GLENN COUNTY OFFICE OF EDUCATION

AUDIT REPORT
JUNE 30, 2024

FINANCIAL SECTION

REQUIRED SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION

OTHER INFORMATION

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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
Glenn County Office of Education
Willows, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Glenn 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 Glenn 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, each major fund, and the aggregate remaining fund information of the Glenn County Office of Education, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Glenn 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 Glenn 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 Glenn 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 Glenn 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 Glenn 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 February 28, 2025 on our consideration of the Glenn 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 Glenn 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 Glenn County Office of Education's internal control over financial reporting and compliance.

Christy White, Inc

San Diego, California
February 28, 2025

GLENN COUNTY OFFICE OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

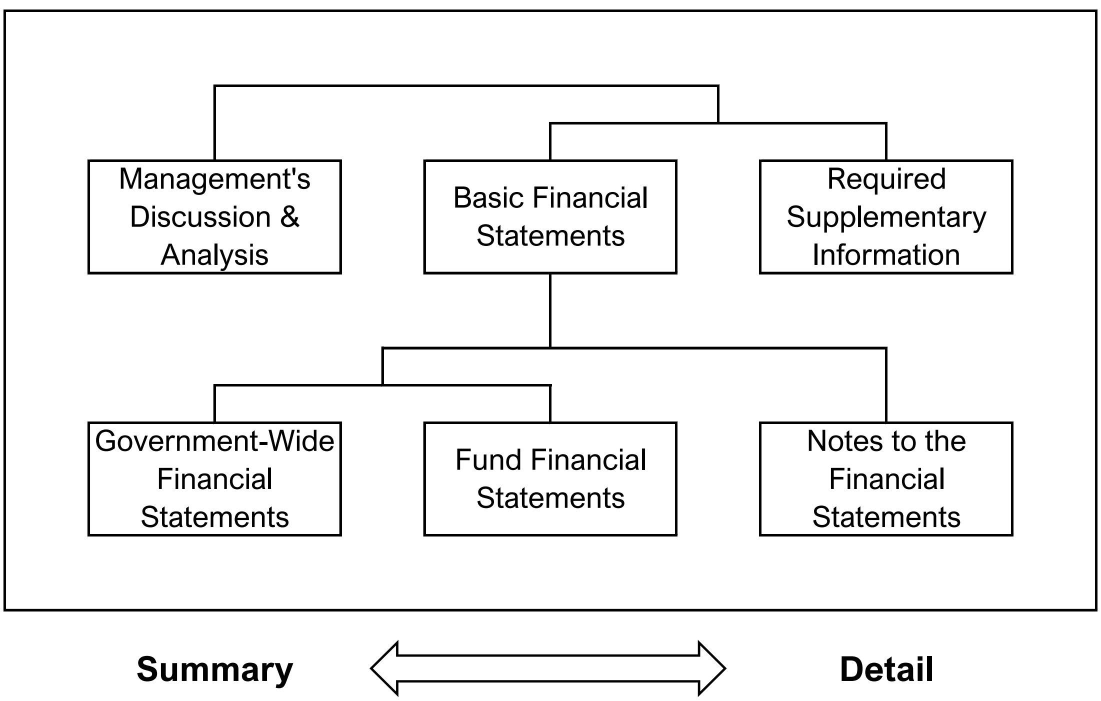
Our discussion and analysis of Glenn County Office of Education's (County Office of Education) financial performance provides an overview of the County Office of Education's financial activities for the fiscal year ended June 30, 2024. It should be read in conjunction with the County Office of Education's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

FINANCIAL HIGHLIGHTS

- The County Office of Education's net position was $1,685,508 at June 30, 2024. This was a decrease of $1,277,075 from the prior year.
- Overall revenues were $43,636,678 which were exceeded by expenses of $44,913,753.

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.

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

Government-Wide Statements

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

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

The government-wide financial statements of the County Office of Education include governmental activities. All of the County Office of Education's basic services 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 was $1,685,508 at June 30, 2024, as reflected in the table below. Of this amount, $(19,712,719) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Governing Board's ability to use that net position for day-to-day operations.

	Governmental Activities		
	2024	2023	Net Change
ASSETS			
Current and other assets	$ 16,356,576	$ 15,241,489	$ 1,115,087
Capital assets	18,422,052	18,345,714	76,338
Total Assets	34,778,628	33,587,203	1,191,425
DEFERRED OUTFLOWS OF RESOURCES	12,119,490	11,257,317	862,173
LIABILITIES			
Current liabilities	7,058,914	6,265,081	793,833
Long-term liabilities	36,258,401	33,051,363	3,207,038
Total Liabilities	43,317,315	39,316,444	4,000,871
DEFERRED INFLOWS OF RESOURCES	1,895,295	2,565,493	(670,198)
NET POSITION			
Net investment in capital assets	15,240,052	14,970,714	269,338
Restricted	6,158,175	4,959,309	1,198,866
Unrestricted	(19,712,719)	(16,967,440)	(2,745,279)
Total Net Position	$ 1,685,508	$ 2,962,583	$ (1,277,075)

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 and expenses for the year.

	Governmental Activities		
	2024	2023	Net Change
REVENUES			
Program revenues			
Charges for services	$ 5,434,465	$ 4,746,361	$ 688,104
Operating grants and contributions	25,251,398	23,916,177	1,335,221
General revenues			
Property taxes	2,069,201	2,147,901	(78,700)
Unrestricted federal and state aid	8,651,477	7,690,048	961,429
Other	2,230,137	1,489,443	740,694
Total Revenues	43,636,678	39,989,930	3,646,748
EXPENSES			
Instruction	13,837,984	11,831,835	2,006,149
Instruction-related services	6,677,873	5,268,664	1,409,209
Pupil services	5,202,413	4,015,431	1,186,982
General administration	5,939,881	5,450,344	489,537
Plant services	679,648	551,542	128,106
Ancillary and community services	11,270,017	8,849,590	2,420,427
Debt service	120,990	120,313	677
Other outgo	1,184,947	1,105,892	79,055
Total Expenses	44,913,753	37,193,611	7,720,142
Change in net position	(1,277,075)	2,796,319	(4,073,394)
Net Position - Beginning	2,962,583	166,264	2,796,319
Net Position - Ending	$ 1,685,508	$ 2,962,583	$ (1,277,075)

The cost of all our governmental activities this year was $44,913,753 (refer to the table below). The amount that our taxpayers ultimately financed for these activities through taxes was only $2,069,201 because the cost was paid by other governments and organizations who subsidized certain programs with grants and contributions.

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position (continued)

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

	Net Cost of Services	
	2024	2023
Instruction	$ 5,724,088	$ 2,674,446
Instruction-related services	1,631,337	1,425,493
Pupil services	2,039,280	732,070
General administration	3,311,234	2,984,415
Plant services	199,549	148,857
Ancillary and community services	750,671	72,904
Debt service	120,990	120,313
Transfers to other agencies	450,741	372,575
Total	$ 14,227,890	$ 8,531,073

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

The financial performance of the County Office of Education as a whole is reflected in its governmental funds as well. As the County Office of Education completed this year, its governmental funds reported a combined fund balance of $9,511,186, which is more than last year's ending fund balance of $9,183,752. The County School Service Fund had $174,771 more in operating revenues than expenditures for the year ended June 30, 2024. The Charter Schools Fund had $176,413 less in operating revenues than expenditures for the year ended June 30, 2024. The Child Development Fund had $378,765 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 on a regular basis to reflect changes to both revenues and expenditures that become known during the year. In addition, the Board of Education approves financial projections included with the Adopted Budget, First Interim, and Second Interim financial reports. The Unaudited Actuals reflect the 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 had invested $18,422,052 in capital assets, net of accumulated depreciation.

