Financial Statements
June 30, 2025

# Contra Costa Community College District

Schedule of Findings and Questioned Costs

**Independent Auditor's Report**

To the Board of Trustees
Contra Costa Community College District
Martinez, California

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

***Opinions***

We have audited the financial statements of the business-type activities and fiduciary activities of Contra Costa Community College District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of Contra Costa Community College District, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Adoption of New Accounting Standard***

As discussed in Note 2 and Note 12 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. Accordingly, a restatement has been made to the business-type activities net position as of July 1, 2024 to restate beginning net position. Our opinions are not modified with respect to this matter.


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

### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13 and other required supplementary schedules as listed in the table of contents on pages 65 through 76 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 District's basic financial statements. The accompanying supplementary information, including the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements*, *Cost Principles*, *and Audit Requirements for Federal Awards* (Uniform Guidance), and other supplementary information listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Expenditures of Federal Awards and other supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Eide Bailly LLP

Ontario, California
January 12, 2026

**Contra Costa Community College District**
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## USING THE INDEPENDENT AUDITOR'S REPORT

The purpose of this annual report is to provide readers with information about the activities, programs, and financial condition of the Contra Costa Community College District (4CD) as of June 30, 2025. The report consists of three basic financial statements that provide information about 4CD as a whole:

- Statement of Net Position
- Statement of Revenues, Expenses, and Changes in Net Position
- Statement of Cash Flows

This section of the annual financial report presents our discussion and analysis of 4CD's financial performance during the fiscal year that ended on June 30, 2025. Please read it in conjunction with 4CD's financial statements, which immediately follow this section. Responsibility for the completeness and accuracy of this information rests with 4CD management.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The Contra Costa Community College District's financial statements are presented in accordance with Governmental Accounting Standards Board Statements No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and local Governments* and No. 35, *Basic Financial Statements – and Management Discussion and Analysis – for Public College and Universities*. These statements allow for the presentation of financial activity and results of operations which focuses on 4CD as a whole. The financial statements present the overall results of operations whereby all 4CD activities are consolidated into one total versus the traditional presentation by fund type. The focus of the Statement of Net Position is designed to be similar to the bottom line results of 4CD. This statement combines and consolidates current financial resources with capital assets and long-term liabilities. The Statement of Revenues, Expenses, and Changes in Net Position focuses on the costs of 4CD's operational activities with revenues and expenses categorized as operating and nonoperating, and expenses are reported by natural classification. The Statement of Cash Flows provides an analysis of the sources and uses of cash within 4CD's operations.

The California Community Colleges Chancellor's Office has recommended that all State community colleges follow the Business Type Activity model for financial statement reporting purposes. This reporting model does not require fund financial statements to be included with 4CD's annual financial report.

**FINANCIAL HIGHLIGHTS**

4CD's primary funding source is general revenue comprised of local property taxes, student enrollment fees, and apportionment received from the State of California. Total funding available is determined by a formula established by the legislature. Prior to fiscal year 2018-2019, the funding formula consisted of a basic allocation established by State regulations plus an amount per full time equivalent student (FTES). In 2018-2019 legislature adopted the Student Centered Funding Formula (SCFF) which realigned how allocations are determined. Under SCFF, 70 percent of the general revenue is determined by a base allocation plus an amount per FTES; the remaining 30 percent of the funding is based on other metrics such as enrollment of special populations (20%) and various student success measures (10%). The student success measures also include additional funding for students receiving Federal Pell Grants and/or California Promise Grants. During fiscal year 2022-2023, 4CD was approved for a one year emergency conditions allowance (ECA) funding which came with various eligibility requirements. One of the eligibility requirements of ECA is for districts to maintain unrestricted general fund reserves of no less than two months of general fund operating revenues or expenditures. This reserve requirement has been codified in Board Policy 5033.

