



ANNUAL FINANCIAL REPORT

JUNE 30, 2025

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YUBA COUNTY OFFICE OF EDUCATION

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Yuba County Office of Education
Marysville, California

REPORT ON THE FINANCIAL STATEMENTS

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Yuba County Office of Education, 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 ("GAAS") 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Yuba County Office of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

RTDENNIS
ACCOUNTANCY

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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the as management's discussion and analysis, budgetary comparison information, pension information, and OPEB information on pages 5–14 and 63–69, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Yuba County Office of Education's basic financial statements. The following schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements:

Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") requires a Schedule of Expenditures of Federal Awards ("SEFA").

2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting requires:

- ❖ Schedule of ADA
- ❖ Schedule of Instructional Time
- ❖ Schedule of Financial Trends and Analysis
- ❖ Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
- ❖ Schedule of Charter Schools

The above listed 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 above listed schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

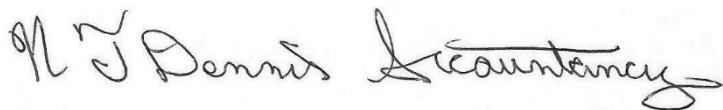
Other Information Included in the Annual Financial Report

Management is responsible for the other information included in the annual report. The other information comprises the LEA Organization Structure and Combining Statements of Nonmajor Funds 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 Yuba County Office of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Yuba County Office of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Yuba County Office of Education's internal control over financial reporting and compliance.

A handwritten signature in dark ink, appearing to read "N. J. Dennis Accountancy". The signature is fluid and cursive, with a large, stylized initial "N".

January 29, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

This section of Yuba County Office of Education's ("COE's") annual financial report presents our discussion and analysis of the COE's financial performance during the fiscal year that ended on June 30, 2025. Please read it in conjunction with the COE's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- Total net position was \$20.4 million and increased more than 19 percent over the course of the year.
- Overall revenues were \$57 million, \$3.3 million more than expenses.
- The total cost of basic programs declined 1.3 percent to \$53.7 million.
- The County School Services Fund (general fund) reported an increase in fund balance this year of \$2.5 million

OVERVIEW OF FINANCIAL STATEMENTS

Components of the Financials Section

This annual report consists of four parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*, and *supplementary information*. The basic financial statements include two kinds of statements that present different views of the COE:

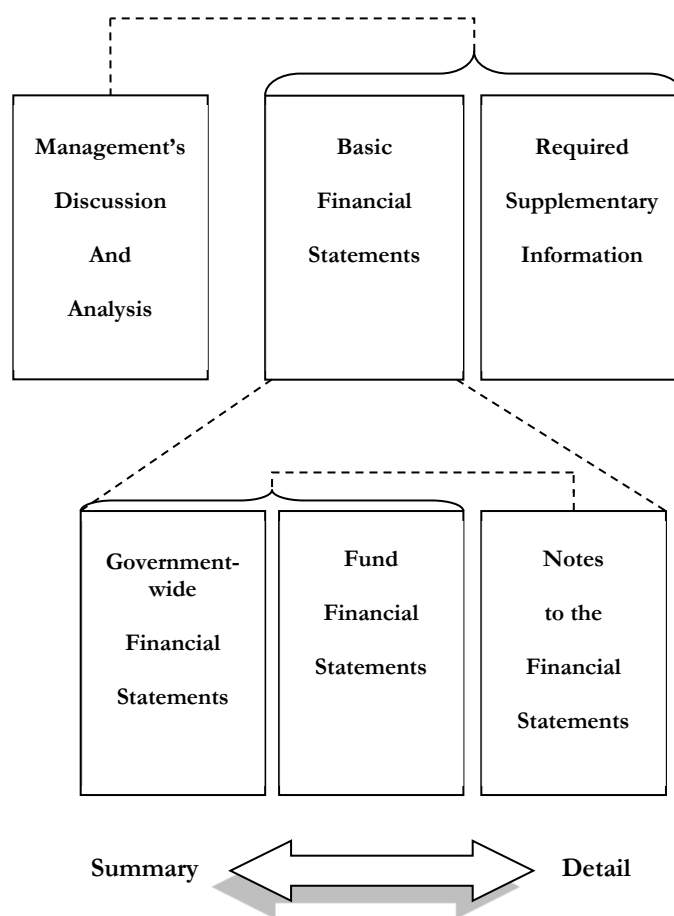
Figure A-1
Required Components of Yuba County Office of Education's Annual Financial Report

The first two statements are COE-wide financial statements that provide both short-term and long-term information about the COE's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the COE, reporting the COE's operations in more detail than the COE-wide statements.

- The *governmental funds* statements tell how *general government* services like were financed in the *short term* as well as what remains for future spending.
- *Fiduciary fund* statements provide information about the financial relationships in which the COE acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the COE's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-2 summarizes the major features of the COE's financial statements, including the portion of the COE's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.



COE-wide Statements. The COE-wide statements report information about the COE as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the COE'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.

YUBA COUNTY OFFICE OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued JUNE 30, 2025

The two COE-wide statements report the COE's net position and how they have changed. Net position—the difference between the COE's assets and liabilities—are one way to measure the COE's financial health or position.

- ❖ Over time, increases or decreases in the COE's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- ❖ To assess the overall health of the COE, you need to consider additional nonfinancial factors such as changes in the COE's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, the COE's activities are divided into two categories:

Governmental activities—Most of the COE's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.

Major Features of Yuba County Office of Education's Government-wide and Fund Financial Statements

Figure A-2
Major Features of Yuba County Office of Education's Government-wide and Fund Financial Statements

	<u>Government-wide Statements</u>	<u>Governmental Funds</u>	<u>Fund Statements</u> <u>Fiduciary Funds</u>
<i>Scope</i>	Entire LEA government (except fiduciary funds)	The activities of the COE that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the COE administers resources on behalf of someone else, such as scholarship programs and student activities monies
<i>Required financial statements</i>	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of fiduciary net position Statement of changes in fiduciary net position
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, and 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 short-term and long-term; the COE's funds do not currently contain capital assets, although they can
<i>Type of inflow/outflow information</i>	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

Fund Financial Statements

The fund financial statements provide more detailed information about the COE's funds, focusing on its most significant or "major" funds—not the COE as a whole. Funds are accounting devices the COE uses to keep track of specific sources of funding and spending on particular programs:

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

YUBA COUNTY OFFICE OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued JUNE 30, 2025

The COE has two kinds of funds:

- ❖ *Governmental funds*—Most of the COE's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at yearend that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the COE's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information with the governmental funds statements that explains the relationship (or differences) between them.
- ❖ *Fiduciary funds*—The COE is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. The COE is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. We exclude these activities from the government-wide financial statements because the COE cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE COE AS A WHOLE

Net position. The COE's net position was larger on June 30, 2025, than they were the year before—increasing more than 19 percent to \$20.4 million. The unrestricted net position is no longer a deficit.(See Table 1.)

Table 1 - Net Position

(\$ Amounts in millions)	2025	Restated 2024	\$ Change	% Change
Current assets	\$ 35.6	\$ 34.5	\$ 1.1	3%
Non-current assets	13.8	13.6	0.2	1%
Total Assets	49.4	48.1	1.3	3%
Deferred outflows of resources	6.6	7.4	(0.8)	-11%
Current liabilities	9.5	11.4	(1.9)	-17%
Non-current liabilities	25.3	26.4	(1.1)	-4%
Total Liabilities	34.8	37.8	(3.0)	-8%
Deferred inflows of resources	0.8	0.6	0.2	33%
Net position				
Net investment in capital assets	12.5	14.4	(1.9)	-13%
Restricted	7.7	5.3	2.4	45%
Unrestricted	0.2	(2.6)	2.8	-108%
Total Net Position	\$ 20.4	\$ 17.1	\$ 3.3	19%

The COE's improved financial position is the product of many factors. Current and long-term liabilities were reduced and expenditures were further reduced from the prior year.

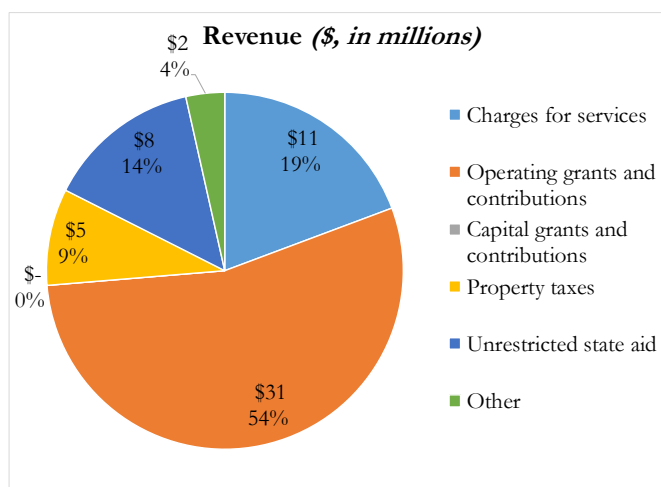
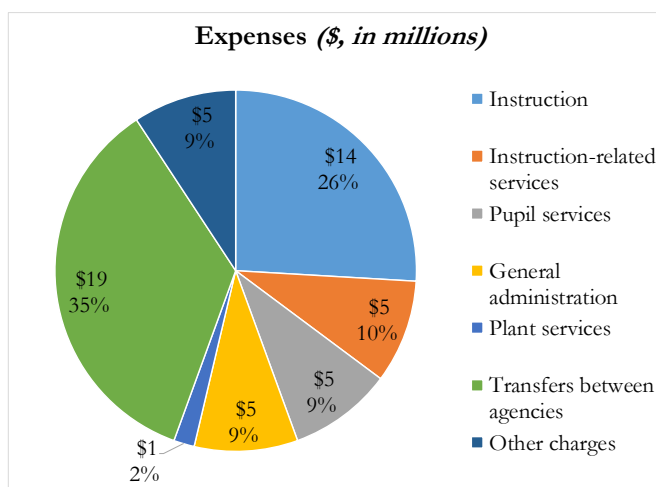
YUBA COUNTY OFFICE OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued JUNE 30, 2025

Changes in net position. The COE's total revenues remained relatively flat with a \$0.1 million decrease. (See Table 2.) Charges for services and operating grants and contributions accounted for most of the COE's revenue, with each contributing about 74 cents of every dollar raised. The remaining 16 percent of revenues came from Property Taxes, Unrestricted State Aid, and Other.

Table 2 - Activities

(\$ Amounts in millions)	2025	2024	\$ Change	% Change
Program revenue				
Charges for services	\$ 11.3	\$ 13.6	\$ (2.3)	-17%
Operating grants and contributions	31.0	27.7	3.3	12%
Capital grants and contributions	-	1.9	(1.9)	-100%
General revenue				
Property taxes	5.4	4.9	0.5	10%
Unrestricted state aid	7.5	8.8	(1.3)	-15%
Other	1.8	0.2	1.6	800%
Total Revenue	57.0	57.1	(0.1)	0%
Expenses				
Instruction	14.1	14.4	(0.3)	-2%
Instruction-related services	4.6	4.9	(0.3)	-6%
Pupil services	5.4	7.6	(2.2)	-29%
General administration	4.6	4.0	0.6	15%
Plant services	1.1	1.5	(0.4)	-27%
Transfers between agencies	18.6	19.2	(0.6)	-3%
Other charges	5.3	2.8	2.5	89%
Total Expenses	53.7	54.4	(0.7)	-1%
Increase in net position	\$ 3.3	\$ 2.7	\$ 0.6	22%



YUBA COUNTY OFFICE OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued JUNE 30, 2025

Revenues for the COE's governmental activities remained flat, whereas total expenses decreased 1 percent. The increase in net position for governmental activities was \$3.3 million in 2025. The charts above present a breakdown of the COE's revenues and expenses for 2025.

The COE's continued increase in net position is mainly due to flat revenues while decreasing expenditures. In 2023-24 a major real-estate purchase occurred for the new Adult Education and Career Technical Education Center and a long-term software agreement was purchased. This resulted in a decrease of over \$600,000 in expenses from FY 2023-24 to 2024-25.

Table 3 presents the costs of six major COE activities: instruction, instruction-related services, pupil services, general administration, plant services, and transfers between agencies. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the COE's taxpayers and state by each of these functions.

- ❖ The cost of all governmental activities this year was \$53.7 million.
 - Some of the cost was financed by the users of the COE's programs (\$11.3 million).
 - The federal and state governments subsidized certain programs with grants and contributions (\$31 million).
 - The COE's net costs (\$11.4 million), however, were financed by COE taxpayers and the taxpayers of our state.
 - This portion of governmental activities was financed with \$5.4 million in property taxes, and \$7.4 million of unrestricted state aid based on the statewide education aid formula, and with investment earnings. The rest (\$1.9 million) was miscellaneous sources.

Table 3 - Net Cost of Governmental Activity

(\$ Amounts in millions)	Total Cost of Services		Net Cost of Services		
	2025	2024	2025	2024	% Change
Instruction	\$ 14.1	\$ 14.4	\$ 4.0	\$ 2.9	38%
Instruction-related services	4.6	4.9	2.6	2.3	13%
Pupil services	5.4	7.6	0.9	1.6	-44%
General administration	4.6	4.0	2.5	2.6	-4%
Plant services	1.1	1.5	0.7	0.7	0%
Transfers between agencies	18.6	19.3	0.6	0.3	100%
Other	5.3	2.7	0.1	0.7	-86%
Total	\$ 53.7	\$ 54.4	\$ 11.4	\$ 11.1	3%

YUBA COUNTY OFFICE OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued JUNE 30, 2025

FINANCIAL ANALYSIS OF THE COE'S FUNDS

The strong financial performance of the COE as a whole is reflected in its governmental funds as well. As the COE completed the year, its governmental funds reported *combined* fund balances of \$23.8 million, well above last year's ending fund balances of \$21 million.

All of the COE's governmental funds had more revenues than expenditures in 2025, thereby contributing to the increase in total fund balance. In 2023-24 there was a major settle up of past Medi-Cal program revenue funds from prior years, that resulted in a spike of revenues in that year, which is the primary reason for the decline in revenue to 2024-25. With expenses staying relatively flat from the prior year, the increase in total fund balance was still positive.