	Governmental Activities					
		2024		2023		Net Change
CAPITAL ASSETS						
Land	$	2,843,705	$	2,843,705	$	-
Construction in progress		4,574,623		4,132,354		442,269
Land improvements		1,499,389		1,135,538		363,851
Buildings & improvements		20,071,861		20,035,934		35,927
Furniture & equipment		4,353,586		3,954,816		398,770
Less: Accumulated depreciation		(14,921,112)		(13,756,633)		(1,164,479)
Total	$	18,422,052	$	18,345,714	$	76,338

Long-Term Liabilities

At year-end, the County Office of Education had $36,258,401 in long-term liabilities, an increase of 9.70% from last year - 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					
		2024		2023		Net Change
LONG-TERM LIABILITIES						
Total certificates of participation	$	3,182,000	$	3,375,000	$	(193,000)
Compensated absences		260,995		213,378		47,617
Total OPEB liability		4,263,268		3,946,064		317,204
Net pension liability		28,752,138		25,709,921		3,042,217
Less: current portion of long-term liabilities		(200,000)		(193,000)		(7,000)
Total	$	36,258,401	$	33,051,363	$	3,207,038

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Several economic factors could impact California school district funding and the District's budget in the next fiscal year:

<u>Long-term Declining Enrollment:</u> 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 school district to lose operating revenues without necessarily permitting the district to adjust fixed operating costs.

<u>Revenue Uncertainties:</u> Proposition 98 guarantees have improved over the 2023-24 fiscal year, but the prior 2022-23 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 school districts.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (continued)

Underfunded Pension Liabilities: The District participates in state employee pension plans, California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) and both are underfunded. The District'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 District'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. Overall, market performance in 2024 is trending in a positive direction.

These factors contribute to a challenging fiscal environment, potentially affecting the state's ability to maintain or increase funding for school districts. All these factors were considered in preparing the District'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 the County Office of Education's Business Office at (530) 934-6575 extension 3050 or mail:

Glenn County Office of Education
311 South Villa Avenue Willows, CA 95988

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

		Governmental Activities
ASSETS		
Cash and investments	$	6,597,319
Accounts receivable		9,741,069
Prepaid expenses		18,188
Capital assets, not depreciated		7,418,328
Capital assets, net of accumulated depreciation		11,003,724
Total Assets		34,778,628
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions		10,398,919
Deferred outflows related to OPEB		1,720,571
Total Deferred Outflows of Resources		12,119,490
LIABILITIES		
Deficit cash		214,134
Accrued liabilities		4,754,574
Unearned revenue		1,890,206
Long-term liabilities, current portion		200,000
Long-term liabilities, non-current portion		36,258,401
Total Liabilities		43,317,315
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions		1,067,475
Deferred inflows related to OPEB		827,820
Total Deferred Inflows of Resources		1,895,295
NET POSITION		
Net investment in capital assets		15,240,052
Restricted:		
Educational programs		6,158,175
Unrestricted		(19,712,719)
Total Net Position	$	1,685,508

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

GLENN 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
GOVERNMENTAL ACTIVITIES				
Instruction	$ 13,837,984	$ 2,185,870	$ 5,928,026	$ (5,724,088)
Instruction-related services				
Instructional supervision and administration	4,578,502	596,463	2,344,733	(1,637,306)
Instructional library, media, and technology	276,081	620	126,917	(148,544)
School site administration	1,823,290	363,314	1,614,489	154,513
Pupil services				
Home-to-school transportation	1,073,478	267,043	501,713	(304,722)
All other pupil services	4,128,935	902,872	1,491,505	(1,734,558)
General administration				
Centralized data processing	1,584,123	-	-	(1,584,123)
All other general administration	4,355,758	554,222	2,074,425	(1,727,111)
Plant services	679,648	60,080	420,019	(199,549)
Ancillary services	204,659	-	-	(204,659)
Community services	11,065,358	161,134	10,358,212	(546,012)
Interest on long-term debt	120,990	-	-	(120,990)
Other outgo	1,184,947	342,847	391,359	(450,741)
Total Governmental Activities	$ 44,913,753	$ 5,434,465	$ 25,251,398	(14,227,890)

General revenues	
Taxes and subventions	
Property taxes, levied for general purposes	2,069,201
Federal and state aid not restricted for specific purposes	8,651,477
Interest and investment earnings	166,179
Interagency revenues	544,897
Miscellaneous	1,519,061
Subtotal, General Revenue	12,950,815
CHANGE IN NET POSITION	(1,277,075)
Net Position - Beginning	2,962,583
Net Position - Ending	$ 1,685,508

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

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

	County School Service Fund	Charter Schools Fund	Child Development Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	$ 2,286,877	$ 1,555,025	$ 2,485,807	$ 269,610	$ 6,597,319
Accounts receivable	7,646,304	492,414	1,350,425	251,926	9,741,069
Due from other funds	1,794,464	363,067	322,248	274,749	2,754,528
Prepaid expenditures	13,141	4,750	297	-	18,188
Total Assets	$ 11,740,786	$ 2,415,256	$ 4,158,777	$ 796,285	$ 19,111,104
LIABILITIES					
Deficit cash	$ -	$ -	$ -	$ 214,134	$ 214,134
Accrued liabilities	3,600,315	255,701	774,620	110,414	4,741,050
Due to other funds	960,064	858,670	935,794	-	2,754,528
Unearned revenue	348,660	233,802	1,307,744	-	1,890,206
Total Liabilities	4,909,039	1,348,173	3,018,158	324,548	9,599,918
FUND BALANCES					
Nonspendable	18,141	4,750	2,297	-	25,188
Restricted	3,956,273	1,062,333	1,138,322	1,247	6,158,175
Committed	-	-	-	470,490	470,490
Assigned	168,642	-	-	-	168,642
Unassigned	2,688,691	-	-	-	2,688,691
Total Fund Balances	6,831,747	1,067,083	1,140,619	471,737	9,511,186
Total Liabilities and Fund Balances	$ 11,740,786	$ 2,415,256	$ 4,158,777	$ 796,285	$ 19,111,104

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

GLENN 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		$ 9,511,186
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	$ 33,343,164	
Accumulated depreciation	(14,921,112)	18,422,052
Unmatured interest on long-term debt:		
In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmatured interest owing at the end of the period was:		(13,524)
Long-term liabilities:		
In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:		
Total certificates of participation	$ 3,182,000	
Compensated absences	260,995	
Total OPEB liability	4,263,268	
Net pension liability	28,752,138	(36,458,401)
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	$ 10,398,919	
Deferred inflows of resources related to pensions	(1,067,475)	9,331,444
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	$ 1,720,571	
Deferred inflows of resources related to OPEB	(827,820)	892,751
Total Net Position - Governmental Activities		$ 1,685,508

GLENN 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	Charter Schools Fund	Child Development Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
LCFF sources	$ 7,246,868	$ 2,874,868	$ -	$ 100,000	$ 10,221,736
Federal sources	2,587,854	384,258	6,612,387	145,994	9,730,493
Other state sources	7,546,341	625,951	4,494,922	876,583	13,543,797
Other local sources	9,959,913	41,863	541,315	251,953	10,795,044
Total Revenues	27,340,976	3,926,940	11,648,624	1,374,530	44,291,070
EXPENDITURES					
Current					
Instruction	10,377,161	2,506,825	-	-	12,883,986
Instruction-related services					
Instructional supervision and administration	3,333,819	669,691	319,548	-	4,323,058
Instructional library, media, and technology	280,949	1,800	-	-	282,749
School site administration	1,802,353	47,919	-	-	1,850,272
Pupil services					
Home-to-school transportation	978,985	20,074	-	-	999,059
All other pupil services	3,646,604	437,990	-	-	4,084,594
General administration					
Centralized data processing	1,490,947	-	-	-	1,490,947
All other general administration	3,014,554	419,054	850,631	-	4,284,239
Plant services	248,949	-	229,348	42,362	520,659
Facilities acquisition and construction	341,369	-	95,076	378,259	814,704
Ancillary services	189,679	-	-	-	189,679
Community services	964,677	-	9,775,256	-	10,739,933
Transfers to other agencies	181,349	-	-	1,003,598	1,184,947
Debt service					
Principal	193,000	-	-	-	193,000
Interest and other	121,810	-	-	-	121,810
Total Expenditures	27,166,205	4,103,353	11,269,859	1,424,219	43,963,636
Excess (Deficiency) of Revenues Over Expenditures	174,771	(176,413)	378,765	(49,689)	327,434
Other Financing Sources (Uses)					
Transfers in	18,979	325,861	94,890	214,134	653,864
Transfers out	(634,885)	-	-	(18,979)	(653,864)
Net Financing Sources (Uses)	(615,906)	325,861	94,890	195,155	-
NET CHANGE IN FUND BALANCE	(441,135)	149,448	473,655	145,466	327,434
Fund Balance - Beginning	7,272,882	917,635	666,964	326,271	9,183,752
Fund Balance - Ending	$ 6,831,747	$ 1,067,083	$ 1,140,619	$ 471,737	$ 9,511,186

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

GLENN 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			$ 327,434
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:	$	1,240,817	
Depreciation expense:		(1,164,479)	76,338
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:			193,000
Unmatured interest on long-term debt:			
In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was:			820
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:			(47,617)
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:			(343,464)
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:			(1,483,586)
Change in Net Position of Governmental Activities			$ (1,277,075)

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Glenn 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. 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. Separate statements for each fund category – governmental – 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 child development programs, construction and maintenance of school facilities, and repayment of long-term debt.