In 2024-2025, 4CD received $229.9 million in general revenue funding based upon the stability calculation of the SCFF, an increase of $1.3 million or 0.5% over prior year. The increase was predominately due to the utilization of summer borrowing in 2023-2024 which enabled 4CD to utilize SCFF Stabilization funding and the cost-of-living statutory rate provided in the enacted state budget for a second year in a row. With the changes in the SCFF to a 3-year averaging of credit FTES, it is anticipated that 4CD will be funded at a static amount via the "hold harmless" provisions for the upcoming fiscal year. On the personnel side, 4CD experienced a $8.4 million year over year increase in salary costs due to reduced vacancies and step and column increases for employee groups. Also, benefit expenses (excluding OPEB and Pension liability adjustments) increased by $10.7 million which was impacted by year-over-year health and welfare costs increases.

4CD acts as a pass-through for financial aid funds distributed to its students. During fiscal year 2024-2025, 4CD provided more than $62.9 million in financial aid to students attending classes at its three colleges and two centers. This aid was provided in the form of grants, scholarships and loans funded through the Federal government and the State System Office.

In 2002, 2006 and 2014 the voters of Contra Costa County approved over $856 million in capital bonds to be financed through property tax assessments. 4CD is utilizing these funds for construction and modernization projects at its three college campuses. The last projects from 2014 bond, Measure E, are currently under construction toward finalization of that program. The 2014 Bond Construction Fund (Fund 44) ended the year with a balance of $74.5 million with approximately $23.2 million anticipated to be utilized for projects in the upcoming fiscal year.

## THE DISTRICT AS A WHOLE

### Net Position

**Table 1**

The Statement of Net Position as of June 30, 2025 and 2024, is summarized below:

| | 2025 | 2024* | Change |
|---|---|---|---|
| Assets | | | |
| Current assets | | | |
| Cash, cash equivalents, and investments | $ 332,402,022 | $ 346,310,084 | $ (13,908,062) |
| Receivables, net | 37,729,351 | 39,967,747 | (2,238,396) |
| Inventory and other current assets | 4,560,977 | 3,668,421 | 892,556 |
| Total current assets | 374,692,350 | 389,946,252 | (15,253,902) |
| Noncurrent assets | | | |
| Capital assets, net | 693,017,022 | 703,520,978 | (10,503,956) |
| Total assets | 1,067,709,372 | 1,093,467,230 | (25,757,858) |
| Deferred Outflows of Resources | 80,546,128 | 91,410,481 | (10,864,353) |
| Liabilities | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | 30,272,344 | 35,656,069 | (5,383,725) |
| Unearned revenue | 38,184,920 | 46,779,995 | (8,595,075) |
| Current portion of long-term liabilities | 37,073,423 | 27,068,302 | 10,005,121 |
| Total current liabilities | 105,530,687 | 109,504,366 | (3,973,679) |
| Noncurrent liabilities | | | |
| Noncurrent portion of long-term liabilities | 865,312,106 | 904,936,452 | (39,624,346) |
| Total liabilities | 970,842,793 | 1,014,440,818 | (43,598,025) |
| Deferred Inflows of Resources | 77,985,606 | 68,628,205 | 9,357,401 |
| Net Position | | | |
| Net investment in capital assets | 154,160,396 | 144,008,595 | 10,151,801 |
| Restricted | 121,268,273 | 124,272,979 | (3,004,706) |
| Unrestricted deficit | (176,001,568) | (166,472,886) | (9,528,682) |
| Total net position | $ 99,427,101 | $ 101,808,688 | $ (2,381,587) |

* Amounts have not been restated for the effects of the implementation of GASB Statement No. 101. See Note 12 for further information.

Cash and investments consist primarily of funds held in the Contra Costa County Treasury, actively managed investment accounts, and the Local Agency Investment Fund (LAIF). The changes in our cash position are explained in the Statement of Cash Flows on pages 16 and 17.

Much of the unrestricted net assets have been designated by the Board or by contracts for purposes such as our required general reserve for ongoing financial health, commitments on contracts, other postemployment benefits, and auxiliary services reserves.

**Operating Results for the Year**

The results of this year's operations for the District as a whole are reported in the *Statement of Revenues, Expenses, and Changes in Net Position* on page 15.

