. The following was the governing board's adopted asset allocation policy:

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

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

G. Investments (continued)

Investment Policy and Rate of Return (continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. The calculated investment rate of return was set equal to the expected ten-year compound (geometric) real return plus inflation (rounded to the nearest 25 basis points, where appropriate). The table below provides the long-term expected real rates of return by asset class (based on published capital market assumptions).

Asset Class	Assumed Asset Allocation	Real Rate of Return
Global ex-US Equity	23.00%	4.80%
US Fixed	51.00%	1.80%
TIPS	9.00%	1.60%
Real Estate	14.00%	3.70%
Commodities	3.00%	1.90%

H. Actuarial Assumptions and Other Inputs

The net OPEB liability as of June 30, 2025 was determined by an actuarial valuation as of June 30, 2023 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Economic assumptions:

Inflation	2.50%
Salary increases	3.00%
Investment rate of return	6.00%
Healthcare cost trend rates	5.50% for 2024, 5.25% for 2025-2029, 5.00% for 2030-2039, 4.75% for 2040-2049, 4.50% for 2050-2069, and 4.00% for 2070 and later years; Medicare ages: 4.50% for 2024-2029 and 4.00% for 2030 and later years.

Non-economic assumptions:

Preretirement mortality	Preretirement Mortality Rates for Public Agency Miscellaneous from CalPERS Experience Study (2000-2019).
Postretirement mortality	Post-retirement Mortality Rates for Public Agency Miscellaneous from CalPERS Experience Study (2000-2019).

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

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

H. Actuarial Assumptions and Other Inputs (continued)

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 Fidelity GO AA 20 Years Municipal Bond Index.

I. Changes in Net OPEB Liability

	<u>June 30, 2025</u>
Total OPEB Liability	
Service cost	\$ 76,348
Interest on total OPEB liability	72,575
Benefits payments	<u>(35,431)</u>
Net change in total OPEB liability	113,492
Total OPEB liability - beginning	<u>1,150,696</u>
Total OPEB liability - ending (a)	<u>\$ 1,264,188</u>
 Plan fiduciary net position	
Contributions - employer	\$ 35,431
Net investment income	51,522
Benefit payments	(35,431)
Administrative expenses	<u>(260)</u>
Net change in plan fiduciary net position	51,262
Plan fiduciary net position - beginning	<u>814,932</u>
Plan fiduciary net position - ending (b)	<u>\$ 866,194</u>
 Program's net OPEB liability - ending (a) - (b)	<u>\$ 397,994</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 68.52%
 Covered-employee payroll	 \$ 1,635,751
 Program's net OPEB liability (asset) as a percentage of covered-employee payroll	 24.33%

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

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

J. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Eden Area Regional Occupational Program, as well as what the Program’s net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease (5.00%)	Valuation Discount Rate (6.00%)	1% Increase (7.00%)
Net OPEB liability	\$ 518,047	\$ 397,994	\$ 294,329

K. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the Eden Area Regional Occupational Program, as well as what the Program’s net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	1% Decrease (4.50%)	Healthcare Cost Trend Rate (5.50%)	1% Increase (6.50%)
Net OPEB liability	\$ 273,539	\$ 397,994	\$ 543,403

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

For the year ended June 30, 2025, the Eden Area Regional Occupational Program recognized OPEB expense of \$116,446. At June 30, 2025, the Eden Area Regional Occupational Program 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 projected and actual earnings on plan investments	\$ 67,567	\$ -
Differences between expected and actual experience	-	10,931
Changes in assumptions	8,050	-
Program contributions subsequent to the measurement date	31,669	-
Total	\$ 107,286	\$ 10,931

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

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

L. OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB (continued)

The \$31,669 reported as deferred outflows of resources related to OPEB resulting from Program contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2026	\$ 32,119	\$ 9,938
2027	37,454	993
2028	6,570	-
2029	(526)	-
Total	\$ 75,617	\$ 10,931

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 Program 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:

	<u>Net pension liability</u>	<u>Deferred outflows related to pensions</u>	<u>Deferred inflows related to pensions</u>	<u>Pension expense</u>
CalSTRS Pension	\$ 3,599,198	\$ 1,202,768	\$ 819,305	\$ 335,505
CalPERS Pension	3,224,199	1,007,238	684,762	508,976
Total	\$ 6,823,397	\$ 2,210,006	\$ 1,504,067	\$ 844,481

A. California State Teachers' Retirement System (CalSTRS)

Plan Description

The Program 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.