Table 4 - Governmental Funds' Performance

<i>(\$ Amounts in millions)</i>	2025	2024	% Change
REVENUES			
Local Control Funding Formula	\$ 12.6	\$ 12.9	-2%
Categorical	27.4	25.9	6%
Local	16.9	19.5	-13%
Total Revenues	56.9	58.3	-2%
EXPENDITURES			
Certificated	6.2	6.4	-3%
Classified	10.1	9.1	11%
Benefits	7.6	7.0	9%
Books and supplies	1.1	1.1	0%
Services and other operating expenses	9.6	10.2	-6%
Capital outlay	0.9	1.4	-36%
Other outgo	18.7	19.2	-3%
Total Expenditures	54.2	54.4	0%
Net financing activities	0.1	-	n/a
NET CHANGE IN			
FUND BALANCE	\$ 2.8	\$ 3.9	-28%

YUBA COUNTY OFFICE OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued JUNE 30, 2025

General Fund Budgetary Highlights. Over the course of the year, the COE revised the annual operating budget several times. These budget amendments fall into three categories:

- ❖ Amendments and supplemental appropriations approved in December (1st Interim) to reflect the actual beginning account balances (Correcting the estimated amounts in the budget adopted in June 2024.
- ❖ Changes made in the 2nd Interim to account for the midyear hiring and other changes.
- ❖ Increases in appropriations to prevent budget overruns.

Table 5 - General Fund and Budget Performance

	General Fund Activity			General Fund Budget		
			%	Original		
(\$ Amounts in millions)	2025	2024	Difference	Budget	Final Budget	% Difference
REVENUES						
Local Control Funding Formula	\$ 9.2	\$ 9.4	-2%	\$ 9.2	\$ 9.4	-2%
Categorical	7.5	6.5	15%	7.6	7.9	-4%
Local	15.9	18.4	-14%	17.5	15.9	10%
Total Revenues	32.6	34.3	-5%	34.3	33.2	3%
EXPENDITURES						
Salaries and benefits	19.6	18.9	4%	20.6	20.4	1%
Supplies and services	8.8	9.6	-8%	10.6	11.3	-6%
Other	1.8	4.6	-61%	3.6	1.6	125%
Total Expenditures	30.2	33.1	-9%	34.8	33.3	5%
Net financing activities	0.1	3.4	-97%	-	-	n/a
NET CHANGE IN						
FUND BALANCE	\$ 2.5	\$ 4.6	-46%	\$ (0.5)	\$ (0.1)	400%

While the COE's final budget for the general fund anticipated that revenues and expenditures would be roughly equal, the actual results for the year show a \$2.5 million surplus.

- ❖ Actual revenues were \$0.6 million lower than expected, due to lower LCFF and lower recognized revenue from categorical grants.
- ❖ The actual expenditures were \$3.1 million below budget, due to programs not expending allocated budgets and deferring to future years.

YUBA COUNTY OFFICE OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued JUNE 30, 2025

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. By the end of 2025, the COE had invested \$23.9 million in a broad range of capital assets, including land, school buildings, vehicles, instructional equipment, and administrative offices. (See Table 6.) This amount represents an increase of \$0.8 million, or 4 percent, from last year. (More detailed information about capital assets can be found in Note 2 to the financial statements.) Total depreciation expense for the year exceeded \$720,000, while building and land improvements and additions to equipment, amounted to just \$852,000

Table 6 - Capital Assets

<i>(\$ Amounts in millions)</i>	2025	Restated 2024	\$ Change	% Change
Land and construction in progress	\$ 1.7	\$ 1.7	\$ -	0%
Buildings and equipment	22.2	21.4	0.8	4%
Accumulated depreciation	(10.1)	(9.5)	(0.6)	6%
Total Capital Assets	\$ 13.8	\$ 13.6	\$ 0.2	1%

Long-term Debt. At year-end the COE had \$21.9 million in net pension liabilities and other long-term debt outstanding—a reduction of 4 percent from last year—as shown in Table 7. (More detailed information about the COE's long-term liabilities is presented in Note 3 to the financial statements.)

- ❖ The COE continued to pay down its debt, retiring \$1.1million of pension liabilities and OPEB.
- ❖ There were some additional leases this year.

Table 7 - Long-Term Liabilities

<i>(\$ Amounts in millions)</i>	2025	2024	\$ Change	% Change
Net pension liabilities	\$ 21.9	\$ 22.8	\$ (0.9)	-4%
Net OPEB	3.0	3.1	(0.1)	-3%
Compensated absences	0.3	0.3	-	0%
Capital leases	0.2	0.2	-	0%
Less current portion	(0.1)	-	(0.1)	n/a
Total Long-term Liabilities	\$ 25.3	\$ 26.4	\$ (1.1)	-4%

YUBA COUNTY OFFICE OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued **JUNE 30, 2025**

FACTORS BEARING ON THE COE'S FUTURE

At the time these financial statements were prepared and audited, the COE was aware of existing circumstances that could significantly affect its financial health in the future:

- ❖ Aging Facilities
- ❖ Increasing Cost of employee retirement
- ❖ Waiting on state facility bond allocation
- ❖ Possible transfer of special education to Districts

CONTACTING THE COE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the COE's finances and to demonstrate the COE's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the COE's Office, Yuba County Office of Education, 935 14th Street, Marysville, CA 95901.

YUBA COUNTY OFFICE OF EDUCATION

STATEMENT OF NET POSITION
JUNE 30, 2025

		(\$ Amounts in thousands)	
ASSETS			
Deposits and investments	\$		26,281
Accrued receivables			9,321
Prepaid expenses			25
Capital assets, not depreciable			1,681
Capital assets, depreciable, net			12,098
Total Assets			49,406
Deferred outflows of resources			6,590
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		\$	55,996
LIABILITIES			
Accrued payables	\$		6,026
Unearned revenue			3,400
Current portion of long-term liabilities			71
Non-current portion of long-term liabilities			25,269
Total Liabilities			34,766
Deferred inflows of resources			803
NET POSITION			
Net investment in capital assets			12,469
Restricted for			
Capital projects			1,186
Educational programs			6,526
Unrestricted net position			246
Total Net Position			20,427
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		\$	55,996

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

YUBA COUNTY OFFICE OF EDUCATION

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Function/Programs	Expenses	Program Revenues		Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Instruction	\$ 14,082	\$ 2,501	\$ 7,611	\$ (3,970)
Instruction - Related services				
Instructional services and administration	3,405	435	1,278	(1,692)
School site administration	1,219	119	202	(898)
Pupil Services				
Food service	87	14	39	(34)
All other pupil services	5,343	1,802	2,690	(851)
General Administration				
Centralized data processing	1,056	6	61	(989)
All other general administration	3,512	1,101	863	(1,548)
Plant services	1,149	113	344	(692)
Community services	4,999	1,153	3,928	82
Enterprise activities	252	-	3	(249)
Debt service - interest	11	-	-	(11)
Transfers between agencies	18,625	4,055	13,992	(578)
Total	\$ 53,741	\$ 11,299	\$ 31,011	(11,431)
General revenues				
Taxes and subventions				
Taxes levied for general purposes				5,362
Federal and state aid not restricted for specific purposes				7,470
Interest and investment earnings				695
Interagency revenues				244
Miscellaneous				951
Subtotal, General Revenue				14,722
CHANGE IN NET POSITION				3,291
Net Position - Beginning (Restated)				17,136
Net Position - Ending				\$ 20,427

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

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YUBA COUNTY OFFICE OF EDUCATION

**GOVERNMENTAL FUNDS'
BALANCE SHEETS
JUNE 30, 2025**

	County School Services Fund	Charter Schools Special Revenue Fund	Special Education Pass- Through Fund
ASSETS			
Cash and equivalents	\$ 15,178,626	\$ 2,863,396	\$ 425,896
Accrued receivables	5,736,972	166,713	2,293,422
Due from other funds	514,029	186,162	-
Prepaid expenditures	24,728	-	-
TOTAL ASSETS	\$ 21,454,355	\$ 3,216,271	\$ 2,719,318
LIABILITIES			
Accrued liabilities	\$ 2,566,538	\$ 308,640	\$ 2,292,765
Due to other funds	258,109	444,451	793
Unearned revenue	1,774,382	-	-
Total Liabilities	4,599,029	753,091	2,293,558
DEFERRED INFLOWS OF RESOURCES	-	-	-
FUND BALANCE			
Nonspendable	24,728	-	-
Restricted	5,772,508	408,689	210,000
Committed	-	-	-
Assigned	3,353,239	2,054,491	215,760
Unassigned	7,704,851	-	-
Total Fund Balance	16,855,326	2,463,180	425,760
TOTAL LIABILITIES AND FUND BALANCE	\$ 21,454,355	\$ 3,216,271	\$ 2,719,318

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

Child Development Fund	County School Facilities Fund	Non-Major Governmental Funds	Total Governmental Funds
\$ 783,934	\$ 2,205,401	\$ 2,504,554	\$ 23,961,807
866,933	69,776	163,261	9,297,077
338	15,481	61,600	777,610
-	-	-	24,728
\$ 1,651,205	\$ 2,290,658	\$ 2,729,415	\$ 34,061,222
\$ 276,014	\$ 551,871	\$ 30,195	\$ 6,026,023
45,981	-	28,276	777,610
1,111,585	513,998	-	3,399,965
1,433,580	1,065,869	58,471	10,203,598
-	38,665	-	38,665
-	-	-	24,728
7,296	1,186,124	127,769	7,712,386
-	-	2,376,893	2,376,893
210,329	-	166,282	6,000,101
-	-	-	7,704,851
217,625	1,186,124	2,670,944	23,818,959
\$ 1,651,205	\$ 2,290,658	\$ 2,729,415	\$ 34,061,222

YUBA COUNTY OFFICE OF EDUCATION

RECONCILIATION OF THE GOVERNMENTAL FUNDS' BALANCE SHEETS TO THE
STATEMENT OF NET POSITION
JUNE 30, 2025

(\$ Amounts in thousands)

Total Fund Balance - Governmental Funds	\$	23,819
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Amounts reported for assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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 relating to governmental activities, at historical cost: \$	23,882	
Accumulated depreciation:	(10,103)	13,779

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:

Net Pension Liability (Asset)	21,861	
Net OPEB Obligation	35	
Compensated absences payable	280	
Leases payable	212	(22,388)

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

YUBA COUNTY OFFICE OF EDUCATION

RECONCILIATION OF THE GOVERNMENTAL FUNDS' BALANCE SHEETS TO THE
STATEMENT OF NET POSITION, Continued
JUNE 30, 2025

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 relating to pensions	6,590
Deferred inflows of resources relating to pensions	(764)

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:

(609)

Total Net Position - Governmental Activities:	\$	20,427
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The accompanying notes are an integral part of these financial statements.

YUBA COUNTY OFFICE OF EDUCATION

GOVERNMENTAL FUNDS

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2025**

	County School Services Fund	Charter Schools Special Revenue Fund	Special Education Pass- Through Fund
REVENUES			
LCFF sources	\$ 9,210,847	\$ 3,323,288	\$ -
Federal sources	2,754,776	80,590	4,013,923
Other state sources	4,723,964	453,679	13,598,599
Other local sources	15,888,323	119,739	78,406
Total Revenues	32,577,910	3,977,296	17,690,928
EXPENDITURES			
Current			
Instruction	11,124,471	2,477,829	-
Instruction - Related services			
Supervision of instruction and administration	2,783,801	392,591	-
School administration	498,660	621,049	-
Pupil Services			
Food services	75,487	10,056	-
All other pupil services	5,072,346	186,110	-
General Administration			
Data processing services	1,027,080	-	-
All other general administration	3,247,803	26,268	-
Plant services	960,449	165,623	-
Community services	3,147,667	-	-
Enterprise services	469,403	-	-
Transfers to other agencies	999,342	3,677	17,612,524
Facilities acquisition and construction	686,274	-	-
Debt service			
Interest	11,116	-	-
Principal	66,657	-	-
Total Expenditures	30,171,456	3,883,203	17,612,524
Excess (Deficiency) of Revenues Over Expenditures	2,406,454	94,093	78,404
OTHER FINANCING SOURCES (USES)			
Transfers in	2,157	-	-
Sources	115,653	-	-
Transfers out	-	(570)	-
Net Financing Sources (Uses)	117,810	(570)	-
NET CHANGE IN FUND BALANCE	2,524,264	93,523	78,404
Beginning balance - (Restated)	14,331,062	2,369,657	347,356
Ending balance	\$ 16,855,326	\$ 2,463,180	\$ 425,760

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

Child Development Fund	County School Facilities Fund	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 60,000	\$ 12,594,135
240,064	-	199,981	7,289,334
1,223,101	-	123,528	20,122,871
418,685	82,644	354,916	16,942,713
1,881,850	82,644	738,425	56,949,053
-	-	387,220	13,989,520
23,979	-	123,283	3,323,654
-	-	74,040	1,193,749
-	-	-	85,543
-	-	10,857	5,269,313
-	-	-	1,027,080
98,022	-	26,055	3,398,148
-	8,260	8,495	1,142,827
1,749,003	-	-	4,896,670
-	-	-	469,403
-	-	8,992	18,624,535
-	59,747	-	746,021
-	-	-	11,116
-	-	-	66,657
1,871,004	68,007	638,942	54,245,136
10,846	14,637	99,483	2,703,917
-	-	-	2,157
-	-	-	115,653
-	-	(1,587)	(2,157)
-	-	(1,587)	115,653
10,846	14,637	97,896	2,819,570
206,779	1,171,487	2,573,048	20,999,389
\$ 217,625	\$ 1,186,124	\$ 2,670,944	\$ 23,818,959

YUBA COUNTY OFFICE OF EDUCATION

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

(Amounts in thousands)

Net Change in Fund Balances - Governmental Funds	\$	2,820
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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: \$	883	
Depreciation expense:	(720)	163

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:

67

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:

(116)

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

YUBA COUNTY OFFICE OF EDUCATION

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES,
Continued
FOR THE YEAR ENDED JUNE 30, 2025

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:

53

Pensions:

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

(35)

Postemployment benefits other than pensions ("OPEB"):

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

3

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 benefit governmental activities, internal service activities are reported as governmental in the statement of activities.