**Table 2**

| | 2025 | 2024* | Change |
|---|---|---|---|
| Operating Revenues | | | |
| Tuition and fees, net | $ 27,995,911 | $ 27,986,758 | $ 9,153 |
| Grants and contracts, noncapital | 70,594,690 | 83,679,690 | (13,085,000) |
| Auxiliary sales and charges | 4,764,986 | 4,811,444 | (46,458) |
| Total operating revenues | 103,355,587 | 116,477,892 | (13,122,305) |
| Operating Expenses | | | |
| Salaries and benefits | 275,557,274 | 251,265,251 | 24,292,023 |
| Supplies and other expenses | 121,597,668 | 113,603,439 | 7,994,229 |
| Depreciation and amortization | 24,240,083 | 25,216,557 | (976,474) |
| Total operating expenses | 421,395,025 | 390,085,247 | 31,309,778 |
| Operating loss | (318,039,438) | (273,607,355) | (44,432,083) |
| Nonoperating Revenues (Expenses) | | | |
| State apportionments, noncapital | 64,262,878 | 69,018,327 | (4,755,449) |
| Property taxes | 198,051,472 | 192,224,793 | 5,826,679 |
| Student financial aid grants | 62,877,553 | 54,607,771 | 8,269,782 |
| State taxes and other revenues | 9,266,662 | 11,694,066 | (2,427,404) |
| Net interest expense | (7,789,757) | (5,134,142) | (2,655,615) |
| Other nonoperating revenues | 11,854,134 | 7,548,898 | 4,305,236 |
| Total nonoperating revenues (expenses) | 338,522,942 | 329,959,713 | 8,563,229 |
| Other Revenues (Losses) | | | |
| State capital income and losses on disposal of capital assets | - | 512,578 | (512,578) |
| Change in net position | $ 20,483,504 | $ 56,864,936 | $ (36,381,432) |

* Expenses for the year ended June 30, 2024 were not restated for the effects of the implementation of GASB Statement No. 101. See Note 12 for further information.

Highlights and other operational information for 4CD in fiscal year 2024-2025 include:

- 4CD contributed $4.9 million above "pay as you go" costs for retiree health benefits. This contribution continued 4CD's commitment towards setting aside funds for its long-term liabilities. The 4CD adoption budget includes an ongoing $1 million in additional contribution toward the irrevocable trust. The District's irrevocable trust plan fiduciary net position was funded at 87.21% of total OPEB actuarial liability as of June 30, 2025.

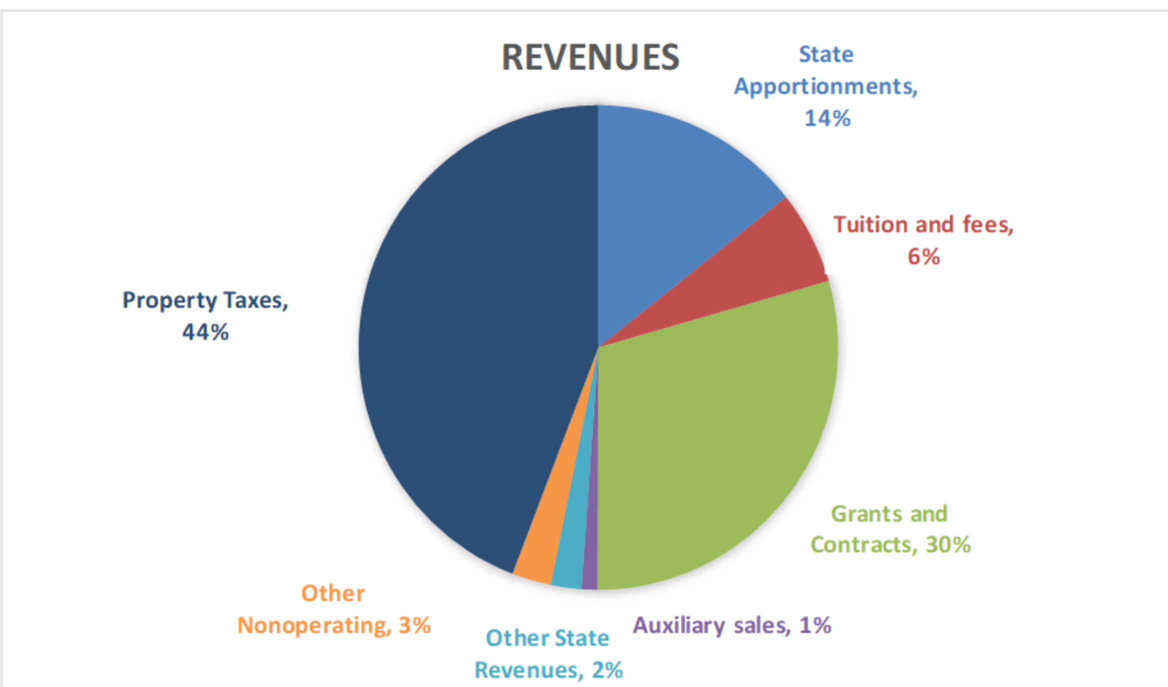
- 4CD met and surpassed the 50% law threshold, coming in at 52.55% at the of fiscal year 2024-2025.