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2025**

NOTE 11 – PENSION PLANS (continued)

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

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 Program 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 Program were \$754,156 for the year ended June 30, 2025.

On-Behalf Payments

The Program 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 \$333,455 to CalSTRS.

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

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

Program's proportionate share of the net pension liability	\$	3,599,198
State's proportionate share of the net pension liability associated with the Program		1,651,349
Total	\$	5,250,547

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
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 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 Program’s proportion of the net pension liability was based on a projection of the Program’s long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2024, the Program’s proportion was 0.005 percent, which was a decrease of 0.001 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the Program recognized pension expense of \$335,508. In addition, the Program recognized pension expense and revenue of \$(157,776) for support provided by the State. At June 30, 2025, the Program 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	\$ -	\$ 14,523
Differences between expected and actual experience	407,116	157,391
Changes in assumptions	15,755	245,813
Changes in proportion and differences between Program contributions and proportionate share of contributions	25,741	401,578
Program contributions subsequent to the measurement date	754,156	-
Total	<u>\$ 1,202,768</u>	<u>\$ 819,305</u>

The \$754,156 reported as deferred outflows of resources related to pensions resulting from Program 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	\$ 110,412	\$ 460,590
2027	84,670	(119,345)
2028	76,793	187,063
2029	76,793	177,565
2030	76,632	72,329
2031	23,312	41,103
Total	<u>\$ 448,612</u>	<u>\$ 819,305</u>

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

NOTE 11 – PENSION PLANS (continued)

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

Actuarial Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 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.

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%
	100%	

*Real return is net of assumed 2.75% inflation.

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2025**

NOTE 11 – PENSION PLANS (continued)

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

Discount Rate

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

Sensitivity of the Program’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Program’s proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the Program’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%)
Program's proportionate share of the net pension liability	\$ 6,401,795	\$ 3,599,198	\$ 1,258,913

Pension Plan Fiduciary Net Position

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

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees' Retirement System (CalPERS)

Plan Description

The Program 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 Program 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 Program were \$523,662 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 Program reported a liability of \$3,224,199 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 Program's proportion of the net pension liability was based on a projection of the Program's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2024, the Program's proportion was 0.009 percent, which was a decrease of 0.001 percent from its proportion measured as of June 30, 2023.

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
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 Program recognized pension expense of \$508,976. At June 30, 2025, the Program 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	\$ 125,242	\$ -
Differences between expected and actual experience	270,302	23,075
Changes in assumptions	71,266	-
Changes in proportion and differences between Program contributions and proportionate share of contributions	16,766	661,687
Program contributions subsequent to the measurement date	<u>523,662</u>	<u>-</u>
Total	\$ 1,007,238	\$ 684,762

The \$523,662 reported as deferred outflows of resources related to pensions resulting from Program 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	\$ 196,169	\$ 457,961
2027	295,498	226,801
2028	31,536	-
2029	(39,627)	-
Total	\$ 483,576	\$ 684,762

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2025**

NOTE 11 – PENSION PLANS (continued)

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

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

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 through 2019.

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

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

NOTE 11 – PENSION PLANS (continued)

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

Actuarial Assumptions (continued)

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

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

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 Program’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Program’s proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the Program’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%)
Program's proportionate share of the net pension liability	\$ 4,789,575	\$ 3,224,199	\$ 1,931,074

Pension Plan Fiduciary Net Position

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

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. Grants

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

B. Litigation

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

C. Construction Commitments

As of June 30, 2025, the Program had no material commitments with respect to unfinished capital projects.

NOTE 13 – PARTICIPATION IN JOINT POWERS AUTHORITIES

The Program participates in two joint ventures under joint powers authorities (JPAs), the East Bay Schools Insurance Group and the Alameda County Schools Insurance Group. The relationships between the Program and the JPAs are such that the JPAs are not component units of the Program for financial reporting purposes.