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.

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

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).

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:

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

Deferred Maintenance Fund: This fund is used to account separately for state apportionments and the County Office'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 an LEA may transfer the excess local funds deposited in this fund to any other expenditure classifications in other funds of the LEA (*Education Code Sections* 17582 and 17583).

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Non-Major Governmental Funds (continued)

Special Revenue Funds (continued)

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

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

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.).

D. Basis of Accounting – Measurement Focus

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting – Measurement Focus (continued)

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

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. <u>Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position</u>

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

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

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

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

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

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

Asset Class	Estimated Useful Life
Buildings and Improvements	25 - 50 years
Furniture and Equipment	5 - 20 years
Vehicles	8 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Compensated Absences

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.

Accrued Liabilities and Long-Term Obligations

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

Postemployment Benefits Other Than Pensions (OPEB)

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

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

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 - 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.

Premiums and Discounts

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

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)

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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Balance (continued)

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

Unassigned - In the 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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements. Interfund transfers are eliminated in the governmental activities columns of the statement of activities.

G. Estimates

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

H. Budgetary Data

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Budgetary Data (continued)

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

I. Property Tax

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

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. New Accounting Pronouncements (continued)

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
Investment in county treasury*	$	5,565,472
Cash on hand and in banks		1,024,847
Cash in revolving fund		7,000
Total	$	6,597,319

*does not include of deficit cash of $214,134

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.

NOTE 2 – CASH AND INVESTMENTS (continued)

B. Policies and Practices (continued)

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 Glenn 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

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 approximately $5,485,230 and an amortized book value of $5,565,472, net of deficit cash. The average weighted maturity for this pool was not available.

NOTE 2 – CASH AND INVESTMENTS (continued)

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. As of June 30, 2024, the pooled investments in the County Treasury were not 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 Glenn 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.

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

	Uncategorized
Investment in county treasury	$ 5,485,230
Total	$ 5,485,230

NOTE 3 – ACCOUNTS RECEIVABLE

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

	County School Service Fund	Charter Schools Fund	Child Development Fund	Non-Major Governmental Funds	Governmental Activities
Federal Government					
Categorical aid	$ 1,386,122	$ 181,856	$ 855,190	$ -	$ 2,423,168
State Government					
Apportionment	-	4,336	-	-	4,336
Categorical aid	785,727	20,000	377,871	-	1,183,598
Lottery	13,383	30,884	-	-	44,267
Local Government					
Other local sources	5,461,072	255,338	117,364	251,926	6,085,700
Total	$ 7,646,304	$ 492,414	$ 1,350,425	$ 251,926	$ 9,741,069

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	$ 2,843,705	$ -	$ -	$ 2,843,705
Construction in progress	4,132,354	442,269	-	4,574,623
Total capital assets not being depreciated	6,976,059	442,269	-	7,418,328
Capital assets being depreciated				
Land improvements	1,135,538	363,851	-	1,499,389
Buildings & improvements	20,035,934	35,927	-	20,071,861
Furniture & equipment	3,954,816	398,770	-	4,353,586
Total capital assets being depreciated	25,126,288	798,548	-	25,924,836
Less: Accumulated depreciation				
Land improvements	379,908	84,632	-	464,540
Buildings & improvements	10,370,549	790,409	-	11,160,958
Furniture & equipment	3,006,176	289,438	-	3,295,614
Total accumulated depreciation	13,756,633	1,164,479	-	14,921,112
Total capital assets being depreciated, net	11,369,655	(365,931)	-	11,003,724
Governmental Activities				
Capital Assets, net	$ 18,345,714	$ 76,338	$ -	$ 18,422,052

Depreciation expense was allocated to the following governmental functions as follows:

Governmental Activities	
Instruction	$ 692,173
Instructional supervision and administration	80,092
Home-to-school transportation	26,100
All other general administration	254,600
Plant services	107,073
Community services	4,441
Total	$ 1,164,479

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**	**Charter Schools Fund**	**Child Development Fund**	**Non-Major Governmental Funds**	**Total**
County School Service Fund	$ -	$ 363,067	$ 322,248	$ 274,749	$ 960,064
Charter Schools Fund	858,670	-	-	-	858,670
Child Development Fund	935,794	-	-	-	935,794
Total	$ 1,794,464	$ 363,067	$ 322,248	$ 274,749	$ 2,754,528

Due from the County School Service Fund to the Charter Schools Fund for program contributions.	$ 363,067
Due from the County School Service Fund to the Child Development Fund for program contributions.	322,248
Due from the County School Service Fund to the Deferred Maintenance Fund for yearly projects.	60,615
Due from the County School Service Fund to the County School Facilities Fund for capital projects costs.	214,134
Due from the Charter Schools Fund to the County School Service Fund for indirect costs.	858,670
Due from the Child Development Fund to the County School Service Fund for indirect costs.	935,794
Total	$ 2,754,528

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**	**Charter Schools Fund**	**Child Development Fund**	**Non-Major Governmental Funds**	**Total**
County School Service Fund	$ -	$ 325,861	$ 94,890	$ 214,134	$ 634,885
Non-Major Governmental Funds	18,979	-	-	-	18,979
Total	$ 18,979	$ 325,861	$ 94,890	$ 214,134	$ 653,864

Transfer from the County School Service Fund to the Charter Schools Fund for program contributions.	$ 325,861
Transfer from the County School Service Fund to the Child Development Fund for error corrections.	94,890
Transfer from the County School Service Fund to the County School Facilities Fund for facility projects.	214,134
Transfer from the Forest Reserve Fund to the County School Service Fund for cost reimbursement.	18,979
Total	$ 653,864

NOTE 6 – ACCRUED LIABILITIES

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

	County School Service Fund	Charter Schools Fund	Child Development Fund	Non-Major Governmental Funds	County-Wide	Governmental Activities
Payroll	$ 1,806,653	$ 15,402	$ 43,898	$ -	$ -	$ 1,865,953
Vendors payable	1,493,016	240,299	730,722	110,414	-	2,574,451
Unmatured interest	-	-	-	-	13,524	13,524
Due to grantor government	300,646	-	-	-	-	300,646
Total	$ 3,600,315	$ 255,701	$ 774,620	$ 110,414	$ 13,524	$ 4,754,574

NOTE 7 – UNEARNED REVENUE

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

	County School Service Fund	Charter Schools Fund	Child Development Fund	Governmental Activities
Federal sources	$ 119,717	$ -	$ 612,398	$ 732,115
State categorical sources	226,484	233,802	695,346	1,155,632
Local sources	2,459	-	-	2,459
Total	$ 348,660	$ 233,802	$ 1,307,744	$ 1,890,206

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					
Certificates of participation	$ 3,375,000	$ -	$ 193,000	$ 3,182,000	$ 200,000
Compensated absences	213,378	47,617	-	260,995	-
Total OPEB liability	3,946,064	317,204	-	4,263,268	-
Net pension liability	25,709,921	3,042,217	-	28,752,138	-
Total	$ 33,244,363	$ 3,407,038	$ 193,000	$ 36,458,401	$ 200,000

- Payments for certificates of participation are typically paid 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. Compensated Absences

Total unpaid employee compensated absences as of June 30, 2024 amounted to $260,995. This amount is included as part of long-term liabilities in the government-wide financial statements.

NOTE 8 – LONG-TERM LIABILITIES (continued)

B. Other Postemployment Benefits

The County Office of Education's beginning total OPEB liability was $3,946,064 and increased by $317,204 during the year ended June 30, 2024. The ending total OPEB liability at June 30, 2024 was $4,263,268. See Note 10 for additional information regarding the total OPEB liability.