The net increase or decrease in internal service funds was:

336

Change in net position of Governmental Activities

\$

3,291

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

YUBA COUNTY OFFICE OF EDUCATION

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2025**

	Internal Service Funds Self-Insurance
ASSETS	
Current assets	
Cash and equivalents	\$ 2,318,939
Accrued receivables	23,910
TOTAL ASSETS	\$ 2,342,849
LIABILITIES	
Non-current liabilities, non-current portion	2,952,000
NET POSITION	
Unrestricted (Deficit)	(609,151)
TOTAL LIABILITIES AND NET POSITION	\$ 2,342,849

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

YUBA COUNTY OFFICE OF EDUCATION

PROPRIETARY FUNDS

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

	Internal Service Funds Self-Insurance
OPERATING REVENUE	
Fees and contracts	\$ 241,667
OPERATING EXPENSE	
Services and other operating expenditures	(12,270)
OPERATING GAIN/(LOSS)	253,937
NON-OPERATING REVENUES/(EXPENSES)	
Revenue from the use of money	81,242
CHANGE IN NET POSITION	335,179
Beginning balance	(944,330)
Ending balance	\$ (609,151)

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

YUBA COUNTY OFFICE OF EDUCATION

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Internal Service Funds
	Self-Insurance
Cash flows from operating activities	
Cash receipts from interfund services provided	\$ 241,667
Cash payments for insurance claims	(60,085)
Net cash provided/(used) by operating activities	181,582
Cash flows from investing activities	
Interest received	53,554
NET INCREASE/(DECREASE) IN CASH	235,136
CASH	
Beginning of year	2,083,803
End of year	\$ 2,318,939
Reconciliation of operating loss to cash used in operating activities	
Operating Gain/(Loss)	\$ 253,937
Adjustments to reconcile operating income to net cash provided by operating activities	
Cash flows reported in other categories:	
Decrease in claims liabilities	(72,355)
Net cash used by operating activities	\$ 181,582

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

YUBA COUNTY OFFICE OF EDUCATION

**FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2025**

	<u>Warrant/Pass- Through Fund</u>
ASSETS	
Cash and equivalents	\$ 2,754,516
Accrued receivables	107,375
TOTAL ASSETS	\$ 2,861,891
NET POSITION	
Restricted	\$ 2,861,891

The accompanying notes are an integral part of these financial statements

YUBA COUNTY OFFICE OF EDUCATION

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2025

	<u>Warrant/Pass- Through Fund</u>
ADDITIONS	
Revenue from the use of money	\$ 85,964
Other revenue	31,420,764
Total Additions	31,506,728
DELETIONS	
Funds Distributed for Others	31,291,954
CHANGE IN NET POSITION	214,774
Net Position - Beginning (Restated)	2,647,117
Net Position - Ending	\$ 2,861,891

The accompanying notes are an integral part of these financial statements

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1 - A. Description of Financial Statements

The accompanying financial statements of the Yuba County Office of Education have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”), as prescribed by the Governmental Accounting Standards Board (“GASB”). The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Education Code §41010 requires local educational agencies (“LEAs”) to follow the definitions, instructions, and procedures in the California School Accounting Manual. The manual provides accounting policies and procedures, as well as guidance in implementing those policies and procedures, which include basis of accounting, revenue and expenditure recognition, fund types, types of transactions, methods of posting transactions, including adjusting entries, documentation required to substantiate certain transactions, year-end closing process, including the recording of accruals and deferrals.

1 - B. Financial Reporting Entity

The Yuba County Office of Education (“COE”), also known as a Local Educational Agency (“LEA”), is a public educational agency operating under the applicable laws and regulations of the State of California. It is governed by a five member County Board of Education (Board) elected by registered voters of the COE, which comprises an area in Yuba County. The COE was established in 1852 and serves students in pre K – 12 curriculum, ages 3 – 22.

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 COE consists of all funds, departments, and agencies that are not legally separate from the COE. For Yuba County Office of Education, this includes general operations and student related activities of the COE.

Blended Component Unit. Historically, the Yuba County Board of Education Financing Corporation (the “Corporation”) financial activity was presented in the financial statements as the Debt Service Fund. However, the activity is dormant since the Certificates of Participation issued by the Corporation were paid-off. Individually prepared financial statements are not prepared for the Corporation, and there has not been any activity this year.

Joint Powers Authority (“JPA”). The COE is associated with two JPAs. These organizations do not meet the criteria for inclusion as a component unit of the COE. Additional information is presented in Note 13 to the financial statements. These organizations are:

- ❖ Tri-County Schools Insurance Group(TCSIG)
- ❖ Schools Excess Liabilities Fund (SELF)

1 - C. Basis of Presentation

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

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2025

The statement of activities presents a comparison between direct expenses and program revenue for each function of the COE'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 COE.

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

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.

Fiduciary funds are used to account for assets held by the LEA in a trustee or agency capacity for others that cannot be used to support the LEA's own programs.

Major Governmental Funds

County School Service Fund. The general fund for a county office of education is called the County School Service Fund (*Education Code* §1600). This is the chief operating fund for all LEAs. It is used to account for the ordinary operations of an LEA. All transactions except those accounted for in another fund are accounted for in this fund.

Charter Schools Special Revenue Fund. This fund may be used by authorizing LEAs to account separately for the activities of LEA-operated charter schools that would otherwise be reported in the authorizing LEA's general fund. If an LEA uses this fund for any of a charter school's operating activities, it should use this fund for all of the charter school's operating activities.

Special Education Pass-Through Fund. This fund is used by the Administrative Unit ("AU") of a multi-LEA Special Education Local Plan Area ("SELPA") to account for Special Education revenue passed through to other member LEAs.

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 an LEA for, or from the operation of, child development services covered under the Child Care and Development Services Act (*Education Code* §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* §8328).

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* §17620–§17626). The authority for these levies may be county/city ordinances (*Government Code* §65970–§65981) or private agreements between the LEA and the developer. Interest earned in the Capital Facilities Fund (Fund 25) is restricted to that fund (*Government Code* §66006).

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2025

Non-Major Governmental Funds

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

Adult Education Fund. This fund is used to account separately for federal, state, and local revenues that are restricted or committed for adult education programs. Money in this fund shall be expended for adult education purposes only. Except for moneys received pursuant to the Local Control Funding Formula, moneys received for programs for specifically designated pupils shall not be expended for adult education (Education Code §52616 and 52501.5). Expenditures in this fund may be made only for direct instructional costs and direct support costs, and indirect costs as specified in Education Code §52616.4. Other educational programs and activities that are administered by adult education staff but do not specifically serve adults should be expended in the LEA's general fund.

Deferred Maintenance Fund. This fund is used to account separately for revenues that are restricted or committed for deferred maintenance purposes (Education Code §17582). Moneys in this fund may be expended only for major repair or replacement of plumbing, heating, air-conditioning, electrical, roofing, and floor systems. Exterior and interior painting of school buildings, including a facility that a county office of education is authorized to use pursuant to Education Code §17280–17317. The inspection, sampling, and analysis of building materials to determine the presence of asbestos-containing materials. The encapsulation or removal of materials containing asbestos. The inspection, identification, sampling, and analysis of building materials to determine the presence of materials containing lead.

Forest Reserve Fund (county offices). This fund exists to account separately for federal forest reserve funds received by offices of county superintendents for distribution to school districts and community college districts (*Education Code §2300; Government Code §29484*).

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).

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 §42840*). This fund may also be used to account for any other revenues specifically for capital projects that are not restricted to fund 21, 25, 30, 35, or 49. Other authorized resources that may be deposited to the Special Reserve Fund for Capital Outlay Projects (Fund 40) are proceeds from the sale or lease-with-option-to-purchase of real property (*Education Code §17462*) and rentals and leases of real property specifically authorized for deposit to the fund by the governing board (*Education Code §41003*).

Proprietary Funds

Internal Service Funds. Internal service funds are created principally to render services to other organizational units of the LEA 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 an LEA. 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 §17566*).

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2025

Fiduciary Funds

Trust and Custodial Funds. Trust and Custodial funds are used to account for assets held in a fiduciary capacity for others that cannot be used to support the LEA's own programs.

Warrant/Pass-Through Fund. This fund exists primarily to account separately for amounts collected from employees for federal taxes, state taxes, transfers to credit unions, and other contributions. It is also used to account for those receipts for transfer to agencies for which the LEA is acting simply as a "cash conduit."

1 - D. Basis of Accounting – Measurement Focus

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

Net Position should be reported as restricted when constraints placed on net position 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 result from special revenue funds and the restrictions on their net position use.

Governmental Funds. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The COE considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after year-end. All other revenue items are considered to be measurable and available only when the COE receives cash. Local Control Funding Formula ("LCFF"), property taxes, and grant awards are recorded the same as what is described for Government-Wide Statements. Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, early retirement and postemployment healthcare benefits and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Eliminating Internal Activity. Transactions between funds that would be treated as revenues, expenditures, or expenses if they involve entities external to the COE are accounted for as revenues, expenditures, or expenses in the funds. At year-end, outstanding balances between funds are reported in the fund financial statements. Amounts reported in the funds as Due to or Due from Other Funds are eliminated in the governmental activities column of the statement of net position.

The COE eliminates its internal service activity in the statement of activities. This is accomplished by eliminating the revenues and expenses of the internal service funds against each other, and then distributing the residual amount among the various functions based upon the volume of activity they had during the year with each internal service fund. Any inter-fund services provided and used were not eliminated in the functional areas in which they were incurred.

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2025

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

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.

1 - E. Assets, Liabilities, and Net Position and Fund Balances

Deposits and Investments. The cash balances of substantially all funds are pooled and invested by the Yuba County Treasurer for the purpose of increasing earnings through investment activities. The pool's investments are reported at fair value at June 30, 2025, based on market prices. The individual funds' portions of the pool's fair value are presented as "Cash in County." Earnings on cash in county are apportioned and paid or credited to the funds quarterly based on the average daily balance of each participating fund.

Fair Value. The COE categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Acquisition Value. The price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date, or the amount at which a liability could be liquidated with the counterparty at the acquisition date.

Inventories and Prepaid Items. Inventories such as school supplies are recorded at cost and valued using the weighted-average cost method. They then become expenditures/expenses of the funds when consumed.

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

Capital Assets. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at acquisition value. The COE maintains a capitalization threshold of \$30,000. The COE does not possess any infrastructure. 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. Depreciation of capital assets is computed and recorded by the straight-line method over the following estimated useful life:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings	50
Site Improvements	20
Equipment	5 – 20
Vehicles	8

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.

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2025

Accrued Liabilities and Long-Term Obligations. All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

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

However, claims and judgments and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases, and long-term loans are recognized as liabilities in the governmental fund financial statements when due.

Compensated Absences. Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. For governmental funds, the current portion of unpaid compensated absences is the amount that 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 reported in the fund from which the employees who have accumulated leave are paid. The non-current portion of the liability is not reported.

Sick leave is accumulated for each employee at the rate of one day for each month worked. Employee's sick leave balance may be converted to service credit in CalSTRS or CalPERS. It is generally more likely than not that the sick leave balance at June 30 will be converted to service credit, therefore credit for unused sick leave is considered part of the pension liability.

Pensions. For purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the fiduciary net positions of both the California State Teacher's Retirement System ("CalSTRS") and California Public Employee Retirement System ("CalPERS") and additions to/deductions from CalSTRS' and CalPERS' fiduciary net positions have been determined on the same basis as they are reported by CalSTRS and CalPERS, respectively. 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 COE is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable – The portion of fund balance reflecting assets not in spendable form, either because they will never convert to cash (such as prepaid items) or must remain intact pursuant to legal or contractual requirements (such as the revolving account or principal of a permanent endowment).

Restricted – The portion of fund balance representing resources subject to legally enforceable constraints externally imposed either by resource providers (e.g., grantors or creditors) or by law through constitutional provisions or enabling legislation.

Committed – The portion of fund balance representing resources whose use is constrained by limitations self-imposed by the LEA through formal action of its highest level of decision-making authority. The constraints can be modified or removed only through the same process by which they were imposed. The action imposing the constraint must be made by the end of the reporting period. The actual amounts may be determined at a later date, prior to the issuance of the financial statements.

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2025

Assigned – The portion of fund balance representing resources that are intended to be used for specific purposes but for which the constraints do not meet the criteria to be reported as restricted or committed. Intent may be established either by the LEA's highest level of decision-making authority or by a designated body or official. Constraints giving rise to assigned fund balance may be imposed at any time before the financial statements are issued. The constraints may be modified or removed by a process less formal than is required to remove constraints that give rise to committed fund balance. In governmental fund types other than the general fund, this is the residual fund balance classification.

Unassigned – In the general fund, residual fund balance in excess of amounts reported in the nonspendable, restricted, committed, or assigned fund balance classifications and net of Reserve for Economic Uncertainties. In all governmental funds including the general fund, the excess of nonspendable, restricted, and committed fund balance over total fund balance (deficits). Assigned amounts must be reduced or eliminated if a deficit exists.

The COE 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.

Net Position. Net Position represents the difference of assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net Position invested in capital assets, net of related debt 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 COE has related debt outstanding as of June 30, 2025. Net Position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the COE or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The COE first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report \$7.7 million of restricted net position.

1 - F. Revenues, Expenditures/Expense

Revenues – Exchange and Non-Exchange Transactions. The LCFF and other state apportionments are government mandated non-exchange transactions and are recognized when all eligibility requirements have been met. When the annual calculation of the LCFF is made and the COE's actual tax receipts, as reported by the county auditor, is subtracted the result determines the annual state aid to which the LEA is entitled. If the difference between the calculated annual state aid and the state aid received on the second principal apportionment is positive a receivable is recorded, and if it is negative a payable is recorded.

The COE recognizes property tax revenues actually received as reported on California Department of Education ("CDE")'s Principal Apportionment Data Collection Software, used by county offices of education and county auditors to report school COE and county taxes. The COE makes no accrual for property taxes receivable as of June 30.

The COE receives grant awards that are "reimbursement type" or "expenditure driven." The eligibility requirements of these awards have not been met until the LEA has made the required expenditures of the grant within the time period specified by the grantor. Revenue is recognized in the period in which the qualifying expenditures are made. Cash received but unspent at the end of the fiscal period is booked as a liability, and revenue is reduced to the amount that has been expended.

The COE also receives funds for which they have fulfilled specific eligibility requirements or have provided a particular service. Once the LEAs have provided these services, they have earned the revenue provided. Any unspent money may be carried to the next year to be expended for the same restricted purposes. Revenue is recognized in the period that the service is provided, and any carryover becomes a part of the LEA's ending fund balance.

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2025

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 COE prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the COE has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized.

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

Expenses/Expenditures. On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the governmental funds. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Operating Revenues and Expenses. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. Operating expenses result from transactions directly associated with the fund's principal services.