The JPAs have budgeting and financial reporting requirements independent of member units, and their financial statements are not presented in these financial statements. However, fund transactions between the JPAs and the Program are included in these statements. The audited financial statements are generally available from the respective entities.

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2025**

NOTE 14 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

A. Pension Plans

Pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the Program recognized deferred outflows of resources related to pensions and deferred inflows of resources related to pensions in the government-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 \$2,210,006 and total deferred inflows related to pensions was \$1,504,067.

B. Other Postemployment Benefits

Pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the Program recognized deferred outflows of resources related to other postemployment benefits and deferred inflows of resources related to other postemployment benefits in the government-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 \$107,286 and total deferred inflows related to other postemployment benefits was \$10,931.

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	\$ 7,110,432
Restatement	(826,704)
Net Position - Beginning, as Restated	<u>\$ 6,283,728</u>

REQUIRED SUPPLEMENTARY INFORMATION

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
GENERAL FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual* (Budgetary Basis)	Variances - Final to Actual
	Original	Final		
REVENUES				
Federal sources	\$ 578,126	\$ 606,485	\$ 471,505	\$ (134,980)
Other state sources	3,794,377	6,028,859	5,479,516	(549,343)
Other local sources	10,901,575	11,088,366	11,497,332	408,966
Total Revenues	15,274,078	17,723,710	17,448,353	(275,357)
EXPENDITURES				
Certificated salaries	3,492,639	3,959,547	3,683,670	275,877
Classified salaries	1,473,662	2,013,748	1,694,655	319,093
Employee benefits	2,339,147	2,778,274	2,506,042	272,232
Books and supplies	496,377	880,127	543,580	336,547
Services and other operating expenditures	10,179,397	9,059,429	8,261,789	797,640
Capital outlay	-	315,968	43,923	272,045
Total Expenditures	17,981,222	19,007,093	16,733,659	2,273,434
Excess (Deficiency) of Revenues Over Expenditures	(2,707,144)	(1,283,383)	714,694	1,998,077
Other Financing Sources (Uses)				
Transfers in	75,000	75,000	-	(75,000)
Transfers out	-	(1,500,000)	(1,500,000)	-
Net Financing Sources (Uses)	75,000	(1,425,000)	(1,500,000)	(75,000)
NET CHANGE IN FUND BALANCE				
	(2,632,144)	(2,708,383)	(785,306)	1,923,077
Fund Balance - Beginning	4,485,460	8,277,836	8,277,836	-
Fund Balance - Ending	\$ 1,853,316	\$ 5,569,453	\$ 7,492,530	\$ 1,923,077

* The actual amounts reported on this schedule do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance because the amounts on that schedule include the financial activity of the Adult Education Fund and the Special Reserve Fund for Postemployment Benefits in accordance with the fund type definitions promulgated by GASB Statement No. 54.