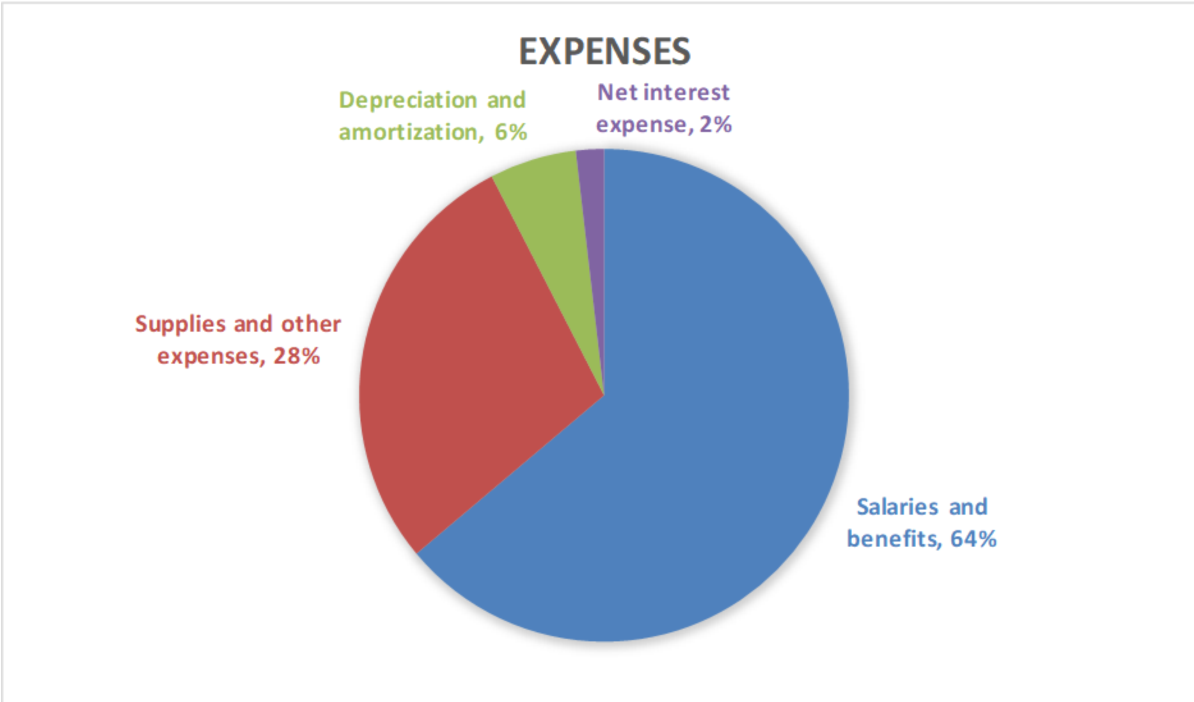
- Property tax revenue as a component of apportionment funding increased from $147.6 million in fiscal year 2023-2024 to $152.1 million in fiscal year 2024-2025. Increased local property tax revenue makes 4CD less reliant on state funding and generally improves our cash position. Other property tax revenue received by 4CD includes the ad valorem taxes collected to pay the bondholders for 4CD's general obligation bonds.

