

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

AUDIT REPORT
JUNE 30, 2025



WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
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.....	14
Statement of Activities	15
Fund Financial Statements	
Governmental Funds – Balance Sheet.....	16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	17
Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances	19
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	20
Proprietary Funds – Statement of Net Position	22
Proprietary Funds – Statement of Revenues, Expenses, and Changes in Net Position	23
Proprietary Funds – Statement of Cash Flows	24
Notes to Financial Statements.....	25

REQUIRED SUPPLEMENTARY INFORMATION

General Fund – Budgetary Comparison Schedule	62
Schedule of Changes in Net OPEB Liability and Related Ratios.....	63
Schedule of District Contributions for OPEB	64
Schedule of the District's Proportionate Share of the Net Pension Liability - CalSTRS	65
Schedule of the District's Proportionate Share of the Net Pension Liability - CalPERS	66
Schedule of District Contributions - CalSTRS	67
Schedule of District Contributions - CalPERS	68
Notes to Required Supplementary Information	69

SUPPLEMENTARY INFORMATION

Schedule of Expenditures of Federal Awards.....	71
Schedule of Average Daily Attendance (ADA)	72
Schedule of Instructional Time	73
Schedule of Financial Trends and Analysis	74
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements	75
Schedule of Charter Schools	76
Combining Statements – Non-Major Governmental Funds	
Combining Balance Sheet	77
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	78
Notes to Supplementary Information	79

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
TABLE OF CONTENTS, continued
JUNE 30, 2025

OTHER INFORMATION

Local Education Agency Organization Structure 80

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* 81

Report on Compliance For Each Major Federal Program; and Report on Internal Control Over
Compliance Required by the Uniform Guidance 83

Report on State Compliance and on Internal Control over Compliance for State Programs.....86

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of Auditors' Results.....90

Financial Statement Findings 91

Federal Award Findings and Questioned Costs 92

State Award Findings and Questioned Costs 93

Summary Schedule of Prior Audit Findings 94

FINANCIAL SECTION

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTSIndependent Auditors' Report

Governing Board
West Contra Costa Unified School District
Richmond, California

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

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 West Contra Costa Unified School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter*Change in Accounting Principle*

As described in Note 1 to the financial statements, the West Contra Costa Unified School District 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.

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

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 West Contra Costa Unified School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the West Contra Costa Unified School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis, budgetary comparison information, schedule of changes in net OPEB liability and related ratios, schedules of proportionate share of net pension liability, and schedules of district contributions for pensions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context.

Required Supplementary Information (continued)

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2026 on our consideration of the West Contra Costa Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the West Contra Costa Unified School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering West Contra Costa Unified School District's internal control over financial reporting and compliance.

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

San Diego, California
January 29, 2026

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

1108 Bissell Avenue
Richmond, CA 94801-3135
Telephone (510) 231-1100

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

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

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, issued June 1999; GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, an amendment to GASB Statements No. 21 and No. 34, issued in June 2001; GASB Statement No. 38, *Certain Financial Statement Note Disclosures issued in 2001 and GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, issued in 2004. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

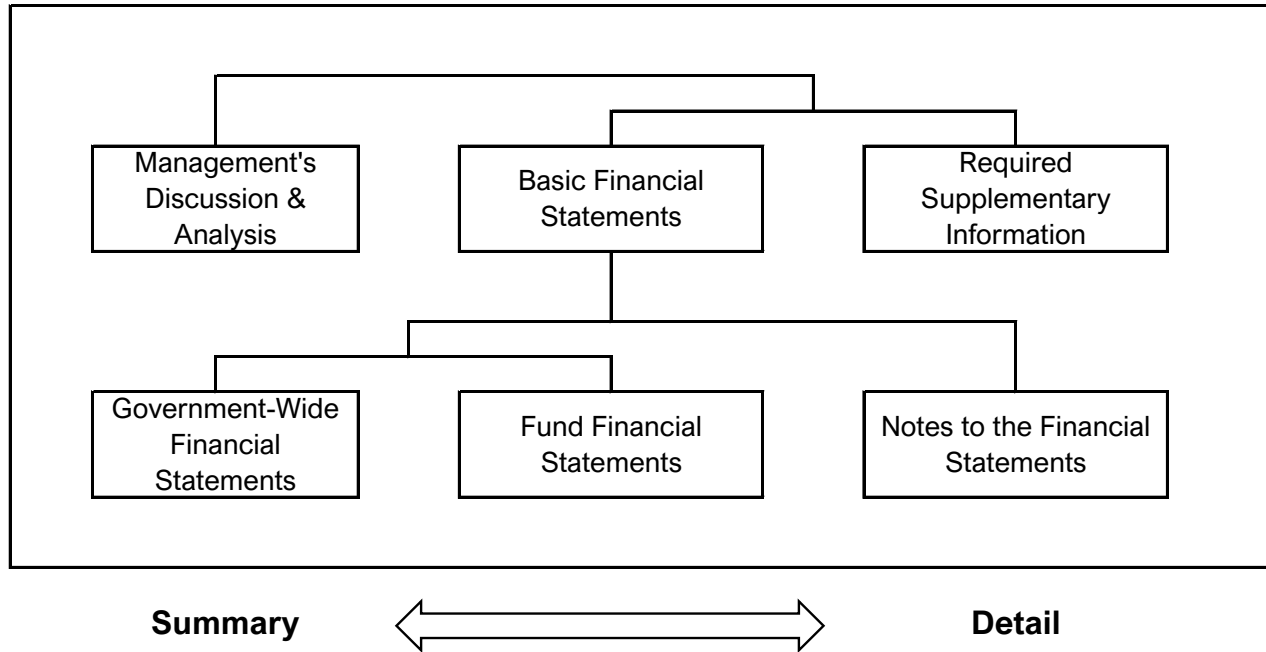
FINANCIAL HIGHLIGHTS

- The District's net position was \$(29,611,015) at June 30, 2025. This was an increase of \$9,795,594 from the prior year, after restatement.
- Overall revenues were \$679,356,233 which exceeded expenses of \$669,560,639.

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2025**

OVERVIEW OF FINANCIAL STATEMENTS

Components of the Financial Section



**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
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 District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- ▶ **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the entity's overall financial position.
- ▶ **Fund financial statements** focus on reporting the individual parts of District operations in more detail. The fund financial statements comprise the remaining statements.
 - ▶ **Governmental Funds** provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.
 - ▶ **Proprietary Funds** report services for which the District charges customers a fee. Like the government-wide statements, they provide both long- and short-term financial information.

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

Government-Wide Statements

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

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

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

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2025**

OVERVIEW OF FINANCIAL STATEMENTS (continued)

Government-Wide Statements (continued)

The following matrix summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of the overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Type of Statement	District-wide	Governmental Funds	Proprietary Funds
Scope	Entire district	The activities of the district that are not proprietary, such as special revenue and debt service funds	Activities the district operates similar to private businesses: such as the self-insurance fund
Required financial statements	Statement of net position	Balance sheet	Statement of net position
	Statement of activities	Statement of revenues, expenditures & changes in fund balances	Statement of revenues, expenses & changes in fund net position
			Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2025**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The District's net position was \$(29,611,015) at June 30, 2025, as reflected in the table below. Of this amount, \$(696,940,850) 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	\$ 813,692,093	\$ 600,662,654	\$ 213,029,439
Capital assets	1,339,840,710	1,335,673,550	4,167,160
Total Assets	2,153,532,803	1,936,336,204	217,196,599
DEFERRED OUTFLOWS OF RESOURCES	274,317,846	234,156,880	40,160,966
LIABILITIES			
Current liabilities	170,613,550	130,122,429	40,491,121
Long-term liabilities	2,148,630,140	1,912,587,435	236,042,705
Total Liabilities	2,319,243,690	2,042,709,864	276,533,826
DEFERRED INFLOWS OF RESOURCES	138,217,974	137,812,898	405,076
NET POSITION			
Net investment in capital assets	388,883,438	364,147,328	24,736,110
Restricted	278,446,397	270,469,558	7,976,839
Unrestricted	(696,940,850)	(644,646,564)	(52,294,286)
Total Net Position	\$ (29,611,015)	\$ (10,029,678)	\$ (19,581,337)

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
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 District as a whole are reported in the Statement of Activities. The table below takes the information from the Statement and rearranges it slightly, so you can see our total revenues and expenses for the year.

	Governmental Activities		
	2025	2024	Net Change
REVENUES			
Program revenues			
Charges for services	\$ 1,915,333	\$ 3,018,215	\$ (1,102,882)
Operating grants and contributions	160,604,645	200,741,719	(40,137,074)
Capital grants and contributions	134,507	6,746,271	(6,611,764)
General revenues			
Property taxes	276,391,825	269,280,507	7,111,318
Unrestricted federal and state aid	207,288,553	216,336,160	(9,047,607)
Other	33,021,370	19,580,550	13,440,820
Total Revenues	679,356,233	715,703,422	(36,347,189)
EXPENSES			
Instruction	297,117,640	309,527,607	(12,409,967)
Instruction-related services	70,601,114	75,606,297	(5,005,183)
Pupil services	91,563,275	85,372,426	6,190,849
General administration	41,976,850	47,738,740	(5,761,890)
Plant services	58,457,834	74,530,730	(16,072,896)
Ancillary and community services	27,908,038	25,816,849	2,091,189
Debt service	63,471,595	48,705,800	14,765,795
Other outgo	3,536,150	2,213,955	1,322,195
Enterprise activities	14,928,143	14,328,181	599,962
Total Expenses	669,560,639	683,840,585	(14,279,946)
Change in net position	9,795,594	31,862,837	(22,067,243)
Net Position - Beginning, as Restated*	(39,406,609)	(41,892,515)	2,485,906
Net Position - Ending	\$ (29,611,015)	\$ (10,029,678)	\$ (19,581,337)

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

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
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 District's functions. Net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

	Net Cost of Services	
	2025	2024
Instruction	\$ 233,000,401	\$ 211,887,759
Instruction-related services	55,262,134	59,099,516
Pupil services	58,748,925	47,707,384
General administration	37,042,954	41,061,457
Plant services	56,530,490	64,764,697
Ancillary and community services	4,452,476	269,160
Debt service	63,471,595	48,705,800
Transfers to other agencies	(16,525,287)	(14,489,574)
Enterprise activities	14,922,466	14,328,181
Total	\$ 506,906,154	\$ 473,334,380

FINANCIAL ANALYSIS OF THE DISTRICT'S MAJOR FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of \$774,967,512, which is more than last year's ending fund balance of \$545,641,767. The District's General Fund had \$22,931,859 less in operating revenues than expenditures for the year ended June 30, 2025. The District's Building Fund had \$19,578,728 less in operating revenues than expenditures for the year ended June 30, 2025, additionally, the District's Building Fund had \$250,134,507 in financing sources. The District's Bond Interest and Redemption Fund had \$8,960,132 more in operating revenues than expenditures for the year ended June 30, 2025, additionally, the District's Bond Interest and Redemption Fund had \$17,820,929 in net financing sources (uses).

CURRENT YEAR BUDGET 2024-2025

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

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
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 District had invested \$1,339,840,710 in capital assets, net of accumulated depreciation.

	Governmental Activities		
	2025	2024	Net Change
CAPITAL ASSETS			
Land	\$ 52,371,291	\$ 52,371,291	\$ -
Construction in progress	87,653,981	38,464,592	49,189,389
Land improvements	78,362,991	78,362,991	-
Buildings & improvements	1,758,563,900	1,758,563,900	-
Furniture & equipment	52,794,091	52,643,474	150,617
Less: Accumulated depreciation	(689,905,544)	(644,732,698)	(45,172,846)
Total	\$ 1,339,840,710	\$ 1,335,673,550	\$ 4,167,160

Long-Term Liabilities

At year-end, the District had \$2,148,630,140 in long-term liabilities, an increase of 10.64% from last year's restated balance – as shown in the table below. More detailed information about the District's long-term liabilities is presented in footnotes to the financial statements.