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
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>
Total OPEB Liability								
Service cost	\$ 76,348	\$ 80,413	\$ 58,231	\$ 37,712	\$ 53,663	\$ 47,249	\$ 15,775	\$ 15,775
Interest on total OPEB liability	72,575	66,898	61,159	55,469	51,888	41,311	37,032	37,032
Changes of benefit terms	-	-	-	148,339	-	-	-	-
Difference between expected and actual experience	-	(30,807)	-	(144,971)	25,438	72,108	-	-
Changes of assumptions	-	22,688	-	21,676	-	7,528	-	-
Benefits payments	<u>(35,431)</u>	<u>(45,437)</u>	<u>(46,382)</u>	<u>(41,515)</u>	<u>(18,661)</u>	<u>(28,734)</u>	<u>(28,734)</u>	<u>(28,734)</u>
Net change in total OPEB liability	113,492	93,755	73,008	76,710	112,328	139,462	24,073	24,073
Total OPEB liability - beginning	<u>1,150,696</u>	<u>1,056,941</u>	<u>983,933</u>	<u>907,223</u>	<u>794,895</u>	<u>655,433</u>	<u>631,360</u>	<u>607,287</u>
Total OPEB liability - ending (a)	<u>\$ 1,264,188</u>	<u>\$ 1,150,696</u>	<u>\$ 1,056,941</u>	<u>\$ 983,933</u>	<u>\$ 907,223</u>	<u>\$ 794,895</u>	<u>\$ 655,433</u>	<u>\$ 631,360</u>
Plan fiduciary net position								
Contributions - employer	\$ 35,431	\$ 45,437	\$ 46,382	\$ 41,515	\$ 18,661	\$ 28,734	\$ 28,734	\$ 28,734
Net investment income	51,522	12,651	(96,790)	107,445	47,199	50,064	44,412	44,412
Benefit payments	(35,431)	(45,437)	(46,382)	(41,515)	(18,661)	(28,734)	(28,734)	(28,734)
Administrative expenses	<u>(260)</u>	<u>(228)</u>	<u>(228)</u>	<u>(280)</u>	<u>(370)</u>	<u>(150)</u>	<u>(534)</u>	<u>(534)</u>
Net change in plan fiduciary net position	51,262	12,423	(97,018)	107,165	46,829	49,914	43,878	43,878
Plan fiduciary net position - beginning	<u>814,932</u>	<u>802,509</u>	<u>899,527</u>	<u>792,362</u>	<u>745,533</u>	<u>695,619</u>	<u>651,741</u>	<u>607,863</u>
Plan fiduciary net position - ending (b)	<u>\$ 866,194</u>	<u>\$ 814,932</u>	<u>\$ 802,509</u>	<u>\$ 899,527</u>	<u>\$ 792,362</u>	<u>\$ 745,533</u>	<u>\$ 695,619</u>	<u>\$ 651,741</u>
Program's net OPEB liability - ending (a) - (b)	<u>\$ 397,994</u>	<u>\$ 335,764</u>	<u>\$ 254,432</u>	<u>\$ 84,406</u>	<u>\$ 114,861</u>	<u>\$ 49,362</u>	<u>\$ (40,186)</u>	<u>\$ (20,381)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	68.52%	70.82%	75.93%	91.42%	87.34%	93.79%	106.13%	103.23%
Covered-employee payroll	\$ 1,635,751	\$ 1,688,481	\$ 1,688,481	\$ 1,688,481	\$ 1,885,403	\$ 2,089,892	\$ 924,703	\$ 924,703
Program's net OPEB liability (asset) as a percentage of covered-employee payroll	24.33%	19.89%	15.07%	5.00%	6.09%	2.36%	-4.35%	-2.20%

See accompanying notes to required supplementary information.

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
SCHEDULE OF OPEB CONTRIBUTIONS
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>
Actuarially determined contributions	\$ 109,762	\$ 106,565	\$ 66,139	\$ 64,212	\$ 20,706	\$ 24,867
Actual contributions made	(35,431)	(45,437)	(46,382)	(41,515)	(18,661)	(28,734)
Contribution deficiency/(excess)	<u>\$ 74,331</u>	<u>\$ 61,128</u>	<u>\$ 19,757</u>	<u>\$ 22,697</u>	<u>\$ 2,045</u>	<u>\$ (3,867)</u>
Covered-employee payroll	\$ 1,635,751	\$ 1,688,481	\$ 1,688,481	\$ 1,688,481	\$ 1,885,403	\$ 2,089,892
Contributions as a percentage of covered- employee payroll	2.17%	2.69%	2.75%	2.46%	0.99%	1.37%

Actuarially determined contributions were not presented prior to June 30, 2020.

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
 SCHEDULE OF OPEB INVESTMENT RETURNS
 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>
Annual money-weighted rate of return, net of investment expense	6.30%	9.56%	6.72%	-12.29%	36.81%	10.87%	18.03%	4.51%

See accompanying notes to required supplementary information.

