MARIN COUNTY OFFICE OF EDUCATION

AUDIT REPORT
JUNE 30, 2024

MARIN COUNTY OFFICE OF EDUCATION
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FINANCIAL SECTION

CHRISTY WHITE
Certified Public Accountants serving
K-12 School Districts and Charter
Schools throughout California

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Independent Auditors' Report

Governing Board
Marin County Office of Education
San Rafael, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Marin County Office of Education, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Marin County Office of Education's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Marin County Office of Education, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Marin 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 the Marin 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.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2024 on our consideration of the Marin County Office of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Marin 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 Marin County Office of Education's internal control over financial reporting and compliance.

Christy White, Inc

San Diego, California
December 15, 2024

INTRODUCTION

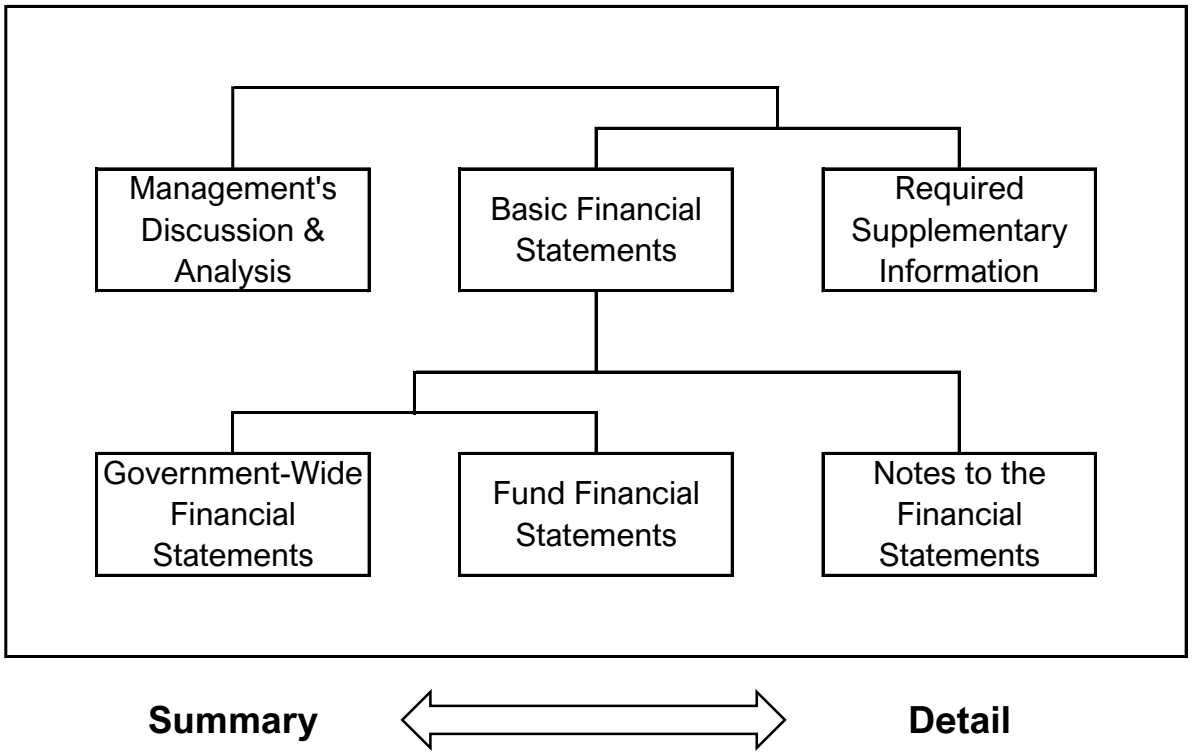
Our discussion and analysis of Marin County Office of Education's (County Office of Education) financial performance provides an overview of the County Office of Education's financial activities for the fiscal year ended June 30, 2024. It should be read in conjunction with the County Office of Education's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The County Office of Education's total net position for governmental activities was $70,077,478 and its business-type activities net position was $1,581,309 at June 30, 2024. This was an increase of $7,859,819 in the governmental activities and an increase of $156,729 in the business-type activities from the prior year.
- Overall revenues were $83,074,460 which exceeded expenses and transfers of $74,313,855 in the governmental activities. Overall revenues and transfers were $3,130,827 which exceed expenses of $2,974,098 in the business-type activities.

OVERVIEW OF FINANCIAL STATEMENTS

Components of the Financial Section



OVERVIEW OF FINANCIAL STATEMENTS (continued)

Components of the Financial Section (continued)

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

- **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the entity's overall financial position.

- **Fund financial statements** focus on reporting the individual parts of County Office of Education operations in more detail. The fund financial statements comprise the remaining statements.

  - **Governmental Funds** provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County Office of Education's programs.

  - **Proprietary Funds** report services for which the County Office of Education charges customers a fee. Like the government-wide statements, they provide both long-term and short-term financial information.

  - **Fiduciary Funds** report resources held for the benefit of parties outside of the County Office of Education. Fiduciary funds are not reflected in the government-wide statement because the resources of the fund are not available to support the County Office of Education's own programs.

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

Government-Wide Statements

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

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

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

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The County Office of Education's net position for governmental activities was $70,077,478, and its business-type activities was $1,581,309 at June 30, 2024, as reflected in the table below. Of this amount, $23,983,216 was unrestricted for governmental activities and $(1,584,708) was unrestricted for business-type activities. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Governing Board's ability to use that net position for day-to-day operations.

	Governmental Activities			Business-Type Activities		
	2024	2023	Net Change	2024	2023	Net Change
ASSETS						
Current and other assets	$ 102,510,746	$ 106,088,656	$ (3,577,910)	$ 727,450	$ 797,224	$ (69,774)
Capital assets	12,551,045	11,357,887	1,193,158	3,166,017	3,061,211	104,806
Total Assets	115,061,791	117,446,543	(2,384,752)	3,893,467	3,858,435	35,032
DEFERRED OUTFLOWS OF RESOURCES	13,569,213	11,665,491	1,903,722	911,967	863,531	48,436
LIABILITIES						
Current liabilities	17,010,947	27,114,959	(10,104,012)	88,341	157,834	(69,493)
Long-term liabilities	38,139,030	34,222,714	3,916,316	3,076,557	3,001,454	75,103
Total Liabilities	55,149,977	61,337,673	(6,187,696)	3,164,898	3,159,288	5,610
DEFERRED INFLOWS OF RESOURCES	3,403,549	5,556,702	(2,153,153)	59,227	138,098	(78,871)
NET POSITION						
Net investment in capital assets	12,551,045	11,275,098	1,275,947	3,166,017	3,061,211	104,806
Restricted	33,543,217	31,145,824	2,397,393	-	-	-
Unrestricted	23,983,216	19,796,737	4,186,479	(1,584,708)	(1,636,631)	51,923
Total Net Position	$ 70,077,478	$ 62,217,659	$ 7,859,819	$ 1,581,309	$ 1,424,580	$ 156,729

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position

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

	Governmental Activities			Business-Type Activities		
	2024	2023	Net Change	2024	2023	Net Change
REVENUES						
Program revenues						
Charges for services	$ 265,031	$ 150,754	$ 114,277	$ -	$ -	$ -
Operating grants and contributions	32,007,373	38,799,704	(6,792,331)	-	104,454	(104,454)
General revenues						
Property taxes	37,800,624	37,219,460	581,164	-	-	-
Unrestricted federal and state aid	3,536,132	2,856,463	679,669	-	-	-
Other	9,465,300	8,279,077	1,186,223	2,680,434	1,360,628	1,319,806
Total Revenues	83,074,460	87,305,458	(4,230,998)	2,680,434	1,465,082	1,215,352
EXPENSES						
Instruction	18,432,761	16,073,015	2,359,746	-	-	-
Instruction-related services	12,957,419	11,060,723	1,896,696	-	-	-
Pupil services	2,423,741	1,404,015	1,019,726	-	-	-
General administration	12,013,899	10,434,817	1,579,082	-	-	-
Plant services	2,663,249	2,015,742	647,507	-	-	-
Ancillary and community services	1,422,326	1,383,766	38,560	-	-	-
Debt service	56,215	25,302	30,913	-	-	-
Other outgo	24,794,638	36,661,289	(11,866,651)	-	-	-
Enterprise activities	-	-	-	2,974,098	1,891,122	1,082,976
Total Expenses	74,764,248	79,058,669	(4,294,421)	2,974,098	1,891,122	1,082,976
Transfers & special items	(450,393)	(1,049,603)	599,210	450,393	1,049,603	(599,210)
Change in net position	7,859,819	7,197,186	662,633	156,729	623,563	(466,834)
Net Position - Beginning	62,217,659	55,020,473	7,197,186	1,424,580	801,017	623,563
Net Position - Ending	$ 70,077,478	$ 62,217,659	$ 7,859,819	$ 1,581,309	$ 1,424,580	$ 156,729

The cost of all our governmental activities this year was $74,764,248. The amount that our taxpayers ultimately financed for these activities through taxes was $37,800,624 and the remaining portion of the cost was paid by other governments and organizations who subsidized certain programs with grants and contributions. The cost of business-type activities this year was $2,974,098 (refer to the table above).

In the table below, we have presented the net cost of each of the County Office of Education's governmental functions. Net cost shows the total cost less operating and capital grants and contributions, and for revenues received where a charge is made for services provided. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

	Net Cost of Services	
	2024	2023
Instruction	$ 11,328,240	$ 8,120,001
Instruction-related services	3,107,446	1,811,242
Pupil services	1,172,883	768,445
General administration	10,797,271	8,289,096
Plant services	2,413,499	1,642,577
Ancillary and community services	854,501	839,031
Debt service	56,215	25,302
Transfers to other agencies	12,761,789	18,612,517
Total	$ 42,491,844	$ 40,108,211

FINANCIAL ANALYSIS OF THE COUNTY OFFICE OF EDUCATION'S FUNDS

The financial performance of the County Office of Education is reflected in its governmental funds as well. As the County Office of Education completed this year, its governmental funds reported a combined fund balance of $84,189,739, which is greater than last year's ending fund balance of $77,748,303. The County Office of Education's County School Service Fund had $5,409,054 more in operating revenues than expenditures for the year ended June 30, 2024. The County Office of Education's Special Education Pass-Through Fund had $1,916,700 more in operating revenues than expenditures for the year ended June 30, 2024. The County Office of Education's Special Reserve Fund for Capital Outlay Projects had $786,165 more in operating revenues than expenditures for the year ended June 30, 2024.