C. Net Pension Liability

The County Office of Education's beginning net pension liability was $25,709,921 and increased by $3,042,217 during the year ended June 30, 2024. The ending net pension liability at June 30, 2024 was $28,752,138. See Note 11 for additional information regarding the net pension liability.

D. Certificates of Participation

On April 1, 2017, the County Office of Education issued Certificates of Participation amounting to $4,250,000 payable in annual installments from October 13, 2017 through April 13, 2037. The interest rate is 3.40%, payable beginning October 13, 2017. The agreement is between the County Office of Education and the Public Property Financing Corporation of California with City National Bank as the trustee. At June 30, 2024, the principal outstanding was $3,182,000.

The annual requirements to amortize all certificates of participation outstanding at June 30, 2024 were as follows:

Year Ended June 30,	Principal	Interest	Total
2025	$ 200,000	$ 108,188	$ 308,188
2026	207,000	101,388	308,388
2027	213,000	94,350	307,350
2028	221,000	87,108	308,108
2029	228,000	79,594	307,594
2030 - 2034	1,256,000	276,624	1,532,624
2035 - 2037	857,000	58,888	915,888
Total	$ 3,182,000	$ 806,140	$ 3,988,140

NOTE 9 – FUND BALANCES

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

	County School Service Fund	Charter Schools Fund	Child Development Fund	Non-Major Governmental Funds	Total Governmental Funds
Non-spendable					
Revolving cash	$ 5,000	$ -	$ 2,000	$ -	$ 7,000
Prepaid expenditures	13,141	4,750	297	-	18,188
Total non-spendable	18,141	4,750	2,297	-	25,188
Restricted					
Educational programs	3,956,273	1,062,333	1,138,322	1,247	6,158,175
Total restricted	3,956,273	1,062,333	1,138,322	1,247	6,158,175
Committed					
Deferred maintenance	-	-	-	470,490	470,490
Total committed	-	-	-	470,490	470,490
Assigned					
Adult education	168,642	-	-	-	168,642
Total assigned	168,642	-	-	-	168,642
Unassigned	2,688,691	-	-	-	2,688,691
Total	$ 6,831,747	$ 1,067,083	$ 1,140,619	$ 471,737	$ 9,511,186

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 three percent of County School Service Fund expenditures and other financing uses.

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Plan Description

The Glenn County Office of Education's defined benefit OPEB plan, Glenn 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

The eligibility requirements and benefits provided by the Plan are described below. (Some grandfathered certificated retirees receive additional benefits under a recent retirement incentive.)

	Child & Family Services	Certificated	Classified	Non-represented
Benefit types provided	Medical, dental and life	Medical, dental and vision	Medical, dental and vision	Medical, dental and vision
Duration of Benefits	Based on length of service as follows: 10 years of service: 1 year of benefits 15 years of service: 2 years of benefits 20 years of service: 3 years of benefits 25 years of service: 4 years of benefits 30 or more years of service: 5 years of benefits			
Required Service	10 years	10 years	10 years	10 years
Minimum Age	55	55	55	55
Dependent Coverage	Yes	Yes	Yes	Yes
County Office of Education Contribution %	100%	100%	100%	100%
County Office of Education Cap	Active cap	Active cap	Active cap	Active cap

C. Contributions

For the measurement period, the County Office of Education contributed $115,668 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	14
Inactive employees entitled to but not receiving benefits*	-
Participating active employees	293
Total number of participants**	307

*Information not provided

**As of the June 30, 2023 valuation date

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

E. Total OPEB Liability

The Glenn County Office of Education's total OPEB liability of $4,263,268, was measured as of June 30, 2023 and was determined by an actuarial valuation of June 30, 2023.

F. Actuarial Assumptions and Other Inputs

The total OPEB liability per the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Economic assumptions:

Inflation	2.50%
Payroll increase	2.75%
Discount rate	3.65%
Healthcare cost trend rates	4.00%

Non-economic assumptions:

Mortality:	
Certificated	2020 CalSTRS Mortality Table
Classified	2021 CalPERS Mortality for Miscellaneous and Schools Employees
Retirement rates:	
Certificated	Hired 2012 and earlier: 2020 CalSTRS 2.0% at 60 Rates
	Hired 2012 and later: 2020 CALSTRS 2.0% at 62 Rates
Child and Family Services	Hired 2012 and earlier: 2021 CalPERS 2.0% at 55 Rates for School Employees
	Hired 2013 and later: 2021 CalPERS 2.0% at 62 Rates for School Employees
Classified	Hired 2012 and earlier: 2021 CalPERS 2.0% at 55 Rates for School Employees
	Hired 2013 and later: 2021 CalPERS 2.0% at 62 Rates for School Employees
Management	Hired 2012 and earlier: 2021 CalPERS 2.0% at 55 Rates for School Employees
	Hired 2013 and later: 2021 CalPERS 2.0% at 62 Rates for School Employees

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

The discount rate was based on the Bond Buyer 20 Bond Index. The actuary assumed contributions would be sufficient to fully fund the obligation over a period not to exceed twenty-five years.

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

G. Changes in Total OPEB Liability

	June 30, 2024
Total OPEB Liability	
Service cost	$ 277,890
Interest on total OPEB liability	142,562
Difference between expected and actual experience	158,644
Changes of assumptions	(146,224)
Benefits payments	(115,668)
Net change in total OPEB liability	317,204
Total OPEB liability - beginning	3,946,064
Total OPEB liability - ending	$ 4,263,268
Covered-employee payroll	$ 17,757,881
County Office of Education's total OPEB liability as a percentage of covered-employee payroll	24.01%

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

The following presents the total OPEB liability of the Glenn 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	$ 4,701,667	$ 4,263,268	$ 3,863,716

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

The following presents the total OPEB liability of the Glenn 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	$ 3,692,539	$ 4,263,268	$ 4,953,682

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

J. <u>OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB</u>

For the fiscal year ended June 30, 2024, the Glenn County Office of Education recognized OPEB expense of $476,823. At June 30, 2024, the Glenn County Office of Education reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 180,997	$ 127,110
Changes in assumptions	1,372,126	700,710
County Office of Education contributions subsequent to the measurement date	167,448	-
Total	$ 1,720,571	$ 827,820

The $167,448 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 inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2025	$ 117,257	$ 60,885
2026	117,257	60,885
2027	117,257	60,885
2028	117,257	60,885
2029	117,257	60,885
Thereafter	966,838	523,395
Total	$ 1,553,123	$ 827,820

NOTE 11 – PENSION PLANS

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

	Net pension liability	Deferred outflows related to pensions	Deferred inflows related to pensions	Pension expense
CalSTRS Pension	$ 7,828,151	$ 3,148,411	$ 462,410	$ 1,396,186
CalPERS Pension	20,923,987	7,250,508	605,065	4,316,919
Total	$ 28,752,138	$ 10,398,919	$ 1,067,475	$ 5,713,105

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.

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.

NOTE 11 – PENSION PLANS (continued)

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

Contributions

Active plan CalSTRS 2% at 60 and 2% at 62 members are required to contribute 10.25% and 10.205% of their salary for fiscal year 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 $1,277,752 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 $599,924 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	$	7,828,151
State's proportionate share of the net pension liability associated with the County Office of Education		3,750,755
Total	$	11,578,906

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 school LEAs, actuarially determined. At June 30, 2023, the County Office of Education's proportion was 0.010 percent, which did not change from its proportion measured as of June 30, 2022.

NOTE 11 – PENSION PLANS (continued)

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

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

For the year ended June 30, 2024, the County Office of Education recognized pension expense of $1,396,186. In addition, the County Office of Education recognized pension expense and revenue of $(54,468) 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	$ -	$ 33,508
Differences between expected and actual experience	615,164	418,846
Changes in assumptions	45,328	-
Changes in proportion and differences between County Office of Education contributions and proportionate share of contributions	1,210,167	10,056
County Office of Education contributions subsequent to the measurement date	1,277,752	-
Total	$ 3,148,411	$ 462,410

The $1,277,752 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	$ 423,970	$ 365,236
2026	404,426	502,967
2027	395,749	(544,712)
2028	337,836	111,462
2029	206,409	26,136
2030	102,269	1,321
Total	$ 1,870,659	$ 462,410

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−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, 2023, 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	$ 13,131,099	$ 7,828,151	$ 3,423,435

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 8.0% of their salary. Additionally, for new members entering the plan on or after January 1, 2013, the employer is prohibited from paying any of the employee contribution to CalPERS unless the employer payment of the member's contribution is specified in an employment agreement or collective bargaining agreement that expires after January 1, 2013.