	Governmental Activities		
	2025	2024	Net Change
LONG-TERM LIABILITIES			
Total general obligation bonds	\$ 1,653,316,924	\$ 1,336,171,296	\$ 317,145,628
Total certificates of participation	2,845,000	3,205,000	(360,000)
Compensated absences*	37,561,008	34,247,640	3,313,368
Net OPEB liability	251,952,643	292,730,750	(40,778,107)
Net pension liability	312,622,631	333,228,171	(20,605,540)
Less: current portion of long-term liabilities	(109,668,066)	(57,618,491)	(52,049,575)
Total	\$ 2,148,630,140	\$ 1,941,964,366	\$ 206,665,774

**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.*

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2025**

CAPITAL ASSETS AND LONG-TERM LIABILITIES (continued)

Long-Term Liabilities (continued)

In recent years the District has received approval from the voters to issue \$2.2 billion in bonds. Measure E was approved for \$40 million in November 1998 to fund various capital improvement projects and to construct a new middle school. Measure M, in the amount of \$150 million, was approved in November 2000 to renovate the elementary schools of the District. Measure D was approved in March 2002 to renovate the secondary schools of the District as well as provide additional funds to supplement Measure M. This measure is in the amount of \$300 million. Measure J was approved for \$400 million in November 2005 to continue repairing all school facilities, improve classroom safety and technology. Measure D was approved for \$380 million in 2010 and Measure E was approved for \$360 million in November 2012 and will be used toward the continued renovation and rebuilding program for elementary and secondary schools. Measure R was approved for \$575 million in 2020 to repair and upgrade neighborhood schools. The District will continue to sell, and issue bonds authorized by these measures in amounts necessary to meet the cash flow needs of the construction projects as they progress over the next several years.

The state limits the amount of general obligation debt the District can issue to 2.5 percent of the assessed value of all taxable property within the District's boundaries. In 2021, the District applied for and was granted a waiver increasing the limit from 2.5 percent to 4.05 percent. This waiver applies to the 2020 Measure R and 2005 Measure J authorizations. The waiver expires on June 30, 2028. The District has received four prior from the Department of Education in November 2002, March 2009, March 2011 and May 2013 for prior bond measures.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Several economic and fiscal factors could influence the District's financial condition in the coming year, including continued enrollment declines, uncertain Federal and State revenues, high pension obligations, and a cooling California economy.

Long-Term Declining Enrollment

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

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT 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 districts to budget cautiously and preserve flexibility given ongoing volatility.
- **Federal Funding Uncertainties:** Federal funding for K–12 education remains uncertain heading into 2025–26. Several large federal programs—including Title I, Title II, IDEA, and after-school and enrichment grants—face potential reductions or delays under current federal budget proposals and continuing appropriations negotiations. The U.S. Department of Education has also paused or delayed disbursement of certain previously approved formula and competitive grants, creating short-term cash-flow and planning challenges for districts. Analyses by nonpartisan agencies such as the Congressional Budget Office and the Learning Policy Institute note that up to \$5–6 billion in K-12 formula funds nationwide remain at risk of reduction or deferral if congressional appropriations are not finalized. While districts are expected to continue receiving baseline allocations during temporary funding resolutions, long-term federal support levels for education could decline modestly in real terms, requiring districts to plan for possible funding interruptions or reductions in future years.

Pension Liabilities and Employer Rates

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Business Office at 1400 Marina Way South, Richmond, CA 94806.

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
ASSETS	
Cash and investments	\$ 787,240,263
Accounts receivable	25,334,912
Inventory	1,116,918
Capital assets:	
Capital assets, not depreciated	140,025,272
Capital assets, net of accumulated depreciation	1,199,815,438
Total Assets	2,153,532,803
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	119,166,410
Deferred outflows related to OPEB	41,857,590
Deferred amount on refunding	113,293,846
Total Deferred Outflows of Resources	274,317,846
LIABILITIES	
Deficit cash	4,410
Accrued liabilities	57,883,059
Unearned revenue	3,058,015
Long-term liabilities, current portion	109,668,066
Long-term liabilities, non-current portion	2,148,630,140
Total Liabilities	2,319,243,690
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	40,709,071
Deferred inflows related to OPEB	92,042,992
Deferred amount on refunding	5,465,911
Total Deferred Inflows of Resources	138,217,974
NET POSITION	
Net investment in capital assets	388,883,438
Restricted:	
Capital projects	33,201,165
Debt service	119,279,856
Educational programs	96,673,570
Food service	27,941,632
Associated student body	1,350,174
Unrestricted	(696,940,850)
Total Net Position	\$ (29,611,015)

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

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Function/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES					
Instruction	\$ 297,117,640	\$ 636,134	\$ 63,346,598	\$ 134,507	\$ (233,000,401)
Instruction-related services					
Instructional supervision and administration	30,670,611	20,323	10,453,815	-	(20,196,473)
Instructional library, media, and technology	4,263,961	37,991	685,048	-	(3,540,922)
School site administration	35,666,542	2,273	4,139,530	-	(31,524,739)
Pupil services					
Home-to-school transportation	16,168,724	-	36,039	-	(16,132,685)
Food services	29,395,280	-	23,599,951	-	(5,795,329)
All other pupil services	45,999,271	47,794	9,130,566	-	(36,820,911)
General administration					
Centralized data processing	11,130,878	5	53,165	-	(11,077,708)
All other general administration	30,845,972	4,432	4,876,294	-	(25,965,246)
Plant services	58,457,834	20,947	1,906,397	-	(56,530,490)
Ancillary services	27,560,859	16,441	23,385,786	-	(4,158,632)
Community services	347,179	2,994	50,341	-	(293,844)
Enterprise activities	14,928,143	-	5,677	-	(14,922,466)
Interest on long-term debt	63,471,595	-	-	-	(63,471,595)
Other outgo	3,536,150	1,125,999	18,935,438	-	16,525,287
Total Governmental Activities	\$ 669,560,639	\$ 1,915,333	\$ 160,604,645	\$ 134,507	(506,906,154)
General revenues					
Taxes and subventions					
Property taxes, levied for general purposes					141,441,289
Property taxes, levied for debt service					111,573,721
Property taxes, levied for other specific purposes					23,376,815
Federal and state aid not restricted for specific purposes					207,288,553
Interest and investment earnings					9,682,508
Miscellaneous					23,338,862
Subtotal, General Revenue					516,701,748
CHANGE IN NET POSITION					9,795,594
Net Position - Beginning, as Restated					(39,406,609)
Net Position - Ending					\$ (29,611,015)

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

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2025

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 174,443,650	\$ 408,323,926	\$ 140,900,920	\$ 63,541,021	\$ 787,209,517
Accounts receivable	17,503,521	1,843,661	605,883	5,381,847	25,334,912
Stores inventory	319,626	-	-	797,292	1,116,918
Total Assets	\$ 192,266,797	\$ 410,167,587	\$ 141,506,803	\$ 69,720,160	\$ 813,661,347
LIABILITIES					
Deficit cash	\$ -	\$ -	\$ -	\$ 4,410	\$ 4,410
Accrued liabilities	28,215,231	6,639,854	-	776,325	35,631,410
Unearned revenue	3,009,599	-	-	48,416	3,058,015
Total Liabilities	31,224,830	6,639,854	-	829,151	38,693,835
FUND BALANCES					
Nonspendable	389,626	-	-	797,292	1,186,918
Restricted	91,864,430	403,527,733	141,506,803	67,302,111	704,201,077
Assigned	24,708,134	-	-	791,606	25,499,740
Unassigned	44,079,777	-	-	-	44,079,777
Total Fund Balances	161,041,967	403,527,733	141,506,803	68,891,009	774,967,512
Total Liabilities and Fund Balances	\$ 192,266,797	\$ 410,167,587	\$ 141,506,803	\$ 69,720,160	\$ 813,661,347

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

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET
POSITION
JUNE 30, 2025

Total Fund Balance - Governmental Funds **\$ 774,967,512**

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

Capital assets:

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

Capital assets	\$ 2,029,746,254	
Accumulated depreciation	<u>(689,905,544)</u>	1,339,840,710

Deferred amount on refunding:

In governmental funds, the net effect of refunding bonds is recognized when debt is issued, whereas this amount is deferred and amortized in the government-wide financial statements: 107,827,935

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmaturing interest owing at the end of the period was: (22,226,947)

Long-term liabilities:

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

Total general obligation bonds	\$ 1,653,316,924	
Total certificates of participation	2,845,000	
Compensated absences	37,561,008	
Net OPEB liability	251,952,643	
Net pension liability	<u>312,622,631</u>	(2,258,298,206)

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	\$ 119,166,410	
Deferred inflows of resources related to pensions	<u>(40,709,071)</u>	78,457,339

(continued on the next page)

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET
POSITION, continued
JUNE 30, 2025

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	\$ 41,857,590	
Deferred inflows of resources related to OPEB	<u>(92,042,992)</u>	(50,185,402)

Internal service funds:

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

6,044

Total Net Position - Governmental Activities

\$ (29,611,015)

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
LCFF sources	\$ 337,448,262	\$ -	\$ -	\$ -	\$ 337,448,262
Federal sources	29,580,628	-	-	15,109,104	44,689,732
Other state sources	103,646,135	-	569,551	18,665,285	122,880,971
Other local sources	57,195,557	14,229,322	115,754,891	13,991,499	201,171,269
Total Revenues	527,870,582	14,229,322	116,324,442	47,765,888	706,190,234
EXPENDITURES					
Current					
Instruction	292,741,932	-	-	4,308,572	297,050,504
Instruction-related services					
Instructional supervision and administration	27,975,123	-	-	999,636	28,974,759
Instructional library, media, and technology	4,067,627	-	-	-	4,067,627
School site administration	33,199,899	-	-	1,817,871	35,017,770
Pupil services					
Home-to-school transportation	15,364,299	-	-	-	15,364,299
Food services	466,626	-	-	25,121,274	25,587,900
All other pupil services	44,935,133	-	-	254,973	45,190,106
General administration					
Centralized data processing	10,016,492	-	-	-	10,016,492
All other general administration	24,077,597	-	-	1,268,761	25,346,358
Plant services	53,801,834	-	-	657,489	54,459,323
Facilities acquisition and construction	829,595	32,497,996	-	16,993,974	50,321,565
Ancillary services	25,372,389	-	-	1,288,067	26,660,456
Community services	344,610	-	-	-	344,610
Enterprise activities	14,926,504	-	-	-	14,926,504
Transfers to other agencies	2,226,096	-	-	-	2,226,096
Debt service					
Principal	360,000	-	57,263,529	-	57,623,529
Interest and other	96,685	1,310,054	50,100,781	-	51,507,520
Total Expenditures	550,802,441	33,808,050	107,364,310	52,710,617	744,685,418
Excess (Deficiency) of Revenues Over Expenditures	(22,931,859)	(19,578,728)	8,960,132	(4,944,729)	(38,495,184)
Other Financing Sources (Uses)					
Transfers in	-	134,507	-	9,350	143,857
Other sources	-	250,000,000	210,563,293	-	460,563,293
Transfers out	(9,350)	-	-	(134,507)	(143,857)
Other uses	-	-	(192,742,364)	-	(192,742,364)
Net Financing Sources (Uses)	(9,350)	250,134,507	17,820,929	(125,157)	267,820,929
NET CHANGE IN FUND BALANCE	(22,941,209)	230,555,779	26,781,061	(5,069,886)	229,325,745
Fund Balance - Beginning	183,983,176	172,971,954	114,725,742	73,960,895	545,641,767
Fund Balance - Ending	\$ 161,041,967	\$ 403,527,733	\$ 141,506,803	\$ 68,891,009	\$ 774,967,512

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

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

Net Change in Fund Balances - Governmental Funds \$ 229,325,745

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

Capital outlay:

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

Expenditures for capital outlay:	\$ 50,235,648	
Depreciation expense:	<u>(45,971,500)</u>	4,264,148

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: 145,660,000

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: (460,563,293)

Deferred amounts on refunding:

In governmental funds, deferred amounts on refunding are recognized in the period they are incurred. In the government-wide statements, the deferred amounts on refunding are amortized over the life of the debt. The net effect of the deferred amounts on refunding during the period was: 108,062,429

Gain or loss from the disposal of capital assets:

In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting gain or loss is: (96,988)

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was: (4,737,852)

(continued on the next page)

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
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

Accreted interest on long-term debt:

In governmental funds, accreted interest on capital appreciation bonds is not recorded as an expenditure from current sources. In the government-wide statement of activities, however, this is recorded as interest expense for the period. (17,683,319)

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: (3,313,368)

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: (37,010)

Pensions:

In governmental funds, pension costs are recognized when employer contributions are made. In the government-wide statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and employer contributions was: 3,124,596

Amortization of debt issuance premium or discount:

In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount is amortized over the life of the debt. Amortization of premium or discount for the period is: 5,790,506

Change in Net Position of Governmental Activities

\$ 9,795,594

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2025

	Governmental Activities
	Internal Service Fund
ASSETS	
Current assets	
Cash and investments	\$ 30,746
Total Assets	30,746
LIABILITIES	
Current liabilities	
Accrued liabilities	24,702
Total Liabilities	24,702
NET POSITION	
Unrestricted	6,044
Total Net Position	\$ 6,044

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

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

	Governmental Activities
	Internal Service Fund
OPERATING REVENUES	
Charges for services	\$ 5,513,272
Total operating revenues	<u>5,513,272</u>
OPERATING EXPENSES	
Salaries and benefits	335,151
Supplies and materials	100
Professional services	4,971,037
Total operating expenses	<u>5,306,288</u>
Operating income/(loss)	<u>206,984</u>
NON-OPERATING REVENUES/(EXPENSES)	
Interest income	(206,984)
Total non-operating revenues/(expenses)	<u>(206,984)</u>
CHANGE IN NET POSITION	-
Net Position - Beginning	6,044
Net Position - Ending	<u>\$ 6,044</u>

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

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Governmental Activities
	Internal Service Fund
Cash flows from operating activities	
Cash received from user charges	\$ 5,513,272
Cash payments for payroll, insurance, and operating costs	(5,349,804)
Net cash provided by (used for) operating activities	163,468
Cash flows from investing activities	
Interest received	(206,984)
Net cash provided by (used for) investing activities	(206,984)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(43,516)
 CASH AND CASH EQUIVALENTS	
Beginning of year	74,262
End of year	\$ 30,746
 Reconciliation of operating income (loss) to cash provided by (used for) operating activities	
Operating income/(loss)	\$ 206,984
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Changes in assets and liabilities:	
Increase (decrease) in accrued liabilities	(43,516)
Net cash provided by (used for) operating activities	\$ 163,468

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

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

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

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

B. Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete.