CURRENT YEAR BUDGET 2023-2024

During the fiscal year, budget revisions and appropriation transfers are presented to the Board for their approval when the interim reports are available and at year end to reflect changes to both revenues and expenditures that become known during the year. In addition, the Board of Education approves financial projections included with the Adopted Budget, First Interim, and Second Interim financial reports. The Unaudited Actuals reflect the County Office of Education's financial projections and current budget based on State and local financial information.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

By the end of 2023-2024 the County Office of Education's governmental activities had invested $12,551,045 in capital assets, net of accumulated depreciation and the business-type activities had invested $3,166,017 in capital assets, net of accumulated depreciation.

	Governmental Activities			Business-Type Activities		
	2024	2023	Net Change	2024	2023	Net Change
CAPITAL ASSETS						
Land	$ 1,822,750	$ 1,822,750	$ -	$ 1,674,221	$ 1,674,221	$ -
Construction in progress	309,585	522,869	(213,284)	-	-	-
Buildings & improvements	19,673,261	18,006,986	1,666,275	3,422,954	3,422,954	-
Furniture & equipment	3,809,364	3,440,143	369,221	806,855	569,400	237,455
Less: Accumulated depreciation	(13,063,915)	(12,434,861)	(629,054)	(2,738,013)	(2,605,364)	(132,649)
Total	$ 12,551,045	$ 11,357,887	$ 1,193,158	$ 3,166,017	$ 3,061,211	$ 104,806

Long-Term Liabilities

At year-end, the County Office of Education's governmental activities had $38,139,030 in long-term liabilities, an increase of 11.44% from last year and the business-type activities had $3,076,557 in long-term liabilities, an increase of 2.50% – as shown in the table below. More detailed information about the County Office of Education's long-term liabilities is presented in footnotes to the financial statements.

	Governmental Activities			Business-Type Activities		
	2024	2023	Net Change	2024	2023	Net Change
LONG-TERM LIABILITIES						
Financed purchases	$ -	$ 82,789	$ (82,789)	$ -	$ -	$ -
Compensated absences	478,792	358,486	120,306	-	-	-
Total OPEB liability	1,566,991	568,021	998,970	-	-	-
Net pension liability	36,093,247	33,296,207	2,797,040	3,076,557	3,001,454	75,103
Less: current portion of long-term liabilities	-	(82,789)	82,789	-	-	-
Total	$ 38,139,030	$ 34,222,714	$ 3,916,316	$ 3,076,557	$ 3,001,454	$ 75,103

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Several economic factors could impact California local educational agency funding and the County Office of Education's budget in the next fiscal year:

Long-term Declining Enrollment: Lower birth rates and increased migration out of state have resulted in long-term declining enrollment across California schools. Enrollment can fluctuate due to factors such as population growth, competition from private and parochial schools, inter-district transfers in or out, economic conditions, and housing values. Losses in enrollment will cause a local educational agency to lose operating revenues without necessarily permitting the local education agency to adjust fixed operating costs.

Revenue Uncertainties: Proposition 98 guarantees have improved over the 23-24 fiscal year, but the prior 22-23 revenues fell short of estimates, reducing the guarantee and resulting in the use of Proposition 98 reserves. California faced a significant budget deficit due to a severe revenue decline in 2022-23, driven mainly by lower income tax collections and economic downturns. However, recent tax forecasts show that actual revenues surpass projections. Surpluses could help fund more Proposition 98 revenue for local educational agencies.

Underfunded Pension Liabilities: The County Office of Education participates in state employee pension plans, California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) and both are underfunded. The County Office of Education's proportionate share of the liability is reported in the Statement of Net Position as of June 30, 2024. The amount of the liability is material to the County Office of Education's financial position. The CalSTRS projected employer contribution rate for 2024-25 is 19.10 percent. The CalPERS projected employer contribution rate for 2024-25 is 27.05 percent. The projected increased pension costs to school employers remain a significant fiscal factor.

Economic Downturn: Higher borrowing costs and reduced investment have slowed economic activity, particularly affecting sectors like technology and startups, which are crucial to California's economy. The unemployment rate is up but might reverse with future jobs in the technology and aerospace industries.

Federal Reserve Actions: The Federal Reserve's interest rate hikes have increased borrowing costs, reducing investment and economic growth.

Stock Market Performance: The steep decline in the stock market in prior years has negatively impacted income tax collections from high-income Californians and corporations. But performance in 2024 is overall positive.

These factors contribute to a challenging fiscal environment, potentially affecting the state's ability to maintain or increase funding for local educational agencies. All these factors were considered in preparing the County Office of Education's 2024-25 fiscal year budget.

CONTACTING THE COUNTY OFFICE OF EDUCATION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the County Office of Education's finances and to show the County Office of Education's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact: Deputy Superintendent at 1111 Las Gallinas Avenue, San Rafael, California 94903.

MARIN COUNTY OFFICE OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	$ 87,989,595	$ 521,892	$ 88,511,487
Accounts receivable	14,201,569	237,063	14,438,632
Internal balances	46,139	(46,139)	-
Inventory	-	14,469	14,469
Prepaid expenses	273,443	165	273,608
Capital assets, not depreciated	2,132,335	1,674,221	3,806,556
Capital assets, net of accumulated depreciation	10,418,710	1,491,796	11,910,506
Total Assets	115,061,791	3,893,467	118,955,258
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	12,460,591	911,967	13,372,558
Deferred outflows related to OPEB	1,108,622	-	1,108,622
Total Deferred Outflows of Resources	13,569,213	911,967	14,481,180
LIABILITIES			
Deficit cash	44,659	-	44,659
Accrued liabilities	16,640,573	88,341	16,728,914
Unearned revenue	325,715	-	325,715
Long-term liabilities	38,139,030	3,076,557	41,215,587
Total Liabilities	55,149,977	3,164,898	58,314,875
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	2,812,838	59,227	2,872,065
Deferred inflows related to OPEB	590,711	-	590,711
Total Deferred Inflows of Resources	3,403,549	59,227	3,462,776
NET POSITION			
Net investment in capital assets	12,551,045	3,166,017	15,717,062
Restricted:			
Capital projects	16,654,389	-	16,654,389
Educational programs	16,888,828	-	16,888,828
Unrestricted	23,983,216	(1,584,708)	22,398,508
Total Net Position	$ 70,077,478	$ 1,581,309	$ 71,658,787

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

MARIN COUNTY OFFICE OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Function/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Business-Type Activities	Net (Expenses) Revenues and Changes in Net Position: Total
GOVERNMENTAL ACTIVITIES						
Instruction	$ 18,432,761	$ 32,788	$ 7,071,733	$ (11,328,240)		
Instruction-related services						
Instructional supervision and administration	12,872,582	175,335	9,640,941	(3,056,306)		
School site administration	84,837	-	33,697	(51,140)		
Pupil services						
Home-to-school transportation	138,446	146	36,749	(101,551)		
Food services	5,216	-	-	(5,216)		
All other pupil services	2,280,079	20,372	1,193,591	(1,066,116)		
General administration						
Centralized data processing	2,295,150	4,798	152,854	(2,137,498)		
All other general administration	9,718,749	20,881	1,038,095	(8,659,773)		
Plant services	2,663,249	23	249,727	(2,413,499)		
Ancillary services	331,806	-	364,996	33,190		
Community services	1,090,520	4,721	198,108	(887,691)		
Interest on long-term debt	56,215	-	-	(56,215)		
Other outgo	24,794,638	5,967	12,026,882	(12,761,789)		
Total Governmental Activities	$ 74,764,248	$ 265,031	$ 32,007,373	(42,491,844)		
BUSINESS-TYPE ACTIVITIES						
Enterprise activities	2,974,098	-	-		$ (2,974,098)	
Total Business-Type Activities	2,974,098	-	-		(2,974,098)	
Total County Office of Education	$ 77,738,346	$ 265,031	$ 32,007,373			$ (45,465,942)
General revenues						
Taxes and subventions						
Property taxes, levied for general purposes				37,732,757	-	37,732,757
Property taxes, levied for other specific purposes				67,867	-	67,867
Federal and state aid not restricted for specific purposes				3,536,132	-	3,536,132
Interest and investment earnings				4,106,483	3,396	4,109,879
Interagency revenues				1,751,553	-	1,751,553
Miscellaneous				3,607,264	2,677,038	6,284,302
Subtotal, General Revenue				50,802,056	2,680,434	53,482,490
Change in net position before transfers & special items				8,310,212	(293,664)	8,016,548
Internal transfers				(450,393)	450,393	-
Total Transfers & Special Items				(450,393)	450,393	-
CHANGE IN NET POSITION				7,859,819	156,729	8,016,548
Net Position - Beginning				62,217,659	1,424,580	63,642,239
Net Position - Ending				$ 70,077,478	$ 1,581,309	$ 71,658,787

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

MARIN COUNTY OFFICE OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2024

	County School Service Fund	Special Education Pass-Through Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	$ 65,826,424	$ 949,724	$ 16,654,098	$ 3,248,287	$ 86,678,533
Accounts receivable	9,045,821	4,937,789	-	217,959	14,201,569
Due from other funds	186,970	7,673,917	-	156,827	8,017,714
Prepaid expenditures	271,143	-	-	2,300	273,443
Total Assets	$ 75,330,358	$ 13,561,430	$ 16,654,098	$ 3,625,373	$ 109,171,259
LIABILITIES					
Deficit cash	$ -	$ -	$ -	$ 44,659	$ 44,659
Accrued liabilities	5,006,097	11,398,130	-	235,344	16,639,571
Due to other funds	7,926,680	-	-	44,895	7,971,575
Unearned revenue	235,711	-	-	90,004	325,715
Total Liabilities	13,168,488	11,398,130	-	414,902	24,981,520
FUND BALANCES					
Nonspendable	282,642	-	-	2,300	284,942
Restricted	13,866,730	2,163,300	16,654,098	859,089	33,543,217
Committed	43,455,807	-	-	2,349,082	45,804,889
Assigned	3,075	-	-	-	3,075
Unassigned	4,553,616	-	-	-	4,553,616
Total Fund Balances	62,161,870	2,163,300	16,654,098	3,210,471	84,189,739
Total Liabilities and Fund Balances	$ 75,330,358	$ 13,561,430	$ 16,654,098	$ 3,625,373	$ 109,171,259

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

MARIN COUNTY OFFICE OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Total Fund Balance - Governmental Funds		$ 84,189,739
Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:		
Capital assets:		
In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation:		
Capital assets	$ 25,614,960	
Accumulated depreciation	(13,063,915)	12,551,045
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:		
Compensated absences	$ 478,792	
Total OPEB liability	1,566,991	
Net pension liability	36,093,247	(38,139,030)
Deferred outflows and inflows of resources relating to pensions:		
In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.		
Deferred outflows of resources related to pensions	$ 12,460,591	
Deferred inflows of resources related to pensions	(2,812,838)	9,647,753
Deferred outflows and inflows of resources relating to OPEB:		
In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to OPEB are reported.		
Deferred outflows of resources related to OPEB	$ 1,108,622	
Deferred inflows of resources related to OPEB	(590,711)	517,911
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:		1,310,060
Total Net Position - Governmental Activities		$ 70,077,478