NOTE 2 – DEPOSITS AND INVESTMENTS

2 - A. Summary of Deposit and Investment Balances

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

	Governmental Activities	Fiduciary Activities	Total
Deposits in financial institutions	\$ 13,305	\$ -	\$ 13,305
Cash in county	26,267,441	2,754,516	29,021,957
Total Cash and Cash Equivalents	\$ 26,280,746	\$ 2,754,516	\$ 29,035,262

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2025

2 - B. Policies and Practices

INVESTMENT TYPE	MAX. MATURITY	MAX % OF PORTFOLIO	MIN QUALITY	GOV'T CODE §§
Local Agency Bonds	5 years	None	None	53601(a)
U.S. Treasury Obligations	5 years	None	None	53601(b)
State Obligations— CA And Others	5 years	None	None	53601(d)
CA Local Agency Obligations	5 years	None	None	53601(e)
U.S Agency Obligations	5 years	None	None	53601(f)
Bankers' Acceptances	180 days	40% ^{6E}	None	53601(g)
Commercial Paper— Non-Pooled Funds	270 days or less	25% of the agency's money	Highest letter and number rating by an NRSRO	53601(h)(2)(C)
Commercial Paper— Pooled Funds	270 days or less	40% of the agency's money	Highest letter and number rating by an NRSRO	53635(a)(1)
Negotiable Certificates of Deposit	5 years	30% ^{6J}	None	53601(i)
Non-negotiable Certificates of Deposit	5 years	None	None	53630 et seq.
Placement Service Deposits	5 years	50% ^{6K}	None	53601.8 and 53635.8
Placement Service Certificates of Deposit	5 years	50% ^{6K}	None	53601.8 and 53635.8
Repurchase Agreements	1 year	None	None	53601(j)
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20% of the base value of the portfolio	None	53601(j)
Medium-Term Notes	5 years or less	30%	"A" rating category or its equivalent or better	53601(k)
Mutual Funds And Money Market Mutual Funds	N/A	20%	Multiple	53601(l) and 53601.6(b)
Collateralized Bank Deposits	5 years	None	None	53630 et seq. and 53601(n)
Mortgage Pass-Through and Asset-Backed Securities	5 years or less	20%	"AA" rating category or its equivalent or better	53601(o)
County Pooled Investment Funds	N/A	None	None	27133
Joint Powers Authority Pool	N/A	None	Multiple	53601(p)
Local Agency Investment Fund ("LAIF")	N/A	None	None	16429.1
Voluntary Investment Program Fund	N/A	None	None	16340
Supranational Obligations	5 years or less	30%	"AA" rating category or its equivalent or better	53601(q)
Public Bank Obligations	5 years	None	None	53601(r), 53635(c) and 57603

Investment in County Treasury. The COE is considered to be an involuntary participant in an external investment pool as the COE is required to deposit all receipts and collections of monies with Yuba County Treasurer (*Education Code* §41001). The fair value of the COE's investment in the pool is reported in the accounting financial statements at amounts based upon the COE'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.

2 - C. Cash Deposits

Credit Risk. As of June 30, 2025, the COE's Cash in County pool is as follows:

Investment Type:	S & P Rating	Maturity (Days)	Fair Value Level	Fair Value
Cash in county	A - AA+	240	2	\$ 29,021,957

Custodial Credit Risk. There is a risk that, in the event of a bank failure, the COE's deposits may not be returned. The COE's deposit policy requires that all deposits are covered by the Federal Depository Insurance Corporation ("FDIC") or are collateralized as required by Statutes of the State. As of June 30, 2025, the bank balances totaled \$13,305, all of which was insured through the FDIC.

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2025

NOTE 3 – ACCRUED RECEIVABLES

Receivables at June 30, 2025, were as follows:

	County School Services Fund	Charter Schools Revenue Fund	Special Education Pass- Through Fund	Child Development Fund	County School Facilities Fund	Non-Major Governmental Funds	Self-Insurance	Total Governmental Activities	Warrant/Pass- Through Fund
Federal Government									
Categorical aid	\$ 559,318	\$ 2,750	\$ 2,293,422	\$ 203,555	\$ -	\$ 65,863	\$ -	\$ 3,124,908	\$ -
State Government									
Apportionment	-	-	-	-	-	-	-	-	-
LCFF adjustments	-	98,417	-	-	-	-	-	98,417	-
Categorical aid	2,592,805	30,051	-	298,485	-	67,276	-	2,988,617	-
Lottery	-	9,162	-	-	-	-	-	9,162	-
Local Government									
Interest	161,227	26,333	-	8,638	23,037	29,322	23,910	272,467	49,580
Local categorical	2,276,891	-	-	356,255	46,739	800	-	2,680,685	-
Other Local Sources	146,731	-	-	-	-	-	-	146,731	57,795
Total	\$ 5,736,972	\$ 166,713	\$ 2,293,422	\$ 866,933	\$ 69,776	\$ 163,261	\$ 23,910	\$ 9,320,987	\$ 107,375

All receivables are considered by management collectible in full.

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2025

NOTE 4 – CAPITAL ASSETS

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

	Balance			Balance		
(\$ Amounts in thousands)	July 01, 2024	Restatement	Additions	Deductions	June 30, 2025	
Capital assets not being depreciated						
Land	\$ 1,652	\$ -	\$ -	\$ -	\$ 1,652	
Construction in progress	-	-	29	-	29	
Non-Depreciable Capital Assets	1,652	-	29	-	1,681	
Capital assets being depreciated						
Land improvements	\$ 2,065	\$ -	\$ 286	\$ -	\$ 2,351	
Buildings & improvements	16,372	1,664	356	-	18,392	
Furniture & equipment	671	-	138	-	809	
Lease assets	315	149	44	38	470	
Subscription assets	179	-	-	-	179	
Total Capital Assets Being Depreciated	19,602	1,813	824	38	22,201	
Less Accumulated Depreciation						
Land improvements	546	-	107	-	653	
Buildings & improvements	7,575	533	442	-	8,550	
Furniture & equipment	461	-	48	-	509	
Lease assets	133	118	63	38	276	
Subscription assets	55	-	60	-	115	
Total Accumulated Depreciation	8,770	651	720	38	10,103	
Depreciable Capital Assets, net	\$ 10,832	\$ 1,162	\$ 104	\$ -	\$ 12,098	
Total Capital Assets, net	\$ 12,484	\$ 1,162	\$ 133	\$ -	\$ 13,779	

Depreciation expense: (\$ Amounts in thousands)

Instruction	\$ 158
Instructional services and administration	58
School site administration	29
Food service	2
All other pupil services	101
Centralized data processing	39
All other general administration	145
Plant services	16
Community services	132
Enterprise activities	40
Total Depreciation	\$ 720

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2025

NOTE 5 – INTERFUND BALANCES AND ACTIVITY

5 - A. Balances Due to/from Other Funds

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

Due To Other Funds	Due From Other Funds					Total
	County School Services Fund	Charter School Fund	Child Development Fund	County School Facilities Fund	Non-Major Governmental Funds	
County School						
Services Fund	\$ -	\$ 180,690	\$ 338	\$ 15,481	61,600	258,109
Charter School Fund	444,451	-	-	-	-	444,451
Special Education						
Pass-Through Fund	157	636	-	-	-	793
Child Development Fund	45,981	-	-	-	-	45,981
Non-Major Governmental Funds	23,440	4,836	-	-	61,600	28,276
Total	\$ 514,029	\$ 186,162	\$ 338	\$ 15,481	\$ 61,600	\$ 777,610

The County School Services Fund owes the Charter School Fund for personnel costs and facility usage.	180,690
The County School Services Fund owes the County School Facilities Fund for facility construction projects.	15,481
The County School Services Fund owes the Deferred Maintenance Fund for deferred maintenance.	60,000
The County School Services Fund owes the Adult Education Fund for program fees.	1,600
The County School Services Fund owes the Child Development Fund for supplies.	338
The Charter Fund owes the County School Services Fund for various operating costs and indirect costs.	444,451
The Special Education Pass-Through Fund owes the County School Services Fund special education appt.	157
The Special Education Pass-Through Fund owes the Charter School Fund for special education appt.	636
The Adult Education Fund owes the County School Services Fund for various costs and indirect costs.	23,440
The Child Development Fund owes the County School Services Fund for indirect costs and supplies.	45,981
The Adult Education Fund owes the Charter School Fund for facilities use.	4,836
Total	\$ 777,610

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2025

5 - B. Transfers to/from Other Funds

Transfers to/from other funds at June 30, 2025, consist of the following:

	Transfers In From Other Funds
Transfers Out to Other Funds	General Fund
Charter Schools Special Revenue Fund	\$ 570
Non-Major Governmental Funds	1,587
Total	\$ 2,157
Forest Reserve Fund transferred to the General Fund forest reserve money	\$ 1,587
The Charter School Fund transferred to the General Fund SWP grant reimbursement	570
Total	\$ 2,157

NOTE 6 – ACCRUED PAYABLES

Payables at June 30, 2025, were as follows:

	County School Services Fund	Charter Schools Special Revenue Fund	Special Education Pass-Through Fund	Child Development Fund	County School Facilities Fund	Non-Major Governmental Funds	Total Governmental Activities
Payroll related	\$ 1,454,954	\$ 18,186	\$ -	\$ 275,923	\$ -	\$ 11,003	\$ 1,760,066
Vendors payable	932,797	164,251	-	-	30,748	19,175	1,146,971
LCFF	32,159	125,920	-	-	-	-	158,079
Special education	143,103	-	1,174,689	-	-	-	1,317,792
COE pass-through	-	-	1,118,076	-	-	-	1,118,076
Grant payback	-	-	-	-	521,123	-	521,123
Other liabilities	3,525	283	-	91	-	17	3,916
Total	\$ 2,566,538	\$ 308,640	\$ 2,292,765	\$ 276,014	\$ 551,871	\$ 30,195	\$ 6,026,023

NOTE 7 – UNEARNED REVENUES

Unearned revenue at June 30, 2025, were as follows:

	County School Services Fund	Child Development Fund	County School Facilities Fund	Total Governmental Activities
Federal sources	\$ 69,610	\$ -	\$ -	\$ 69,610
State sources	1,663,766	1,104,990	-	2,768,756
Local sources	41,006	6,595	513,998	561,599
Total	\$ 1,774,382	\$ 1,111,585	\$ 513,998	\$ 3,399,965

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2025

NOTE 8 – LONG-TERM LIABILITIES

8 - A. Long-Term Liabilities Summary

Long-term liability activity for the year ended June 30, 2025 was as follows (in thousands):

	Balance		Balance	
(\$ Amounts in thousands)	July 01, 2024	Restatement	Additions	Deductions
Net Pension Liability (Asset)	\$ 22,776	\$ -	\$ -	\$ 915
Net OPEB Obligation	3,063	-	-	76
Compensated absences payable	333	-	-	53
Leases payable	163	41	75	67
Total	\$ 26,335	\$ 41	\$ 75	\$ 1,111
				\$ 25,340

8 - B. Pension Liabilities

The COE's pension activities between the COE and Cal STRS and Cal PERS for the year ended June 30, 2025, resulted in net pension obligations and other related balances as follows:

(\$ Amounts in thousands)	Cal STRS	Cal PERS	Total
COE's proportionate share of the net pension liability	\$ (6,024)	\$ (15,837)	\$ (21,861)
Deferred Outflows of Resources	1,500	5,089	6,589
Deferred Inflows of Resources	(764)	-	(764)
Effect on Net Position	\$ (5,288)	\$ (10,748)	\$ (16,036)

See Note 9 for additional information regarding the pension plans and activities.

8 - C. Other Postemployment Benefits

The COE is responsible for two OPEB plans, one the COE offered and one due to GASB No. 75, offered by CalSTRS. For the year ended June 30, 2025, this resulted in the following:

(\$ Amounts in thousands)	Cal STRS	Cal PERS	Total
COE's proportionate share of the OPEB liability	\$ 35	\$ 2,952	\$ 2,987

See Note 10 for additional information regarding the pension plans and activities.

8 - D. Compensated Absences

The COE employees accrue vested annual leave at a variable rate based on years of service. In general, accrued annual leave cannot the amount earned annually at the employee's anniversary date. The expense and accrued liability is recognized when the annual leave is earned. The COE's liability for accumulated annual leave, including the employer share of pension benefits and payroll taxes, was \$280,000 on June 30, 2025. The COE estimates that approximately \$31,000 of its annual leave total liability will be paid within one year, and as such is considered short-term.

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2025

With no limit on accumulation, sick leave is earned at 12 days per year. Sick leave is not vested; that is, employees are not paid for unused sick leave.

8 - E. Leases Payable

The COE leases cars with a historical cost and accumulated depreciation of \$190,000 and \$158,000, respectively, under capital lease arrangements. Future lease payments at June 30, 2025, are as follows:

<i>(Amounts in thousands)</i> Year Ending June 30,	Car Leases		Copier Leases		Total
	Principal	Interest	Principal	Interest	
2026	\$ 34	\$ 6	\$ 35	\$ 3	\$ 78
2027	34	4	36	2	76
2028	30	4	28	0	62
2029	13	3	-	-	16
2030	2	0	-	-	2
	\$ 113	\$ 17	\$ 99	\$ 5	\$ 234

NOTE 9 – DEFINED BENEFIT PENSIONS

9 - A. CalSTRS

Plan Description. CalSTRS administers a hybrid retirement system consisting of a defined benefit plan, two defined contribution plans, a postemployment benefit plan, and a fund used to account for ancillary activities associated with various deferred compensation plans and programs:

- ❖ State Teachers' Retirement Plan ("STRP")
- ❖ CalSTRS Pension 2
 - 403(b) plan
 - 457(b) plan
- ❖ Medicare Premium Payment ("MPP") Program
- ❖ Teachers' Deferred Compensation Fund ("TDCF")

CalSTRS provides pension benefits, including disability and survivor benefits, to California full-time and part-time public school teachers from pre-kindergarten through community college and certain other employees of the public school system. The Teachers' Retirement Law (California *Education Code* § 22000 et seq.), as enacted and amended by the California Legislature, established these plans and CalSTRS as the administrator. The terms of the plans may be amended through legislation.

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2025

The STRP is a multiple employer, cost-sharing defined benefit plan comprised of four programs: Defined Benefit (“DB”) Program, Defined Benefit Supplement (“DBS”) Program, Cash Balance Benefit (“CBB”) Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor of the STRP and obligor of the trust. In addition, the state is both an employer and nonemployer contributing entity to the STRP. CalSTRS issues a publicly available financial report that can be obtained at <https://www.calstrs.com/files/d83bd9800/ACFR2023-24.pdf>.

Benefits Provided. The STRP DB Program is based on a formula set by law using your age, service credit and final compensation:

- ❖ CalSTRS 2% at 60 (the age factor gradually decreases to 1.1% at age 50 if you retire before age 60, and increases to a maximum 2.4% at age 63 if you retire after age 60): Members first hired on or before December 31, 2012. At age 50 with at least 30 years of service credit or age 55 with five years of service credit.
- ❖ CalSTRS 2% at 62 (the age factor gradually decreases to 1.16% at age 55 if you retire before age 62 and increases to a maximum 2.4% at age 65 if you retire after age 62): Members first hired on or after January 1, 2013, At age 55 with at least five years of service.