The County Office of Education is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2024 was 26.68% of annual payroll. Contributions to the plan from the County Office of Education were $2,951,767 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 $20,923,987 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 LEAs, actuarially determined. At June 30, 2023, the County Office of Education's proportion was 0.058 percent, which was an increase of 0.004 percent 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 $4,316,919. 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	$ 2,234,981	$ -
Differences between expected and actual experience	763,575	321,362
Changes in assumptions	963,960	-
Changes in proportion and differences between County Office of Education contributions and proportionate share of contributions	336,225	283,703
County Office of Education contributions subsequent to the measurement date	2,951,767	-
Total	$ 7,250,508	$ 605,065

The $2,951,767 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	$ 1,358,421	$ 322,830
2026	1,068,170	282,235
2027	1,802,596	-
2028	69,554	-
Total	$ 4,298,741	$ 605,065

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	$ 30,250,676	$ 20,923,987	$ 13,215,690

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 construction commitments related to ongoing construction contracts for the Little Bridges Preschool Building and William Finch Media Arts Center Building Projects.

NOTE 13 – PARTICIPATION IN JOINT POWERS AUTHORITIES

The County Office of Education participates in three joint powers agreement (JPA) entities, the Golden State Risk Management Authority (GSRMA), the Schools Excess Liability Fund (SELF), and the Tri-Counties School Insurance Group (TCSIG). The County pays an annual premium to each entity for its workers' compensation, property liability coverage and health and welfare benefits. The relationship is such that the JPAs are not component units of the County Office of Education for financial reporting purposes.

These entities have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the County Office of Education are included in these financial statements. Audited financial statements are 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 County Office of Education wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 11. At June 30, 2024, total deferred outflows related to pensions was $10,398,919 and total deferred inflows related to pensions was $1,067,475.

B. Other Postemployment Benefits

Pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* the County Office of Education recognized deferred outflows of resources related to other postemployment benefits and deferred inflows of resources related to other postemployment benefits in the County Office of Education wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 10. At June 30, 2024, total deferred outflows related to other postemployment benefits was $1,720,571 and total deferred inflows related to other postemployment benefits was $827,820.

REQUIRED SUPPLEMENTARY INFORMATION

GLENN 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	$ 6,773,166	$ 7,752,138	$ 6,769,715	$ (982,423)
Federal sources	2,392,861	2,615,306	2,616,397	1,091
Other state sources	4,972,323	5,749,433	6,354,775	605,342
Other local sources	12,225,509	10,909,291	9,391,966	(1,517,325)
Total Revenues	26,363,859	27,026,168	25,132,853	(1,893,315)
EXPENDITURES				
Certificated salaries	5,128,489	5,203,389	5,252,363	(48,974)
Classified salaries	7,657,908	7,732,202	7,930,133	(197,931)
Employee benefits	6,427,704	6,432,838	6,392,624	40,214
Books and supplies	1,221,103	1,287,699	855,402	432,297
Services and other operating expenditures	6,329,028	6,432,171	4,486,858	1,945,313
Capital outlay	949,028	949,028	691,988	257,040
Other outgo				
Excluding transfers of indirect costs	620,936	611,825	594,909	16,916
Transfers of indirect costs	(1,571,062)	(1,578,505)	(1,269,685)	(308,820)
Total Expenditures	26,763,134	27,070,647	24,934,592	2,136,055
Excess (Deficiency) of Revenues				
Over Expenditures	(399,275)	(44,479)	198,261	242,740
Other Financing Sources (Uses)				
Transfers in	-	-	18,979	18,979
Transfers out	(381,764)	(469,390)	(650,405)	(181,015)
Net Financing Sources (Uses)	(381,764)	(469,390)	(631,426)	(162,036)
NET CHANGE IN FUND BALANCE	(781,039)	(513,869)	(433,165)	80,704
Fund Balance - Beginning	7,096,264	7,096,264	7,096,264	-
Fund Balance - Ending	$ 6,315,225	$ 6,582,395	$ 6,663,099	$ 80,704

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

- On-behalf payments of $599,924 are not included in the actual revenues and expenditures reported in the schedule above
- 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 Adult Education Fund, in accordance with the fund type definitions promulgated by GASB Statement No. 54.
- Revenues for Medi-Cal Administrative Activities are presented as federal revenues in this schedule, while these amounts have been reclassified as local revenues in the Statement of Revenues, Expenditures, and Changes in Fund Balance.

GLENN COUNTY OFFICE OF EDUCATION
CHARTER SCHOOLS 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	$ 3,087,132	$ 2,946,181	$ 2,874,868	$ (71,313)
Federal sources	578,653	578,653	384,258	(194,395)
Other state sources	371,790	432,671	291,167	(141,504)
Other local sources	3,000	3,000	41,863	38,863
Total Revenues	4,040,575	3,960,505	3,592,156	(368,349)
EXPENDITURES				
Certificated salaries	1,340,355	1,360,211	1,359,379	832
Classified salaries	281,132	292,689	289,416	3,273
Employee benefits	745,951	756,350	750,882	5,468
Books and supplies	559,038	560,038	269,438	290,600
Services and other operating expenditures	1,806,771	1,839,515	967,033	872,482
Capital outlay	-	-	48,151	(48,151)
Other outgo				
Transfers of indirect costs	468,527	468,527	419,054	49,473
Total Expenditures	5,201,774	5,277,330	4,103,353	1,173,977
Excess (Deficiency) of Revenues Over Expenditures	(1,161,199)	(1,316,825)	(511,197)	805,628
Other Financing Sources (Uses):				
Transfers in	192,581	280,207	325,861	45,654
Net Financing Sources (Uses)	192,581	280,207	325,861	45,654
NET CHANGE IN FUND BALANCE	(968,618)	(1,036,618)	(185,336)	851,282
Fund Balance - Beginning	1,252,419	1,252,419	1,252,419	-
Fund Balance - Ending	$ 283,801	$ 215,801	$ 1,067,083	$ 851,282

See accompanying notes to required supplementary information.

GLENN COUNTY OFFICE OF EDUCATION
CHILD DEVELOPMENT FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variances -
	Original	Final	(Budgetary Basis)	Final to Actual
REVENUES				
Federal sources	$ 9,476,027	$ 9,476,027	$ 6,612,387	$ (2,863,640)
Other state sources	3,376,962	4,299,433	4,494,922	195,489
Other local sources	421,879	421,879	541,315	119,436
Total Revenues	13,274,868	14,197,339	11,648,624	(2,548,715)
EXPENDITURES				
Certificated salaries	1,392,390	1,385,864	1,467,432	(81,568)
Classified salaries	1,587,482	1,575,814	1,774,885	(199,071)
Employee benefits	1,239,805	1,272,204	1,322,077	(49,873)
Books and supplies	466,019	470,908	437,131	33,777
Services and other operating expenditures	7,677,409	8,514,608	5,322,627	3,191,981
Capital outlay	120,960	120,960	95,076	25,884
Other outgo				
Transfers of indirect costs	1,030,667	1,096,841	850,631	246,210
Total Expenditures	13,514,732	14,437,199	11,269,859	3,167,340
Excess (Deficiency) of Revenues Over Expenditures	(239,864)	(239,860)	378,765	618,625
Other Financing Sources (Uses):				
Transfers in	94,893	94,893	94,890	(3)
Net Financing Sources (Uses)	94,893	94,893	94,890	(3)
NET CHANGE IN FUND BALANCE	(144,971)	(144,967)	473,655	618,622
Fund Balance - Beginning	666,964	666,964	666,964	-
Fund Balance - Ending	$ 521,993	$ 521,997	$ 1,140,619	$ 618,622

See accompanying notes to required supplementary information.