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
SCHEDULE OF THE PROGRAM'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>
Program's proportion of the net pension liability	0.005%	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%	0.005%	0.005%
Program's proportionate share of the net pension liability	\$ 3,599,198	\$ 4,175,675	\$ 3,789,363	\$ 2,700,503	\$ 5,610,464	\$ 5,211,110	\$ 5,280,664	\$ 5,097,295	\$ 4,273,797	\$ 3,583,085
State's proportionate share of the net pension liability associated with the Program	1,651,349	2,000,683	1,897,698	1,358,788	2,892,195	2,843,008	3,023,427	3,015,517	2,489,924	1,895,057
Total	<u>\$ 5,250,547</u>	<u>\$ 6,176,358</u>	<u>\$ 5,687,061</u>	<u>\$ 4,059,291</u>	<u>\$ 8,502,659</u>	<u>\$ 8,054,118</u>	<u>\$ 8,304,091</u>	<u>\$ 8,112,812</u>	<u>\$ 6,763,721</u>	<u>\$ 5,478,142</u>
Program's covered payroll	\$ 3,500,859	\$ 3,437,586	\$ 3,021,637	\$ 3,228,743	\$ 3,188,170	\$ 3,116,683	\$ 2,997,263	\$ 2,937,186	\$ 2,746,188	\$ 2,415,518
Program's proportionate share of the net pension liability as a percentage of its covered payroll	102.81%	121.47%	125.41%	83.64%	175.98%	167.20%	176.18%	173.54%	155.63%	148.34%
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.

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
 SCHEDULE OF THE PROGRAM'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>
Program's proportion of the net pension liability	0.009%	0.010%	0.013%	0.013%	0.008%	0.010%	0.012%	0.013%	0.012%	0.011%
Program's proportionate share of the net pension liability	\$ 3,224,199	\$ 3,852,998	\$ 4,577,036	\$ 2,648,660	\$ 2,418,122	\$ 2,991,055	\$ 3,098,031	\$ 3,141,608	\$ 2,278,383	\$ 1,644,780
Program's covered payroll	\$ 1,779,393	\$ 1,842,609	\$ 1,688,481	\$ 1,425,705	\$ 1,301,937	\$ 1,317,794	\$ 1,421,608	\$ 1,284,512	\$ 1,056,985	\$ 907,887
Program's proportionate share of the net pension liability as a percentage of its covered payroll	181.20%	209.11%	271.07%	185.78%	185.73%	226.97%	217.92%	244.58%	215.55%	181.17%
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.

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
SCHEDULE OF PROGRAM 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	\$ 754,156	\$ 668,664	\$ 656,579	\$ 511,261	\$ 521,442	\$ 545,177	\$ 507,396	\$ 432,505	\$ 369,498	\$ 294,666
Contributions in relation to the contractually required contribution*	(754,156)	(668,664)	(656,579)	(511,261)	(521,442)	(545,177)	(507,396)	(432,505)	(369,498)	(294,666)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Program's covered payroll	\$ 3,948,461	\$ 3,500,859	\$ 3,437,586	\$ 3,021,637	\$ 3,228,743	\$ 3,188,170	\$ 3,116,683	\$ 2,997,263	\$ 2,937,186	\$ 2,746,188
Contributions as a percentage of covered payroll	19.10%	19.10%	19.10%	16.92%	16.15%	17.10%	16.28%	14.43%	12.58%	10.73%

*Amounts do not include on-behalf contributions

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
SCHEDULE OF PROGRAM 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	\$ 523,662	\$ 474,742	\$ 467,470	\$ 386,831	\$ 295,121	\$ 256,755	\$ 238,020	\$ 220,790	\$ 178,393	\$ 125,221
Contributions in relation to the contractually required contribution*	(523,662)	(474,742)	(467,470)	(386,831)	(295,121)	(256,755)	(238,020)	(220,790)	(178,393)	(125,221)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Program's covered payroll	\$ 1,935,904	\$ 1,779,393	\$ 1,842,609	\$ 1,688,481	\$ 1,425,705	\$ 1,301,937	\$ 1,317,794	\$ 1,421,608	\$ 1,284,512	\$ 1,056,985
Contributions as a percentage of covered payroll	27.05%	26.68%	25.37%	22.91%	20.70%	19.72%	18.06%	15.53%	13.89%	11.85%

*Amounts do not include on-behalf contributions

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
NOTES 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 General Fund and for each major special revenue fund that has a legally adopted annual budget. The budgetary comparison schedule presents both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows, and balances, stated on the Program'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 Net 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 net OPEB liability, and the components of the net OPEB liability and related ratios, including the OPEB plan's fiduciary net position as a percentage of the total OPEB liability, and the net OPEB liability as a percentage of covered-employee payroll.