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

MARIN COUNTY OFFICE OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024

	County School Service Fund	Special Education Pass-Through Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
LCFF sources	$ 21,269,284	$ 19,679,697	$ -	$ 156,059	$ 41,105,040
Federal sources	2,400,226	7,062,668	-	172,634	9,635,528
Other state sources	11,259,601	-	-	331,576	11,591,177
Other local sources	20,018,829	(34,339)	786,165	1,153,737	21,924,392
Total Revenues	54,947,940	26,708,026	786,165	1,814,006	84,256,137
EXPENDITURES					
Current					
Instruction	19,119,913	-	-	-	19,119,913
Instruction-related services					
Instructional supervision and administration	12,942,403	-	-	344,448	13,286,851
School site administration	86,416	-	-	-	86,416
Pupil services					
Home-to-school transportation	138,747	-	-	-	138,747
Food services	5,216	-	-	-	5,216
All other pupil services	2,218,542	-	-	126,758	2,345,300
General administration					
Centralized data processing	2,396,442	-	-	-	2,396,442
All other general administration	9,673,925	-	-	44,127	9,718,052
Plant services	2,379,162	-	-	-	2,379,162
Facilities acquisition and construction	30,538	-	-	1,487,526	1,518,064
Ancillary services	341,183	-	-	-	341,183
Community services	64,083	-	-	1,031,237	1,095,320
Transfers to other agencies	3,312	24,791,326	-	-	24,794,638
Debt service					
Principal	82,789	-	-	-	82,789
Interest and other	56,215	-	-	-	56,215
Total Expenditures	49,538,886	24,791,326	-	3,034,096	77,364,308
Excess (Deficiency) of Revenues Over Expenditures	5,409,054	1,916,700	786,165	(1,220,090)	6,891,829
Other Financing Sources (Uses)					
Transfers in	142,843	-	-	-	142,843
Transfers out	(593,236)	-	-	-	(593,236)
Net Financing Sources (Uses)	(450,393)	-	-	-	(450,393)
NET CHANGE IN FUND BALANCE	4,958,661	1,916,700	786,165	(1,220,090)	6,441,436
Fund Balance - Beginning	57,203,209	246,600	15,867,933	4,430,561	77,748,303
Fund Balance - Ending	$ 62,161,870	$ 2,163,300	$ 16,654,098	$ 3,210,471	$ 84,189,739

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

MARIN COUNTY OFFICE OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Net Change in Fund Balances - Governmental Funds		$	6,441,436
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:	$ 1,822,212		
Depreciation expense:	(629,054)		1,193,158
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:			82,789
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:			(120,306)
Postemployment benefits other than pensions (OPEB):			
In governmental funds, OPEB expenses are recognized when employer OPEB contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year, the difference between OPEB expenses and actual employer OPEB contributions was:			(47,758)
Pensions:			
In governmental funds, pension costs are recognized when employer contributions are made. In the government-wide statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and employer contributions was:			308,623
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:			1,877
Change in Net Position of Governmental Activities		$	7,859,819

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

MARIN COUNTY OFFICE OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2024

	Business-Type Activities	Governmental Activities
	Walker Creek Enterprise Fund	Internal Service Fund
ASSETS		
Current assets		
Cash and investments	$ 521,892	$ 1,311,062
Accounts receivable	237,063	-
Due from other funds	96,704	-
Stores inventory	14,469	-
Prepaid expenses	165	-
Total current assets	870,293	1,311,062
Non-current assets		
Capital assets, not depreciated	1,674,221	-
Capital assets, net of accumulated depreciation	1,491,796	-
Total non-current assets	3,166,017	-
Total Assets	4,036,310	1,311,062
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	911,967	-
Total Deferred Outflows of Resources	911,967	-
LIABILITIES		
Current liabilities		
Accrued liabilities	88,341	1,002
Due to other funds	142,843	-
Total current liabilities	231,184	1,002
Non-current liabilities		
Net pension liability	3,076,557	-
Total non-current liabilities	3,076,557	-
Total Liabilities	3,307,741	1,002
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	59,227	-
Total Deferred Inflows of Resources	59,227	-
NET POSITION		
Restricted	-	-
Unrestricted	1,581,309	1,310,060
Total Net Position	$ 1,581,309	$ 1,310,060

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

MARIN COUNTY OFFICE OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

	Business-Type Activities	Governmental Activities
	Walker Creek Enterprise Fund	Internal Service Fund
OPERATING REVENUES		
Charges for services	$ 2,653,896	$ 23,893
Other local revenues	23,143	-
Total operating revenues	2,677,039	23,893
OPERATING EXPENSES		
Salaries and benefits	1,501,807	-
Supplies and materials	108,210	-
Professional services	1,231,432	83,449
Depreciation	132,649	-
Total operating expenses	2,974,098	83,449
Operating income/(loss)	(297,059)	(59,556)
NON-OPERATING REVENUES/(EXPENSES)		
Interest income	3,395	61,433
Transfers in	593,236	-
Transfers out	(142,843)	-
Total non-operating revenues/(expenses)	453,788	61,433
CHANGE IN NET POSITION	156,729	1,877
Net Position - Beginning	1,424,580	1,308,183
Net Position - Ending	$ 1,581,309	$ 1,310,060

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

MARIN COUNTY OFFICE OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Business-Type Activities	Governmental Activities
	Walker Creek Enterprise Fund	Internal Service Fund
Cash flows from operating activities		
Cash received from user charges	$ 2,895,211	$ 23,893
Cash received (paid) from assessments made to (from) other funds	(66,727)	-
Cash payments for payroll, insurance, and operating costs	(2,958,953)	(82,848)
Net cash provided by (used for) operating activities	(130,469)	(58,955)
Cash flows from non-capital financing activities		
Interfund transfers in (out)	450,393	-
Net cash provided by (used for) non-capital financing activities	450,393	-
Cash flows from capital and related financing activities		
Acquisition of capital assets	(237,455)	-
Net cash provided by (used for) in capital and related financing activities	(237,455)	-
Cash flows from investing activities		
Interest received	3,395	61,433
Net cash provided by (used for) investing activities	3,395	61,433
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	85,864	2,478
CASH AND CASH EQUIVALENTS		
Beginning of year	436,028	1,308,584
End of year	$ 521,892	$ 1,311,062
Reconciliation of operating income (loss) to cash provided by (used for) operating activities		
Operating income/(loss)	$ (297,059)	$ (59,556)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	132,649	-
Changes in assets and liabilities:		
(Increase) decrease in accounts receivables	241,315	-
(Increase) decrease in due from other funds	(89,870)	-
(Increase) decrease in stores inventory	(11,511)	-
(Increase) decrease in prepaid expenses	83	-
(Increase) decrease in deferred outflows related to pensions	(48,436)	-
Increase (decrease) in accrued liabilities	(69,493)	601
Increase (decrease) in due to other funds	15,621	-
Increase (decrease) in net pension liability	75,103	-
Increase (decrease) in deferred inflows related to pensions	(78,871)	-
Net cash provided by (used for) operating activities	$ (130,469)	$ (58,955)

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

MARIN COUNTY OFFICE OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2024

	Custodial Fund
	Warrant/Pass-through Fund
ASSETS	
Cash and investments	$ 148,245
Accounts receivable	96
Total Assets	148,341
LIABILITIES	
Due to other agencies	146,160
Total Liabilities	146,160
NET POSITION	
Total Net Position	$ -

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

MARIN COUNTY OFFICE OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

	Custodial Fund
	Warrant/Pass-through Fund
ADDITIONS	
Checks collected for other agencies	$ 2,424,303
Total Additions	2,424,303
DEDUCTIONS	
Checks paid to other agencies	2,424,303
Total Deductions	2,424,303
CHANGE IN NET POSITION	-
Net Position - Beginning	-
Net Position - Ending	$ -

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

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

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

B. Component Units

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

C. Basis of Presentation

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

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

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

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

Major Governmental Funds

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Non-Major Governmental Funds

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

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

Deferred Maintenance Fund: This fund is used to account separately for state apportionments and the County Office of Education's contributions for deferred maintenance purposes (*Education Code Sections* 17582–17587). In addition, whenever the state funds provided pursuant to *Education Code Sections* 17584 and 17585 (apportionments from the State Allocation Board) are insufficient to fully match the local funds deposited in this fund, the governing board of a school County Office of Education may transfer the excess local funds deposited in this fund to any other expenditure classifications in other funds of the County Office of Education (*Education Code Sections* 17582 and 17583).

Foundation Special Revenue Fund: This fund is used to account for resources received from gifts or bequests pursuant to *Education Code Section* 41031 under which both earnings and principal may be used for purposes that support the County Office of Education's own programs and where there is a formal trust agreement with the donor.

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Proprietary Funds

Enterprise Funds: Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services.

Other Enterprise Fund: This fund is used to account for the operation of the outdoor education and conference programs at Walker Creek Ranch, which are financed and operated in a manner similar to business enterprises, where the intent is to recover the cost of providing the services through user charges.

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

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

Fiduciary Funds

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

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

D. Basis of Accounting – Measurement Focus

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting – Measurement Focus (continued)

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

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

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting – Measurement Focus (continued)

Expenses/Expenditures

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

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

Cash and Cash Equivalents

The County Office of Education's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the statement of cash flows.

Investments

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

Inventories

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

Capital Assets

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Capital Assets (continued)
Depreciation is computed using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Life
Buildings and Improvements	20-40 years
Furniture and Equipment	5-20 years
Vehicles	5-10 years

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

Compensated Absences
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 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 resource. These amounts are recorded in the fund from which the employees who have accumulated leave are paid.

Accumulated sick leave benefits are not recognized as liabilities of the County Office of Education. The County Office of Education's policy is to record sick leave as an operating expense in the period taken because such benefits do not vest, nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

Postemployment Benefits Other Than Pensions (OPEB)
For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB, and OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Generally accepted accounting principles require the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Balance (continued)

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

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

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

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

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

F. Interfund Activity

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Estimates

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

H. Budgetary Data

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

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

I. Property Tax

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

J. New Accounting Pronouncements

GASB Statement No. 99 – In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The statement addresses various practice issues, including: (a) clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives, (b) disclosures related to nonmonetary transactions; clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements, (c) terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and (d) terminology used in Statement 53 to refer to resource flows statements. A portion of this statement was effective upon issuance, while the remaining portions of this statement were effective for periods beginning after June 15, 2022 and for periods beginning after June 15, 2023. The County Office of Education has fully implemented this Statement as of June 30, 2024.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. New Accounting Pronouncements (continued)

GASB Statement No. 100 – In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement is effective for periods beginning after June 15, 2023 The County Office of Education has fully implemented this Statement as of June 30, 2024.