GLENN 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	$ 277,890	$ 348,570	$ 476,144	$ 463,400	$ 313,764	$ 305,366	$ 297,193
Interest on total OPEB liability	142,562	94,598	86,780	71,912	69,647	59,861	46,178
Difference between expected and actual experience	158,644	(2)	(86,902)	-	(137,793)	-	-
Changes of assumptions	(146,224)	(625,153)	1,673,306	-	6,933	(26,529)	-
Benefits payments	(115,668)	(154,441)	(156,109)	(137,909)	(73,253)	(97,488)	(93,738)
Net change in total OPEB liability	317,204	(336,428)	1,993,219	397,403	179,298	241,210	249,633
Total OPEB liability - beginning	3,946,064	4,282,492	2,289,273	1,891,870	1,712,572	1,471,362	1,221,729
Total OPEB liability - ending	$ 4,263,268	$ 3,946,064	$ 4,282,492	$ 2,289,273	$ 1,891,870	$ 1,712,572	$ 1,471,362
Covered-employee payroll	$ 17,757,881	$ 12,278,141	$ 14,212,631	$ 14,021,123	$ 13,295,876	$ 12,909,370	$ 12,353,828
County Office of Education's total OPEB liability as a percentage of covered-employee payroll	24.01%	32.14%	30.13%	16.33%	14.23%	13.27%	11.91%

See accompanying notes to required supplementary information.

GLENN 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	0.010%	0.010%	0.010%	0.009%	0.009%	0.009%	0.009%	0.009%	0.011%	0.011%
County Office of Education's proportionate share of the net pension liability	$ 7,828,151	$ 7,147,589	$ 4,775,818	$ 9,082,859	$ 8,104,427	$ 8,193,386	$ 8,094,672	$ 7,432,965	$ 7,371,492	$ 6,438,931
State's proportionate share of the net pension liability associated with the County Office of Education	3,750,755	3,579,533	2,403,056	4,682,177	4,421,542	4,691,120	4,788,778	4,232,077	3,898,696	3,870,685
Total	$ 11,578,906	$ 10,727,122	$ 7,178,874	$ 13,765,036	$ 12,525,969	$ 12,884,506	$ 12,883,450	$ 11,665,042	$ 11,270,188	$ 10,309,616
County Office of Education's covered payroll	$ 6,598,466	$ 5,938,359	$ 5,774,195	$ 5,110,839	$ 4,873,226	$ 4,805,627	$ 4,629,712	$ 4,690,229	$ 4,948,231	$ 4,907,709
County Office of Education's proportionate share of the net pension liability as a percentage of its covered payroll	118.6%	120.4%	82.7%	177.7%	166.3%	170.5%	174.8%	158.5%	149.0%	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%

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

See accompanying notes to required supplementary information.

GLENN 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	0.058%	0.054%	0.057%	0.056%	0.053%	0.051%	0.050%	0.048%	0.054%	0.054%
County Office of Education's proportionate share of the net pension liability	$ 20,923,987	$ 18,562,332	$ 11,544,246	$ 17,152,840	$ 15,365,744	$ 13,516,220	$ 12,018,547	$ 9,514,943	$ 7,891,387	$ 6,161,445
County Office of Education's covered payroll	$ 5,679,675	$ 8,274,272	$ 8,246,928	$ 8,185,037	$ 7,316,727	$ 6,774,072	$ 6,414,665	$ 5,824,683	$ 5,893,471	$ 5,697,439
County Office of Education's proportionate share of the net pension liability as a percentage of its covered payroll	368.4%	224.3%	140.0%	209.6%	210.0%	199.5%	187.4%	163.4%	133.9%	108.1%
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%

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

See accompanying notes to required supplementary information.

GLENN 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	$ 1,277,752	$ 1,175,231	$ 1,023,313	$ 931,711	$ 844,748	$ 797,874	$ 691,866	$ 580,086	$ 495,812	$ 444,820
Contributions in relation to the contractually required contribution*	(1,277,752)	(1,175,231)	(1,023,313)	(931,711)	(844,748)	(797,874)	(691,866)	(580,086)	(495,812)	(444,820)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
County Office of Education's covered payroll	$ 6,694,282	$ 6,598,466	$ 5,938,359	$ 5,774,195	$ 5,110,839	$ 4,873,226	$ 4,805,627	$ 4,629,712	$ 4,690,229	$ 4,948,231
Contributions as a percentage of covered payroll	19.09%	17.81%	17.23%	16.14%	16.53%	16.37%	14.40%	12.53%	10.57%	8.99%

*Amounts do not include on-behalf contributions

See accompanying notes to required supplementary information.

GLENN 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	$ 2,951,767	$ 2,562,815	$ 2,088,246	$ 1,713,164	$ 1,625,577	$ 1,318,221	$ 1,061,035	$ 883,809	$ 694,918	$ 706,701
Contributions in relation to the contractually required contribution*	(2,951,767)	(2,562,815)	(2,088,246)	(1,713,164)	(1,625,577)	(1,318,221)	(1,061,035)	(883,809)	(694,918)	(706,701)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
County Office of Education's covered payroll	$ 11,063,599	$ 5,679,675	$ 8,274,272	$ 8,246,928	$ 8,185,037	$ 7,316,727	$ 6,774,072	$ 6,414,665	$ 5,824,683	$ 5,893,471
Contributions as a percentage of covered payroll	26.68%	45.12%	25.24%	20.77%	19.86%	18.02%	15.66%	13.78%	11.93%	11.99%

*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, the total OPEB liability as a percentage of covered-employee payroll.

Changes in Benefit Terms

There were no changes in benefit terms.

Changes in Assumptions

The discount rate increased from 3.54% to 3.65%.

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 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			
Certificated salaries	$ 5,203,389	$ 5,252,363	$ 48,974
Classified salaries	$ 7,732,202	$ 7,930,133	$ 197,931
Other outgo			
Transfers of indirect costs	$ (1,578,505)	$ (1,269,685)	$ 308,820
Charter Schools Fund			
Capital outlay	$ -	$ 48,151	$ 48,151
Child Development Fund			
Certificated salaries	$ 1,385,864	$ 1,467,432	$ 81,568
Classified salaries	$ 1,575,814	$ 1,774,885	$ 199,071
Employee benefits	$ 1,272,204	$ 1,322,077	$ 49,873

SUPPLEMENTARY INFORMATION

GLENN 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	$ 56,683
Comprehensive Support and Improvement for LEAs	84.010	15438	382,361
ESSA School Improvement (CSI) funding for COEs	84.010	15439	27,412
Subtotal Title I, Part A			466,456
Adult Education			
Adult Education: Adult Basic Education & ESL	84.002A	14508	14,121
Adult Education: Adult Secondary Education	84.002	13978	4,304
Adult Education: English Literacy and Civics Education	84.002A	14109	26,565
Subtotal Adult Education			44,990
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	9,912
Title III, English Learner Student Program	84.365	14346	10,119
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	29,816
Title VI, Part B, Rural & Low Income School Program	84.358	14356	9,999
Special Education Cluster			
IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	808,568
IDEA Mental Health Average Daily Attendance (ADA) Allocation, Part B, Sec 611	84.027A	15197	5,521
IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	40,831
Alternate Dispute Resolution, Part B, Sec 611	84.027A	13007	29,729
IDEA Preschool Staff Development, Part B, Sec 619	84.173A	13431	1,001
Subtotal Special Education Cluster			885,650
IDEA Early Intervention Grants, Part C	84.181	23761	34,422
Education for Homeless Children and Youth, Subtitle VII-B McKinney-Vento Act	84.196	14332	51,001
COVID-19 Emergency Acts Funding/Education Stabilization Fund Discretionary Grants:			
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425	15559	115,632
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	21,386
Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve	84.425	15618	62,764
Expanded Learning Opportunities (ELO) Grant GEER II	84.425	15619	4,078
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs	84.425	15620	46,332
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	84.425	15621	79,869
After School Education and Safety (ASES) Rate Increase: ESSER III Summer Learning Prog	84.425	15652	52,800
Subtotal Education Stabilization Fund Discretionary Grants			382,861
Passed through California Department of Rehabilitation:			
State Vocational Rehabilitation Services Program			
State Vocational Rehabilitation Services Program	84.126A	*	90,714
Workability II, Transition Partnership	84.126	10006	182,719
Subtotal State Vocational Rehabilitation Services Program			273,433
Total U. S. Department of Education			2,198,659
U. S. DEPARTMENT OF AGRICULTURE:			
Passed through California Department of Education:			
Forest Reserve Funds	10.665	10044	145,994
Passed through California Department of Social Services:			
Child and Adult Care Food Program (CACFP)			
CACFP Claims - Centers and Family Day Care	10.558	13393	112,545
Total U. S. Department of Agriculture			258,539

(continued on the next page)

See accompanying note to supplementary information.