- Auxiliary revenue consists of bookstore and cafeteria operations. These operations were especially impacted by the pandemic resulting in a significant drop in revenues at the time. Although auxiliary revenues are slowly going up, 2024-2025 revenues of $4.8 million were only 48.0% of pre pandemic (2018-2019) revenue levels.

- Federal and state revenues relate primarily to student financial aid as well as to specific Federal and State grants received for programs serving the students and programs of 4CD. These grant and program revenues are restricted to allowable expenses related to the programs.

The following graphs show the components of 4CD's revenues and expenses in all funds.






In accordance with requirements set forth by the California Community Colleges Chancellor's Office, 4CD reports operating expenses by object code. Operating expenses by functional classification for the year ended June 30, 2025 were:

**Table 3**

| | Salaries and Employee Benefits | Supplies, Material, and Other Expenses and Services | Student Financial Aid | Equipment, Maintenance, and Repairs | Depreciation and Amortization | Total |
|---|---|---|---|---|---|---|
| Instructional activities | $ 133,003,058 | $ 4,634,509 | $ - | $ 583,989 | $ - | $ 138,221,556 |
| Academic support | 16,218,228 | 488,573 | - | 334 | - | 16,707,135 |
| Student services | 49,726,259 | 8,018,909 | - | 160,626 | - | 57,905,794 |
| Plant operations and maintenance | 13,757,484 | 11,827,213 | - | 52,025 | - | 25,636,722 |
| Instructional support services | 36,441,887 | 10,723,933 | - | 426,615 | - | 47,592,435 |
| Community services and economic development | 7,637,926 | 2,393,596 | - | 18,045 | - | 10,049,567 |
| Ancillary services and auxiliary operations | 16,440,123 | 4,058,287 | - | 191,362 | - | 20,689,772 |
| Student aid | - | 2,855,132 | 68,639,638 | - | - | 71,494,770 |
| Physical property and related acquisitions | 2,332,309 | 1,614,900 | - | 4,909,982 | - | 8,857,191 |
| Unallocated depreciation and amortization | - | - | - | - | 24,240,083 | 24,240,083 |
| Total | $ 275,557,274 | $ 46,615,052 | $ 68,639,638 | $ 6,342,978 | $ 24,240,083 | $ 421,395,025 |

The Statement of Cash Flows on pages 16 and 17 provides information about cash receipts and payments during the year. This statement also assists users in assessing 4CD's ability to meet its obligations as they come due and its need for external financing. 4CD's primary operating receipts are student tuition and fees and Federal, State, and local grants and contracts. The primary operating expense of 4CD is the payment of salaries and benefits to instructional and classified support staff. The statement of cash flows is summarized below:

**Table 4**

| | 2025 | 2024* |
|---|---|---|
| Net Cash Flows from | | |
| Operating activities | $ (313,571,939) | $ (272,652,418) |
| Noncapital financing activities | 301,111,990 | 282,555,212 |
| Capital financing activities | (14,152,565) | (32,322,973) |
| Investing activities | 12,671,123 | 14,201,832 |
| Change in Cash and Cash Equivalents | (13,941,391) | (8,218,347) |
| Cash and cash equivalents, Beginning of Year | 345,594,636 | 353,812,983 |
| Cash and cash equivalents, End of Year | $ 331,653,245 | $ 345,594,636 |

* Cash flows from operating activities for the year ended June 30, 2024 were not restated for the effects of the implementation of GASB Statement No. 101. See Note 12 for further information.

While State apportionment revenues and property taxes are the primary source of noncapital related revenue, the GASB accounting standards require that this source of revenue is shown as nonoperating revenue as it comes from the general resources of the State and not from the primary users of the college's programs and services – our students. 4CD depends upon this funding to continue its current level of operations.

## CAPITAL ASSETS AND LONG-TERM LIABILITY ADMINISTRATION

### Capital Assets

At June 30, 2025, 4CD had $693.0 million in a broad range of capital assets, including land, buildings, furniture and equipment, and right-to-use subscription IT assets. As a comparison, at June 30, 2024, 4CD's net capital assets were $703.5 million. 4CD continues its major capital improvement program with construction ongoing throughout the college campuses. These projects are primarily funded through our general obligation bonds resulting from voter-approved Measure E 2014. These projects are accounted for within our Construction in Progress account until the project is completed at which time the cost of the buildings and/or improvements will be brought into the depreciable Buildings and Improvements category.