On January 13, 1994, certain members of the District's Board of Education and District employees formed a nonprofit benefit corporation, known as the West Contra Costa Unified School District Financing Corporation (the "Corporation"), which is organized under the Nonprofit Benefit Corporation Law of the State of California, to provide financial assistance to the District by financing, constructing and leasing various public facilities, land, and equipment for the use, benefit, and enjoyment of the public served by the District. The Corporation issued Certificates of Participation (COPs). The COPs are collateralized by an underlying lease-purchase agreement between the Corporation and the District.

The District and the Corporation have a financial and operational relationship that meets the reporting entity definition of Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, for inclusion of the Corporation as a component unit of the District. The basic, but not the only criterion for including a governmental organization in a governmental unit's reporting entity for general purpose financial reports is the ability of the governmental unit's elected officials to exercise oversight responsibility over such organizations. Oversight responsibility implies that the nongovernmental unit is dependent on another and the dependent unit should be reported as part of the other.

Accordingly, for the year ended June 30, 2025 the financial activities of the Corporation have been blended into the financial statements of the District. The Corporation's financial activities are presented in the Debt Service Fund. COPs issued by the Corporation are included as long-term liabilities in the financial statements.

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation

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

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

Fund Financial Statements. The fund financial statements provide information about the District's funds, including its proprietary funds. Separate statements for each fund category – governmental and proprietary – 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, operation of food service and child development programs, construction and maintenance of school facilities, and repayment of long-term debt.

Proprietary funds are used to account for activities that are more business-like than government-like in nature. Business-type activities include those for which a fee is charged to external users or to other organizational units of the District, normally on a full cost-recovery basis. Proprietary funds are generally intended to be self-supporting.

Major Governmental Funds

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

Building Fund: This fund exists primarily to account separately for proceeds from the sale of bonds (*Education Code Section 15146*) and may not be used for any purposes other than those for which the bonds were issued. Other authorized revenues to the Building Fund are proceeds from the sale or lease-with-option-to-purchase of real property (*Education Code Section 17462*) and revenue from rentals and leases of real property specifically authorized for deposit into the fund by the governing board (*Education Code Section 41003*).

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Major Governmental Funds (continued)

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

Non-Major Governmental Funds

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

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

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

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

Cafeteria Fund: This fund is used to account separately for federal, state, and local resources to operate the food service program (*Education Code Sections 38090–38093*). The Cafeteria Fund shall be used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code Sections 38091 and 38100*).

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

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

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Non-Major Governmental Funds (continued)

Capital Project Funds (continued)

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

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

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

Debt Service Fund for Blended Component Units: This fund is used to account for the accumulation of resources for the payment of principal and interest on bonds issued by Mello-Roos Community Facilities Districts and similar entities that are considered blended component units of the District under generally accepted accounting principles (GAAP).

Proprietary Funds

Internal Service Funds: Internal service funds are created principally to render services to other organizational units of the District on a cost-reimbursement basis. These funds are designed to be self-supporting with the intent of full recovery of costs, including some measure of the cost of capital assets, through user fees and charges.

Self-Insurance Fund: Self-insurance funds are used to separate moneys received for self-insurance activities from other operating funds of the District. Separate funds may be established for each type of self-insurance activity, such as workers' compensation, health and welfare, and deductible property loss (*Education Code Section 17566*).

D. Basis of Accounting – Measurement Focus

Government-Wide and Proprietary Fund Financial Statements

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

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

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting – Measurement Focus (continued)

Government-Wide and Proprietary Fund Financial Statements (continued)

Proprietary funds distinguish operating revenues and expenses from non operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the internal service fund are charges to other funds for self insurance costs. Operating expenses for internal service funds include the costs of insurance premiums and claims related to self-insurance.

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.

Revenues – Exchange and Non-Exchange Transactions

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

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

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

Unearned Revenue

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

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

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting – Measurement Focus (continued)

Expenses/Expenditures

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

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

Cash and Cash Equivalents

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

Investments

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

Inventories

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

Capital Assets

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

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

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

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings and Improvements	20-50 years
Furniture and Equipment	10-25 years
Vehicles	10-15 years

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
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 District'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 and proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as 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, 2024
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

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.

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
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)

Premiums and Discounts

In the government-wide and proprietary fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund 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 District will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

Pensions

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

Fund Balance

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

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

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

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

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Balance (continued)

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

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

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

F. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds 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.

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Budgetary Data

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

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

I. Property Tax

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

J. New Accounting Pronouncements

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

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. New Accounting Pronouncements (continued)

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 District has not yet determined the impact on the financial statements.

NOTE 2 – CASH AND INVESTMENTS

A. Summary of Cash and Investments

	Governmental Funds	Internal Service Fund	Governmental Activities
Investment in county treasury*	\$ 758,870,126	\$ 856	\$ 758,870,982
Fair value adjustment	(490,574)	(48)	(490,622)
Cash on hand and in banks	1,344,919	-	1,344,919
Cash with fiscal agent	2,326,934	29,938	2,356,872
Cash in revolving fund	70,000	-	70,000
Local agency investment fund (LAIF)	25,088,112	-	25,088,112
Total	\$ 787,209,517	\$ 30,746	\$ 787,240,263

*does not include deficit cash of \$4,410

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 2 – CASH AND INVESTMENTS (continued)

B. Policies and Practices

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

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

Cash with Fiscal Agent – The Cash with Fiscal Agent in the Building Fund represents contract retentions that are placed with an independent third party. These amounts are carried in the contractor's name and all investment risk resides with the contractor.

The Cash with Fiscal Agent in the General Fund, Debt Service Fund for Blended Component Units, and Self-Insurance Fund represents amounts held by third parties in the District's name.

Local Agency Investment Fund (LAIF) - West Contra Costa Unified School District places certain funds with the State of California's Local Agency Investment Fund (LAIF). The District is a voluntary participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California and the Pooled Money Investment Board. The State Treasurer's Office pools these funds with those of other governmental agencies in the state and invests the cash. The fair value of the District's investment in the pool is reported in the accompanying financial statements based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The monies held in the pooled investments funds are not subject to categorization by risk category. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Funds are accessible and transferable to the master account within twenty-four hours' notice. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, and floating rate securities issued by federal agencies, government-sponsored enterprises and corporations.

LAIF is administered by the State Treasurer. LAIF investments are audited annually by the Pooled Money Investment Board and the State Controller's Office. Copies of this audit may be obtained from the State Treasurer's Office: 915 Capitol Mall; Sacramento, California 95814. The Pooled Money Investment Board has established policies, goals, and objectives to make certain that their goal of safety, liquidity and yield are not jeopardized.

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
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 District funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website. The table below identifies the investment types permitted by California Government Code.

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

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains a pooled investment with the County Treasury with a fair value of approximately \$758,380,360. The average weighted maturity for this pool is 277 days. Investments consist of amounts on deposit with the Local Agency Investment Fund (LAIF) with a fair value of approximately \$25,088,112.

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.

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
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 District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2025, approximately \$3,378,966 of the District's bank balances was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department of agency, but not in the name of the District.

G. Fair Value

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

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

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

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

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

The District's fair value measurements at June 30, 2025 were as follows:

	<u>Uncategorized</u>
Investment in county treasury	\$ 758,380,360
Local agency investment fund (LAIF)	25,088,112
Total	<u>\$ 783,468,472</u>

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 3 – ACCOUNTS RECEIVABLE

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

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Governmental Activities
Federal Government					
Categorical aid	\$ 8,278,051	\$ -	\$ -	\$ 923,156	\$ 9,201,207
State Government					
Apportionment	1,554,345	-	-	-	1,554,345
Categorical aid	3,501,204	-	-	3,829,335	7,330,539
Lottery	1,290,147	-	-	-	1,290,147
Local Government					
Other local sources	2,879,774	1,843,661	605,883	629,356	5,958,674
Total	\$ 17,503,521	\$ 1,843,661	\$ 605,883	\$ 5,381,847	\$ 25,334,912

NOTE 4 – CAPITAL ASSETS

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

	Balance July 01, 2024	Additions	Deletions	Balance June 30, 2025
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 52,371,291	\$ -	\$ -	\$ 52,371,291
Construction in progress	38,464,592	50,235,648	1,046,259	87,653,981
Total capital assets not being depreciated	90,835,883	50,235,648	1,046,259	140,025,272
Capital assets being depreciated				
Land improvements	78,362,991	-	-	78,362,991
Buildings & improvements	1,758,563,900	-	-	1,758,563,900
Furniture & equipment	52,643,474	1,046,259	895,642	52,794,091
Total capital assets being depreciated	1,889,570,365	1,046,259	895,642	1,889,720,982
Less: Accumulated depreciation				
Land improvements	48,313,840	2,546,538	-	50,860,378
Buildings & improvements	552,079,493	41,347,416	-	593,426,909
Furniture & equipment	44,339,365	2,077,546	798,654	45,618,257
Total accumulated depreciation	644,732,698	45,971,500	798,654	689,905,544
Total capital assets being depreciated, net	1,244,837,667	(44,925,241)	96,988	1,199,815,438
Governmental Activities				
Capital Assets, net	\$ 1,335,673,550	\$ 5,310,407	\$ 1,143,247	\$ 1,339,840,710

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 4 – CAPITAL ASSETS (continued)

Depreciation expense was charged as a direct expense to governmental functions as follows:

Governmental Activities	
Instruction	\$ 22,663,773
Instructional supervision and administration	3,560,367
Instructional library, media, and technology	395,137
School site administration	2,771,901
Home-to-school transportation	803,800
Food services	3,757,733
All other pupil services	3,665,551
Centralized data processing	1,183,017
All other general administration	2,337,890
Plant services	3,782,746
Ancillary services	1,047,019
Community services	2,566
Total	\$ 45,971,500

NOTE 5 – INTERFUND TRANSACTIONS

Operating Transfers

Interfund transfers for the year ended June 30, 2025 consisted of the following:

	Interfund Transfers In		
		Non-Major Governmental Funds	
Interfund Transfers Out	Building Fund		Total
General Fund	\$ -	\$ 9,350	\$ 9,350
Non-Major Governmental Funds	134,507	134,507	134,507
Total	\$ 134,507	\$ 9,350	\$ 143,857

The General Fund transferred to the Non-Major Adult Education Fund for staffing of CPR classes.

\$ 9,350

The Non-Major County School Facilities Fund transferred to the Building Fund for costs incurred.