GLENN COUNTY OFFICE OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, continued
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 HEALTH AND HUMAN SERVICES:			
Passed through California Department of Education:			
Child Care and Development Block Grant			
Federal Alternative Payment, STAGE 2 (Contract Prefix C2AP)	93.575	15507	45,181
Federal General Child Care and Dev (CCTR)	93.596	13609	440,065
Family Child Care Home (CFCC)	93.596	13609	86,603
Federal Alternative Payment, Stage 3 (Contract Prefix C3AP)	93.575	13881	10,450
Child Development: Quality Improvement Activities	93.575	14130	62,865
Early Education: Federal Alternative Payment (Contract Prefix CAPP)	93.596	13694	1,358,459
Federal Local Planning Councils (Contract Prefix CLPC)	93.575	13946	122,527
Child Care and Development Programs	93.575	10163	1,172,107
Subtotal Child Care and Development Block Grant			3,298,257
Head Start	93.600	10016	3,201,585
Passed through California State University Chico Research Foundation:			
Special Programs for the Aging - Title III, Part C - Nutrition	93.045	*	600,797
Nutrition Services Incentive	93.053	*	169,735
Total U. S. Department of Health & Human Services			7,270,374
U. S. DEPARTMENT OF THE INTERIOR:			
Direct Program			
Payments in Lieu of Taxes - Fish & Wildlife	15.226	*	2,921
Total U. S. Department of the Interior			2,921
Total Federal Expenditures			$ 9,730,493

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

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

	Second Period Report	Annual Report
WILLIAM FINCH CHARTER SCHOOL		
Alternative Education Grant ADA		
Classroom-based ADA	None	None
Nonclassroom-based ADA		
Non-Juvenile Court Schools ADA		
Elementary		
Probation Referred, On Probation or Parole, Expelled pursuant to EC 48915(a) or (c)	-	0.05
High School		
Probation Referred, On Probation or Parole, Expelled pursuant to EC 48915(a) or (c)	0.58	0.66
Total Nonclassroom-based Alternative Education Grant ADA	0.58	0.71
Charter Funded ADA		
Classroom-based ADA	None	None
Nonclassroom-based ADA		
TK/K through Third		
County Community Schools	14.07	12.60
Fourth through Sixth		
County Community Schools	17.61	15.66
Seventh through Eighth		
County Community Schools	37.22	33.76
Ninth through Twelfth		
County Community Schools	70.74	63.31
Total Nonclassroom-based Charter Funded ADA	139.64	125.33
TOTAL CHARTER SCHOOL	140.22	126.04

	Second Period Report	Annual Report
SUCCESSONE!		
Classroom-based ADA	None	None
Nonclassroom-based ADA		
Ninth through Twelfth		
Regular ADA	64.77	66.31
TOTAL CHARTER SCHOOL	64.77	66.31

See accompanying note to supplementary information.

	Second Period Report	Annual Report
DISTRICT FUNDED COUNTY PROGRAMS		
TK/K through Third		
Special Education - Special Day Class	14.81	15.22
Extended Year Special Education - Nonpublic Schools	0.55	0.55
Total TK/K through Third	15.36	15.77
Fourth through Sixth		
Special Education - Special Day Class	12.33	11.92
Extended Year Special Education - Nonpublic Schools	0.22	0.22
Total Fourth through Sixth	12.55	12.14
Seventh through Eighth		
Special Education - Special Day Class	7.46	7.90
Extended Year Special Education - Nonpublic Schools	0.36	0.36
Total Seventh through Eighth	7.82	8.26
Ninth through Twelfth		
Special Education - Special Day Class	27.71	27.23
Extended Year Special Education - Nonpublic Schools	1.28	1.28
Total Ninth through Twelfth	28.99	28.51
Total District Funded County Programs	64.72	64.68

See accompanying note to supplementary information.

William Finch Charter School

Grade Level	Number of Days	Status
Kindergarten	180	Complied
Grade 1	180	Complied
Grade 2	180	Complied
Grade 3	180	Complied
Grade 4	180	Complied
Grade 5	180	Complied
Grade 6	180	Complied
Grade 7	180	Complied
Grade 8	180	Complied
Grade 9	180	Complied
Grade 10	180	Complied
Grade 11	180	Complied
Grade 12	180	Complied

SuccessOne!

Grade Level	Number of Days	Status
Grade 9	180	Complied
Grade 10	180	Complied
Grade 11	180	Complied
Grade 12	180	Complied

Both William Finch Charter School and SuccessOne! are nonclassroom-based charter schools.

See accompanying note to supplementary information.

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

	2025 (Budget)	2024	2023	2022
General Fund - Budgetary Basis**				
Revenues And Other Financing Sources	$ 26,581,357	$ 25,151,832	$ 24,722,102	$ 21,517,046
Expenditures And Other Financing Uses	28,111,528	25,584,997	26,132,795	$ 20,804,120
Net change in Fund Balance	$ (1,530,171)	$ (433,165)	$ (1,410,693)	$ 712,926
Ending Fund Balance	$ 5,132,928	$ 6,663,099	$ 7,096,264	$ 8,506,957
Available Reserves*	$ 2,252,206	$ 2,688,691	$ 3,819,332	$ 4,626,283
Available Reserves As A Percentage Of Outgo	8.01%	10.51%	14.62%	22.24%
Long-term Liabilities	$ 36,258,401	$ 36,458,401	$ 33,244,363	$ 24,347,105
Average Daily Attendance At P-2	270	270	295	286

The County School Service Fund balance has decreased by $1,843,858 over the past two years. The fiscal year 2024-25 budget projects a further decrease of $1,530,171. 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).

The County Office of Education has incurred operating deficits in two of the past three years but anticipates incurring an operating deficit during the 2024-25 fiscal year. Total long-term obligations have increased by $12,111,296 over the past two years.

Average daily attendance has decreased by 16 ADA over the past two years. No additional change in 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 Adult Education Fund, in accordance with the fund type definitions promulgated by GASB Statement No. 54. In addition, on-behalf payments are not included in the actual revenues and expenditures reported in this schedule.

See accompanying note to supplementary information.

GLENN 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	Adult Education Fund
June 30, 2024, annual financial and budget report fund balance	$ 6,663,099	$ 168,648
Adjustments and reclassifications:		
Increase (decrease) in total fund balances:		
Fund balance transfer (GASB 54)	168,648	(168,648)
Net adjustments and reclassifications	168,648	(168,648)
June 30, 2024, audited financial statement fund balance	$ 6,831,747	$ -

See accompanying note to supplementary information.

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

Charter #	Charter School	Status	Included in Audit Report
1350	Walden Academy	Active	No
1666	SuccessOne!	Active	Yes
634	William Finch	Active	Yes

See accompanying note to supplementary information.

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

	Deferred Maintenance Fund	Forest Reserve Fund	County School Facilities Fund	Non-Major Governmental Funds
ASSETS				
Cash and investments	$ 268,580	$ 1,030	$ -	$ 269,610
Accounts receivable	251,709	217	-	251,926
Due from other funds	60,615	-	214,134	274,749
Total Assets	$ 580,904	$ 1,247	$ 214,134	$ 796,285
LIABILITIES				
Deficit cash	$ -	$ -	$ 214,134	$ 214,134
Accrued liabilities	110,414	-	-	110,414
Total Liabilities	110,414	-	214,134	324,548
FUND BALANCES				
Restricted	-	1,247	-	1,247
Committed	470,490	-	-	470,490
Total Fund Balances	470,490	1,247	-	471,737
Total Liabilities and Fund Balances	$ 580,904	$ 1,247	$ 214,134	$ 796,285

See accompanying note to supplementary information.