The 2%, also known as the age factor, refers to the percentage of your final compensation that you will receive as a retirement benefit for every year of service credit. Other differences between the two benefit structures are final compensation, age factors, normal retirement age, creditable compensation cap and contribution rate. In addition, 2% at 62 members aren’t eligible for benefit enhancements, the Reduced Benefit Election or the CalSTRS Replacement Benefits Program.

Member’s Contribution Rates:

Effective Date	2% at 60 Members	2% at 62 Members
July 1, 2016	10.25%	10.205%

Employer’s Contribution Rates:

Effective date	Base rate	Supplemental rate per CalSTRS Funding	
		Plan	Total rate
July 1, 2024	8.250%	10.850%	19.100%
July 1, 2025 – June 30, 2046	8.250%	¹	¹
July 1, 2046	8.250%	Increase from AB 1469 not applicable in 2046–47 and beyond	

¹ The CalSTRS Funding Plan authorizes the board to adjust the employer contribution rate up or down by up to 1% each year, but no higher than 20.25% and no lower than 8.25%.

COE contributions to the pension plan from the COE was \$1,082,000 for the year ended June 30, 2025.

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NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2025

State's Contribution Rates:

Effective date	Base rate	Supplemental rate per CalSTRS Funding Plan	SBMA funding ¹	Total
July 1, 2024	2.017%	6.311%	2.500%	10.828%
July 1, 2025 – June 30, 2046	2.017%	¹	2.500%	¹
July 1, 2046	2.017%	²	2.500%	²

¹ The board has limited authority to adjust state contribution rates annually through June 2046 in order to eliminate the remaining unfunded actuarial obligation. The board cannot increase the rate by more than 0.5% in a fiscal year, and if there is no unfunded actuarial obligation, supplemental contribution rate imposed would be reduced to 0%.

² From July 1, 2046, and thereafter, the board has limited authority to adjust the state contribution rate to fund the normal cost deficit or the unfunded obligation. The board cannot adjust the supplemental rate by more than 0.25% per year, and the supplemental rate may not exceed 1.505% in total. If there is neither an unfunded obligation nor a normal cost deficit, the supplemental contribution rate would be reduced to 0%.

STRP Contributions for DBS Program. For creditable service performed by DB Program members in excess of one year of service credit within one fiscal year, member contributions of either 8% (CalSTRS 2% at 60 members) or 9% (CalSTRS 2% at 62 members) and employer contributions of 8% are credited to the members' nominal DBS Program accounts (up to any applicable compensation cap). For CalSTRS 2% at 60 members only, member contributions of 8% and employer contributions of 8% for compensation as a result of limited-term payments or compensation determined to have been paid to enhance their DB Program benefits are also credited to DBS Program accounts.

STRP Contributions for CBB Program. Employers contribute 4.0% of applicable CBB Program participant salaries. Additionally, employers may enter into a collective bargaining agreement to pay different rates if certain minimum conditions are met.

STRP Contributions for RB Program. The RB Program is an excess benefits arrangement for DB Program members that is administered as a qualified excess benefit arrangement through a separate pension program apart from the other three STRP programs. Employer contributions that would otherwise be credited to the DB Program each month are instead credited to the RB Program to fund monthly program costs.

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

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

	(\$ Amounts in thousands)	
COE's proportionate share of the net pension liability	\$	6,024
State's proportionate share of the net pension liability associated with the COE		1,895
Total	\$	7,919

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NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2025

The total pension liability for the STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023, and rolling forward the total pension liability to June 30, 2024. At June 30, 2025, the COE's proportion was as follows:

	<u>Jun. 30, 2024</u>	<u>Jun. 30, 2023</u>	<u>Difference</u>
Net Pension Liability Allocation Basis	0.0000897	0.0000893	0.0000004

For the year ended June 30, 2025, the COE recognized pension expense of \$1,251,000 and revenue of \$558,000 for support provided by the State. At June 30, 2025, the COE 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>
	<i>(\$ Amounts in thousands)</i>	
Differences between expected and actual experience	\$ 418	\$ -
Changes of assumptions	-	385
Net difference between projected and actual earnings on pension plan investments		
Net difference between projected and actual earnings on pension plan investments		24
Changes in proportion and differences between COE		
Changes in proportion and differences between COE		355
COE contributions subsequent to the measurement date	1,082	
Total	\$ 1,500	\$ 764

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

	<i>(\$ Amounts in thousands)</i>	
Year ended June 30:		
2026	\$ 1,110	\$ 467
2027	52	(345)
2028	64	347
2029	107	157
2030	128	76
2031 - 2032	39	62
Total	\$ 1,500	\$ 764

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NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2025

Actuarial Assumptions and Discount Rate Information

Actuarial Assumptions. Significant actuarial methods and assumptions used in the financial reporting actuarial valuation to determine the total pension liability as of June 30, 2024, include:

Valuation Date	June 30, 2023
Experience Study ¹	July 1, 2007 – June 30, 2022
Actuarial Cost Method	Entry age actuarial cost method
Investment Rate of Return ²	7.10%
Consumer Price Inflation	2.75%
Payroll Growth	3.50%
Post-retirement Benefit Increases	2% simple for DB (annually) Maintain 85% purchasing power level for DB Not applicable for DBS/CBB

¹ Both a five-year period (July 1, 2017–June 30, 2022) and 15-year period were considered in the 2024 experience study; however, assumptions were primarily based on the results of the 15-year study. Additional information is available in the 2024 experience analysis report available at CalSTRS.com.

² Net of investment expenses but gross of administrative expenses.

Discount Rate. The discount rate used to measure the total pension liability was 7.10%, which was unchanged from the prior fiscal year. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments and administrative expenses occur midyear. Based on those assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

Asset Class	Assumed Asset Allocation	Long-Term Expected Rate of Return ¹	Long-Term Expected Rate of Return ^{1,2}
Public Equity	38.0%	8.00%	5.25%
Real Estate	15.0%	6.80%	4.05%
Private Equity	14.0%	9.50%	6.75%
Fixed Income	14.0%	5.20%	2.45%
Risk Mitigating Strategies	10.0%	5.00%	2.25%
Inflation Sensitive	7.0%	6.40%	3.65%
Cash/Liquidity	2.0%	2.80%	0.05%

¹ 20- to 30-year geometric average.

² Real rates of return are net of assumed 2.75% inflation.

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NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2025

Sensitivity of the COE's proportionate share of the net pension liability to changes in the discount rate. Presented below is the net pension liability of employer using the current discount rate of 7.10%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

			Current	
	(\$ Amounts in thousands)	1% Decrease	Discount Rate	1% Increase
COE's proportionate share of the net pension liability	\$	10,715	\$ 6,024	\$ 2,107

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued CalSTRS financial report. The components of the net pension liability (NPL) of the STRP for participating employers and the state (nonemployer contributing entity) as of June 30, 2024, are as follows (\$ in millions):

Total Pension Liability	\$ 408,181
Less: STRP Fiduciary Net Position	341,018
NPL of Employers and the State of California	\$ 67,163
STRP Fiduciary Net Position as a % of the Total Pension Liability	83.5%

9 - B. Cal PERS

Plan Description. The Schools Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan or PERF B) is administered by the California Public Employees' Retirement System (CalPERS or the System). Plan membership consists of nonteaching and noncertified employees of public schools (K-12), community college COEs, offices of education, charter and private schools (elective) in the State of California. The Plan excludes school safety members who participate either in the agent multiple-employer defined benefit pension plan or the public agency cost-sharing multiple-employer defined benefit pension plan administered by CalPERS, depending on the number of active members. The Plan was established to provide retirement, death and disability benefits to nonteaching and noncertified employees in schools. The benefit provisions for Plan employees are established by statute. CalPERS issues a publicly available financial report that can be obtained at <https://www.calpers.ca.gov/sites/default/files/documents/2025/01/acfr-2024.pdf>.

Benefits Provided. The Service Retirement monthly allowance equal to the product of benefit factor, years of service, and final compensation.

- ❖ The *benefit factor* for classic members comes from the 2% at 55 benefit factor table. PEPRAs hired on or after January 1, 2013 are subject to the 2% at 62 benefit factor table.
- ❖ The *years of service* is the amount credited by CalPERS to a member while he or she is employed in this group (or for other periods that are recognized under the employer's contract with CalPERS). For a member who has earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance. Any unused sick leave accumulated at the time of retirement will be converted to credited service at the rate of 0.004 years of service for each day of sick leave.
- ❖ The *final compensation* is the monthly average of the member's highest 12 consecutive months' full-time equivalent monthly pay (no matter which CalPERS employer paid this compensation). For new PEPRAs hired after January 1, 2013 final compensation is based on the monthly average of the member's highest 36 consecutive months' full-time equivalent monthly pay. PEPRAs have a cap on the annual salary that can be used to calculate final compensation for all new members based on the Social Security Contribution and Benefit Base.
- ❖ The employees in this plan may or may not be covered by Social Security. For employees with service prior to January 1, 2001 covered by Social Security, the final compensation is offset by \$133.33 (or by one-third if, the final compensation is less than \$400). For PEPRAs, the final compensation is not offset.

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2025

Contributions. CalPERS required employer contributions to be 27.05% of payroll. The report also reported an employee contribution rate of 7.0% for classic and 8.0% for PEPRA. Contributions to the pension plan from the COE was \$2,603,000 for the year ended June 30, 2025.

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

The collective total pension liability for the June 30, 2024 measurement period was determined by an actuarial valuation as of June 30, 2023, with update procedures used to roll forward the total pension liability to June 30, 2024. At June 30, 2025, the COE reported a liability of \$15,837,000 for its proportionate share of the net pension liability. At June 30, 2025, the COE's proportion was as follows:

	Jun. 30, 2024	Jun. 30, 2023	Difference
Net Pension Liability Allocation Basis	0.0004431	0.0004414	0.0000017

For the year ended June 30, 2025, the COE recognized pension expense of \$2,471,000. At June 30, 2025, the COE reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
	<i>(\$ Amounts in thousands)</i>
Differences between expected and actual experience	\$ 1,214
Changes of assumptions	350
Net difference between projected and actual earnings on pension plan investments	
Net difference between projected and actual earnings on pension plan investments	615
Changes in proportion and differences between COE	
Changes in proportion and differences between COE	307
COE contributions subsequent to the measurement date	2,603
Total	\$ 5,089

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

	<i>(\$ Amounts in thousands)</i>
Year ended June 30:	
2026	\$ 3,512
2027	1,602
2028	170
2029	(195)
Total	\$ - \$ 5,089

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NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2025

Actuarial Methods, Assumptions, and Discount Rate Information

Actuarial Methods and Assumptions. The collective total pension liability was based on the following assumptions:

Investment rate of return	6.90%
Inflation	2.30%
Salary increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS membership data for all funds
Post-Retirement Benefit Increase	2.0% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.30% thereafter

¹ The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

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

The expected real rates of return by asset class are as followed:

Asset Class	Assumed Asset Allocation	Real Return Years 1 – 10 ^{1,2}
Global Equity - cap-weighted	30.00 %	4.54 %
Global Equity non-cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021-22 Asset Liability Management study.

Discount Rate. The discount rate used to measure the total pension liability for PERF B was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2025

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

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

			Current	
	(\$ Amounts in thousands)	1% Decrease	Discount Rate	1% Increase
COE's proportionate share of the net pension liability	\$	23,525	\$ 15,837	\$ 9,485

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS Comprehensive Annual Financial Report. The components of the employers' collective net pension liability related to the Plan as of June 30, 2024, are as follows (*\$ in thousands*):

Total pension liability	\$128,972,455
Less:	
Plan fiduciary net position	93,233,655
Net Pension Liability of Employers	\$ 35,738,800
Fiduciary Net Position as a % of the Total Pension Liability	72.29%

NOTE 10 – POSTEMPLOYMENT HEALTHCARE PLANS

10 - A. OPEB (CalSTRS)

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

Benefits Provided. The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the STRP DB Program who were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A.

Contributions. The MPP Program has been essentially funded on a pay-as-you-go basis with a portion of contributions that would have otherwise been credited to the DB Program being diverted to the THBF to make MPP Program payments. Beginning in 2008, DB Program assets (technically the value of future contributions) in the amount of the MPP Program Actuarial Obligation (less any assets already in the THBF) are allocated for the purposes of paying the MPP Program benefits. The annual cost from a funding perspective is equal to contributions to the MPP Program. For the 2023-24 fiscal year, the actual cost was \$23.1 million.

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

The total OPEB liability for the MPP Program as of June 30, 2024, was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023, and rolling forward the total OPEB liability to June 30, 2024.

At June 30, 2025, the COE reported a liability of \$35,000 for its proportionate share of the net OPEB liability. The COE's proportion was as follows:

	Jun. 30, 2024	Jun. 30, 2023	Difference
Net OPEB Liability Allocation Basis	0.0001308	0.0001320	-0.0000012

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2025

For the year ended June 30, 2025, the COE recognized pension expense of (\$3,000).

Actuarial Methods, Assumptions, and Discount Rate Information

Actuarial Methods and Assumptions. The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date.

Valuation Date	June 30, 2023
Experience study	July 1, 2007 – June 30, 2022
Measurement Date	June 30, 2024
Actuarial Cost Method	Individual Entry Age
Investment rate of return	3.93%
Medicare Part A and B Premium Costs Trend Rate	Approximately equivalent to a 4.09% to 6.62% increase each year for Medicare Part A and Part B, respectively.

Discount Rate. The MPP Program benefits are effectively funded on a pay-as-you-go basis through the THBF. Therefore, we have used a discount rate of 3.65% for June 30, 2023 and 3.93% for June 30, 2024. The discount rates are based on the rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as specified in GASB. The Teachers' Retirement Board has adopted the 20-Bond GO Bond Buyer Index for these purposes.

Medicare costs trend rate. Future premiums are assumed to increase with a medical trend rate that varies by year, as shown in the following table:

Years ¹	Assumed Annual Increase	
	Part A	Part B
2023 – 2032	5.40%	6.62%
2033 – 2042	4.93%	5.59%
2043 – 2052	4.32%	4.54%
2053 & Later	4.09%	4.26%

¹ Trend rates indicate medical inflation in the specific year and therefore affect the premiums for the following year. For example, the projected 2024-2025 premium is the 2023-2024 premium increased by the assumed 2023-2024 trend rate.

Sensitivity of the COE's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rates.