Changes in Benefit Terms

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

Changes in Assumptions

The inflation rate changed from 3.00% to 2.50% and the healthcare trend rate changed from 6.00% to 5.50% since the previous measurement.

Schedule of the Program Contributions for OPEB

This schedule presents information on the Program's actuarially determined contribution, contributions in relation to the actuarially determined contribution, and any excess or deficiency related to the actuarially determined contribution. In future years, as data becomes available, ten years of information will be presented.

Schedule of OPEB Investment Returns

This schedule presents information on the annual money weighted rate of return on OPEB plan investments. In future years, as data becomes available, ten years of information will be presented.

Schedule of the Program'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 Program's proportion (percentage) of the collective net pension liability, the Program's proportionate share (amount) of the collective net pension liability, the Program's covered payroll, the Program'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.

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION, continued
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – PURPOSE OF SCHEDULES (continued)

Schedule of Program Contributions

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. The schedule presents the Program'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 Program'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 Program's covered payroll.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2025, the Program incurred no excess of expenditures over appropriations in individual major funds presented in the Budgetary Comparison Schedule by major object code.

SUPPLEMENTARY INFORMATION

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
 SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
 FOR THE YEAR ENDED JUNE 30, 2025**

	2026 (Budget)		2025		2024		2023
General Fund - Budgetary Basis**							
Revenues And Other Financing Sources	\$ 19,258,405	\$	17,448,353	\$	18,362,087	\$	20,458,847
Expenditures And Other Financing Uses	19,770,875		18,233,659		18,249,398		18,920,904
Net change in Fund Balance	\$ (512,470)	\$	(785,306)	\$	112,689	\$	1,537,943
Ending Fund Balance	\$ 6,980,060	\$	7,492,530	\$	8,880,136	\$	8,767,447
Available Reserves*	\$ 3,361,049	\$	2,844,723	\$	6,053,127	\$	1,045,386
Available Reserves As A Percentage Of Outgo	17.00%		15.60%		33.17%		5.53%
Long-term Liabilities	\$ 8,023,086	\$	8,270,803	\$	8,438,994	\$	8,727,463

The General Fund ending fund balance has decreased by \$1,274,917 over the past two years. The fiscal year 2025-26 budget projects a further decrease of \$512,470. For a Program this size, the State recommends available reserves of at least 3% of General Fund expenditures, transfers out, and other uses (total outgo).

The Program 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 decreased by \$456,660 over the past two years.

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

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

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

	General Fund	Adult Education Fund	Special Reserve Fund for Postemployment Benefits
June 30, 2025, annual financial and budget report fund balance	\$ 7,492,530	\$ 544,469	\$ 230,045
Adjustments and reclassifications:			
Increase (decrease) in total fund balances:			
Fund balance transfer (GASB 54)	774,514	(544,469)	(230,045)
Net adjustments and reclassifications	774,514	(544,469)	(230,045)
June 30, 2025, audited financial statement fund balance	<u>\$ 8,267,044</u>	<u>\$ -</u>	<u>\$ -</u>

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Financial Trends and Analysis

This schedule discloses the Program's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the Program'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.

OTHER INFORMATION

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
 LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
 JUNE 30, 2025**

The Eden Area Regional Occupational Program was established in 1971 and was formed by a joint powers agreement among the following school districts: Castro Valley Unified School District, San Leandro Unified School District, and San Lorenzo Unified School District. Hayward Unified School District joined the Program on January 1, 1991. The Program operates one school in the leased site from Hayward Unified School District at 26316 Hesperian Blvd, Hayward, California. There were no boundary changes during the year.