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

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

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

NOTE 2 – CASH AND INVESTMENTS

A. Summary of Cash and Investments

	Governmental Funds	Internal Service Fund	Governmental Activities	Business-Type Activities	Fiduciary Funds
Investment in county treasury*	$ 85,343,650	$ 1,291,783	$ 86,635,433	$ 492,145	$ 146,064
Fair value adjustment	1,278,725	19,279	1,298,004	7,224	2,181
Cash on hand and in banks	-	-	-	17,373	-
Cash in revolving fund	11,499	-	11,499	5,150	-
Total	$ 86,633,874	$ 1,311,062	$ 87,944,936	$ 521,892	$ 148,245

*net of deficit cash

NOTE 2 – CASH AND INVESTMENTS (continued)

B. Policies and Practices

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

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

C. General Authorizations

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

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

NOTE 2 – CASH AND INVESTMENTS (continued)

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County Office of Education manages its exposure to interest rate risk by investing in the County Treasury. The County Office of Education maintains a pooled investment with the County Treasury with a fair value of $88,581,051. The average weighted maturity for this pool is 252 days.

E. Credit Risk

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

F. Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the County Office of Education's deposits may not be returned to it. The County Office of Education does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2024, the County Office of Education's bank balance was not exposed to custodial credit risk.

G. Fair Value

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

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

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

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

Uncategorized - Investments in the Marin County Treasury Investment Pool are not measured using the input levels above because the County Office of Education's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at $1.00 net asset value per share.

NOTE 2 – CASH AND INVESTMENTS (continued)

G. Fair Value (continued)

The County Office of Education's fair value measurements at June 30, 2024 were as follows for governmental activities:

	Uncategorized
Investment in county treasury	$ 88,581,051
Total	$ 88,581,051

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2024 consisted of the following:

	County School Service Fund	Special Education Pass-Through Fund	Non-Major Governmental Funds	Governmental Activities	Business-Type Activities
Federal Government					
Categorical aid	$ 2,886,274	$ 4,937,789	$ 148,892	$ 7,972,955	$ -
State Government					
Apportionment	2,132	-	-	2,132	-
Categorical aid	1,055,677	-	69,067	1,124,744	-
Lottery	17,171	-	-	17,171	-
Local Government					
Other local sources	5,084,567	-	-	5,084,567	237,063
Total	$ 9,045,821	$ 4,937,789	$ 217,959	$ 14,201,569	$ 237,063

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

	Balance July 01, 2023	Additions	Deletions	Balance June 30, 2024
Governmental Activities				
Capital assets not being depreciated				
Land	$ 1,822,750	$ -	$ -	$ 1,822,750
Construction in progress	522,869	309,585	522,869	309,585
Total capital assets not being depreciated	2,345,619	309,585	522,869	2,132,335
Capital assets being depreciated				
Buildings & improvements	18,006,986	1,666,275	-	19,673,261
Furniture & equipment	3,440,143	369,221	-	3,809,364
Total capital assets being depreciated	21,447,129	2,035,496	-	23,482,625
Less: Accumulated depreciation				
Buildings & improvements	9,564,138	532,827	-	10,096,965
Furniture & equipment	2,870,723	96,227	-	2,966,950
Total accumulated depreciation	12,434,861	629,054	-	13,063,915
Total capital assets being depreciated, net	9,012,268	1,406,442	-	10,418,710
Governmental Activities Capital Assets, net	$ 11,357,887	$ 1,716,027	$ 522,869	$ 12,551,045
Business-Type Activities				
Capital assets not being depreciated				
Land	$ 1,674,221	$ -	$ -	$ 1,674,221
Total capital assets not being depreciated	1,674,221	-	-	1,674,221
Capital assets being depreciated				
Buildings & improvements	3,422,954	-	-	3,422,954
Furniture & equipment	569,400	237,455	-	806,855
Total capital assets being depreciated	3,992,354	237,455	-	4,229,809
Less: Accumulated depreciation				
Buildings & improvements	2,274,346	104,668	-	2,379,014
Furniture & equipment	331,018	27,981	-	358,999
Total accumulated depreciation	2,605,364	132,649	-	2,738,013
Total capital assets being depreciated, net	1,386,990	104,806	-	1,491,796
Business-Type Activities Capital Assets, net	$ 3,061,211	$ 104,806	$ -	$ 3,166,017

Depreciation expense in governmental activities was charged to instruction in the governmental activities. Depreciation expense in business-type activities was charged to enterprise activities.

NOTE 5 – INTERFUND TRANSACTIONS

A. Interfund Receivables/Payables (Due From/Due To)

Individual interfund receivable and payable balances at June 30, 2024 were as follows:

	Due From Other Funds				
Due To Other Funds	County School Service Fund	Special Education Pass-Through Fund	Non-Major Governmental Funds	Other Enterprise Fund	Total
County School Service Fund	$ -	$ 7,673,917	$ 156,059	$ 96,704	$ 7,926,680
Non-Major Governmental Funds	44,127	-	768	-	44,895
Other Enterprise Fund	142,843	-	-	-	142,843
Total	$ 186,970	$ 7,673,917	$ 156,827	$ 96,704	$ 8,114,418

Due from the County School Service Fund to the Special Education Pass-Through Fund for services.	$ 7,673,917
Due from the County School Service Fund to the Deferred Maintenance Fund for program contribution.	156,059
Due from the County School Service Fund to the Other Enterprise Fund for the expense reimbursement.	96,704
Due from the Child Development Fund to the County School Service Fund for indirect costs.	44,127
Due from the County School Facilities Fund to the Deferred Maintenance Fund for a program contribution.	768
Due from the Other Enterprise Fund to the County School Service Fund for indirect costs.	142,843
Total	$ 8,114,418

B. Operating Transfers

Interfund transfers for the year ended June 30, 2024 consisted of the following:

	Interfund Transfers In		
Interfund Transfers Out	County School Service Fund	Other Enterprise Fund	Total
County School Service Fund	$ -	$ 593,236	$ 593,236
Other Enterprise Fund	142,843	-	142,843
Total	$ 142,843	$ 593,236	$ 736,079

Transfer from County School Service Fund to Other Enterprise Fund for program contributions.	$ 593,236
Transfer from Other Enterprise Fund to County School Service Fund for indirect costs.	142,843
Total	$ 736,079

NOTE 6 – ACCRUED LIABILITIES

Accrued liabilities at June 30, 2024 consisted of the following:

	County School Service Fund	Special Education Pass-Through Fund	Non-Major Governmental Funds	Internal Service Fund	Governmental Activities	Business-Type Activities
Payroll	$ 127,633	$ -	$ 19,009	$ -	$ 146,642	$ 30,562
Construction	-	-	-	-	-	-
Vendors payable	4,789,494	11,398,130	216,335	1,002	16,404,961	57,779
Due to grantor government	88,970	-	-	-	88,970	-
Total	$ 5,006,097	$ 11,398,130	$ 235,344	$ 1,002	$ 16,640,573	$ 88,341

NOTE 7 – UNEARNED REVENUE

Unearned revenue at June 30, 2024 consisted of the following:

	County School Service Fund	Non-Major Governmental Funds	Governmental Activities
Federal sources	$ 71,183	$ -	$ 71,183
State categorical sources	163,383	90,004	253,387
Local sources	1,145	-	1,145
Total	$ 235,711	$ 90,004	$ 325,715

NOTE 8 – LONG-TERM LIABILITIES

A schedule of changes in long-term liabilities for the year ended June 30, 2024 consisted of the following:

	Balance July 01, 2023	Additions	Deductions	Balance June 30, 2024	Balance Due In One Year
Governmental Activities					
Financed purchases	$ 82,789	$ -	$ 82,789	$ -	$ -
Compensated absences	358,486	120,306	-	478,792	-
Total OPEB liability	568,021	998,970	-	1,566,991	-
Net pension liability	33,296,207	2,797,040	-	36,093,247	-
Total	$ 34,305,503	$ 3,916,316	$ 82,789	$ 38,139,030	$ -

	Balance July 01, 2023	Additions	Deductions	Balance June 30, 2024	Balance Due In One Year
Business-Type Activities					
Net pension liability	$ 3,001,454	$ 75,103	$ -	$ 3,076,557	$ -
Total	$ 3,001,454	$ 75,103	$ -	$ 3,076,557	$ -

- Payments for financed purchases are typically liquidated in the County School Service Fund.
- Payments for compensated absences are typically liquidated in the County School Service Fund and the Non-Major Governmental Funds.

A. Financed Purchases

During fiscal year 2019-20, the County Office of Education entered into a finance agreement with Dell Financial Services for a data center for a total cost of $570,384. The County Office of Education made $82,789 of principal payments during the fiscal year. Zero balance remained as of June 30, 2024.

B. Compensated Absences

Total unpaid employee compensated absences as of June 30, 2024 amounted to $478,792. This amount is included as part of long-term liabilities in the government-wide financial statements.

NOTE 8 – LONG-TERM LIABILITIES (continued)

C. Other Postemployment Benefits

The County Office of Education's beginning total OPEB liability was $568,021 and increased by $998,970 during the year ended June 30, 2024. The ending total OPEB liability at June 30, 2024 was $1,566,991. See Note 10 for additional information regarding the total OPEB liability.

D. Net Pension Liability

The County Office of Education's combined beginning net pension liability was $36,297,661 and increased by $2,872,143 during the year ended June 30, 2024. The combined ending net pension liability at June 30, 2024 was $39,169,804. See Note 11 for additional information regarding the net pension liability.

NOTE 9 – FUND BALANCES

Fund balances were composed of the following elements at June 30, 2024:

	County School Service Fund	Special Education Pass-Through Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
Non-spendable					
Revolving cash	$ 11,499	$ -	$ -	$ -	$ 11,499
Prepaid expenditures	271,143	-	-	2,300	273,443
All others	-	-	-	-	-
Total non-spendable	282,642	-	-	2,300	284,942
Restricted					
Educational programs	13,866,730	2,163,300	-	858,798	16,888,828
Capital projects	-	-	16,654,098	291	16,654,389
Total restricted	13,866,730	2,163,300	16,654,098	859,089	33,543,217
Committed					
Stabilization	43,455,807	-	-	-	43,455,807
Other commitments	-	-	-	2,349,082	2,349,082
Total committed	43,455,807	-	-	2,349,082	45,804,889
Assigned					
Other assignments	3,075	-	-	-	3,075
Total assigned	3,075	-	-	-	3,075
Unassigned	4,553,616	-	-	-	4,553,616
Total	$ 62,161,870	$ 2,163,300	$ 16,654,098	$ 3,210,471	$ 84,189,739

The County Office of Education is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The County Office of Education's Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to no less than 6 percent of County School Service Fund expenditures and other financing uses.