134,507

Total

\$ 143,857

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 6 – ACCRUED LIABILITIES

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

	General Fund	Building Fund	Non-Major Governmental Funds	Internal Service Fund	District-Wide	Governmental Activities
Payroll	\$ 1,785,202	\$ -	\$ -	\$ -	\$ -	\$ 1,785,202
Construction	-	6,639,854	362,741	-	-	7,002,595
Vendors payable	23,631,719	-	301,129	24,702	-	23,957,550
Unmatured interest	-	-	-	-	22,226,947	22,226,947
Due to grantor government	2,798,310	-	112,455	-	-	2,910,765
Total	\$ 28,215,231	\$ 6,639,854	\$ 776,325	\$ 24,702	\$ 22,226,947	\$ 57,883,059

NOTE 7 – UNEARNED REVENUE

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

	General Fund	Non-Major Governmental Funds	Governmental Activities
Federal sources	\$ 32,146	\$ 48,416	\$ 80,562
State categorical sources	2,977,453	-	2,977,453
Total	\$ 3,009,599	\$ 48,416	\$ 3,058,015

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					
General obligation bonds	\$ 1,106,274,078	\$ 423,635,000	\$ 136,363,529	\$ 1,393,545,549	\$ 79,000,528
Unamortized premium	44,795,082	36,928,293	15,800,984	65,922,391	5,790,506
Accreted interest	185,102,136	17,683,319	8,936,471	193,848,984	17,975,472
Total general obligation bonds	1,336,171,296	478,246,612	161,100,984	1,653,316,924	102,766,506
Certificates of participation	3,205,000	-	360,000	2,845,000	370,000
Compensated absences*	34,247,640	3,313,368	-	37,561,008	6,531,560
Net OPEB liability	292,730,750	-	40,778,107	251,952,643	-
Net pension liability	333,228,171	-	20,605,540	312,622,631	-
Total	\$ 1,999,582,857	\$ 481,559,980	\$ 222,844,631	\$ 2,258,298,206	\$ 109,668,066

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

- Payments for general obligation bonds are made in the Bond Interest and Redemption Fund.
- Payments on certificates of participation are made in the General Fund.

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 8 – LONG-TERM LIABILITIES (continued)

A. Compensated Absences

The beginning restated total unpaid employee compensated absences was \$34,247,640 and increased by a net amount of \$3,313,368 during the year ended June 30, 2025. The ending compensated absences at June 30, 2025 amounted to \$37,561,008. This amount is included as part of long-term liabilities in the government-wide financial statements.

B. Certificates of Participation

On March 7, 2017, the West Contra Costa Unified School District Financing Corporation issued Certificates of Participation (COPs) through Capital One Public Funding in the amount of \$5,250,000. Semi-annual payments are made and include interest of 3.14%.

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 370,000	\$ 83,524	\$ 453,524
2027	380,000	71,749	451,749
2028	395,000	59,582	454,582
2029	405,000	47,022	452,022
2030	420,000	34,069	454,069
2031 - 2032	875,000	27,711	902,711
Total	\$ 2,845,000	\$ 323,657	\$ 3,168,657

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 8 – LONG-TERM LIABILITIES (continued)

C. General Obligation Bonds

The District's general obligation bonds are issued under separate authorizations which were approved by voters of the District over the past several years. As of June 30, 2025, the measures with outstanding balances and their respective election year include Measure E of 1998, Measure M of 2000, Measure D of 2002, Measure J of 2005, Measure D of 2010, Measure E of 2012, and Measure R of 2020. Proceeds from the Bonds are being used to improve, construct or refurbish the District's schools.

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds			Bonds	
					Outstanding July 01, 2024	Additions	Deductions	Outstanding June 30, 2025	
Measure E - Refunding Series A	2001	8/1/2025	4.15 - 5.70%	\$ 28,610,000	\$ 820,000	\$ -	\$ 720,000	\$ 100,000	
Measure E - Refunding Series B	2001	8/1/2024	4.30 - 6.00%	10,255,000	50,000	-	50,000	-	
Measure D - Series C2	2004	8/1/2034	2.40 - 5.80%	29,999,377	49,820,430	2,779,508	4,010,000	48,589,938	
Measure D - Series D	2006	8/1/2034	3.15 - 3.05%	99,998,106	128,894,317	6,276,634	10,245,000	124,925,951	
Measure J - Series B	2009	8/1/2028	5.00 - 6.00%	120,000,000	32,100,000	-	4,900,000	27,200,000	
Measure J - Series C1	2010	8/1/2033	6.24 - 12.00%	52,084,759	106,922,003	7,596,107	160,000	114,358,110	
Measure J - Series D1 QSCB	2010	8/1/2024	6.56%	25,000,000	10,930,000	-	10,930,000	-	
Measure J - Series D2	2010	8/1/2036	6.80 - 6.81%	2,499,949	9,777,464	1,031,070	-	10,808,534	
Measure 2010D - Series A2 - QSCB	2011	8/1/2030	4.00 - 5.00%	21,000,000	21,000,000	-	-	21,000,000	
Measure 2012E - Series A	2014	8/1/2024	2.00 - 5.50%	85,000,000	885,000	-	885,000	-	
Measure 2010D - Series C	2015	8/1/2054	2.00 - 5.00%	50,000,000	41,020,000	-	2,000,000	39,020,000	
Measure 2012E - Series B	2015	8/1/2054	2.00 - 5.00%	85,000,000	65,710,000	-	2,885,000	62,825,000	
Measure J - Refunding 2014	2016	8/1/2025	4.00 - 5.00%	54,775,000	5,255,000	-	2,570,000	2,685,000	
Measure J - Refunding 2016	2016	8/1/2035	2.00 - 5.00%	65,940,000	53,140,000	-	4,015,000	49,125,000	
Measure 2010D - Series D	2016	8/1/2054	2.00 - 3.70%	60,000,000	49,975,000	-	-	49,975,000	
Measure 2012E - Series C 2016	2016	8/1/2054	2.00 - 4.00%	65,000,000	52,500,000	-	280,000	52,220,000	
Measure J - Refunding 2017	2018	8/1/2027	4.00 - 5.00%	3,680,000	2,135,000	-	495,000	1,640,000	
Measure J - Refunding 2017 (BAB)	2018	8/1/2034	3.32 - 3.54%	55,800,000	29,850,000	-	21,165,000	8,685,000	
Measure 2010D - Series E	2018	8/1/2047	3.00 - 5.00%	65,000,000	62,660,000	-	-	62,660,000	
Measure 2012E - Series D	2018	8/1/2047	3.00 - 5.00%	60,000,000	57,850,000	-	-	57,850,000	
Measure 2010D - Refunding 2018	2018	8/1/2041	2.34 - 4.19%	71,890,000	54,327,000	-	49,227,250	5,099,750	
Measure J - Refunding 2018	2018	8/1/2031	2.34 - 4.19%	9,565,000	2,858,000	-	1,367,750	1,490,250	
Measure D - Refunding 2020	2020	8/1/2032	1.184 - 2.612%	56,065,000	34,294,050	-	5,575,000	28,719,050	
Measure M - Refunding 2020	2020	8/1/2032	1.184 - 2.612%	36,235,000	22,106,950	-	198,000	21,908,950	
Measure 2010D - Refunding 2020	2020	8/1/2027	1.184 - 2.612%	2,650,000	1,999,000	-	367,000	1,632,000	
Measure 2010D - Series F 2020	2020	8/1/2049	3.00 - 5.00%	65,000,000	48,335,000	-	1,170,000	47,165,000	
Measure 2012E - Series E	2020	8/1/2049	3.00 - 5.00%	65,000,000	51,290,000	-	1,240,000	50,050,000	
Measure M - Refunding 2021	2021	8/1/2026	0.16 - 5.00%	16,160,000	11,286,000	-	3,800,000	7,486,000	
Measure D - Refunding 2021	2021	8/1/2026	0.16 - 5.00%	20,315,000	13,831,000	-	1,800,000	12,031,000	
Measure 2010D - Refunding 2021	2021	8/1/2045	0.16 - 5.00%	35,775,000	31,948,000	-	420,000	31,528,000	
Measure 2012E - Refunding 2021	2021	8/1/2045	0.16 - 5.00%	77,400,000	64,195,000	-	1,105,000	63,090,000	
Measure 2020R - Series A & A-1	2022	8/1/2051	0.13 - 5.00%	75,000,000	35,985,000	-	190,000	35,795,000	
Measure D - Refunding 2022	2022	8/1/2034	4.38%	20,017,000	19,547,000	-	-	19,547,000	
Measure J - Refunding 2022	2022	8/1/2035	4.38%	36,883,000	36,015,000	-	-	36,015,000	
Measure 2010D - Refunding 2023	2024	8/1/2045	4.00 - 5.00%	20,448,000	20,448,000	-	105,000	20,343,000	
Measure 2012E - Refunding 2023	2024	8/1/2045	4.00 - 5.00%	15,384,000	15,384,000	-	92,000	15,292,000	
Measure J - Refunding 2023	2024	8/1/2045	4.00 - 5.00%	28,921,000	28,921,000	-	189,000	28,732,000	
Measure D - Refunding 2023	2024	8/1/2045	4.00 - 5.00%	10,509,000	10,509,000	-	63,000	10,446,000	
Measure M - Refunding 2023	2024	8/1/2045	4.00 - 5.00%	6,803,000	6,803,000	-	41,000	6,762,000	
Measure 2020R - Series B	2024	8/1/2054	5.00%	236,960,000	-	236,960,000	-	236,960,000	
Measure 2020R - Series C	2024	2/1/2025	5.00%	13,040,000	-	13,040,000	13,040,000	-	
2024 Refunding, Series A	2024	8/1/2041	4.00 - 5.00%	43,745,000	-	43,745,000	-	43,745,000	
2024 Refunding, Series B	2024	8/1/2041	4.00 - 5.00%	58,540,000	-	58,540,000	-	58,540,000	
2025 Refunding	2025	8/1/2045	5.00%	71,350,000	-	71,350,000	-	71,350,000	
					\$ 1,291,376,214	\$ 441,318,319	\$ 145,300,000	\$ 1,587,394,533	

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 8 – LONG-TERM LIABILITIES (continued)

C. General Obligation Bonds (continued)

The annual requirements to amortize the bonds, are as follows:

Year Ended June 30,	Principal	Interest	Total
2026	\$ 79,000,528	\$ 64,423,385	\$ 143,423,913
2027	56,147,047	66,273,755	122,420,802
2028	41,082,822	67,496,767	108,579,589
2029	43,304,621	69,249,714	112,554,335
2030	55,291,241	68,767,173	124,058,414
2031 - 2035	367,969,766	348,301,538	716,271,304
2036 - 2040	206,553,949	154,368,330	360,922,279
2041 - 2045	216,022,000	83,133,569	299,155,569
2046 - 2050	224,373,000	72,083,089	296,456,089
2051 - 2055	103,800,575	17,240,075	121,040,650
Accretion	193,848,984	(193,848,984)	-
Total	\$ 1,587,394,533	\$ 817,488,411	\$ 2,404,882,944

C. Other Postemployment Benefits

The District's beginning net OPEB liability was \$292,730,750 and decreased by \$40,778,107 during the year ended June 30, 2025. The ending net OPEB liability at June 30, 2025 was \$251,952,643. See Note 10 for additional information regarding the net OPEB liability.

D. Net Pension Liability

The District's beginning net pension liability was \$333,228,171 and decreased by \$20,605,540 during the year ended June 30, 2025. The ending net pension liability at June 30, 2025 was \$312,622,631. See Note 11 for additional information regarding the net pension liability.

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 9 – FUND BALANCES

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

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Non-spendable					
Revolving cash	\$ 70,000	\$ -	\$ -	\$ -	\$ 70,000
Stores inventory	319,626	-	-	797,292	1,116,918
Total non-spendable	389,626	-	-	797,292	1,186,918
Restricted					
Educational programs	91,864,430	-	-	4,809,140	96,673,570
Food service	-	-	-	27,941,632	27,941,632
Associated student body	-	-	-	1,350,174	1,350,174
Capital projects	-	403,527,733	-	33,201,165	436,728,898
Debt service	-	-	141,506,803	-	141,506,803
Total restricted	91,864,430	403,527,733	141,506,803	67,302,111	704,201,077
Assigned					
Postemployment benefits	24,708,134	-	-	-	24,708,134
Adult education	-	-	-	791,606	791,606
Total assigned	24,708,134	-	-	791,606	25,499,740
Unassigned	44,079,777	-	-	-	44,079,777
Total	\$ 161,041,967	\$ 403,527,733	\$ 141,506,803	\$ 68,891,009	\$ 774,967,512

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

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Plan Description

The West Contra Costa Unified School District's defined benefit OPEB plan, (the Plan) is described below. The Plan is a single-employer defined benefit plan administered by the District. The District 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. The Plan provides retiree medical and dental, benefits to eligible retirees and their eligible dependents until the retiree turns age 65. The District's financial obligation is to provide these benefits at the same cost as active employees. The District's contribution is subject to an annual maximum of \$9,000 per employee. The annual maximum is subject to periodic changes.