GOVERNING BOARD

Member	Office	Term Expires	District
James Aguilar	President	2026	San Leandro Unified
Juan Campos	Vice President	2025	San Lorenzo Unified
Sara E. Raymond	Member	2026	Castro Valley Unified
Ken Rawdon	Member	2025	Hayward Unified

GOVERNING BOARD (as of September 4, 2025)

Member	Office	Term Expires	District
Juan Campos	President	2025	San Lorenzo Unified
Sara E. Raymond	Vice President	2026	Castro Valley Unified
Austin Bruckner Carrillo	Member	2025	Hayward Unified
Zachary Borja	Member	2026	San Leandro Unified

PROGRAM ADMINISTRATORS

Blaine Torpey
Superintendent/Clerk

Anthony Oum
Fiscal Services Administrator

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
Eden Area Regional Occupational Program
Hayward, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Eden Area Regional Occupational Program, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Eden Area Regional Occupational Program's basic financial statements, and have issued our report thereon dated December 18, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Eden Area Regional Occupational Program'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 Eden Area Regional Occupational Program's internal control. Accordingly, we do not express an opinion on the effectiveness of Eden Area Regional Occupational Program's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Finding #2025-001 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Eden Area Regional Occupational Program'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*.

Eden Area Regional Occupational Program's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Eden Area Regional Occupational Program's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Eden Area Regional Occupational Program's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

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

San Diego, California
December 18, 2025

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

Independent Auditors' Report

Governing Board
Eden Area Regional Occupational Program
Hayward, California

Report on State Compliance

Opinion on State Compliance

We have audited Eden Area Regional Occupational Program'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 Eden Area Regional Occupational Program'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, Eden Area Regional Occupational Program 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 Eden Area Regional Occupational Program 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 Eden Area Regional Occupational Program'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 Eden Area Regional Occupational Program'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 Eden Area Regional Occupational Program'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 Eden Area Regional Occupational Program'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 Eden Area Regional Occupational Program's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- Obtain an understanding of Eden Area Regional Occupational Program'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 Eden Area Regional Occupational Program's internal control over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine Eden Area Regional Occupational Program'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	Not Applicable
Teacher Certification and Misassignments	Not Applicable
Independent Study	Not Applicable
Continuation Education	Not Applicable
Instructional Time	Not Applicable
Instructional Materials	Not Applicable
Ratio of Administrative Employees to Teachers	Not Applicable
Classroom Teacher Salaries	Not Applicable
Early Retirement Incentive	Not Applicable
Gann Limit Calculation	Not Applicable
School Accountability Report Card	Not Applicable
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools or Programs	Not Applicable
K-3 Grade Span Adjustment	Not Applicable
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Not Applicable
District of Choice	Not Applicable
Home to School Transportation Reimbursement	Not Applicable

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	Not Applicable
After/Before School Education and Safety Program	Not Applicable
Proper Expenditure of Education Protection Account Funds	Not Applicable
Unduplicated Local Control Funding Formula Pupil Counts	Not Applicable
Local Control and Accountability Plan	Not Applicable
Independent Study-Course Based	Not Applicable
Immunizations	Not Applicable
Educator Effectiveness	Not Applicable
Expanded Learning Opportunities Grant (ELO-G)	Not Applicable
Career Technical Education Incentive Grant	Yes
Expanded Learning Opportunities Program	Not Applicable
Transitional Kindergarten	Not Applicable
Kindergarten Continuance	Not Applicable
Charter Schools	
Attendance; for charter schools	Not Applicable
Mode of Instruction; for charter schools	Not Applicable
Nonclassroom-Based Instruction/Independent Study; for charter schools	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction; for charter schools	Not Applicable
Annual Instructional Minutes - Classroom Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

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

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

Report on Internal Control Over Compliance

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

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
December 18, 2025

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
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>Yes</u>
Non-compliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

The Program was not subject to Uniform Guidance Single Audit for the year ended June 30, 2025 because federal award expenditures did not exceed \$750,000.