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Plan Description

The Marin County Office of Education's defined benefit OPEB plan, Marin County Office of Education Retiree Benefit Plan (the Plan) is described below. The Plan is a single-employer defined benefit plan administered by the County Office of Education. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

B. Benefits Provided

	Certificated and Certificated Management	Classified and Classified Management
Benefit types provided	Medical only	Medical only
Duration of Benefits	To age 65	To age 65
Required Service	10 years	10 years
Minimum Age	55	55
Dependent Coverage	No	No
County Office Contribution %	100%	100%
County Office Cap	$100 per month for 10 to 14 years of service; $200 per month for 15 or more years of service	$51.06 per month for 10 to 14 years of service; $102.12 per month for 15 or more years of service

C. Contributions

For the measurement period, the County Office of Education contributed $22,711 to the Plan, all of which was used for current premiums.

D. Plan Membership

Membership of the Plan consisted of the following:

	Number of participants
Inactive employees receiving benefits	10
Inactive employees entitled to but not receiving benefits*	-
Participating active employees	208
Total number of participants**	218

*Information not provided
**As of the June 30, 2023 valuation date

E. Total OPEB Liability

The Marin County Office of Education's total OPEB liability of $1,566,991 was measured as of June 30, 2023 and was determined by an actuarial valuation as of the same date.

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

F. Actuarial Assumptions and Other Inputs

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

Economic assumptions:

Salary increases	2.75%
Discount rate	3.65%
Healthcare cost trend rate	4.00%

Non-economic assumptions:

Mortality:

Certificated	2020 CalSTRS Mortality Table
Classified	2021 CalPERS Mortality for Miscellaneous and Schools Employees

Retirement rates:

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

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

The discount rate assumption reflects a municipal bond rate. We used the Bond Buyer 20 Index at June 30, 2023 resulting in a rate of 3.65%.

G. Changes in Total OPEB Liability

	June 30, 2024
Total OPEB Liability	
Service cost	$ 17,085
Interest on total OPEB liability	19,857
Difference between expected and actual experience	1,003,594
Changes of assumptions	(18,855)
Benefits payments	(22,711)
Net change in total OPEB liability	998,970
Total OPEB liability - beginning	568,021
Total OPEB liability - ending	$ 1,566,991
Covered-employee payroll	$ 27,117,635
County Office of Education's total OPEB liability as a percentage of covered-employee payroll	5.78%

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

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

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

	1% Decrease (2.65%)	Valuation Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB liability	$ 1,715,922	$ 1,566,991	$ 1,438,399

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

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

	1% Decrease (3.00%)	Healthcare Cost Trend Rate (4.00%)	1% Increase (5.00%)
Total OPEB liability	$ 1,449,777	$ 1,566,991	$ 1,701,486

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

For the fiscal year ended June 30, 2024, the Marin County Office of Education recognized OPEB expense of $71,660. At June 30, 2024, the Marin County Office of Education reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 952,568	$ 419,975
Changes in assumptions	132,152	170,736
County Office of Education contributions subsequent to the measurement date	23,902	-
Total	$ 1,108,622	$ 590,711

The $23,902 reported as deferred outflows of resources related to OPEB resulting from County Office of Education contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB will be recognized in OPEB expense noted on the following page.

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

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

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2025	$ 97,763	$ 63,045
2026	97,763	63,045
2027	97,763	63,045
2028	97,763	63,045
2029	97,763	63,045
Thereafter	595,905	275,486
Total	$ 1,084,720	$ 590,711

NOTE 11 – PENSION PLANS

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

	Net pension liability	Deferred outflows related to pensions	Deferred inflows related to pensions	Pension expense
STRS Pension	$ 14,135,604	$ 5,173,125	$ 1,962,341	$ 2,469,561
PERS Pension	25,034,200	8,199,433	909,724	2,824,230
Total	$ 39,169,804	$ 13,372,558	$ 2,872,065	$ 5,293,791

A. California State Teachers' Retirement System (CalSTRS)

Plan Description

The County Office of Education contributes to the California State Teachers' Retirement System (CalSTRS); a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7919 Folsom Blvd., Sacramento, CA 95826.

NOTE 11 – PENSION PLANS (continued)

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

Benefits Provided
The CalSTRS defined benefit plan has two benefit formulas:

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

2. CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

Contributions
Active plan CalSTRS 2% at 60 and 2% at 62 members are required to contribute 10.25% and 10.205% of their salary for fiscal year 2024, respectively, and the County Office of Education is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2024 was 19.10% of annual payroll. The contribution requirements of the plan members are established by state statute. Contributions to the plan from the County Office of Education were $2,270,838 for the year ended June 30, 2024.

On-Behalf Payments
The County Office of Education was the recipient of on-behalf payments made by the State of California to CalSTRS for K-12 education. These payments consist of state general fund contributions of approximately $1,083,322 to CalSTRS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
At June 30, 2024, the County Office of Education reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the County Office of Education. The amount recognized by the County Office of Education as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the County Office of Education were as follows:

County Office of Education's proportionate share of the net pension liability	$	14,135,604
State's proportionate share of the net pension liability associated with the County Office of Education		6,772,888
Total	$	20,908,492

NOTE 11 – PENSION PLANS (continued)

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

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

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2022 and rolling forward the total pension liability to June 30, 2023. The County Office of Education's proportion of the net pension liability was based on a projection of the County Office of Education's long-term share of contributions to the pension plan relative to the projected contributions of all participating local education agencies, actuarially determined. At June 30, 2023, the County Office of Education's proportion was 0.019 percent, which did not change from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the County Office of Education recognized pension expense of $2,469,561. In addition, the County Office of Education recognized pension expense and revenue of $(98,355) for support provided by the State. At June 30, 2024, the County Office of Education reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings on plan investments	$ -	$ 60,506
Differences between expected and actual experience	1,110,826	756,327
Changes in assumptions	81,850	-
Changes in proportion and differences between County Office of Education contributions and proportionate share of contributions	1,709,611	1,145,508
County Office of Education contributions subsequent to the measurement date	2,270,838	-
Total	$ 5,173,125	$ 1,962,341

The $2,270,838 reported as deferred outflows of resources related to pensions resulting from County Office of Education contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2025	$ 869,983	$ 935,680
2026	485,978	1,202,698
2027	446,672	(689,139)
2028	419,389	468,742
2029	419,388	44,360
2030	260,877	-
Total	$ 2,902,287	$ 1,962,341

NOTE 11 – PENSION PLANS (continued)

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

Actuarial Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on MP-2016 series tables adjusted to fit CalSTRS experience.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance–PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2023 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2022, are summarized in the following table:

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

*Real return is net of assumed 2.75% inflation.

NOTE 11 – PENSION PLANS (continued)

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

Discount Rate

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

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

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
County Office of Education's proportionate share of the net pension liability	$ 23,711,348	$ 14,135,604	$ 6,181,833

Pension Plan Fiduciary Net Position

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

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees' Retirement System (CalPERS)

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

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

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

The County Office of Education is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2024 was 26.68% of annual payroll. Contributions to the plan from the County Office of Education were $3,383,780 for the year ended June 30, 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
At June 30, 2024, the County Office of Education reported a liability of $25,034,200 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2022 and rolling forward the total pension liability to June 30, 2023. The County Office of Education's proportion of the net pension liability was based on a projection of the County Office of Education's long-term share of contributions to the pension plan relative to the projected contributions of all participating local education agencies, actuarially determined. At June 30, 2023, the County Office of Education's proportion was 0.069 percent, which did not change from its proportion measured as of June 30, 2022.

NOTE 11 – PENSION PLANS (continued)

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

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

For the year ended June 30, 2024, the County Office of Education recognized pension expense of $2,824,230. At June 30, 2024, the County Office of Education reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings on plan investments	$ 2,674,010	$ -
Differences between expected and actual experience	913,569	384,489
Changes in assumptions	1,153,316	-
Changes in proportion and differences between County Office of Education contributions and and proportionate share of contributions	74,758	525,235
County Office of Education contributions subsequent to the measurement date	3,383,780	-
Total	$ 8,199,433	$ 909,724

The $3,383,780 reported as deferred outflows of resources related to pensions resulting from County Office of Education contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2025	$ 1,470,014	$ 732,832
2026	1,196,283	176,892
2027	2,066,139	-
2028	83,217	-
Total	$ 4,815,653	$ 909,724

NOTE 11 – PENSION PLANS (continued)

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

Actuarial Assumptions
The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from 2000 through 2019.

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

NOTE 11 – PENSION PLANS (continued)

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

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

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

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

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

Sensitivity of the County Office of Education's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate
The following presents the County Office of Education's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the County Office of Education's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
County Office of Education's proportionate share of the net pension liability	$ 36,192,982	$ 25,034,200	$ 15,811,720

Pension Plan Fiduciary Net Position
Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. Grants

The County Office of Education received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the County School Service Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the County Office of Education at June 30, 2024.

B. Litigation

The County Office of Education is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the County Office of Education at June 30, 2024.

C. Construction Commitments

As of June 30, 2024, the County Office of Education had commitments with respect to unfinished capital projects totaling $2,301,437.

NOTE 13 – PARTICIPATION IN JOINT POWERS AUTHORITIES

The County Office of Education participates in the Marin Schools Authority (MSIA), which is a common risk management and insurance program providing workers' compensation and property and liability insurance. The relationships between the County Office of Education and the JPA are such that the JPA is a not component unit of the County Office of Education for financial reporting purposes.

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

NOTE 14 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

A. Pension Plans

Pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* the County Office of Education recognized deferred outflows of resources related to pensions and deferred inflows of resources related to pensions in the entity-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 11. At June 30, 2024, total deferred outflows related to pensions was $13,372,558 and total deferred inflows related to pensions was $2,872,065.

B. Other Postemployment Benefits

Pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* the County Office of Education recognized deferred outflows of resources related to other postemployment benefits and deferred inflows of resources related to other postemployment benefits in the entity-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 10. At June 30, 2024, total deferred outflows related to other postemployment benefits was $1,108,622 and total deferred inflows related to other postemployment benefits was $590,711.