B. OPEB Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately-issued CalPERS Annual Report, which includes the CERBT trust.

C. Benefits Provided

The eligibility requirements and benefits provided by the Plan are described below as follows:

Medical

Eligible retirees (not Local 856) may enroll in any plan offered through the CalPERS medical program. Local 856 retirees may enroll in the Teamsters Unit Kaiser only plan (participants in non-Kaiser plans on 1/1/2019 are grandfather into Teamsters non-Kaiser plans) Retirees who are eligible must enroll in Medicare Part A & B coverage in order for their coverage to continue beyond 65. If an eligible retiree does not qualify for premium free Part A they will remain enrolled in the basic plan. District provided medical benefits continue throughout the lifetime of the retiree. A surviving spouse of the retiree must receive a monthly allowance from either CalPERS or CalSTRS to continue their health benefits.

Dental

Dental benefits are provided by Delta Dental. District employees who have a minimum of 10 years of service with the District, and whose age plus years of service is 75 or more, retire from the District and begin receiving a PERS or STRS pension are eligible for postemployment dental benefits. Dental benefits continue throughout the lifetime of the retiree. However, surviving spouses are not eligible for postemployment dental coverage. The District contributes 100% of the composite cost of retiree dental coverage.

Plan Provision Changes

The Plan was closed to new participants effective July 1, 2018 for all eligible employee categories (UTR, WCCA, SSA, Teamsters Local 856, Unrepresented). Effective July 1, 2018, Local 856 employees hired on or after July 15, 2009 and do not attain 25 years of service but with at least 5 of service no longer receive CalPERS Health Benefits Program Minimum Employer Contribution. In addition, the Teamsters employees had their medical plan coverage provider changed from CalPERS to the Teamsters medical plans effective January 1, 2019. There have been no other plan amendments or changes in the substantive plan since the last measurement date.

D. Contributions

For the measurement period, the District contributed \$16,643,976 to pay current premiums. There is no actuarially determined contribution, nor any contribution requirement established by statute or contract. The District's contribution is currently based on a projected pay as-you-go funding method, that is, benefits are payable when due.

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
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	2,246
Inactive employees entitled to but not receiving benefits*	-
Participating active employees	<u>1,785</u>
Total number of participants**	<u>4,031</u>

*Information not provided

**As of the June 30, 2024 valuation date

F. Net OPEB Liability

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

Total OPEB liability	\$ 284,628,622
Plan fiduciary net position	<u>(32,675,979)</u>
District's net OPEB liability	<u>\$ 251,952,643</u>
 Plan fiduciary net position as a percentage of total OPEB liability	 11.48%

G. Investments

Investment Policy

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

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

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

G. Investments (continued)

Rate of Return

As of the June 30, 2024 measurement date, the long-term expected rates of return for each major investment class in the Plan's portfolio are as follows:

<u>Investment Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	49.00%	6.80%
Fixed Income	23.00%	3.70%
TIPS	5.00%	2.80%
REITs	20.00%	6.00%
Others (Commodities)	3.00%	3.40%

H. Actuarial Assumptions and Other Inputs

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

Economic assumptions:

Inflation	2.30%
Salary increases	2.80%
Discount rate	4.85%
Healthcare cost trend rates	3.94-7.74%

Non-economic assumptions:

Mortality:

Certificated	2020 CalSTRS Mortality Tables
Classified	2021 CalPERS Mortality Tables

Retirement:

Certificated employees hired before January 1, 2013 were evaluated using the 2%@62 CalSTRS retirement rates. Certificated employees hired on or after January 1, 2013 were evaluated using the 2%@62 CalSTRS retirement rates from the 2020 experience study.

Classified employees hired before January 1, 2013 were evaluated using the 2021 CalPERS retirement rates. Classified employees hired on or after January 1, 2013 were evaluated using the 2%@62 CalPERS retirement rates from the 2021 experience study.

The discount rate is based on a blend of the long-term expected rate of return on assets for benefits covered by plan assets and a yield or index for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or better for benefits not covered by plan assets. The actuary assumed contributions would be sufficient to fully fund the obligation over a period not to exceed thirty years.

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

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

I. Changes in Net OPEB Liability

	<u>June 30, 2025</u>
Total OPEB Liability	
Service cost	\$ 5,407,386
Interest on total OPEB liability	13,955,191
Difference between expected and actual experience	(25,842,370)
Changes of assumptions	(14,413,969)
Benefits payments	(16,643,976)
Net change in total OPEB liability	(37,537,738)
Total OPEB liability - beginning	322,166,360
Total OPEB liability - ending (a)	<u>\$ 284,628,622</u>
 Plan fiduciary net position	
Contributions - employer	\$ 16,643,976
Net investment income	3,249,969
Benefit payments	(16,643,976)
Administrative expenses	(9,600)
Net change in plan fiduciary net position	3,240,369
Plan fiduciary net position - beginning	29,435,610
Plan fiduciary net position - ending (b)	<u>\$ 32,675,979</u>
 District's net OPEB liability - ending (a) - (b)	<u>\$ 251,952,643</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 11.48%
 Covered-employee payroll	 \$ 151,518,269
 District's net OPEB liability (asset) as a percentage of covered-employee payroll	 166.29%

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

The following presents the net OPEB liability of the West Contra Costa Unified School District, as well as what the District'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	Valuation Discount Rate	1% Increase
	(3.85%)	(4.85%)	(5.85%)
Net OPEB liability	\$ 221,430,407	\$ 251,952,643	\$ 288,963,018

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

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

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

The following presents the net OPEB liability of the West Contra Costa Unified School District, as well as what the District'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 (6.74%)	Healthcare Cost Trend Rate (7.74%)	1% Increase (8.74%)
Net OPEB liability	\$ 225,251,124	\$ 251,952,643	\$ 285,611,211

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

For the fiscal year ended June 30, 2025, the West Contra Costa Unified School District recognized OPEB expense of \$16,175,722. At June 30, 2025, the West Contra Costa Unified School District reported deferred outflows 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	\$ 1,076,678	\$ -
Differences between expected and actual experience	450,182	38,162,619
Changes in assumptions	24,192,018	53,880,373
District contributions subsequent to the measurement date	16,138,712	-
Total	\$ 41,857,590	\$ 92,042,992

The \$16,138,712 reported as deferred outflows of resources related to OPEB resulting from District 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:

Year Ended June 30,	Deferred Outflows/ (Inflows) of Resources
2026	\$ (26,041,483)
2027	(24,606,014)
2028	(8,811,866)
2029	(6,864,751)
Total	\$ (66,324,114)

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 11 – PENSION PLANS

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

	Net pension liability	Deferred outflows related to pensions	Deferred inflows related to pensions	Pension expense
CalSTRS Pension	\$ 169,010,570	\$ 76,557,894	\$ 38,249,160	\$ 28,293,829
CalPERS Pension	143,612,061	42,608,516	2,459,911	22,134,173
Total	\$ 312,622,631	\$ 119,166,410	\$ 40,709,071	\$ 50,428,002

A. California State Teachers' Retirement System (CalSTRS)

Plan Description

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

Benefits Provided

The CalSTRS defined benefit plan has two benefit formulas:

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

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 11 – PENSION PLANS (continued)

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

Contributions

Active plan CalSTRS 2% at 60 and 2% at 62 members are required to contribute 10.25% and 10.205% of their salary for fiscal year 2025, respectively, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 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 District were \$32,020,489 for the year ended June 30, 2025.

On-Behalf Payments

The District was the recipient of on-behalf payments made by the State of California to CalSTRS for K-12 education. These payments consist of state general fund contributions of approximately \$19,218,195 to CalSTRS.

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

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

District's proportionate share of the net pension liability	\$ 169,010,570
State's proportionate share of the net pension liability associated with the District	77,543,821
Total	<u>\$ 246,554,391</u>

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 District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2024, the District's proportion was 0.252 percent, which was an increase of 0.011 percent from its proportion measured as of June 30, 2023.

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
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)

For the year ended June 30, 2025, the District recognized pension expense of \$28,293,829. In addition, the District recognized pension expense and revenue of \$(7,408,822) for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual earnings on plan investments	\$ -	\$ 681,951
Differences between expected and actual experience	19,117,271	7,390,737
Changes in assumptions	739,829	11,542,836
Changes in proportion and differences between District contributions and proportionate share of contributions	24,680,305	18,633,636
District contributions subsequent to the measurement date	32,020,489	-
Total	<u>\$ 76,557,894</u>	<u>\$ 38,249,160</u>

The \$32,020,489 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 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	\$ 11,599,735	\$ 20,006,134
2027	10,145,548	(5,643,774)
2028	9,049,495	8,780,364
2029	9,049,496	6,688,769
2030	3,598,486	6,487,571
2031	1,094,645	1,930,096
Total	<u>\$ 44,537,405</u>	<u>\$ 38,249,160</u>

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
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.

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
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 District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the net pension liability	\$ 300,614,500	\$ 169,010,570	\$ 59,115,827

Pension Plan Fiduciary Net Position

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

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees' Retirement System (CalPERS)

Plan Description

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS); a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate 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 District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2025 was 27.05% of annual payroll. Contributions to the plan from the District were \$21,532,109 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 District reported a liability of \$143,612,061 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 District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2024, the District's proportion was 0.402 percent, which was a decrease of 0.012 percent from its proportion measured as of June 30, 2023.

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
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 District recognized pension expense of \$22,134,173. At June 30, 2025, the District 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	\$ 5,578,499	\$ -
Differences between expected and actual experience	12,039,772	1,027,827
Changes in assumptions	3,174,311	-
Changes in proportion and differences between District contributions and proportionate share of contributions	283,825	1,432,084
District contributions subsequent to the measurement date	21,532,109	-
Total	<u>\$ 42,608,516</u>	<u>\$ 2,459,911</u>

The \$21,532,109 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 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	\$ 8,274,786	\$ 1,939,282
2027	13,162,043	520,629
2028	1,404,700	-
2029	(1,765,122)	-
Total	<u>\$ 21,076,407</u>	<u>\$ 2,459,911</u>

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
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.

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
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 District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability	\$ 213,336,915	\$ 143,612,061	\$ 86,013,782

Pension Plan Fiduciary Net Position

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

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. Grants

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

B. Litigation

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

C. Construction Commitments

As of June 30, 2025, the District had commitments with respect to unfinished capital projects of \$55,082,135.

NOTE 13 – PARTICIPATION IN JOINT POWERS AUTHORITIES

The District participates in two joint ventures under joint powers authorities (JPAs), the Contra Costa County School Insurance Group (CCCSIG), and the Northern California Regional Liability Excess Fund (Nor Cal Relief). The relationships between the District and the JPAs are such that the JPAs are not component units of the District for financial reporting purposes.

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

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 14 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

A. Refunded Debt

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the District recognized deferred outflows or inflows of resources in the District-wide financial statements. The deferred outflow of resources pertains to the difference in the carrying value of the refunded debt and its reacquisition price (deferred amount on refunding). Previous financial reporting standards require this to be presented as part of the District's long-term debt. This deferred outflow of resources is recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the new debt, whichever is shorter. At June 30, 2025, the deferred outflows related to refunding was \$113,293,846 and the deferred inflows related to refunding was \$5,465,911.

B. Pension Plans

Pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District recognized deferred outflows of resources related to pensions and deferred inflows of resources related to pensions in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 11. At June 30, 2025, total deferred outflows related to pensions was \$119,166,410 and total deferred inflows related to pensions was \$40,709,071.

C. Other Postemployment Benefits

Pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District recognized deferred outflows of resources related to other postemployment benefits and deferred inflows of resources related to other postemployment benefits in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 10. At June 30, 2025, total deferred outflows related to other postemployment benefits was \$41,857,590 and deferred inflows related to other postemployment benefits was \$92,042,992.