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 2024-25 Guide for Annual Audits of California K-12 Local Education Agencies ?	<u>No</u>
Type of auditors' report issued on compliance for state programs:	<u>Unmodified</u>

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

FIVE DIGIT CODE

20000
30000

AB 3627 FINDING TYPE

Inventory of Equipment
Internal Control

FINDING #2025 – 001: LATE FILING OF AUDIT REPORT (30000)

Criteria: Education Code Section 41020(h) provides that not later than December 15 an audit report for the preceding fiscal year is to be filed with the County Superintendent of Schools, the California Department of Education, and the State Controller's Office.

Condition: The Program was unable to provide all necessary documentation prior to the December 15 deadline.

Cause: Due to the implementation of GASB Statement No. 101, the Program was unable to provide all necessary documentation prior to the December 15 deadline.

Effect: The audit report was filed after the December 15 deadline.

Repeat Finding: No.

Recommendation: We recommend the Program provide all necessary documentation during the scheduled audit period.

Corrective Action Plan: EAROP acknowledges Finding #2025-001 and will strive to produce documentation and analysis in a timely matter in FY 2025-2026. We are working on obtaining additional senior personnel to assist business services function at EAROP that should resolve this finding in FY 2025-2026.

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
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.

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

FINDING #2024-001 – MATERIAL WEAKNESS IN INTERNAL CONTROL OVER FINANCIAL REPORTING, AUDIT ADJUSTMENTS (30000)

Criteria: Management is responsible for the design, implementation, and maintenance of internal controls to ensure the financial statements are free from material misstatement, whether due to error or fraud. Additionally, management is responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting principles (GAAP).

Condition: Adjustments were necessary for the financial statements to be presented in accordance with governmental accounting standards in all material respects. Furthermore, in conjunction with the completion of our audit, we were requested to draft the financial statements and accompanying notes to those financial statements.

Context: Material audit adjustments to the EAROP’s recorded account balances were necessary in the areas itemized below, which if not recorded, would have resulted in a material misstatement of the EAROP’s financial statements. The following table shows the difference between the Unaudited Actuals forms and the audited financial statement:

	General Fund	Special Reserve Capital Outlay Fund
	<u> </u>	<u> </u>
Fund Balance		
Balance per the June 30, 2024 Unaudited Actuals	\$ 9,008,759	\$ 2,741,425
Adjustments for		
Recognize the prior year's audit adjustments	(349,863)	(73,810)
Recognize the fair value rather than the book value of investments	<u>221,240</u>	<u>46,126</u>
Net audit adjustments	<u>(128,623)</u>	<u>(27,684)</u>
Balance, June 30, 2024 Audited Financial Statements	<u>\$ 8,880,136</u>	<u>\$ 2,713,741</u>

**EDEN AREA REGIONAL OCCUPATIONAL PROGRAM
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2025**

FINDING #2024-001 – MATERIAL WEAKNESS IN INTERNAL CONTROL OVER FINANCIAL REPORTING, AUDIT ADJUSTMENTS (30000) (continued)

Context (continued): Accordingly, the EAROP does not have an internal control system designed to provide for the preparation of the financial statements and related financial statement disclosures being audited. Although this circumstance is not unusual for an Entity similar to EAROP, the preparation of financial statements as a part of the audit engagement may result in financial statements and related information included in financial statement disclosures not being available for management purposes as timely as it would be if prepared by EAROP personnel. It is the responsibility of management and those charged with governance to determine whether to accept the risk associated with this condition because of cost or other considerations.

Cause: The misstatements noted above appear to be due to lack of timely reconciliation of the accounts.

Effect: Unaudited financial schedules and related information included in financial statement disclosures may contain errors or omissions.

Repeat Finding: No.

Recommendation: The adjusting entries were posted to the financial statements. We recommend the Program take steps to evaluate the current accounting policies and procedures, and determine what revisions may be necessary to ensure timely and accurate financial reporting without reliance on the external auditor to identify audit adjustments. In addition to the formal accounting policies and procedures manual, we recommend the Program prepare a schedule of accounting procedures to be performed each month, quarter, and at year-end, as applicable. The schedule should include a detailed description of the required analysis and adjustments, along with due dates for the various procedures.

Views of Responsible Officials: Management of the EAROP understanding the fair value adjustment and will record the amounts into the Unaudited Actuals starting with the fiscal year 2025 financial close.

Current Status: Implemented.