Presented below is the net OPEB liability of employers using the current discount rate as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
COE's proportionate share of the net OPEB liability	\$ 38	\$ 35	\$ 32

Sensitivity of the COE's Proportionate Share of the Net OPEB Liability to Changes in the Medicare Cost Trend Rates. Presented below is the net OPEB liability of employers using the current Medicare costs trend rates, as well as what the net OPEB liability would be if it were calculated using Medicare costs trend rates that are 1% lower and 1% higher than the current rate:

	Medicare Costs		
	1% Decrease	Trend Rate	1% Increase
COE's proportionate share of the net OPEB liability	\$ 32	\$ 35	\$ 38

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NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2025

OPEB Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued CalSTRS Comprehensive Annual Financial Report, but there are effectively NO assets in the trust, as noted below. The components of the net OPEB liability of the MPP Program for participating employers as of June 30, 2024, are as follows (\$ in thousands):

Total OPEB liability	\$2,299
Plus: MPP Program assets, deferred outflows and inflows of resources	389
Net OPEB liability of employers	(\$2,688)
MPP Program fiduciary net position as a % of the total OPEB liability	(85.53%)

10 - B. COE's Plan

Plan Description. The plan is a single-employer defined benefit healthcare plan administered by the Yuba County Office of Education. The Plan offers the following benefits by bargaining unit:

Benefits Provided

	<u>Certificated</u>	<u>Classified</u>	<u>Management</u>
Benefit types provided	Medical, dental and vision	Medical, dental, and vision	Medical, dental, and vision
Duration of Benefits	To age 65	To age 65	To age 65
Required Service	15 years	15 years	15 years
Minimum Age	55	55	55
Dependent Coverage	No	No	No
COE Contribution %	100%	100%	100%
COE Cap	Lowest premium for retiree only medical coverage	Lowest premium for retiree only medical coverage	Lowest premium for retiree only medical coverage

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of Statement 75

Employees Covered by Benefit Terms. At June 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	8
Active employees	184
Total	192

Total OPEB Liability. The COE's total OPEB liability of \$2,952,000 was measured as of a June 30, 2024 and the balances were rolled forward with a new discount rate for the fiscal year ending June 30, 2025.

Measurement Assumptions and Other Inputs. The total OPEB liability in the June 30, 2025 valuation was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate:	2.50%
Discount Rate:	3.93%
Trend:	4.00%
Payroll increase	2.75%
Mortality:	2020 CalSTRS and 2021 CalPERS
Participate rate:	80%

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NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2025

Coverage for retiree coverage: Retiree liabilities are based on actual retiree premium plus an implicit rate subsidy of 59.1% of non-Medicare medical premium. Liabilities for active participants are based on the first-year costs shown below, which include the implicit rate subsidy. Subsequent years' costs are based on first year costs adjusted for trend and limited by any County Office contribution caps (Employer portion of premium: \$7,151 Implied rate subsidy: \$4,852).

Changes in the Total OPEB Liability

	(\$ Amounts in thousands)	
Balances at July 01, 2024	\$	3,024
Changes for the year:		
Service cost		226
Interest		50
Changes in assumptions or other inputs		(105)
Benefit payments		(243)
Net changes		(72)
Balances at June 30, 2025	\$	2,952

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability of the COE, as well as what the COE's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (5.93%) than the current discount rate:

	Current Discount			
(\$ Amounts in thousands)	1% Decrease	Rate	1% Increase	
COE's proportionate share of the net pension liability	\$ 3,230	\$ 2,952	\$ 2,699	

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the COE, as well as what the COE's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3%) or 1-percentage-point higher (5%) than the current healthcare cost trend rates:

	Current Health			
(Amounts in thousands)	1% Decrease	Trend Rate	1% Increase	
COE's proportionate share of the net pension liability	\$ 2,576	\$ 2,952	\$ 3,408	

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2025, the COE recognized an OPEB expense of (\$72,000).

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2025

NOTE 11 – FUND BALANCE

Fund balance components at June 30, 2025, were as follows:

	County School Services Fund	Charter Schools Special Revenue Fund	Special Education Pass-Through Fund	Child Development Fund	County School Facilities Fund	Non-Major Governmental Funds	Total Governmental Funds
Non-spendable							
Non-restricted							
Reserve for prepaid expenditures	\$ 24,728	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,728
Spendable							
Restricted							
Educational programs							
State	2,431,666	408,689	210,000	-	-	11,212	3,061,567
Local	3,327,537	-	-	7,296	-	116,557	3,451,390
ASBs	13,305	-	-	-	-	-	13,305
Capital projects							
School bond program	-	-	-	-	1,186,124	-	1,186,124
Total Restricted	5,772,508	408,689	210,000	7,296	1,186,124	127,769	7,712,386
Committed, deferred maintenance	-	-	-	-	-	2,376,893	2,376,893
Assigned							
LCAP Medi-Cal	1,525,067	-	-	-	-	-	1,525,067
Facilities	1,409,304	-	-	-	-	-	1,409,304
Technology	156,000	-	-	-	-	-	156,000
Lottery	262,868	100,843	-	-	-	-	363,711
Special revenue	-	1,953,648	215,760	210,329	-	23,250	2,402,987
Capital outlay projects	-	-	-	-	-	143,032	143,032
Total Assigned	3,353,239	2,054,491	215,760	210,329	-	166,282	6,000,101
Unassigned							
Reserve for economic uncertainties	1,051,796	-	-	-	-	-	1,051,796
Unassigned	6,653,055	-	-	-	-	-	6,653,055
Total Unassigned	7,704,851	-	-	-	-	-	7,704,851
Total	\$ 16,855,326	\$ 2,463,180	\$ 425,760	\$ 217,625	\$ 1,186,124	\$ 2,670,944	\$ 23,818,959

California County Office of Education (COE). Consistent with the Criteria and Standards for fiscal solvency adopted by the State Board of Education, the COE maintains a Reserve for Economic Uncertainties to safeguard the COE's financial stability. The minimum recommended reserve for a COE of this size is a minimum of three percent of budgeted general fund expenditures and other financing uses. The COE's policy is to maintain the reserve at six percent.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Litigation. The COE has been named in various pending or threatened litigation, claims or assessments. The ultimate outcome/resolution of these matters is not known at this time. The COE is monitoring the progress of these matters and has referred various matters to the COE's attorney for consultation and representation.

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2025

NOTE 13 – PARTICIPATION IN A JOINT POWERS AUTHORITY

The COE is a member of two joint powers authorities (JPAs). Tri-County Schools Insurance Group (TCSIG) provides liability and property insurance, and Schools Excess Liabilities Fund (SELF) for excess liability and property insurance. The relationship is such that the JPAs are not component units of the COE for financial reporting purposes.

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

During the year ended June 30, 2025, the COE made payments of \$240,746 to TCSIG. SELF is paid through TCSIG.

NOTE 14 – CHANGES TO OR WITHIN THE FINANCIAL REPORTING ENTITY

Change Within the COE (Column A). Historically an Enterprise Fund was used to account for child care services the COE provided. However, the program was closed a few years back and just leases the facility out on a month-to-month contract. Therefore, the fund's activity is now reported in the County School Services Fund.

Change Within the COE (Column B). Changes as a result of prior year's reported major funds compared to current year's reported major funds.

Correction of an Error in Previously Issued Financial Statements (Column C). During fiscal year 2025, Yuba County Office of Education reported the associated student body accounts. Therefore, cash in banks were understated by \$14,203 for the fiscal year ended June 30, 2024. The COE's Warrant/Pass-Through Fund was not included in the prior year report. The effect of correcting that error is shown in column C of the table below.

	June 30, 2024 As Previously Reported	Change to or within the COE (A)	Change to or within the COE (B)	Error Correction (C)	June 30, 2024 As Changed and Restated
Government-Wide					
Governmental Activities	\$ (4,995,142)	\$ 1,131,772	\$ -	\$ -	\$ (3,863,370)
Business-Type Activities	1,131,790	(1,131,790)	-	-	-
Total Government-wide	(3,863,352)	(18)	-	-	(3,863,370)
Governmental Funds					
Major Funds:					
County School Services Fund	14,316,841	18	-	14,203	14,331,062
Charter School Fund	-	-	2,369,657	-	2,369,657
Sp. Ed. Pass-Through Fund	347,356	-	-	-	347,356
Child Development Fund	-	-	206,779	-	206,779
County School Facilities Fund	-	-	1,171,487	-	1,171,487
Nonmajor Funds	6,320,971	-	(3,747,923)	-	2,573,048
Total Governmental Funds	20,985,168	18	-	14,203	20,999,389
Fiduciary Funds					
Warrant Pass-Through Fund	-	-	-	2,647,117	2,647,117
Total Entity	\$ 17,121,816	\$ -	\$ -	\$ 2,661,320	\$ 19,783,136

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2025

NOTE 15 – CERTAIN RISK DISCLOSURES – JUNE DEFERRALS

Pursuant to Education Code §14041.6, the amount of \$222,803,041 in state aid of the P-2 payment shall be deferred from June 2025 to July 2025. This results in a deferral of the full P-2 payment for all local educational agencies except those with an approved deferral exemption. The State Controller's Office estimates that payments for this apportionment will be issued to county treasurers on July 18, 2025. The P-2 payment for LEAs with an approved deferral exemption will be issued to the county treasurer on June 30, 2025. Effectively, this prevents an LEA from recognizing the June revenue in the current fiscal year, and therefore is recognized in the subsequent fiscal year.

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REQUIRED SUPPLEMENTARY INFORMATION

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YUBA COUNTY OFFICE OF EDUCATION

**GENERAL FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts			Variances - Positive / (Negative)
	Original	Final	Actual	Final to Actual
REVENUES				
LCFF sources				
Principal apportionment	\$ 4,504,251	\$ 4,413,286	\$ 3,909,290	\$ (503,996)
County & district taxes	4,745,333	5,095,843	5,361,557	265,714
LCFF transfers	(60,000)	(59,882)	(60,000)	(118)
Federal revenue	2,311,373	2,410,724	2,754,776	344,052
Other state revenue	5,284,156	5,489,015	4,723,964	(765,051)
Other local revenue	17,526,242	15,892,460	15,888,323	(4,137)
Total Revenues	34,311,355	33,241,446	32,577,910	(663,536)
EXPENDITURES				
Certificated salaries	4,615,523	4,470,965	4,307,925	163,040
Classified salaries	9,271,656	9,448,891	9,095,298	353,593
Benefits	6,670,455	6,460,933	6,232,777	228,156
Supplies	1,421,737	1,467,435	802,314	665,121
Services and other operating expenditures	9,187,554	9,832,659	7,982,825	1,849,834
Capital outlay	650,000	728,595	823,547	(94,952)
Other outgo (excluding Transfers of Indirect Costs)	3,109,583	999,342	1,077,115	(77,773)
Other outgo - Transfers of Indirect Costs	(137,279)	(172,362)	(150,345)	(22,017)
Total Expenditures	34,789,229	33,236,458	30,171,456	3,065,002
Excess (Deficiency) of Revenues				
Over Expenditures	(477,874)	4,988	2,406,454	2,401,466
OTHER FINANCING SOURCES (USES)				
Interfund transfers	7,000	12,465	2,157	(10,308)
Sources	-	-	115,653	115,653
Net Financing Sources (Uses)	7,000	12,465	117,810	105,345
NET CHANGE IN FUND				
BALANCE	(470,874)	17,453	2,524,264	2,506,811
Beginning balance - (Restated)	14,331,062	14,331,062	14,331,062	
Ending Balance	\$ 13,860,188	\$ 14,348,515	\$ 16,855,326	\$ 2,506,811

YUBA COUNTY OFFICE OF EDUCATION

**CHARTER SCHOOL SPECIAL REVENUE FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts			Variances - Positive / (Negative)
	Original	Final	Actual	Final to Actual
REVENUES				
LCFF sources				
Principal apportionment	\$ 3,478,409	\$ 3,331,061	\$ 3,323,288	\$ (7,773)
Federal revenue	81,344	79,645	80,590	945
Other state revenue	464,272	440,785	453,679	12,894
Other local revenue	74,642	86,642	119,739	33,097
Total Revenues	4,098,667	3,938,133	3,977,296	39,163
EXPENDITURES				
Certificated salaries	1,586,606	1,641,097	1,645,992	(4,895)
Classified salaries	484,431	524,486	535,269	(10,783)
Benefits	989,535	1,010,457	1,023,950	(13,493)
Supplies	278,204	204,458	91,210	113,248
Services and other operating expenditures	671,650	653,884	556,837	97,047
Other outgo (excluding Transfers of Indirect Costs)	8,945	8,945	3,677	5,268
Other outgo - Transfers of Indirect Costs	40,409	33,509	26,268	7,241
Total Expenditures	4,059,780	4,076,836	3,883,203	193,633
Excess (Deficiency) of Revenues Over Expenditures	38,887	(138,703)	94,093	232,796
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(570)	(570)	-
NET CHANGE IN FUND				
BALANCE	38,887	(139,273)	93,523	232,796
Beginning balance	2,369,657	2,369,657	2,369,657	
Ending Balance	\$ 2,408,544	\$ 2,230,384	\$ 2,463,180	\$ 232,796

YUBA COUNTY OFFICE OF EDUCATION

**SPECIAL EDUCATION PASS-THROUGH FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts			Variances - Positive / (Negative)
	Original	Final	Actual	Final to Actual
REVENUES				
Federal revenue	\$ 3,947,419	\$ 3,948,897	\$ 4,013,923	\$ 65,026
Other state revenue	14,416,322	14,242,598	13,598,599	(643,999)
Other local revenue	25,869	25,869	78,406	52,537
Total Revenues	18,389,610	18,217,364	17,690,928	(526,436)
EXPENDITURES				
Other outgo (excluding Transfers of Indirect Costs)	18,363,741	18,191,495	17,612,524	578,971
NET CHANGE IN FUND				
BALANCE	25,869	25,869	78,404	52,535
Beginning balance	347,356	347,356	347,356	
Ending Balance	\$ 373,225	\$ 373,225	\$ 425,760	\$ 52,535