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	\$ (10,029,678)
Restatement	(29,376,931)
Net Position - Beginning, as Restated	<u>\$ (39,406,609)</u>

REQUIRED SUPPLEMENTARY INFORMATION

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
GENERAL FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual* (Budgetary Basis)	Variances - Final to Actual
	Original	Final		
REVENUES				
LCFF sources	\$ 337,588,413	\$ 337,694,040	\$ 337,448,262	\$ (245,778)
Federal sources	31,274,859	36,892,069	29,571,546	(7,320,523)
Other state sources	91,650,041	94,363,584	103,646,135	9,282,551
Other local sources	23,569,374	33,036,473	36,821,158	3,784,685
Total Revenues	484,082,687	501,986,166	507,487,101	5,500,935
EXPENDITURES				
Certificated salaries	178,351,637	186,012,517	181,724,593	4,287,924
Classified salaries	81,029,399	83,899,614	80,673,809	3,225,805
Employee benefits	142,244,879	143,688,353	140,115,802	3,572,551
Books and supplies	23,082,807	20,760,328	14,152,959	6,607,369
Services and other operating expenditures	83,218,914	125,166,872	116,933,450	8,233,422
Capital outlay	400,000	862,300	866,980	(4,680)
Other outgo				
Excluding transfers of indirect costs	2,716,360	2,716,360	2,682,781	33,579
Transfers of indirect costs	(1,788,902)	(1,663,189)	(1,268,761)	(394,428)
Total Expenditures	509,255,094	561,443,155	535,881,613	25,561,542
Excess (Deficiency) of Revenues Over Expenditures	(25,172,407)	(59,456,989)	(28,394,512)	31,062,477
Other Financing Sources (Uses)				
Transfers in	11,499,312	11,499,312	11,499,312	-
Transfers out	-	-	(9,350)	(9,350)
Net Financing Sources (Uses)	11,499,312	11,499,312	11,489,962	(9,350)
NET CHANGE IN FUND BALANCE	(13,673,095)	(47,957,677)	(16,904,550)	31,053,127
Fund Balance - Beginning	126,297,530	125,264,222	125,264,222	-
Fund Balance - Ending	\$ 112,624,435	\$ 77,306,545	\$ 108,359,672	\$ 31,053,127

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

- The amounts on that schedule include the financial activity of the Special Reserve Fund for Other than Capital Outlay Projects and Retiree Benefit Fund in accordance with the fund type definitions promulgated by GASB Statements No. 54 and No. 84.

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability								
Service cost	\$ 5,407,386	\$ 4,474,345	\$ 6,038,703	\$ 7,916,572	\$ 2,623,676	\$ 2,498,739	\$ 2,857,185	\$ 2,721,129
Interest on total OPEB liability	13,955,191	14,590,724	14,220,088	9,827,396	17,833,674	17,458,688	17,925,550	17,607,503
Changes of benefit terms	-	-	28,798,628	-	(3,277,404)	-	-	-
Difference between expected and actual experience	(25,842,370)	-	(40,903,798)	1,976,226	(3,158,550)	3,123,665	2,506,720	948,763
Changes of assumptions	(14,413,969)	19,042,381	(54,437,401)	(84,532,736)	198,200,328	-	(11,625,456)	-
Benefits payments	(16,643,976)	(16,052,342)	(16,802,069)	(17,409,527)	(17,978,055)	(18,129,532)	(17,321,639)	(16,777,273)
Net change in total OPEB liability	(37,537,738)	22,055,108	(63,085,849)	(82,222,069)	194,243,669	4,951,560	(5,657,640)	4,500,122
Total OPEB liability - beginning	322,166,360	300,111,252	363,197,101	445,419,170	251,175,501	246,223,941	251,881,581	247,381,459
Total OPEB liability - ending (a)	<u>\$ 284,628,622</u>	<u>\$ 322,166,360</u>	<u>\$ 300,111,252</u>	<u>\$ 363,197,101</u>	<u>\$ 445,419,170</u>	<u>\$ 251,175,501</u>	<u>\$ 246,223,941</u>	<u>\$ 251,881,581</u>
Plan fiduciary net position								
Contributions - employer	\$ 16,643,976	\$ 16,052,342	\$ 16,802,069	\$ 32,995,517	\$ 3,392,065	\$ 18,129,532	\$ 21,321,639	\$ 36,777,273
Net investment income	3,249,969	1,777,620	(4,279,095)	3,524,710	(85,885)	1,601,486	1,597,251	351,530
Benefit payments	(16,643,976)	(16,052,342)	(16,802,069)	(17,409,527)	(17,978,055)	(18,129,532)	(17,321,639)	(16,777,273)
Administrative expenses	(9,600)	(8,042)	(8,098)	(4,883)	(12,742)	(5,560)	(11,032)	(1,650)
Net change in plan fiduciary net position	3,240,369	1,769,578	(4,287,193)	19,105,817	(14,684,617)	1,595,926	5,586,219	20,349,880
Plan fiduciary net position - beginning	29,435,610	27,666,032	31,953,225	12,847,408	27,532,025	25,936,099	20,349,880	-
Plan fiduciary net position - ending (b)	<u>\$ 32,675,979</u>	<u>\$ 29,435,610</u>	<u>\$ 27,666,032</u>	<u>\$ 31,953,225</u>	<u>\$ 12,847,408</u>	<u>\$ 27,532,025</u>	<u>\$ 25,936,099</u>	<u>\$ 20,349,880</u>
District's net OPEB liability - ending (a) - (b)	<u>\$ 251,952,643</u>	<u>\$ 292,730,750</u>	<u>\$ 272,445,220</u>	<u>\$ 331,243,876</u>	<u>\$ 432,571,762</u>	<u>\$ 223,643,476</u>	<u>\$ 220,287,842</u>	<u>\$ 231,531,701</u>
Plan fiduciary net position as a percentage of the total OPEB liability	11.48%	9.14%	9.22%	8.80%	2.88%	10.96%	10.53%	8.08%
Covered-employee payroll	\$ 151,518,269	\$ 243,489,455	\$ 185,886,849	\$ 199,731,125	\$ 188,291,659	\$ 173,742,831	\$ 171,720,472	\$ 134,739,411
District's net OPEB liability (asset) as a percentage of covered-employee payroll	166.29%	120.22%	146.57%	165.84%	229.73%	128.72%	128.28%	171.84%

See accompanying notes to required supplementary information.

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS FOR OPEB
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>
Actuarially determined contributions	N/A*	N/A*	N/A*	N/A*	N/A*	\$ 19,855,992	\$ 20,298,881	\$ 20,963,662
Actual contributions made	(16,643,976)	(16,052,342)	(16,802,069)	(17,409,527)	(17,978,055)	(18,129,532)	(21,321,639)	(36,777,273)
Contribution deficiency/(excess)	<u>N/A*</u>	<u>N/A*</u>	<u>N/A*</u>	<u>N/A*</u>	<u>N/A*</u>	<u>\$ 1,726,460</u>	<u>\$ (1,022,758)</u>	<u>\$ (15,813,611)</u>
Covered-employee payroll	\$ 151,518,269	\$ 243,489,455	\$ 185,886,849	\$ 199,731,125	\$ 188,291,659	\$ 199,731,125	\$ 188,291,659	\$ 173,742,831
Contributions as a percentage of covered-employee payroll	10.98%	6.59%	9.04%	8.72%	9.55%	10.43%	12.42%	27.30%

*Employers setting a discount rate based on the assumption that assets will be sufficient to cover all future benefit payments under the plan are assumed to annually make contributions equal to the actuarially determined contribution. Annual contributions made that are substantially less than the actuarially determined contribution would require additional support for use of a discount rate equal to the long-term expected return on trust assets. Beginning in FY2020-2021 the District's funding policy was pay-as you go.

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
District's proportion of the net pension liability	0.252%	0.241%	0.270%	0.262%	0.262%	0.253%	0.241%	0.222%	0.225%	0.255%
District's proportionate share of the net pension liability	\$ 169,010,570	\$ 183,362,996	\$ 187,423,373	\$ 113,675,144	\$ 254,111,701	\$ 228,577,142	\$ 221,848,834	\$ 205,704,213	\$ 182,182,291	\$ 171,875,134
State's proportionate share of the net pension liability associated with the District	77,543,821	87,855,955	93,862,175	57,198,115	130,993,552	124,705,097	127,019,456	121,693,866	103,728,398	90,902,756
Total	\$ 246,554,391	\$ 271,218,951	\$ 281,285,548	\$ 170,873,259	\$ 385,105,253	\$ 353,282,239	\$ 348,868,290	\$ 327,398,079	\$ 285,910,689	\$ 262,777,890
District's covered payroll	\$ 169,113,306	\$ 157,918,000	\$ 151,632,383	\$ 143,026,383	\$ 144,216,917	\$ 139,304,205	\$ 130,815,627	\$ 120,430,741	\$ 112,586,953	\$ 117,642,491
District's proportionate share of the net pension liability as a percentage of its covered payroll	99.94%	116.11%	123.60%	79.48%	176.20%	164.08%	169.59%	170.81%	161.81%	146.10%
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.

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'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>
District's proportion of the net pension liability	0.402%	0.414%	0.427%	0.423%	0.424%	0.431%	0.426%	0.425%	0.420%	0.426%
District's proportionate share of the net pension liability	\$ 143,612,061	\$ 149,865,175	\$ 146,785,831	\$ 86,071,411	\$ 130,191,590	\$ 125,653,435	\$ 113,505,040	\$ 101,551,876	\$ 82,990,751	\$ 62,777,288
District's covered payroll	\$ 80,447,342	\$ 73,911,535	\$ 66,746,479	\$ 61,279,477	\$ 61,718,133	\$ 59,985,160	\$ 57,009,333	\$ 54,456,500	\$ 50,315,714	\$ 47,711,159
District's proportionate share of the net pension liability as a percentage of its covered payroll	178.52%	202.76%	219.92%	140.46%	210.95%	209.47%	199.10%	186.48%	164.94%	131.58%
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.

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2025**

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Contractually required contribution	\$ 32,020,489	\$ 32,446,787	\$ 30,189,460	\$ 25,618,351	\$ 23,078,997	\$ 24,611,958	\$ 22,705,962	\$ 18,914,282	\$ 15,192,675	\$ 12,295,058
Contributions in relation to the contractually required contribution*	(32,020,489)	(32,446,787)	(30,189,460)	(25,618,351)	(23,078,997)	(24,611,958)	(22,705,962)	(18,914,282)	(15,192,675)	(12,295,058)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 167,646,539	\$ 169,113,306	\$ 157,918,000	\$ 151,632,383	\$ 143,026,383	\$ 144,216,917	\$ 139,304,205	\$ 130,815,627	\$ 120,430,741	\$ 112,586,953
Contributions as a percentage of covered payroll	19.10%	19.19%	19.12%	16.90%	16.14%	17.07%	16.30%	14.46%	12.62%	10.92%

*Amounts do not include on-behalf contributions

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF DISTRICT 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	\$ 21,532,109	\$ 21,444,327	\$ 18,526,972	\$ 15,295,742	\$ 12,664,029	\$ 12,123,113	\$ 10,614,187	\$ 8,854,116	\$ 7,562,925	\$ 5,992,031
Contributions in relation to the contractually required contribution*	(21,532,109)	(21,444,327)	(18,526,972)	(15,295,742)	(12,664,029)	(12,123,113)	(10,614,187)	(8,854,116)	(7,562,925)	(5,992,031)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 79,601,142	\$ 80,447,342	\$ 73,911,535	\$ 66,746,479	\$ 61,279,477	\$ 61,718,133	\$ 59,985,160	\$ 57,099,333	\$ 54,456,500	\$ 50,315,714
Contributions as a percentage of covered payroll	27.05%	26.66%	25.07%	22.92%	20.67%	19.64%	17.69%	15.51%	13.89%	11.91%

*Amounts do not include on-behalf contributions

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
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 District's budgetary basis. A separate column to report the variance between the final budget and actual amounts is also presented, although not required.

Schedule of Changes in 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 measurement date.

Changes in Assumptions

Inflation decreased from 2.50% to 2.30%, the salary scale decreased from 3.25% to 2.80%, and the discount rate increased from 4.37% to 4.85% since the previous measurement date.

Schedule of District Contributions for OPEB

This 10-year schedule presents information on the District's actuarially determined contributions, contributions in relation to the actuarially determined contribution, and any excess or deficiency related to the actuarially determined contribution. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 75 was applicable.