NOTE 15 – ADMINISTRATIVE AGENT

The Marin County Office of Education served as the fiscal agent for the California Collaborative for Educational Excellence (CCEE) during the 2017-18 fiscal year pursuant to a contract with the California Department of Education authorized by California Education Code Section 52074. Pursuant to changes in Education Code 52074(e) enacted with the Budget Act of 2018, the Marin County Office of Education's role changed to that of an administrative agent beginning with the 2018-19 fiscal year. The CCEE was established by the Governor and State Legislature in 2013 to advise and assist school County Office of Educations, county offices of education, and charter schools in achieving the goals set forth in their respective Local Control and Accountability Plans. As administrative agent, Marin County Office of Education's duties included contracting with individuals, local educational agencies, or organizations with the expertise, experience, and a record of success to carry out the statutorily defined purposes of the CCEE. The CCEE is a separate entity and has its own financial statements which can be obtained by contacting the Marin County Office of Education.

REQUIRED SUPPLEMENTARY INFORMATION

MARIN COUNTY OFFICE OF EDUCATION
COUNTY SCHOOL SERVICE FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual*	Variances -
	Original	Final	(Budgetary Basis)	Final to Actual
REVENUES				
LCFF sources	$ 20,690,113	$ 20,986,856	$ 21,425,343	$ 438,487
Federal sources	2,189,355	2,413,738	2,531,375	117,637
Other state sources	9,930,580	13,002,578	11,191,153	(1,811,425)
Other local sources	19,436,482	20,403,073	19,946,430	(456,643)
Total Revenues	52,246,530	56,806,245	55,094,301	(1,711,944)
EXPENDITURES				
Certificated salaries	12,380,479	12,399,990	11,790,022	609,968
Classified salaries	15,325,772	15,774,702	13,783,866	1,990,836
Employee benefits	13,026,687	13,295,930	11,687,072	1,608,858
Books and supplies	1,107,693	1,561,844	962,562	599,282
Services and other operating expenditures	11,142,804	13,869,605	10,975,332	2,894,273
Capital outlay	255,592	359,845	241,843	118,002
Other outgo				
Excluding transfers of indirect costs	713,270	293,590	142,316	151,274
Transfers of indirect costs	(76,961)	(68,512)	(44,127)	(24,385)
Total Expenditures	53,875,336	57,486,994	49,538,886	7,948,108
Excess (Deficiency) of Revenues Over Expenditures	(1,628,806)	(680,749)	5,555,415	6,236,164
Other Financing Sources (Uses)				
Transfers in	-	111,523	142,843	31,320
Transfers out	(480,000)	(480,000)	(593,236)	(113,236)
Net Financing Sources (Uses)	(480,000)	(368,477)	(450,393)	(81,916)
NET CHANGE IN FUND BALANCE	(2,108,806)	(1,049,226)	5,105,022	6,154,248
Fund Balance - Beginning	46,759,710	57,053,773	57,053,773	-
Fund Balance - Ending	$ 44,650,904	$ 56,004,547	$ 62,158,795	$ 6,154,248

* The actual amounts reported on this schedule do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance because the amounts on the schedule above include the financial activity of the Special Reserve Fund for Other Than Capital Outlay Projects in accordance with the fund type definitions promulgated by GASB Statement No. 54 and other audit reclassifications.

See accompanying notes to required supplementary information.

MARIN COUNTY OFFICE OF EDUCATION
SPECIAL EDUCATION PASS-THROUGH FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variances -
	Original	Final	(Budgetary Basis)	Final to Actual
REVENUES				
LCFF sources	$ 19,067,601	$ 19,067,601	$ 19,679,697	$ 612,096
Federal sources	5,974,162	6,640,580	7,062,668	422,088
Other local sources	-	-	(34,339)	(34,339)
Total Revenues	25,041,763	25,708,181	26,708,026	999,845
EXPENDITURES				
Other outgo				
Excluding transfers of indirect costs	25,041,763	25,708,181	24,791,326	916,855
Total Expenditures	25,041,763	25,708,181	24,791,326	916,855
NET CHANGE IN FUND BALANCE	-	-	1,916,700	1,916,700
Fund Balance - Beginning	3,207,316	246,600	246,600	-
Fund Balance - Ending	$ 3,207,316	$ 246,600	$ 2,163,300	$ 1,916,700

See accompanying notes to required supplementary information.

MARIN COUNTY OFFICE OF EDUCATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability							
Service cost	$ 17,085	$ 20,274	$ 27,386	$ 22,180	$ 25,947	$ 26,344	$ 25,639
Interest on total OPEB liability	19,857	13,677	27,490	38,029	42,999	43,920	40,105
Difference between expected and actual experience	1,003,594	-	(502,616)	42,560	(84,809)	-	-
Changes of assumptions	(18,855)	(74,475)	(95,258)	155,958	31,066	(34,056)	-
Benefits payments	(22,711)	(29,019)	(84,195)	(96,313)	(62,852)	(57,644)	(55,427)
Net change in total OPEB liability	998,970	(69,543)	(627,193)	162,414	(47,649)	(21,436)	10,317
Total OPEB liability - beginning	568,021	637,564	1,264,757	1,102,343	1,149,992	1,171,428	1,161,111
Total OPEB liability - ending	$ 1,566,991	$ 568,021	$ 637,564	$ 1,264,757	$ 1,102,343	$ 1,149,992	$ 1,171,428
Covered-employee payroll	$ 27,117,635	$ 23,891,304	$ 21,708,336	$ 18,368,165	$ 20,428,059	$ 19,241,941	$ 16,581,363
District's total OPEB liability as a percentage of covered-employee payroll	5.78%	2.38%	2.94%	6.89%	5.40%	5.98%	7.06%

See accompanying notes to required supplementary information.

MARIN COUNTY OFFICE OF EDUCATION
SCHEDULE OF THE COUNTY OFFICE OF EDUCATION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
County Office of Education's proportion of the net pension liability	0.019%	0.018%	0.018%	0.020%	0.021%	0.020%	0.016%	0.016%	0.016%	0.017%
County Office of Education's proportionate share of the net pension liability	$ 14,135,604	$ 12,409,764	$ 8,375,603	$ 19,766,886	$ 18,546,608	$ 18,417,624	$ 15,164,830	$ 13,024,424	$ 10,906,047	$ 10,183,000
State's proportionate share of the net pension liability associated with the County Office of Education	6,772,888	6,214,846	4,214,366	10,189,749	10,118,494	10,545,002	8,971,459	7,415,664	5,768,081	6,148,335
Total	$ 20,908,492	$ 18,624,610	$ 12,589,969	$ 29,956,635	$ 28,665,102	$ 28,962,626	$ 24,136,289	$ 20,440,088	$ 16,674,128	$ 16,331,335
County Office of Education's covered payroll	$ 11,626,274	$ 10,844,777	$ 10,233,468	$ 11,415,397	$ 10,286,855	$ 11,030,535	$ 7,960,962	$ 7,761,000	$ 7,761,127	$ 7,761,127
County Office of Education's proportionate share of the net pension liability as a percentage of its covered payroll	121.6%	114.4%	81.8%	173.2%	180.3%	167.0%	190.5%	167.8%	140.5%	131.2%
Plan fiduciary net position as a percentage of the total pension liability	80.6%	81.2%	87.2%	71.8%	72.6%	71.0%	69.5%	70.0%	74.0%	76.5%

See accompanying notes to required supplementary information.

MARIN COUNTY OFFICE OF EDUCATION
SCHEDULE OF THE COUNTY OFFICE OF EDUCATION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALPERS
FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
County Office of Education's proportion of the net pension liability	0.069%	0.069%	0.069%	0.077%	0.083%	0.080%	0.071%	0.070%	0.070%	0.070%
County Office of Education's proportionate share of the net pension liability	$ 25,034,200	$ 23,887,897	$ 14,021,291	$ 23,566,057	$ 24,148,743	$ 21,344,680	$ 17,021,965	$ 13,805,478	$ 10,357,700	$ 7,958,000
County Office of Education's covered payroll	$ 12,265,030	$ 10,025,089	$ 10,025,089	$ 11,256,045	$ 10,611,520	$ 10,812,337	$ 9,096,142	$ 8,312,012	$ 7,780,000	$ 7,388,472
County Office of Education's proportionate share of the net pension liability as a percentage of its covered payroll	204.1%	238.3%	139.9%	209.4%	227.6%	197.4%	187.1%	166.1%	133.1%	107.7%
Plan fiduciary net position as a percentage of the total pension liability	70.0%	69.8%	81.0%	70.0%	70.0%	70.8%	71.9%	73.9%	79.4%	83.4%

See accompanying notes to required supplementary information.

MARIN COUNTY OFFICE OF EDUCATION
SCHEDULE OF COUNTY OFFICE OF EDUCATION CONTRIBUTIONS - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution	$ 2,270,838	$ 2,138,828	$ 1,767,285	$ 1,599,447	$ 1,888,404	$ 1,664,540	$ 1,344,016	$ 1,088,966	$ 867,961	$ 655,827
Contributions in relation to the contractually required contribution*	(2,270,838)	(2,138,828)	(1,767,285)	(1,599,447)	(1,888,404)	(1,664,540)	(1,344,016)	(1,088,966)	(867,961)	(655,827)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
County Office of Education's covered payroll	$ 12,269,419	$ 11,626,274	$ 10,844,777	$ 10,233,468	$ 11,415,397	$ 10,286,855	$ 11,030,535	$ 7,960,962	$ 7,761,000	$ 7,761,127
Contributions as a percentage of covered payroll	18.51%	18.40%	16.30%	15.63%	16.54%	16.18%	12.18%	13.68%	11.18%	8.45%

*Amounts do not include on-behalf contributions

See accompanying notes to required supplementary information.

MARIN COUNTY OFFICE OF EDUCATION
SCHEDULE OF COUNTY OFFICE OF EDUCATION CONTRIBUTIONS - CALPERS
FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution	$ 3,383,780	$ 2,940,946	$ 2,390,002	$ 2,002,317	$ 1,972,423	$ 1,698,361	$ 1,367,186	$ 1,119,097	$ 983,608	$ 915,770
Contributions in relation to the contractually required contribution*	(3,383,780)	(2,940,946)	(2,390,002)	(2,002,317)	(1,972,423)	(1,698,361)	(1,367,186)	(1,119,097)	(983,608)	(915,770)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
County Office of Education's covered payroll	$ 13,859,056	$ 12,265,030	$ 10,025,089	$ 10,025,089	$ 11,256,045	$ 10,611,520	$ 10,812,337	$ 9,096,142	$ 8,312,012	$ 7,780,000
Contributions as a percentage of covered payroll	24.42%	23.98%	23.84%	19.97%	17.52%	16.00%	12.64%	12.30%	11.83%	11.77%

*Amounts do not include on-behalf contributions

See accompanying notes to required supplementary information.

NOTE 1 – PURPOSE OF SCHEDULES

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

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

Changes in Benefit Terms
There were no changes in benefit terms since the previous valuations for OPEB.

Changes in Assumptions
The discount rate changed from 3.54% to 3.65% since the previous measurement for OPEB.