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

	Special Education Pass-Through Fund	Deferred Maintenance Fund	Forest Reserve Fund	County School Facilities Fund	Non-Major Governmental Funds
REVENUES					
LCFF sources	$ -	$ 100,000	$ -	$ -	$ 100,000
Federal sources	-	-	145,994	-	145,994
Other state sources	876,583	-	-	-	876,583
Other local sources	-	251,709	244	-	251,953
Total Revenues	876,583	351,709	146,238	-	1,374,530
EXPENDITURES					
Current					
Plant services	-	42,362	-	-	42,362
Facilities acquisition and construction	-	164,125	-	214,134	378,259
Transfers to other agencies	876,583	-	127,015	-	1,003,598
Total Expenditures	876,583	206,487	127,015	214,134	1,424,219
Excess (Deficiency) of Revenues Over Expenditures	-	145,222	19,223	(214,134)	(49,689)
Other Financing Sources (Uses)					
Transfers in	-	-	-	214,134	214,134
Transfers out	-	-	(18,979)	-	(18,979)
Net Financing Sources (Uses)	-	-	(18,979)	214,134	195,155
NET CHANGE IN FUND BALANCE	-	145,222	244	-	145,466
Fund Balance - Beginning	-	325,268	1,003	-	326,271
Fund Balance - Ending	$ -	$ 470,490	$ 1,247	$ -	$ 471,737

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 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 County Office of Education. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to County Offices of Education. 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 the 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

The Glenn County Office of Education provides service to three elementary school districts and five unified school districts. The Glenn County Office of Education was formed in 1892. There are two charter schools operated by Glenn County Office of Education. William Finch Charter School was opened in 1985 and SuccessOne! Charter School was opened in 2014. There were no changes in the boundaries of the County Office of Education during the current year.

GOVERNING BOARD

Member	Office	Term Expires
Judy Holzapfel	President	2024
Janice Cannon	Vice-President	2026
Cori Enos	Member	2026
Jesus Palomino	Member	2024
Chris Redes	Member	2024

COUNTY OFFICE OF EDUCATION ADMINISTRATORS

Ryan Bentz
Superintendent

Darren Massa
Assistant Superintendent of Educational Services

Dusty Thompson
Assistant Superintendent of Business Services

Jacki Campos
Assistant Superintendent of Student Services, SELPA Director

Ronnie Stenquist
Director of Human Resources

OTHER INDEPENDENT AUDITORS’ REPORTS

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

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
Glenn County Office of Education
Willows, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Glenn 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 Glenn County Office of Education's basic financial statements, and have issued our report thereon dated February 28, 2025.

Report on Internal Control over Financial Reporting

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

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F: 619-260-9085
christywhite.com

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Glenn County Office of Education's financial statements are free of 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
February 28, 2025

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
Glenn County Office of Education
Willows, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Glenn 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 Glenn County Office of Education's major federal programs for the year ended June 30, 2024. Glenn 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, Glenn 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 Glenn 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 Glenn 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 Glenn 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 Glenn 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 Glenn 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 Glenn 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 Glenn 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 Glenn 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
February 28, 2025

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

Independent Auditors' Report

Governing Board
Glenn County Office of Education
Willows, California

Report on State Compliance

Opinion on State Compliance

We have audited Glenn 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 Glenn 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, Glenn 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 Glenn 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 Glenn 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 Glenn 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 Glenn 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 Glenn 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 Glenn 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 Glenn 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 Glenn County Office of Education's internal control over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine Glenn 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	Not Applicable
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	Yes

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are described in the accompanying schedule of findings and questioned costs as Finding #2024-001. Our opinion on state compliance is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

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

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

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

San Diego, California
February 28, 2025

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

GLENN 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
84.027, 84.027A, 84.173, 84.173A	Special Education Cluster
93.600	Head Start

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* ?	Yes
Type of auditors' report issued on compliance for state programs:	Unmodified

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.

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

FINDING #2024-001: EDUCATION PROTECTION ACCOUNT FUNDS (40000)

Criteria: Per California Constitution Article XIII, Section 36e, funds received in accordance with Education Protection Account (EPA) shall not be used for salaries or benefits of administrators or any other administrative costs. Specifically, the California Department of Education provides specific guidance stating that indirect costs are not an allowable use of EPA funds, as these costs are primarily administrative in nature. The law does allow for expenditures of certain administrative activities performed by County Offices of Education on behalf of the school districts within the county, provided they include the Standardized Account Code Structure (SACS) goal of 8600, without regard to function.

Condition: During testing of current year EPA funds expenditures, auditor noted administrative costs in the amount of $1,124 were expended using program funds. Based on criteria outlined above, these expenditures are considered to be noncompliant with program guidelines.

Effect: Based on criteria outlined above, administrative costs charged to EPA funds are considered to be noncompliant with legislative guidelines.

Cause: The County Office of Education was not aware of compliance requirement that disallows administrative costs to be charged program resource. This was an oversight when preparing year-end closing entries.

Context: Unallowable administrative costs were charged to EPA funds.

Questioned Costs: $1,124.

Repeat Finding: Yes.

Recommendation: We recommend that the County Office of Education implement procedures to review expenditures of EPA funds for compliance with applicable legislative guidelines set forth by California Constitution Article XIII, Section 36e.

County Office of Education Response: The COE will thoroughly review all EPA expenditures to ensure compliance with applicable legislative guidelines set forth by California Constitution Article XIII, Section 36e during the year-end closing process.

FINDING #2023-001: GANN LIMIT CALCULATION (40000)

Criteria: Education Code 42100(a) indicates that County Offices of Education are to transmit accurate unaudited actual information, including Gann Limit calculations to their County Office of Education.

Condition: The 2021-2022 ADA and appropriation limit calculation lines A1 and A2 on the Gann Limit form contained in the 2022-23 Unaudited Actuals filed with the California Department of Education were not accurate.

Effect: The information reported to the state was not accurate.

Cause: The County Office of Education noted the differences, however it is believed that the differences were due to the implementation of the new SACS Online web portal as the County Office of Education made no changes to prior year data.

Context: The prior year appropriations limit calculation reported on the 2022-23 Gann Form do not agree to the 2021-22 Gann Form.

Questioned Costs: There are no questioned costs associated with this finding.

Repeat Finding: No.

Recommendation: Strong internal controls require that the County Office of Education review the Gann Limit calculation to ensure the data is accurate.

County Office of Education Response: Data from the 2021-22 Gann Form was preloaded onto the 2022-23 Gann form and there was no ability to edit the data to ensure its accuracy. The discrepancy could be due to our expedited transition from the QSS financial system onto the Escape financial system. The COE will ensure that all data that is presented on the Gann Limit calculation coincides with prior year data.

Current Status: Implemented.

FINDING #2023-002: EDUCATION PROTECTION ACCOUNT FUNDS (40000)

Criteria: Per California Constitution Article XIII, Section 36e, funds received in accordance with Education Protection Account (EPA) shall not be used for salaries or benefits of administrators or any other administrative costs. Specifically, the California Department of Education provides specific guidance stating that indirect costs are not an allowable use of EPA funds, as these costs are primarily administrative in nature. The law does allow for expenditures of certain administrative activities performed by County Offices of Education on behalf of the school districts within the county, provided they include the Standardized Account Code Structure (SACS) goal of 8600, without regard to function.

Condition: During testing of current year EPA funds expenditures, auditor noted administrative costs in the amount of $34,899 were expended using program funds. Based on criteria outlined above, these expenditures are considered to be noncompliant with program guidelines.

Effect: Based on criteria outlined above, administrative costs charged to EPA funds are considered to be noncompliant with legislative guidelines.

Cause: The County Office of Education was not aware of compliance requirement that disallows administrative costs to be charged program resource. This was an oversight when preparing year-end closing entries.

Context: Unallowable administrative costs were charged to EPA funds.

Questioned Costs: $34,899.

Repeat Finding: No.

Recommendation: We recommend that the County Office of Education implement procedures to review expenditures of EPA funds for compliance with applicable legislative guidelines set forth by California Constitution Article XIII, Section 36e.

County Office of Education Response: The COE will thoroughly review all EPA expenditures to ensure compliance with applicable legislative guidelines set forth by California Constitution Article XIII, Section 36e during the year-end closing process.

Current Status: Not implemented, see Finding #2024-001.