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

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

Changes in Benefit Terms

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

Changes in Assumptions

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

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION, continued
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 – PURPOSE OF SCHEDULES (continued)

Schedule of District Contributions

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

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

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

	Expenditures and Other Uses		
	Budget	Actual	Excess
General Fund			
Capital outlay	\$ 862,300	\$ 866,980	\$ 4,680
Other outgo			
Transfers of indirect costs	\$ (1,663,189)	\$ (1,268,761)	\$ 394,428

SUPPLEMENTARY INFORMATION

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor/Program or Cluster	AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF EDUCATION:			
<i>Passed through California Department of Education:</i>			
Title I, Part A			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	\$ 8,449,773
Comprehensive Support and Improvement for LEAs	84.010	15438	975,016
Subtotal Title I, Part A			<u>9,424,789</u>
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	1,214,536
Title III, English Learner Student Program	84.365	14346	687,296
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	430,911
Title IV, Part B, 21st Century Community Learning Centers Program	84.287	14349	894,501
Special Education Cluster			
IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	6,143,761
IDEA Local Assistance, Part B, Sec 611, Private School ISPs	84.027	10115	96,399
IDEA Mental Health Average Daily Attendance (ADA) Allocation, Part B, Sec 611	84.027A	15197	303,415
IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	288,857
Alternate Dispute Resolution, Part B, Sec 611	84.027A	13007	15,157
IDEA Preschool Staff Development, Part B, Sec 619	84.173A	13431	613
Subtotal Special Education Cluster			<u>6,848,202</u>
IDEA Early Intervention Grants, Part C	84.181	23761	83,664
Adult Education			
Adult Education: Adult Basic Education & ESL	84.002A	14508	259,886
Adult Education: Adult Secondary Education	84.002	13978	95,913
Adult Education: English Literacy and Civics Education	84.002A	14109	10,308
Subtotal Adult Education			<u>366,107</u>
Strengthening Career and Technical Education for the 21st Century (Perkins V)	84.048	14894	288,371
Education for Homeless Children and Youth, Subtitle VII-B McKinney-Vento Act	84.196	14332	24,478
COVID-19 Emergency Acts Funding/Education Stabilization Fund Discretionary Grants:			
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425	15559	9,416,977
American Rescue Plan-Homeless Children and Youth (ARP-HCY) Program	84.425	15564	290
American Rescue Plan - Homeless Children and Youth II (ARP HCY II) Program	84.425	15566	167,842
After School Education and Safety (ASES) Rate Increase: ESSER III Summer Learning	84.425	15652	98,770
Subtotal Education Stabilization Fund Discretionary Grants			<u>9,683,879</u>
Total U. S. Department of Education			<u>29,946,734</u>
U. S. DEPARTMENT OF AGRICULTURE:			
<i>Passed through California Department of Education:</i>			
Child Nutrition Cluster			
School Breakfast Program - Needy	10.553	13526	3,180,588
National School Lunch Program	10.555	13391	8,089,742
USDA Commodities	10.555	*	1,012,679
Meal Supplements	10.555	*	13,730
Summer Food Service Program for Children	10.559	13004	260,320
Local Food for Schools	10.555	15708	36,474
Subtotal Child Nutrition Cluster			<u>12,593,533</u>
<i>Passed through California Department of Social Services:</i>			
Child and Adult Care Food Program (CACFP)			
CACFP Claims - Centers and Family Day Care	10.558	13393	2,149,465
Total U. S. Department of Agriculture			<u>14,742,998</u>
Total Federal Expenditures			<u>\$ 44,689,732</u>

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

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)
FOR THE YEAR ENDED JUNE 30, 2025**

	Second Period Report	Annual Report
SCHOOL DISTRICT		
TK/K through Third		
Regular ADA	7,847.41	7,845.64
Extended Year Special Education	14.77	14.77
Special Education - Nonpublic Schools	6.68	6.68
Extended Year Special Education - Nonpublic Schools	0.41	0.41
Total TK/K through Third	<u>7,869.27</u>	<u>7,867.50</u>
Fourth through Sixth		
Regular ADA	5,522.94	5,468.62
Extended Year Special Education	6.51	6.51
Special Education - Nonpublic Schools	8.83	8.83
Extended Year Special Education - Nonpublic Schools	1.01	1.01
Total Fourth through Sixth	<u>5,539.29</u>	<u>5,484.97</u>
Seventh through Eighth		
Regular ADA	3,054.87	3,234.95
Extended Year Special Education	3.62	3.62
Special Education - Nonpublic Schools	12.84	12.84
Extended Year Special Education - Nonpublic Schools	0.58	0.58
Total Seventh through Eighth	<u>3,071.91</u>	<u>3,251.99</u>
Ninth through Twelfth		
Regular ADA	6,681.04	6,631.42
Extended Year Special Education	13.05	13.05
Special Education - Nonpublic Schools	36.55	36.55
Extended Year Special Education - Nonpublic Schools	1.81	1.81
Total Ninth through Twelfth	<u>6,732.45</u>	<u>6,682.83</u>
TOTAL SCHOOL DISTRICT	<u>23,212.92</u>	<u>23,287.29</u>

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2025**

Grade Level	Minutes Requirement	Actual Instructional Minutes	Credited Minutes Per the Approved Form J-13A*	Total Minutes Offered	Required Number of Days	Actual Number of Days	Credited Days Per the Approved Form J-13A*	Total Days Offered	Status
Kindergarten	36,000	37,770	0	37,770	180	180	0	180	Complied
Grade 1	50,400	50,403	0	50,403	180	180	0	180	Complied
Grade 2	50,400	50,403	0	50,403	180	180	0	180	Complied
Grade 3	50,400	50,410	0	50,410	180	180	0	180	Complied
Grade 4	54,000	54,000	0	54,000	180	180	0	180	Complied
Grade 5	54,000	54,000	0	54,000	180	180	0	180	Complied
Grade 6	54,000	54,000	0	54,000	180	180	0	180	Complied
Grade 7	54,000	54,040	0	54,040	180	180	0	180	Complied
Grade 8	54,000	54,040	0	54,040	180	180	0	180	Complied
Grade 9	64,800	64,494	323	64,817	180	179	1	180	Complied
Grade 10	64,800	64,494	323	64,817	180	179	1	180	Complied
Grade 11	64,800	64,494	323	64,817	180	179	1	180	Complied
Grade 12	64,800	64,494	323	64,817	180	179	1	180	Complied

*The District received an approved Form J-13A for the number of instructional days and the number of instructional minutes indicated above for El Cerrito High School only.

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
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	\$ 497,274,581	\$ 518,986,413	\$ 533,835,579	\$ 546,821,876
Expenditures And Other Financing Uses	516,074,847	535,890,963	534,868,886	474,279,724
Net change in Fund Balance	\$ (18,800,266)	\$ (16,904,550)	\$ (1,033,307)	\$ 72,542,152
Ending Fund Balance	\$ 895,659,406	\$ 108,359,672	\$ 125,264,222	\$ 126,297,529
Available Reserves*	\$ 18,325,395	\$ 44,079,777	\$ 74,764,286	\$ 79,672,290
Available Reserves As A Percentage Of Outgo	3.55%	8.23%	13.98%	16.80%
Long-term Liabilities	\$ 2,148,630,140	\$ 2,258,298,206	\$ 1,970,205,926	\$ 2,021,693,369
Average Daily Attendance At P-2	23,122	23,213	23,474	23,309

The General Fund balance has decreased by \$17,937,857 over the past two years. The fiscal year 2025-26 budget projects a decrease of \$18,800,266. For a District this size, the State recommends available reserves of at least 3% of General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating deficits in two of the past three years and anticipates incurring an operating deficit during the 2025-26 fiscal year. Total long-term obligations have increased by \$236,604,837 over the past two years.

Average daily attendance has decreased by 96 ADA over the past two years. An additional decrease of 91 ADA is anticipated during the 2025-26 fiscal year.

*Available reserves consist of all unassigned fund balance within the General Fund and the Special Reserve Fund for Other than Capital Outlay Projects

**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 Special Reserve Fund for Other than Capital Outlay Projects and Retiree Benefit Fund in accordance with the fund type definitions promulgated by GASB Statements No. 54 and No. 84.

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

	General Fund	Special Reserve Fund for Other Than Capital Outlay Projects
June 30, 2025, annual financial and budget report fund balance	\$ 108,359,672	\$ 27,974,161
Adjustments and reclassifications:		
Increase (decrease) in total fund balances:		
Fund balance transfer (GASB 54)	27,974,161	(27,974,161)
Fund balance transfer (GASB 84)	24,708,134	-
Net adjustments and reclassifications	52,682,295	(27,974,161)
June 30, 2025, audited financial statement fund balance	<u>\$ 161,041,967</u>	<u>\$ -</u>

	Retiree Benefit Fund
June 30, 2025, annual financial and budget report net position	\$ 61,402,882
Adjustments and reclassifications:	
Increase (decrease) in total net position:	
CERBT balance	(36,694,748)
Net position transfer (GASB 84)	(24,708,134)
Net adjustments and reclassifications	(61,402,882)
June 30, 2025, audited financial statement net position	<u>\$ -</u>

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2025**

Charter #	Charter School	Status	Included in Audit Report
0557	Leadership Public Schools: Richmond	Active	No
0755	Richmond College Preparatory	Active	No
1660	Richmond Charter Elementary - Benito Juarez	Active	No
	Aspire Richmond Ca. College Preparatory		
1739	Academy	Active	No
1740	Aspire Richmond Technology Academy	Active	No
1774	Summit Public School: Tamalpais	Active	No
	Voices College-Bound Language Academy at		
1906	West Contra Costa County	Active	No

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
COMBINING BALANCE SHEET
JUNE 30, 2025

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds
ASSETS								
Cash and investments	\$ 1,350,174	\$ 1,092,069	\$ 1,029,609	\$ 26,661,473	\$ 3,186,672	\$ -	\$ 30,221,024	\$ 63,541,021
Accounts receivable	-	261,756	3,451,891	1,507,580	22,569	4,413	133,638	5,381,847
Stores inventory	-	-	-	797,292	-	-	-	797,292
Total Assets	\$ 1,350,174	\$ 1,353,825	\$ 4,481,500	\$ 28,966,345	\$ 3,209,241	\$ 4,413	\$ 30,354,662	\$ 69,720,160
LIABILITIES								
Deficit cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,410	\$ -	\$ 4,410
Accrued liabilities	-	71,573	114,590	227,421	9,783	-	352,958	776,325
Unearned revenue	-	-	48,416	-	-	-	-	48,416
Total Liabilities	-	71,573	163,006	227,421	9,783	4,410	352,958	829,151
FUND BALANCES								
Non-spendable	-	-	-	797,292	-	-	-	797,292
Restricted	1,350,174	490,646	4,318,494	27,941,632	3,199,458	3	30,001,704	67,302,111
Assigned	-	791,606	-	-	-	-	-	791,606
Total Fund Balances	1,350,174	1,282,252	4,318,494	28,738,924	3,199,458	3	30,001,704	68,891,009
Total Liabilities and Fund Balances	\$ 1,350,174	\$ 1,353,825	\$ 4,481,500	\$ 28,966,345	\$ 3,209,241	\$ 4,413	\$ 30,354,662	\$ 69,720,160

See accompanying note to supplementary information.

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds
REVENUES								
Federal sources	\$ -	\$ 366,106	\$ -	\$ 14,742,998	\$ -	\$ -	\$ -	\$ 15,109,104
Other state sources	-	3,655,108	6,334,585	8,675,592	-	-	-	18,665,285
Other local sources	1,103,137	351,802	115,152	1,210,927	2,130,804	139,265	8,940,412	13,991,499
Total Revenues	1,103,137	4,373,016	6,449,737	24,629,517	2,130,804	139,265	8,940,412	47,765,888
EXPENDITURES								
Current								
Instruction	-	1,598,568	2,710,004	-	-	-	-	4,308,572
Instruction-related services								
Instructional supervision and administration	-	620,176	379,460	-	-	-	-	999,636
School site administration	-	1,673,798	144,073	-	-	-	-	1,817,871
Pupil services								
Food services	-	-	-	25,121,274	-	-	-	25,121,274
All other pupil services	-	221,598	33,375	-	-	-	-	254,973
General administration								
All other general administration	-	187,861	160,152	920,748	-	-	-	1,268,761
Plant services	-	209,088	-	448,401	-	-	-	657,489
Facilities acquisition and construction	-	-	-	51,006	12,079,011	-	4,863,957	16,993,974
Ancillary services	1,288,067	-	-	-	-	-	-	1,288,067
Total Expenditures	1,288,067	4,511,089	3,427,064	26,541,429	12,079,011	-	4,863,957	52,710,617
Excess (Deficiency) of Revenues Over Expenditures	(184,930)	(138,073)	3,022,673	(1,911,912)	(9,948,207)	139,265	4,076,455	(4,944,729)
Other Financing Sources (Uses)								
Transfers in	-	9,350	-	-	-	-	-	9,350
Transfers out	-	-	-	-	-	(134,507)	-	(134,507)
Net Financing Sources (Uses)	-	9,350	-	-	-	(134,507)	-	(125,157)
NET CHANGE IN FUND BALANCE	(184,930)	(128,723)	3,022,673	(1,911,912)	(9,948,207)	4,758	4,076,455	(5,069,886)
Fund Balance - Beginning	1,535,104	1,410,975	1,295,821	30,650,836	13,147,665	(4,755)	25,925,249	73,960,895
Fund Balance - Ending	\$ 1,350,174	\$ 1,282,252	\$ 4,318,494	\$ 28,738,924	\$ 3,199,458	\$ 3	\$ 30,001,704	\$ 68,891,009

See accompanying note to supplementary information.