Schedule of the County Office of Education's Proportionate Share of the Net Pension Liability
This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the County Office of Education's proportion (percentage) of the collective net pension liability, the County Office of Education's proportionate share (amount) of the collective net pension liability, the County Office of Education's covered payroll, the County Office of Education's proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability.

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

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

Schedule of County Office of Education Contributions
This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the County Office of Education's statutorily or contractually required employer contribution, the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the difference between the statutorily or contractually required employer contribution and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the County Office of Education's covered payroll, and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution as a percentage of the County Office of Education's covered payroll.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2024, the County Office of Education incurred an excess of expenditures over appropriations in individual major funds presented in the Budgetary Comparison Schedule by major object code as follows:

	Expenditures and Other Uses		
	Budget	Actual	Excess
County School Service Fund			
Other outgo			
Transfers of indirect costs	$ (68,512)	$ (44,127)	$ 24,385

SUPPLEMENTARY INFORMATION

MARIN COUNTY OFFICE OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster	AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF EDUCATION:			
Passed through California Department of Education:			
Title I, Part A			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	$ 152,865
School Improvement (CSI) funding for COEs	84.010	15439	67,873
Title I, Part D, Local Delinquent Programs	84.010	14357	151,966
Subtotal Title I, Part A			372,704
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	9,476
Title III			
Title III, English Learner Student Program	84.365	14346	43,271
Title III, Immigrant Education Program	84.365	15146	463
Subtotal Title III			43,734
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	22,212
Department of Rehabilitation: Workability II, Transitions Partnership Program	84.126	10006	45,327
Special Education Cluster **[1]**			
IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	7,439,626
ARP IDEA Part B, Sec 611, Local Assistance Entitlement	84.027	15638	77,315
IDEA Mental Health Average Daily Attendance (ADA) Allocation, Part B, Sec 611	84.027A	15197	14,126
Special Ed: Alternate Dispute Resolution, Part B, Sec 611	84.027A	13007	18,767
ARP IDEA Part B, Sec 619, Preschool Grants	84.173	15639	43,200
IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	289,455
IDEA Preschool Capacity Building, Part B, Sec 619	84.173A	13839	447
Subtotal Special Education Cluster			7,882,936
IDEA Early Intervention Grants, Part C	84.181	23761	252,596
Education for Homeless Children and Youth, Subtitle VII-B McKinney-Vento Act	84.196	14332	79,441
COVID-19 Emergency Acts Funding/Education Stabilization Fund Discretionary Grants:			
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425	15559	224,140
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	142,043
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs	84.425	15620	70,699
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	84.425	15621	94,573
American Rescue Plan-Homeless Children and Youth (ARP-HCY) Program	84.425	15564	18,060
American Rescue Plan - Homeless Children and Youth II (ARP HYC II) Program	84.425	15566	7,931
Subtotal Education Stabilization Fund Discretionary Grants			557,446
Total U. S. Department of Education			9,265,872
U. S. DEPARTMENT OF AGRICULTURE:			
Passed through California Department of Education:			
Child Nutrition Cluster			
School Breakfast Program - Basic	10.553	13525	10,500
National School Lunch Program	10.555	13391	17,756
Subtotal Child Nutrition Cluster			28,256
Total U. S. Department of Agriculture			28,256
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
Passed through California Department of Education:			
Child Care and Development Block Grant			
Child Development: Quality Improvement Activities	93.575	14130	150,065
Federal Local Planning Councils (Contract Prefix CLPC)	93.575	13946	22,569
Subtotal Child Care and Development Block Grant			172,634
Total U. S. Department of Health & Human Services			172,634
U. S. DEPARTMENT OF THE COMMERCE:			
Direct Program			
Marine Sanctuary Program	11.429	*	101,887
Total U. S. Department of the Treasury			101,887
Total Federal Expenditures			$ 9,568,649

[1] - Major Program
* - Pass-Through Entity Identifying Number not available or not applicable

See accompanying note to supplementary information.

MARIN COUNTY OFFICE OF EDUCATION
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)
FOR THE YEAR ENDED JUNE 30, 2024

	Second Period Report	Annual Report
COUNTY OFFICE OF EDUCATION		
TK/K through Third		
Special Education - Special Day Class	76.91	76.38
Special Education - Nonpublic Schools	0.93	0.94
Extended Year Special Education - Nonpublic Schools	5.04	5.04
Total TK/K through Third	82.88	82.36
Fourth through Sixth		
Special Education - Special Day Class	22.25	22.37
Special Education - Nonpublic Schools	0.30	0.23
Extended Year Special Education - Nonpublic Schools	2.41	2.41
Total Fourth through Sixth	24.96	25.01
Seventh through Eighth		
County Community Schools	3.68	4.10
Special Education - Special Day Class	22.64	22.17
Special Education - Nonpublic Schools	1.28	1.09
Extended Year Special Education - Nonpublic Schools	1.02	1.02
Total Seventh through Eighth	28.62	28.38
Ninth through Twelfth		
County Community Schools	30.31	29.46
Special Education - Special Day Class	71.81	71.34
Special Education - Nonpublic Schools	3.87	4.29
Extended Year Special Education - Nonpublic Schools	5.02	5.02
Total Ninth through Twelfth	111.01	110.11
Juvenile Court Schools		
Juvenile Halls, Homes, and Camps - Elementary	0.30	0.63
Juvenile Halls, Homes, and Camps - High School	6.28	6.74
County Funded Non-Juvenile Court Schools		
Probation Referred, On Probation or Parole, or Expelled - Elementary	3.43	3.55
Probation Referred, On Probation or Parole, or Expelled - High School	22.18	22.87
Total Alternative Education	25.61	26.42
TOTAL COUNTY OFFICE OF EDUCATION	273.08	272.28

	Second Period Report	Annual Report
CLASSROOM-BASED CHARTER SCHOOL		
Classroom-based High School		
Probation Referred, On Probation or Parole, Expelled	6.36	6.30
County Community Schools	0.30	0.23
Total Classroom-based High School	6.66	6.53
TOTAL CLASSROOM-BASED CHARTER SCHOOL	6.66	6.53

See accompanying note to supplementary information.

Phoenix Charter School

Grade Level	Minutes Requirement	2023-24 Actual Minutes	Number of Days	Status
Grade 9	64,800	69,240	180	Complied
Grade 10	64,800	69,240	180	Complied
Grade 11	64,800	69,240	180	Complied
Grade 12	64,800	69,240	180	Complied

See accompanying note to supplementary information.

MARIN COUNTY OFFICE OF EDUCATION
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

	2025 (Budget)	2024	2023	2022
County School Service Fund - Budgetary Basis**				
Revenues And Other Financing Sources	$ 55,476,763	$ 55,237,144	$ 54,919,173	$ 50,547,317
Expenditures And Other Financing Uses	57,896,848	50,132,122	48,246,369	45,887,040
Net change in Fund Balance	$ (2,420,085)	$ 5,105,022	$ 6,672,804	$ 4,660,277
Ending Fund Balance	$ 59,738,710	$ 62,158,795	$ 57,053,773	$ 50,380,969
Available Reserves*	$ 5,066,515	$ 4,553,616	$ 2,894,783	$ 3,878,931
Available Reserves As A Percentage Of Outgo	8.75%	9.08%	6.00%	8.45%
Long-term Liabilities	$ 38,139,030	$ 38,139,030	$ 34,305,503	$ 20,880,478
Average Daily Attendance At P-2	286	273	230	234

The County School Service Fund balance has increased by $11,777,826 over the past two years. However the fiscal year 2024-25 budget projects a decrease of $2,420,085. For a County Office of Education this size, the State recommends available reserves of at least 3% of County School Service Fund expenditures, transfers out, and other uses (total outgo), but the County Office of Education's policy is to maintain two times the minimum which is 6%.

The County Office of Education has incurred operating surpluses in each of the past three years but anticipates incurring an operating deficit during the 2024-25 fiscal year. Total long-term obligations have increased by $17,258,552 over the past two years.

Average daily attendance has increased by 39 ADA over the past two years. A further increase of 13 ADA is anticipated during the 2024-25 fiscal year.

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

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

See accompanying note to supplementary information.

MARIN COUNTY OFFICE OF EDUCATION
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	County School Service Fund	Special Reserve Fund for Other Than Capital Outlay Projects
June 30, 2024, annual financial and budget report fund balance	$ 62,158,795	$ 3,075
Adjustments and reclassifications:		
Increase (decrease) in total fund balances:		
Fund balance transfer (GASB 54)	3,075	(3,075)
Net adjustments and reclassifications	3,075	(3,075)
June 30, 2024, audited financial statement fund balance	$ 62,161,870	$ -

See accompanying note to supplementary information.

MARIN COUNTY OFFICE OF EDUCATION
SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2024

Charter #	Charter School	Status	Included in Audit Report
1790	Ross Valley Charter School	Active	No
0087	Phoenix Academy	Active	Yes

See accompanying note to supplementary information.

MARIN COUNTY OFFICE OF EDUCATION
COMBINING BALANCE SHEET
JUNE 30, 2024

	Child Development Fund	Deferred Maintenance Fund	Foundation Special Revenue Fund	County School Facilities Fund	Non-Major Governmental Funds
ASSETS					
Cash and investments	$ -	$ 2,386,345	$ 860,883	$ 1,059	$ 3,248,287
Accounts receivable	217,959	-	-	-	217,959
Due from other funds	-	156,827	-	-	156,827
Prepaid expenditures	-	-	2,300	-	2,300
Total Assets	$ 217,959	$ 2,543,172	$ 863,183	$ 1,059	$ 3,625,373
LIABILITIES					
Deficit cash	$ 44,659	$ -	$ -	$ -	$ 44,659
Accrued liabilities	24,905	194,090	16,349	-	235,344
Due to other funds	44,127	-	-	768	44,895
Unearned revenue	90,004	-	-	-	90,004
Total Liabilities	203,695	194,090	16,349	768	414,902
FUND BALANCES					
Non-spendable	-	-	2,300	-	2,300
Restricted	14,264	-	844,534	291	859,089
Committed	-	2,349,082	-	-	2,349,082
Total Fund Balances	14,264	2,349,082	846,834	291	3,210,471
Total Liabilities and Fund Balances	$ 217,959	$ 2,543,172	$ 863,183	$ 1,059	$ 3,625,373

See accompanying note to supplementary information.