Note 6 in the financial statements provides additional information on capital assets. A summary of capital assets is presented below:

**Table 5**

| | 2025 | 2024 |
|---|---|---|
| Land and improvements | $ 19,348,766 | $ 18,693,586 |
| Buildings and improvements | 642,642,633 | 659,214,611 |
| Furniture and equipment | 9,170,163 | 12,449,946 |
| Construction in progress | 21,383,151 | 12,501,603 |
| Right-to-use subscription IT assets | 472,309 | 661,232 |
| Total capital assets, net | $ 693,017,022 | $ 703,520,978 |

**Long-Term Liabilities**

At the end of the 2024-2025 fiscal year, 4CD had $619.0 million in general obligation bonds outstanding. These bonds are repaid annually in accordance with the obligation requirements through an increase in the assessed property taxes on property within the Contra Costa Community College District boundaries.

In addition to the above obligation, 4CD is obligated to employees or vendors for subscription-based IT arrangements, compensated absences, retiree health benefits, and its share of unfunded pension and MPP Program OPEB liabilities for the CalSTRS and CalPERS retirement systems. Table 6 summarizes these obligations.

Note 7, Note 8, and Note 10 in the financial statements provides additional information on long-term liabilities. A summary of long-term liabilities is presented below:

**Table 6**

| | 2025 | 2024* |
|---|---|---|
| General obligation bonds | $ 619,014,162 | $ 647,913,202 |
| Subscription-based IT arrangements | 369,269 | 542,571 |
| Compensated absences | 49,075,576 | 20,334,182 |
| Aggregate net OPEB liability | 30,315,711 | 50,791,488 |
| Aggregate net pension liability | 203,610,811 | 212,423,311 |
| Total long-term liabilities | 902,385,529 | 932,004,754 |
| Less current portion | (37,073,423) | (27,068,302) |
| Total long-term portion | $ 865,312,106 | $ 904,936,452 |

* Amounts have not been restated for the effects of the implementation of GASB Statement No. 101. See Note 12 for further information.

## BUDGETARY HIGHLIGHTS

Over the course of the year, 4CD revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The Governing Board adopted the final amendment to the budget for the 2024-2025 fiscal year on September 11, 2024.

4CD continued to see a vast majority of its expenditures within the unrestricted general fund go towards employee salary and benefits. In fiscal year 2024-2025, approximately 88.3% of all expenses within the unrestricted general fund went towards paying the salaries and benefits of current and retired employees. Retiree health benefit expenses as a stand-alone item constitute approximately 5.1% of the unrestricted general fund expenses.

## ECONOMIC FACTORS AFFECTING THE FUTURE OF CONTRA COSTA COMMUNITY COLLEGE DISTRICT

The economic position of 4CD is closely tied to the State of California as the general revenue allocated to 4CD represents the majority of the total unrestricted sources of revenues within the General Fund.

The approval of Proposition 30 and the subsequent extension of the personal income tax through Proposition 55 by the voters of California allows the community college system to maintain its base funding levels and stabilize the system revenue through 2030. In addition, the state continues to increase categorical funding earmarked for student success, equity, retention and enrollment outreach and career and technical education.

The CCCCD Governing Board continues to maintain 4CD's reserves in anticipation of an economic slowdown or recession. A Districtwide minimum reserve of two months of operational expenses, plus other local reserves yield a $93.5 million in ending fund balance for fiscal year 2024-2025.