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2025

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards

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

The District has not elected to use the de minimis indirect cost rate not to exceed 15 percent.

Schedule of Average Daily Attendance (ADA)

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

Schedule of Instructional Time

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

Schedule of Financial Trends and Analysis

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

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

Schedule of Charter Schools

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

Combining Statements – Non-Major Funds

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

OTHER INFORMATION

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
JUNE 30, 2025**

The West Contra Costa Unified School District was established as the Richmond Unified School District on July 1, 1965 and with the passage of AB 535 (Bates) was renamed the West Contra Costa Unified School District on March 17, 1993. The District is comprised of an area of approximately 112 square miles located in Contra Costa County. There were no changes in the boundaries of the District during the current year. The District is operating one special education pre-school, thirty-two elementary schools, five kindergarten through eighth grade schools, six middle schools, one middle-college high school and six high schools. The District also maintains two alternative high schools including a virtual academy option, an elementary community day school and a school for continuing adult education.

GOVERNING BOARD

Member	Office	Term Expires
Leslie Reckler	President	December 2026
Guadalupe Enllana	Clerk	December 2028
Demetrio Gonzalez-Hoy	Member	December 2026
Cinthia Hernandez	Member	December 2028
Jamela Smith-Folds	Member	December 2028

DISTRICT ADMINISTRATORS

Cheryl Cotton
Superintendent of Schools

Kim Moses
Associate Superintendent, Business Services

Katherine Acosta-Verprauskus
Associate Superintendent of Teaching and Learning

Summerlynn Sigler
Associate Superintendent of Operations

Melissa Payne
Interim Associate Superintendent, Facilities, Maintenance, and Bond Program

Sylvia Greenwood
Acting Associate Superintendent Human Resources

Laurie Wong Roberts
Chief Technology Officer

Gurthie Fleischman
SELPA Director

Raechelle Forrest
Communications Director

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
West Contra Costa Unified School District
Richmond, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of West Contra Costa Unified School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the West Contra Costa Unified School District's basic financial statements, and have issued our report thereon dated January 29, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

West Contra Costa Unified School District's Response to Findings

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

Purpose of this Report

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

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

San Diego, California
January 29, 2026

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

Governing Board
West Contra Costa Unified School District
Richmond, California

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

We have audited West Contra Costa Unified School District's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of West Contra Costa Unified School District's major federal programs for the year ended June 30, 2025. West Contra Costa Unified School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, West Contra Costa Unified School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit for Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding West Contra Costa Unified School District's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of West Contra Costa Unified School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of West Contra Costa Unified School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

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

San Diego, California
January 29, 2026

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

Governing Board
West Contra Costa Unified School District
Richmond, California

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

We have audited West Contra Costa Unified School District'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 West Contra Costa Unified School District's state program requirements as identified in the table in the Auditor's Responsibilities for the Audit of State Compliance section of our report for the year ended June 30, 2025.

In our opinion, West Contra Costa Unified School District complied, in all material respects, with the laws and regulations of the applicable laws and regulations of the applicable state programs for the year ended June 30, 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 West Contra Costa Unified School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of West Contra Costa Unified School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of State Compliance

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

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

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

PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other Than Charter Schools	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools or Programs	Yes
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
Home to School Transportation Reimbursement	Yes

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

PROGRAM NAME	PROCEDURES PERFORMED
School Districts, County Offices of Education, and Charter Schools	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Kindergarten Continuance	Yes
Charter Schools	
Attendance; for charter schools	Not Applicable
Mode of Instruction; for charter schools	Not Applicable
Nonclassroom-Based Instruction/Independent Study; for charter schools	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction; for charter schools	Not Applicable
Annual Instructional Minutes - Classroom Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are described in the accompanying schedule of findings and questioned costs as Finding #2025-002. Our opinion on state compliance is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

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

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

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

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

San Diego, California
January 29, 2026

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
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

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

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>	
<u>84.367</u>	<u>Title II, Part A, Supporting Effective Instruction Local Grants</u>	
<u>84.027, 84.027A, 84.173, 84.173A</u>	<u>Special Education Cluster</u>	
<u>10.553, 10.555, 10.559</u>	<u>Child Nutrition Cluster</u>	
Dollar threshold used to distinguish between Type A and Type B programs:		<u>\$ 1,340,692</u>
Auditee qualified as low-risk auditee?		<u>No</u>

STATE AWARDS

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

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
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 CAPITAL ASSETS (30000)

Criteria: The District should maintain a complete capital asset inventory listing, including detail of any work in progress balance related to capital projects existing at fiscal year-end. These assets should be depreciated in conformity with generally accepted accounting principles, tracked, accounted for, and properly valued. Strong internal controls and prudent accounting practices require the established and adherence to sound policies and procedures for capital assets.

Condition: The District did not appear to be tracking/maintaining an adequate capital asset listing related to construction in progress. Additionally, the department responsible for tracking work in progress did not appear to be communicating with the department responsible for adding assets into the Asset Vista software in a timely manner.

Cause: Lack of adequate policies and procedures over tracking and reporting capital assets, specifically work in progress.

Effect: Without completing regular updates of construction in progress listings, the District does not maintain adequate control over buildings, site improvements, and other assets as they relate to the government-wide financial statements and the related depreciation expenses.

Repeat Finding: This is not a repeat finding.

Recommendation: The District should work internally or with a third-party consultant to review the listing of construction in progress balances to ensure that every project is accounted for in the listing. Once projects and related information have been summarized, these balances should be transferred into the appropriate category and depreciated accordingly, if necessary. The District should also establish and implement written policies and procedures related to tracking of construction in progress balance, capital assets additions, disposals, and calculation of depreciation expense.

Corrective Action Plan: The district is working to reconcile the work in progress balances and update our facilities capital asset tracking. The routine updating of this information is a responsibility of facilities and budget staff, but with the transition of staff, this workload was not transferred to the new staff. This oversight has been communicated with the appropriate staff to ensure the task will be done routinely moving forward. Full implementation is expected by July 1, 2026.

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

FIVE DIGIT CODE
50000

AB 3627 FINDING TYPE
Federal Compliance

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

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
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

FINDING #2025-002: LOCAL CONTROL AND ACCOUNTABILITY PLAN (62000)

Criteria: Per Education Code section 52060(b), “A local control and accountability plan adopted by the governing board of a school district shall be effective for a period of three years, and shall be updated on or before July 1 of each year.”

Condition: During our testing of the District’s Local Control and Accountability Plan (LCAP), we identified that the District did not adopt the 2024-25 LCAP on or before July 1st. The District adopted the 2024-25 LCAP on August 28, 2024.

Cause: The board meeting originally scheduled for June 26, 2024, the board rejected the approval for LCAP Plan.

Effect: The District is not in compliance with applicable section of Education Code.

Questioned Cost: None.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend that the District implements procedures to ensure that the LCAP is adopted by the governing board on or before July 1st of each year.

Corrective Action Plan: The District has corrected this issue, as the 2025-26 LCAP was approved by the governing board before July 1, 2025. Going forward, District staff will continue to present the LCAP to the governing board during the two regularly scheduled June board meetings to allow for review, discussion, and adoption by June 30. In addition, the District has strengthened its LCAP development process through extensive engagement with the District LCAP (DLCAP) committee to ensure stakeholder input is incorporated and the plan is clear and transparent. The LCAP adoption timeline will continue to be included on the annual board calendar to ensure ongoing compliance with Education Code section 52060(b).

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

FINDING #2024-001: INSTRUCTIONAL MATERIALS (70000)

Criteria: Per Education Code Section 60119, the public hearing for instructional materials must occur on or before the end of the eighth week from the first day pupils attended school for that year.

Condition: The District's public hearing for instructional materials occurred on October 25, 2023, which is after the eighth week from the first day of school year.

Cause: The District did not monitor the eight week requirement.

Effect: The District is not in compliance with California Education Code Section 60119.

Questioned Costs: Funding for this program has ended, thus there are no questioned costs related to instructional materials.

Repeat Finding: This is a repeat finding.

Recommendation: We recommend that the District comply with Education Code Section 60119 in the future and ensure that the public hearing for instructional materials occurs on or before the end of the eighth week from the first day pupils attended school for that year.

Corrective Action Plan: For the fiscal year 2024-25, the district complied with Education Code Section 60119 by ensuring the public hearing for instructional materials took place on or before the eighth week from the first day of school. The first day of school was August 19, 2024, and the public hearing was held on October 9, 2024, meeting the required timeline.

Current Status: Implemented.

FINDING #2024-002: INSTRUCTIONAL TIME (40000)

Criteria: Pursuant to *California Education Code (Ed Code) Section 46207*, each school district shall, for each fiscal year, offer, at a minimum, the following number of minutes of instruction:

- (1) To pupils in kindergarten, 36,000 minutes.
- (2) To pupils in grades 1 to 3, inclusive, 50,400 minutes.
- (3) To pupils in grades 4 to 8, inclusive, 54,000 minutes.
- (4) To pupils in grades 9 to 12, inclusive, 64,800 minutes.

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2025

FINDING #2024-002: INSTRUCTIONAL TIME (40000) (continued)

Condition: Per a review of instructional minutes offered at each school site, it was determined that pupils in grades 1 through 6 at Ohlone Elementary were provided only 50,365 minutes for grades 1 through 3 and only 53,945 for grades 4 through 6. This represents a deficiency of 35 minutes and 55 minutes offered to grades 1 through 3 and grades 4 through 6, respectively.

Effect: The District is not in compliance with State requirements and may be subject to penalties.

Cause: Management Oversight.

Questioned Costs: \$126,584 as calculated below:

Calculating the Cost of an Instructional Time Audit Finding	K	1–3	4–6	7-8	9–12
Affected grade level(s)		1-3	4-6		
Affected grade level ADA		6,069.21	5,595.89		
Derived Value of ADA by Grade Span		\$13,475.53	\$12,390.21		
Number of required minutes	36,000	50,400	54,000	54,000	64,800
Number of minutes short		35	55		
Percentage of Minutes Not Offered	0.00%	0.07%	0.10%	0.00%	0.00%
Affected LCFF Apportionment by Grade Span	\$0	\$81,785,821	\$69,334,252	\$0	\$0
Instructional Time Penalty by Grade Span	\$0	\$57,250	\$69,334	\$0	\$0
Total Instructional Time Penalty	-	-	-	-	\$126,584

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued
FOR THE YEAR ENDED JUNE 30, 2025**

FINDING #2024-002: INSTRUCTIONAL TIME (40000) (continued)

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend that District management review school sites' instructional calendar and bell schedules prior to the beginning of the school year and ensure compliance with State requirements.

Corrective Action Plan: The Business Services Department acknowledges that the review process for bell schedules was not consistently implemented during the 2023-24 academic year, which contributed to the audit finding. Moving forward, the department will ensure an annual review of all bell schedules to confirm compliance with Education Code requirements regarding instructional time. This review will include a thorough assessment of the academic calendar, ensuring that any changes to the number of minimum, regular, and noon dismissal days are accurately reflected.

In recent years, the addition of minimum days to the academic calendar resulted in necessary schedule adjustments at several schools to compensate for lost instructional minutes. Going forward, Business Services will ensure that these adjustments are properly accounted for and that all schedules meet Education Code requirements.

To address this issue, Business Services has already worked with Ohlone Elementary to make up the lost instructional minutes for the 2024-25 school year. The same corrective actions will be applied for the 2025-26 school year to fully resolve the finding.

Current Status: Implemented.