MARIN COUNTY OFFICE OF EDUCATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024

	Child Development Fund	Deferred Maintenance Fund	Foundation Special Revenue Fund	County School Facilities Fund	Non-Major Governmental Funds
REVENUES					
LCFF sources	$ -	$ 156,059	$ -	$ -	$ 156,059
Federal sources	172,634	-	-	-	172,634
Other state sources	331,576	-	-	-	331,576
Other local sources	14,821	122,592	1,016,175	149	1,153,737
Total Revenues	519,031	278,651	1,016,175	149	1,814,006
EXPENDITURES					
Current					
Instruction-related services					
Instructional supervision and administration	344,448	-	-	-	344,448
Pupil services					
All other pupil services	126,758	-	-	-	126,758
General administration					
All other general administration	44,127	-	-	-	44,127
Facilities acquisition and construction	-	1,487,526	-	-	1,487,526
Community services	-	-	1,031,237	-	1,031,237
Total Expenditures	515,333	1,487,526	1,031,237	-	3,034,096
NET CHANGE IN FUND BALANCE	3,698	(1,208,875)	(15,062)	149	(1,220,090)
Fund Balance - Beginning	10,566	3,557,957	861,896	142	4,430,561
Fund Balance - Ending	$ 14,264	$ 2,349,082	$ 846,834	$ 291	$ 3,210,471

See accompanying note to supplementary information.

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards

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

The County Office of Education has not elected to use the 10 percent de minimis indirect cost rate.

Schedule of Average Daily Attendance (ADA)

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

Schedule of Instructional Time

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

Schedule of Financial Trends and Analysis

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

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

Schedule of Charter Schools

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

Combining Statements – Non-Major Funds

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

OTHER INFORMATION

MARIN COUNTY OFFICE OF EDUCATION
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
JUNE 30, 2024

The Marin County Office of Education was established in 1854 and has responsibility for an area of approximately 520 square miles located in Marin County. There were no changes in the boundaries of the County Office of Education during the current year. The County Office of Education services thirteen elementary school districts, one joint union elementary school district, two unified school districts, two high school districts, and one community college.

The County Office of Education supervises the activities and financial affairs of each school district to ensure that requirements of the California Education Code are met. It also provides administrative and budgetary assistance, furnishes education specialists, facilitates the development or improvement of instructional programs, coordinates inter district activities, and performs other services, as needed, to improve the quality of education throughout the County.

GOVERNING BOARD*

Member	Office	Term Expires
Patricia Garbarino (Area 2)	President	December 2024
Clairette Wilson (Area 7)	Vice President	December 2024
Felicia Agrelius (Area 4)	Member	December 2026
Greg Knell (Area 3)	Member	December 2024
Marilyn L. Nemzer (Area 5)	Member	December 2026
Curtis Robinson (Area 6)	Member	December 2026
Li Delpan (Area 1)	Member	December 2024

*The Governing Board membership is presented as of June 30, 2024.

COUNTY OFFICE OF EDUCATION ADMINISTRATORS

John Carroll
County Superintendent of Schools

Jon Lenz
Deputy Superintendent, Business

OTHER INDEPENDENT AUDITORS' REPORTS

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

Independent Auditors' Report

Governing Board
Marin County Office of Education
San Rafael, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Marin County Office of Education, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Marin County Office of Education's basic financial statements, and have issued our report thereon dated December 15, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Marin 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 Marin County Office of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of Marin County Office of Education's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Christy White, Inc

San Diego, California
December 15, 2024

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditors' Report

Governing Board
Marin County Office of Education
San Rafael, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Marin County Office of Education's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Marin County Office of Education's major federal programs for the year ended June 30, 2024. Marin 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, Marin County Office of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit for Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

Report on Internal Control Over Compliance (continued)

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

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

Christy White, Inc

San Diego, California
December 15, 2024

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

Independent Auditors' Report

Governing Board
Marin County Office of Education
San Rafael, California

Report on State Compliance

Opinion on State Compliance

We have audited Marin County Office of Education's compliance with the requirements specified in the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to Marin County Office of Education's state program requirements as identified in the table in the Auditor's Responsibilities for the Audit of State Compliance section of our report for the year ended June 30, 2024.

In our opinion, Marin County Office of Education complied, in all material respects, with the laws and regulations of the applicable laws and regulations of the applicable state programs for the year ended June 30, 2024.

Basis for Opinion on State Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* (the K-12 Audit Guide). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of State Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of State Compliance

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

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

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

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

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

San Diego, California
December 15, 2024

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

MARIN COUNTY OFFICE OF EDUCATION
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2024

FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Non-compliance material to financial statements noted?	No

FEDERAL AWARDS

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

AL Number(s)	Name of Federal Program or Cluster
84.037, 84.027A, 84.173, 84.173A	Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	Yes

STATE AWARDS

Internal control over state programs:	
Material weaknesses identified?	No
Significant deficiency(ies) identified?	None Reported
Any audit findings disclosed that are required to be reported in accordance with *2023-24 Guide for Annual Audits of California K-12 Local Education Agencies* ?	No
Type of auditors' report issued on compliance for state programs:	Unmodified

MARIN COUNTY OFFICE OF EDUCATION
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

FIVE DIGIT CODE	AB 3627 FINDING TYPE
20000	Inventory of Equipment
30000	Internal Control

There were no financial statement findings for the year ended June 30, 2024.

FIVE DIGIT CODE	AB 3627 FINDING TYPE
50000	Federal Compliance

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

MARIN COUNTY OFFICE OF EDUCATION
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

FIVE DIGIT CODE	AB 3627 FINDING TYPE
10000	Attendance
40000	State Compliance
42000	Charter School Facilities Programs
43000	Apprenticeship: Related and Supplemental Instruction
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

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

FINDING #2023-001: UNDUPLICATED LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS (40000)

Criteria: Students classified as English Learners and who are not directly certified on the CALPADS 1.18 FRPM/English Learner/Foster Youth – Student List Report must have supporting documentation that indicates the student was eligible for the determination. Auditors are required to verify compliance with Education Code Section 42238.02(b)(3)(b) in Section W of the 2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.

Condition: The auditor determined that 2 out of 3 students tested from the Marin County Office of Education CalPADS 1.18 FRPM English Learner/Foster Youth Student List Report who were classified as English Learners and had a "No" under the "Direct Certification" column did not have supporting documentation to support their status.

In addition, the auditor determined that 1 out of 1 student tested from the Phoenix Academy Charter School CalPADS 1.18 FRPM English Learner/Foster Youth Student List Report who were classified as English Learners and had a "No" under the "Direct Certification" column did not have supporting documentation to support their status.

The results of our testing indicated a total of 2 students that were not properly classified as English Learners for Marin County Office of Education and 1 student that was not properly classified as English Learner for Phoenix Academy Charter School.

Effect: The County Office of Education is not in compliance with applicable State requirements.

Cause: Clerical oversight by the County Office of Education.

FINDING #2023-001: UNDUPLICATED LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS (40000) (continued)

Questioned Costs: $7,099 for Marin County Office of Education and $165 for Phoenix Academy Charter School, as calculated on the following tables.

Marin County Office of Education

Item Number	Calculating the Cost of LCFF Unduplicated Pupil Count Audit Finding	Data Input and Calculated Fields
1	Total Adjusted Enrollment from the UPP exhibit as of P-2	117
2	Total Adjusted Unduplicated Pupil Count from the UPP exhibit as of P-2	93
3	Audit Adjustment - Number of Enrollment	-
4	Audit Adjustment - Number of Unduplicated Pupil Count	(2)
5	Revised Adjusted Enrollment	117
6	Revised Adjusted Unduplicated Pupil Count	91
7	UPP calculated as of P-2	0.7949
8	Revised UPP for audit finding	0.7778
9	**Charter Schools Only:** Determinative School District Concentration Cap	
10	Revised UPP adjusted for Concentration Cap	**0.7778**
11	ADA	25.40
12	Supplemental and Concentration Juvenile Court ADA	10.03
13	Supplemental and Concentration Grant 7–8 ADA	
14	Supplemental and Concentration Grant 9–12 ADA	
15	Adjusted Base Grant per Non-Juvenile Court ADA	$ 13,783
16	Adjusted Base Grant per Juvenile Court ADA	$ 13,783
17	Adjusted Base Grant per 7–8 ADA	
18	Adjusted Base Grant per 9–12 ADA	
19	Supplemental Grant Funding calculated as of P-2	$ 77,635
20	Revised Supplemental Grant Funding for audit finding	$ 75,964
21	Supplemental Grant Funding audit adjustment	**$ (1,671)**
22	Concentration Grant Funding calculated as of P-2	$ 77,735
23	Revised Concentration Grant Funding for audit finding	$ 72,307
24	Concentration Grant Funding audit adjustment	**$ (5,428)**
25	Total Supplemental and Concentration audit adjustment	**$ (7,099)**

Phoenix Charter School

Item Number	Calculating the Cost of LCFF Unduplicated Pupil Count Audit Finding	Data Input and Calculated Fields
1	Total Adjusted Enrollment from the UPP exhibit as of P-2	74
2	Total Adjusted Unduplicated Pupil Count from the UPP exhibit as of P-2	60
3	Audit Adjustment - Number of Enrollment	-
4	Audit Adjustment - Number of Unduplicated Pupil Count	(1)
5	Revised Adjusted Enrollment	74
6	Revised Adjusted Unduplicated Pupil Count	59
7	UPP calculated as of P-2	0.8108
8	Revised UPP for audit finding	0.7973
9	**Charter Schools Only:** Determinative School District Concentration Cap	**0.5611**
10	Revised UPP adjusted for Concentration Cap	**0.5611**
11	Supplemental and Concentration Grant TK/K–3 ADA	-
12	Supplemental and Concentration Grant 4–6 ADA	-
13	Supplemental and Concentration Grant 7–8 ADA	-
14	Supplemental and Concentration Grant 9–12 ADA	5.36
15	Adjusted Base Grant per TK/K–3 ADA	$ 10,119
16	Adjusted Base Grant per 4–6 ADA	$ 9,304
17	Adjusted Base Grant per 7–8 ADA	$ 9,580
18	Adjusted Base Grant per 9–12 ADA	$ 11,391
19	Supplemental Grant Funding calculated as of P-2	$ 9,901
20	Revised Supplemental Grant Funding for audit finding	$ 9,736
21	Supplemental Grant Funding audit adjustment	**$ (165)**
22	Concentration Grant Funding calculated as of P-2	$ 441
23	Revised Concentration Grant Funding for audit finding	$ 441
24	Concentration Grant Funding audit adjustment	**$ -**
25	Total Supplemental and Concentration audit adjustment	**$ (165)**

FINDING #2023-001: UNDUPLICATED LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS (40000) (continued)

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend that the County Office of Education ensure that the students designated as English Learners in the CalPADS 1.18 Report be closely monitored and that proper documentation is obtained to support this designation.

Corrective Action Plan: The Marin County Office of Education will implement procedures which ensure that test score information for all students designated as an English Learner is part of our student's file.

Current Status: Implemented.