YUBA COUNTY OFFICE OF EDUCATION

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Cal STRS (<i>\$ Amounts in thousands</i>)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
COE's proportion of the net pension liability	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
COE's proportionate share of the net pension liability	\$ 6,024	\$ 6,799	\$ 6,263	\$ 4,216	\$ 10,495	\$ 8,764	\$ 8,338	\$ 8,344	\$ 7,808	\$ 6,889
State's proportionate share of the net pension liability associated with the COE	1,895	3,258	2,096	1,411	3,570	3,094	3,036	3,099	2,832	2,383
Total	\$ 7,919	\$ 10,057	\$ 8,359	\$ 5,627	\$ 14,065	\$ 11,858	\$ 11,374	\$ 11,443	\$ 10,640	\$ 9,272
COE's covered payroll	\$ 5,857	\$ 5,366	\$ 5,202	\$ 5,170	\$ 5,778	\$ 5,206	\$ 4,881	\$ 4,729	\$ 4,781	\$ 4,697
COE's proportionate share of the net pension liability as a percentage of its covered payroll	103%	127%	120%	82%	182%	168%	171%	176%	163%	147%
Plan fiduciary net position as a percentage of the total pension liability	84%	81%	81%	87%	72%	73%	71%	65%	70%	74%
Cal PERS (<i>\$ Amounts in thousands</i>)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
COE's proportion of the net pension liability	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%
COE's proportionate share of the net pension liability	\$ 15,837	\$ 15,977	\$ 14,548	\$ 8,774	\$ 12,616	\$ 12,165	\$ 10,568	\$ 9,382	\$ 7,524	\$ 5,512
COE's covered payroll	\$ 8,735	\$ 7,664	\$ 6,515	\$ 6,199	\$ 5,968	\$ 5,761	\$ 5,227	\$ 5,006	\$ 4,546	\$ 4,144
COE's proportionate share of the net pension liability as a percentage of its covered payroll	181%	208%	223%	142%	211%	211%	202%	187%	166%	133%
Plan fiduciary net position as a percentage of the total pension liability	72%	70%	81%	70%	70%	71%	72%	74%	79%	83%

The amounts presented for each fiscal year were determined as of June 30 of the prior fiscal year

YUBA COUNTY OFFICE OF EDUCATION

SCHEDULE OF CONTRIBUTIONS

Cal STRS (<i>\$ Amounts in thousands</i>)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 1,082	\$ 1,119	\$ 1,025	\$ 880	\$ 835	\$ 988	\$ 848	\$ 710	\$ 595	\$ 513
Contributions in relation to the contractually required contribution	(1,082)	(1,119)	(1,025)	(880)	(835)	(988)	(848)	(710)	(595)	(513)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
COE's covered payroll	\$ 5,667	\$ 5,857	\$ 5,366	\$ 5,202	\$ 5,170	\$ 5,778	\$ 5,206	\$ 4,916	\$ 4,729	\$ 4,781
Contributions as a percentage of covered payroll	19%	19%	19%	17%	16%	17%	16%	14%	13%	11%
Cal PERS (<i>\$ Amounts in thousands</i>)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 2,603	\$ 2,330	\$ 1,944	\$ 1,493	\$ 1,283	\$ 1,177	\$ 1,041	\$ 812	\$ 695	\$ 539
Contributions in relation to the contractually required contribution	(2,603)	(2,330)	(1,944)	(1,493)	(1,283)	(1,177)	(1,041)	(812)	(695)	(539)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
COE's covered payroll	\$ 9,624	\$ 8,735	\$ 7,664	\$ 6,515	\$ 6,199	\$ 5,968	\$ 5,761	\$ 5,227	\$ 5,006	\$ 4,546
Contributions as a percentage of covered payroll	27%	27%	25%	23%	21%	20%	18%	16%	14%	12%

YUBA COUNTY OFFICE OF EDUCATION

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

	2025	2024	2023	2022	2021	2020	2019	2018
Changes for the year:								
Service cost	\$ 226	\$ 216	\$ 214	\$ 241	\$ 295	\$ 286	\$ 277	\$ 268
Interest	50	94	86	60	110	103	67	86
Changes in assumptions or other inputs	(105)	(104)	56	152	(601)	-	-	-
Benefit payments	(243)	(100)	(209)	(135)	(184)	(244)	(86)	(111)
Net Changes in Total OPEB Liability	(72)	106	147	318	(380)	145	258	243
Total OPEB Liability - Beginning	3,024	2,918	2,771	2,453	2,833	2,688	2,430	2,187
Total OPEB Liability - Ending	\$ 2,952	\$ 3,024	\$ 2,918	\$ 2,771	\$ 2,453	\$ 2,833	\$ 2,688	\$ 2,430
Covered Payroll	\$15,291	\$14,592	\$13,030	\$11,717	\$11,369	\$ 11,455	\$ 11,455	\$ 11,455
Total OPEB liability as a percentage of covered payroll	19%	21%	22%	24%	22%	25%	23%	21%
COE Has No Assets Accumulated in a Trust to Pay Related Benefits								

YUBA COUNTY OFFICE OF EDUCATION

SCHEDULE OF THE COE'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

	2025	2024	2023	2022	2021	2020	2019	2018
COE's Proportion of the collective net OPEB liability	\$ 35	\$ 38	\$ 45	\$ 56	\$ 59	\$ 56	\$ 55	\$ 61
COE's proportionate share of the collective net OPEB liability	0.013%	0.013%	0.014%	0.014%	0.016%	0.014%	0.014%	0.014%

The COE makes no contributions to the plan. Rather, CalSTRS siphons benefit payments from all the school COEs' regular pension contributions.

Covered Payroll¹

Total OPEB liability as a percentage of covered payroll

¹ Defined as the payroll on which contributions to a pension plan are based, but for CalSTRS OPEB there are no contributions based on payroll

COE Has No Material Assets Accumulated in a Trust to Pay Related Benefits

The amounts presented for each fiscal year were determined as of June 30 of the prior fiscal year

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SUPPLEMENTARY INFORMATION

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YUBA COUNTY OFFICE OF EDUCATION

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor/Program or Cluster	Assistance Listing ("AL") Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amount Provided to Subrecipients
U. S. DEPARTMENT OF EDUCATION:				
Passed through California Department of Education (CDE):				
Every Student Succeeds Act ("ESSA"):				
Title I, Basic Grants	84.010	14329	\$ 161,232	\$ -
Title I, Part D, Local Delinquent Programs	84.010	14357	174,070	-
School Improvement Funding for LEAs	84.010	15438	402,927	-
School Improvement Funding for COEs	84.010	15565	92,822	-
Total Title I			831,051	-
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	23,135	-
Title III, English Learner Student Program	84.365	14346	22,410	-
Title IV, Part A, Student Support and Academic Enrichment	84.424	15396	4,880	-
Title IX, Part A, McKinney-Vento Homeless Assistance Grants	84.196	14332	81,443	-
American Rescue Plan-Homeless Children and Youth				
ARP - Homeless I	84.425	15564	2,608	-
Statewide Activities	84.425	15636	6,884	-
ARP HCY II	84.425	15566	10,879	-
Total ESF			20,371	-
Special Education Cluster (IDEA): [1]				
Basic Local Assistance Entitlement	84.027	13379	3,916,279	3,916,279
Preschool Grants, Part B, Section 619	84.173	13430	96,628	96,628
Mental Health Average Daily Attendance	84.027A	15197	5,884	-
Preschool Staff Development	84.173A	13431	1,016	1,016
IDEA Quality Assurance & Focused Monitoring	84.027A	13693	45,782	-
Special Ed: Alternate Dispute Resolution	84.027A	13007	21,263	-
Special Education Cluster (IDEA) [1]			4,086,852	4,013,923
Special Ed: IDEA Early Intervention Grants	84.181	23761	63,140	-
Total U. S. Department of Education			5,133,282	4,013,923

See accompanying note to supplementary information

YUBA COUNTY OFFICE OF EDUCATION

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor/Program or Cluster	Assistance Listing ("AL") Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amount Provided to Subrecipients
U. S. DEPARTMENT OF AGRICULTURE:				
Passed through CDE:				
Forest Reserve Funds	10.665	10044	10,579	8,992
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Passed through CDE:				
Child Care and Development Fund (CCDF) Cluster:				
Early Education: Local Planning Councils	93.575	13946	121,033	-
Sutter Local Child Care Development	93.575	13946	119,033	-
Total CCDF Cluster			240,066	-
U. S. DEPARTMENT OF LABOR				
Passed through North Central Counties Consotium:				
Workforce Innovation and Opportuntiy Act (WIOA) Cluster:				
Adult Programs	17.258	Various	386,568	-
Youth Activities	17.259	Various	1,184,268	-
Dislocated Workers	17.278	Various	237,771	-
WIOA Cluster			1,808,607	-
Total Federal Expenditures			\$ 7,192,534	\$ 4,022,915

[1] - Major Program

DF - Direct Funded

No amount provided to subrecipients

YUBA COUNTY OFFICE OF EDUCATION

**SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)
FOR THE YEAR ENDED JUNE 30, 2025**

	Charter School	Second Period Attendance Report	Annual Attendance Report
Regular ADA			
Total TK / K -3		7	7
Total Grades 4 - 6		6	6
Total Grades 7-8		13	14
Total Grades 9-12		182	176
Total Regular ADA		208	203

REPORT OF SCHOOLS AND CLASSES MAINTAINED	Second Period Report	Annual Report
ELEMENTARY		
Juvenile halls, homes, and camps	1	1
Probation referred, on probabtion or parole, expelled	7	9
Total Elementary	8	10
SECONDARY		
Juvenile halls, homes, and camps	25	27
Probation referred, on probabtion or parole, expelled	13	14
Total Secondary	38	41
Total	46	51
Adults in correctional facilities	8	7

COUNTY OPERATED SPECIAL DAY CLASSES	Second Period Report	Annual Report
Special day classes		
TK/K - 3	84	84
Grades 4 - 6	32	31
Grades 7 - 8	10	10
Grades 9 - 12	21	21
Extended year special education	15	15
Other county programs		
Total	162	161

See accompanying note to supplementary information

YUBA COUNTY OFFICE OF EDUCATION

**SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

	2026 (Budget)	2025	2024	2023
COUNTY SCHOOL SERVICES FUND				
Revenues	\$ 33,873,166	\$ 32,577,910	\$ 34,047,603	\$ 31,856,809
Transfers in	1,587	117,810	3,494,315	254,090
Total	33,874,753	32,695,720	37,541,918	32,110,899
Expenditures	34,634,403	30,171,456	33,108,552	27,799,896
Other uses and transfers out	-	-	78,435	421,889
Total	34,634,403	30,171,456	33,186,987	28,221,785
INCREASE/(DECREASE)				
IN FUND BALANCE	\$ (759,650)	\$ 2,524,264	\$ 4,354,931	\$ 3,889,114
ENDING FUND BALANCE	\$ 16,095,676	\$ 16,855,326	\$ 14,136,331	\$ 9,781,400
AVAILABLE RESERVES ¹	\$ 8,598,298	\$ 7,704,851	\$ 7,156,688	\$ 4,353,087
AVAILABLE RESERVES AS A PERCENTAGE OF OUTGO	25%	26%	22%	15%
LONG-TERM DEBT	NA	\$ 25,340,000	\$ 26,335,313	\$ 24,177,000
AVERAGE DAILY ATTENDANCE AT P-2 ²	215	208	240	220

The County School Services Fund balance has increased by \$7,073,926 over the past two years. The fiscal year 2026 budget projects a decrease of five percent. For a COE this size, the State recommends available reserves of at least three percent of General Fund expenditures, transfers out, and other uses (total outgo).

Total long term obligations have increased by \$1,163,000 over the past two years.

Average daily attendance has decreased by twelve ADA over the past two years. An increase of seven ADA is anticipated during fiscal year 2026.

¹ Available reserves consist of all unassigned fund balance within the County School Services Fund

² Includes Adults in Correctional Facilities ADA

YUBA COUNTY OFFICE OF EDUCATION

**RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

FUND BALANCE	County School Services Fund	Charter Schools Special Revenue Fund	Special Education Pass- Through Fund	Adult Education Fund	Child Development Fund	Deferred Maintenance Fund
Balance, June 30, 2025						
Unaudited Actuals:	\$ 17,316,873	\$ 2,500,553	\$ 417,238	\$ 151,960	\$ 223,625	\$ 2,393,893
Increase in:						
Cash in county	332,122	47,883	48,186	(344)	9,503	41,595
Cash in banks	13,305	-	-	-	-	-
Decrease in:						
Cash in county valuation	(115,000)	(22,000)	(3,000)	(1,000)	(6,000)	(17,000)
Accrued receivables	(678,035)	(47,883)	(1,203,292)	-	(9,503)	(41,595)
Due from other funds	(71,893)	(15,373)	-	-	-	-
Accrued payables	57,954	-	1,081,402	344	-	-
Due to other funds	-	-	85,226	-	-	-
Audited financial statement	\$ 16,855,326	\$ 2,463,180	\$ 425,760	\$ 150,960	\$ 217,625	\$ 2,376,893

See accompanying note to supplementary information

YUBA COUNTY OFFICE OF EDUCATION

**RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS, Continued
FOR THE YEAR ENDED JUNE 30, 2025**

FUND BALANCE	Special Reserve for Other Than Capital Outlay Projects	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Other Enterprise Fund	Self-Insurance	Warrant/Pass- Through Fund
Balance, June 30, 2025						
Unaudited Actuals:	\$ 188,806	\$ 1,203,124	\$ 144,032	\$ 1,098,467	\$ (663,506)	\$ 3,105,078
Increase in:						
Cash in county	-	40,391	2,560	-	40,256	19,876
Decrease in:						
Cash in county	(183,514)	-	-	(39,789)	-	-
Cash in county valuation	-	(17,000)	(1,000)	-	(18,000)	(21,000)
Accrued receivables	(5,292)	(40,391)	(2,560)	-	(40,256)	(19,876)
Capital assets	-	-	-	(1,065,198)	-	-
Accrued payables	-	-	-	4,480	-	(222,187)
Due to other funds	-	-	-	2,040	-	-
OPEB Liability	-	-	-	-	72,355	-
Audited financial statement	\$ -	\$ 1,186,124	\$ 143,032	\$ -	\$ (609,151)	\$ 2,861,891

See accompanying note to supplementary information

YUBA COUNTY OFFICE OF EDUCATION

**SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2025**

Charter School Number	Charter School	Status	Included in Audit Report
0092	Yuba County Career Preparatory Charter School	Active	Yes
0990	Yuba Environmental Science Charter Academy	Active	No

See accompanying note to supplementary information

YUBA COUNTY OFFICE OF EDUCATION

COMBINING BALANCE SHEET
JUNE 30, 2025

	Adult Education Fund	Deferred Maintenance Fund	Forest Reserve Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds
ASSETS					
Cash and equivalents	\$ 70,103	\$ 2,292,890	\$ 6	\$ 141,555	\$ 2,504,554
Accrued receivables	137,728	24,003	53	1,477	163,261
Due from other funds	1,600	60,000	-	-	61,600
TOTAL ASSETS	\$ 209,431	\$ 2,376,893	\$ 59	\$ 143,032	\$ 2,729,415
LIABILITIES					
Accrued liabilities	\$ 30,195	\$ -	\$ -	\$ -	\$ 30,195
Due to other funds	28,276	-	-	-	28,276
Total Liabilities	58,471	-	-	-	58,471
FUND BALANCE					
Restricted	127,769	-	-	-	127,769
Committed	-	2,376,893	-	-	2,376,893
Assigned	23,191	-	59	143,032	166,282
Total Fund Balance	150,960	2,376,893	59	143,032	2,670,944
TOTAL LIABILITIES AND FUND BALANCE	\$ 209,431	\$ 2,376,893	\$ 59	\$ 143,032	\$ 2,729,415

See accompanying note to supplementary information

YUBA COUNTY OFFICE OF EDUCATION

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2025**

	Adult Education Fund	Deferred Maintenance Fund	Forest Reserve Fund	Special Reserve Fund for Capital Outlay Projects	Debt Service Fund	Non-Major Governmental Funds
REVENUES						
LCFF sources	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000
Federal sources	189,597	-	10,384	-	-	199,981
Other state sources	123,528	-	-	-	-	123,528
Other local sources and investment loss	268,390	85,839	86	5,328	(4,727)	354,916
Total Revenues	581,515	145,839	10,470	5,328	(4,727)	738,425
EXPENDITURES						
Current						
Instruction	387,220	-	-	-	-	387,220
Instruction - Related services						
Supervision of instruction and admini	123,283	-	-	-	-	123,283
School administration	74,040	-	-	-	-	74,040
Pupil Services						
All other pupil services	10,857	-	-	-	-	10,857
General Administration						
All other general administration	26,055	-	-	-	-	26,055
Plant services	1,848	6,647	-	-	-	8,495
Transfers to other agencies	-	-	8,992	-	-	8,992
Total Expenditures	623,303	6,647	8,992	-	-	638,942
Excess (Deficiency) of Revenues						
Over Expenditures	(41,788)	139,192	1,478	5,328	(4,727)	99,483
OTHER FINANCING SOURCES (USES)						
Transfers out	-	-	(1,587)	-	-	(1,587)
NET CHANGE IN FUND BALANCE	(41,788)	139,192	(109)	5,328	(4,727)	97,896
Beginning balance	192,748	2,237,701	168	137,704	4,727	2,573,048
Ending balance	\$ 150,960	\$ 2,376,893	\$ 59	\$ 143,032	\$ -	\$ 2,670,944

See accompanying note to supplementary information

YUBA COUNTY OFFICE OF EDUCATION

LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE JUNE 30, 2025

GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
John Nicoletti	President (Area 2)	December 2028
Tracy Bishop	Vice President (Area 5)	December 2026
Katharine Rosser	Trustee (Area 1)	December 2026
Desiree Hastey	Trustee (Area 4)	December 2028
Marjorie Renicker	Trustee (Area 3)	December 2028

ADMINISTRATION

Rob Gregor	County Superintendent
Aaron Thornsberry, CPA (Inactive)	Chief Business Official

ORGANIZATION

The Yuba County Office of Education (COE) was established in 1852. The COE coordinates the educational programs among school districts within Yuba County. The COE also provides professional and financial assistance to school districts and has general responsibilities to support and monitor all schools in the county. The activities of the COE are governed by five trustees comprising the Yuba County Board of Education. Each trustee is elected by the residents of an area approximating the county supervisory districts.

YUBA COUNTY OFFICE OF EDUCATION

NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2025

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the COE 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 (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, as applicable.

There are no balances of loan or loan guarantee programs ("loans") outstanding at the end of the audit period.

The COE has not elected to use the 10% de minimis cost rate. The indirect cost rate process in California is based on the California Department of Education's (CDE's) federally approved indirect cost plan for K-12 LEAs, which include school COEs, joint powers agencies, county offices of education, and charter schools. California's plan includes specific guidelines on indirect cost components, including the indirect cost pool, base costs, and the carry-forward adjustment. The United States Department of Education has approved the fixed-with-carry-forward restricted rate methodology for calculating indirect cost rates for California LEAs. CDE has been delegated authority to calculate and approve indirect cost rates annually for LEAs.

Schedule of ADA

Displays ADA data for both the Second Period and Annual reports, by grade span and program as appropriate; and separately for each charter school, shows the total ADA and the ADA generated through classroom-based instruction by grade span, as appropriate; and if there are any ADA adjustments due to audit findings, displays additional columns for the Second Period and Annual reports reflecting the final ADA after audit finding adjustments, shown by grade span.

Schedule of Instructional Time

Displays, for school districts, including basic aid districts, data that show whether the district complied with article 8 (commencing with §46200) of chapter 2 of part 26 of the Education Code; showing by grade level:

- 1) The number(s) of instructional minutes specified in Education Code §46207(a);
- 2) For all districts, the instructional minutes offered during the year audited showing the school with the lowest number of minutes offered at each grade level;
- 3) For all districts, the number of instructional days offered during the year audited on the traditional calendar and on any multitrack year-round calendars; and whether the district complied with the instructional minutes and day's provisions.
- 4) For charter schools, data that show whether the charter school complied with Education Code §47612 and 47612.5; showing by grade level the number(s) of instructional minutes specified in Education Code §47612.5; the instructional minutes offered during the year audited showing the school location with the lowest number of minutes offered at each grade level; the number of instructional days offered during the year audited on the traditional calendar and on any multitrack calendars; and whether the charter school complied with the instructional minutes and days provisions.
- 5) For school districts and charter schools that received a Form J-13A approval, list the actual minutes and days in the instructional minutes and days offered columns, add columns that list the credited minutes and days per the approved Form J-13A and the total minutes and days offered, adding the actual offering to the amount of minutes and days credited per the approved Form J-13A. Include a footnote stating that the school district or charter school received an approved J-13A identifying number or days and minutes approved.

YUBA COUNTY OFFICE OF EDUCATION

NOTES TO SUPPLEMENTARY INFORMATION, Continued JUNE 30, 2025

Schedule of Instructional Time, continued

- 6) For school districts and charter schools that are pending a Form J-13A approval, list the actual minutes and days in the instructional minutes and days offered columns, add columns that list the minutes and days per the submitted Form J-13A and the total minutes and days including pending Form J-13A, adding the actual offering to the amount of minutes and days that may be credited per the submitted Form J-13A. Include a footnote stating that the school district or charter school is pending a Form J-13A approval, identifying number of days and minutes that may be approved. Note: If the actual instructional minutes or days offered did not meet the instructional time requirements, the LEA is not in compliance with the instructional time requirements and a finding should be reported. Submission of a J-13A to the California Department of Education does not guarantee approval of the requested minutes and days.

Not applicable to County Office's of Education

Schedule of Financial Trends and Analysis

Displays information regarding the auditee's financial position and going concern status, in the form of actual financial and attendance figures for at least the most recent three-year period (ending with the audit year), plus the current year's budget, for the following items: general fund financial activity, including total revenue, expenditures, and other sources and uses; general fund balance; available reserve balances (funds designated for economic uncertainty, and any other remaining undesignated fund balance) within the general fund or special reserve fund; available reserve balances expressed as a percentage of total general fund outgo (expenditures, transfers out, and other uses), including a comparison to the applicable state-recommended available reserve percentage; total long-term debt; and elementary and secondary second principal ADA; and, when the auditee's percentage of available reserves to total general fund outgo is below the state-recommended percentage, management's plans for increasing the auditee's available reserve percentage.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

Displays the differences between the ending fund balance(s) from the audited financial statements and the unaudited ending fund balance(s) from the annual financial and budget report for each fund in which a variance occurred.

Schedule of Charter Schools

Listing all charter schools chartered by the school district or county office of education. For each charter school, include the charter school number and indicate whether or not the charter school is included in the school district or county office of education audit.

Combining Statements – Non-Major Governmental Funds

The Non-Major Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances is included to provide information regarding the individual funds that have been included in the Non-Major Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.

Local Education Agency Organization Structure

LEA Organization Structure, setting forth the following information, at a minimum:

- 1) The date on which the LEA was established, and for charter schools the date and granting authority of each charter;
- 2) The date and a general description of any change during the year audited in a school district's boundaries, or a statement that there were no changes in a school district's boundaries, whichever applies;
- 3) The numbers by type of schools in the LEA;
- 4) The names, titles, terms, and term expiration dates of all members of the governing board; and
- 5) The names, with their titles, of the superintendent, chief business official, and deputy/associate/assistant superintendents.

This schedule is located in the front of the report.

OTHER INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S 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*

The Board of Trustees
Yuba County Office of Education
Marysville, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Yuba County Office of Education as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Yuba County Office of Education'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 Yuba County Office of Education's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Yuba County Office of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of Yuba County Office of Education's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Yuba County Office of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests only disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*, and which are audit adjustment as displayed in the accompanying Reconciliation of Annual Financial and Budget Report With Audited Financial Statements.

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 Yuba County Office of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Yuba County Office of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads 'RT Dennis Accountancy'. The signature is written in a cursive, stylized font and is located below the 'Purpose of This Report' section.

January 29, 2026

RTDENNIS
ACCOUNTANCY



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH THE UNIFORM GUIDANCE**

Board of Trustees
Yuba County Office of Education
Marysville, California

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited Yuba County Office of Education's compliance with the types of compliance requirements¹ identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Yuba County Office of Education's major federal programs for the year ended June 30, 2025. Yuba County Office of Education's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Yuba County Office of Education complied, in all material respects, with the 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

RTDENNIS
ACCOUNTANCY

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Yuba County Office of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than 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 Yuba County Office of Education's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Yuba County Office of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- ❖ Obtain an understanding of Yuba County Office of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Yuba County Office of Education's internal control over compliance. Accordingly, no such opinion is expressed.

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

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

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

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

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

A handwritten signature in black ink that reads "R. J. Dennis Accountancy". The signature is written in a cursive, flowing style.

January 29, 2026



INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Trustees
Yuba County Office of Education
Marysville, California

REPORT ON STATE COMPLIANCE

We have examined Yuba County Office of Education's compliance with *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* ("the State Audit Guide") during the year ended June 30, 2025. Management of Yuba County Office of Education is responsible for Yuba County Office of Education's compliance with the applicable items listed on the following page. Our responsibility is to express an opinion on Yuba County Office of Education's compliance with the applicable items listed on the following page based on our examination.

Our examination was conducted in accordance with AT-C §315, *Compliance Attestation*, of the attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether Yuba County Office of Education complied, in all material respects, with the applicable items listed on the following page. An examination involves performing procedures to obtain evidence about whether Yuba County Office of Education complied with the applicable items listed on the following page. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on Yuba County Office of Education's compliance with items listed on the following page.

In our opinion, Yuba County Office of Education complied, in all material respects, with applicable items listed on the following page during the year-ended June 30, 2025.

Emphasis-of-Matter

As a result of the American Institute of Certified Public Accountants' ("AICPA") issuance of Statement of Audit Standard No. 141, the State Controller's Office issued an illustrative example for the *Independent Auditor's Report on State Compliance*, which included a reference to internal control testing. However, the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* sites no requisite internal controls or an internal control framework Local Education Agencies ("LEA") are to follow. As such, it would be inappropriate for the auditor to test and express an opinion on internal controls as it would relate to state compliance. Therefore, the auditor follows AT-C §315, *Compliance Attestation*.

RTDENNIS
ACCOUNTANCY

In connection with the audit referred to on the previous page, we selected and tested transactions and records to determine the Yuba County Office of Education's compliance with the following items:

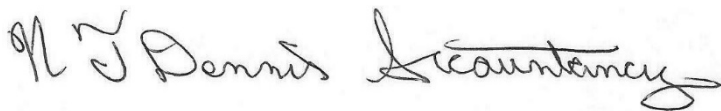
PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other Than Charter Schools	
A. Attendance	Yes
B. Teacher Certification And Misassignments	Yes
D. Independent Study	Not Applicable ¹
E. Continuation Education	Not Applicable ¹
F. Instructional Time	Not Applicable ¹
G. Instructional Materials	Yes
H. Ratio Of Administrative Employees To Teachers	Not Applicable ¹
I. Classroom Teacher Salaries	Not Applicable ¹
J. Early Retirement Incentive	Not Applicable ¹
K. Gann Limit Calculation	Yes
L. School Accountability Report Card	Yes
M. Juvenile Court Schools	Yes
N. Middle or Early College High Schools or Programs	Not Applicable ¹
O. K-3 Grade Span Adjustment	Not Applicable ¹
Q. Apprenticeship: Related and Supplemental Instruction	Yes
R. Comprehensive School Safety Plan	Yes
S. District of Choice	Not Applicable ¹
TT. Home To School Transportation Reimbursement	Not Applicable ¹

¹ COE does not have this program or is otherwise not applicable to the COE.

PROGRAM NAME	PROCEDURES PERFORMED
School Districts, County Offices Of Education, And Charter Schools	
T. Proposition 28 Arts and Music in Schools	Yes
U. After/Before School Education and Safety Program	Not Applicable ¹
V. Proper Expenditure Of Education Protection Account Funds	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts	Yes
X. Local Control and Accountability Plan	Yes
Y. Independent Study-Course Based	Not Applicable ¹
Z. Immunizations	Not Applicable ¹
ZA. Educator Effectiveness	Yes
ZB. Expanded Learning Opportunities Grant (ELO-G)	Not Applicable ¹
ZC. Career Technical Education Incentive Grant	Not Applicable ¹
ZD. Expanded Learning Opportunities Program	Not Applicable ¹
ZE. Transitional Kindergarten	Not Applicable ¹
ZF. Kindergarten Continuance	Not Applicable ¹
Charter Schools	
AA. Attendance	Yes
BB. Mode Of Instruction	Yes
CC. Nonclassroom-Based Instruction/Independent Study	Yes
DD. Determination Of Funding For Nonclassroom-Based Instruction	Yes
EE. Annual Instructional Minutes - Classroom Based	Not Applicable ¹
FF. Charter School Facility Grant Program	Not Applicable ¹

Purpose of this Report

The purpose of this report on compliance is solely to describe the scope of our testing of compliance and the results of that testing based on the State Audit Guide. Accordingly, this report is not suitable for any other purpose.



January 29, 2026

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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SUMMARY OF AUDITORS' RESULTS FOR THE YEAR ENDED JUNE 30, 2025

Yes

No

YUBA COUNTY OFFICE OF EDUCATION

**FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

No Financial Statement Findings were noted in the current year.

YUBA COUNTY OFFICE OF EDUCATION

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

No Federal Award Findings were noted in the current year.

YUBA COUNTY OFFICE OF EDUCATION

**STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

No State Award Findings were noted in the current year.

YUBA COUNTY OFFICE OF EDUCATION

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

No Findings were noted in the prior year.

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