The 2021-2022 Budget Act extended the SCFF's existing minimum revenue (hold harmless) provision by one year, through 2024-2025. Under that provision, districts will earn at least their 2017-2018 total computational revenue, adjusted by COLA each year, if applicable. The 2022-2023 Budget Act extends the revenue protections under the Student-Centered Funding Formula (SCFF) in a modified form, with a goal of avoiding sharp fiscal declines in 2025-2026 and supporting a smooth transition to the SCFF by formula over time. Under the provision, a district's 2024-2025 funding will represent its new "floor," below which it cannot drop. Starting in 2025-2026, districts will be funded at their SCFF generated amount or their "floor" (2024-2025 funding amount), whichever is higher. A key component of the modified funding formula is that Community Colleges in California will not receive associated Cost of Living Increases (COLA) beginning in 2025-2026 until such time as the FTES increase to previous levels or the allocation per FTES is increased to exceed this floor. 4CD has benefited from the State of California SCFF "hold harmless" provisions, but as of the end of 2024-2025 hold harmless or floor funding will no longer receive COLA.

The FTES submitted for the 2024-2025 school year by 4CD did not include any summer sessions due to both summer 2023 and summer 2024 totals being part of the 2023-2024 submission. As a result, 4CD was funded via the SCFF stabilization calculation in 2024-2025 and is expected to be funded under the "hold harmless" floor funding provision in 2025-2026. 2024-25 school year is also the final year that the three-year average for credit FTES will include the flexibility provisions that allowed 4CD to utilize pre-pandemic 2018-2019 FTES in lieu of the actual 2022-2023 FTES in the calculation. Effective with the 2025-2026 year, FTES included in the three-year average will be actual FTES reported.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, students, investors and creditors with a general overview of 4CD's finances and to show 4CD's accountability for the money it receives. If you have any questions about this report or need any additional information, please contact the Contra Costa Community College District, 500 North Court Street, Martinez, CA 94553.

| | |
|---|---|
| **Assets** | |
| Cash and cash equivalents | $ 4,720,284 |
| Investments | 327,681,738 |
| Accounts receivable | 28,508,896 |
| Student receivables, net | 9,220,455 |
| Prepaid expenses | 3,517,020 |
| Inventories | 1,043,957 |
| Capital assets not being depreciated or amortized | 35,437,859 |
| Capital assets, net of accumulated depreciation and amortization | 657,579,163 |
| Total assets | 1,067,709,372 |
| **Deferred Outflows of Resources** | |
| Deferred outflows of resources related to debt refunding | 6,032,517 |
| Deferred outflows of resources related to OPEB | 6,474,108 |
| Deferred outflows of resources related to pensions | 68,039,503 |
| Total deferred outflows of resources | 80,546,128 |
| **Liabilities** | |
| Accounts payable | 19,981,827 |
| Accrued interest payable | 10,289,406 |
| Due to fiduciary fund | 1,111 |
| Unearned revenue | 38,184,920 |
| Long-term liabilities | |
| Long-term liabilities other than OPEB and pensions, due within one year | 37,073,423 |
| Long-term liabilities other than OPEB and pensions, due in more than one year | 631,385,584 |
| Aggregate net other postemployment benefits (OPEB) liability | 30,315,711 |
| Aggregate net pension liability | 203,610,811 |
| Total liabilities | 970,842,793 |
| **Deferred Inflows of Resources** | |
| Deferred inflows of resources related to OPEB | 38,159,548 |
| Deferred inflows of resources related to pensions | 39,826,058 |
| Total deferred inflows of resources | 77,985,606 |
| **Net Position** | |
| Net investment in capital assets | 154,160,396 |
| Restricted for | |
| Debt service | 49,844,029 |
| Capital projects | 61,968,325 |
| Educational programs | 6,193,444 |
| Other activities | 3,262,475 |
| Unrestricted deficit | (176,001,568) |
| Total net position | $ 99,427,101 |

| | |
|---|---|
| **Operating Revenues** | |
| Tuition and fees | $ 41,886,026 |
| Less: Scholarship discounts and allowances | (13,890,115) |
| Net tuition and fees | 27,995,911 |
| Grants and contracts, noncapital | |
| Federal | 6,242,401 |
| State | 63,685,831 |
| Local | 666,458 |
| Total grants and contracts, noncapital | 70,594,690 |
| Auxiliary enterprise sales and charges | |
| Bookstore | 3,382,034 |
| Cafeteria | 1,382,952 |
| Total operating revenues | 103,355,587 |
| **Operating Expenses** | |
| Salaries | 187,549,239 |
| Employee benefits | 88,008,035 |
| Supplies, materials, and other operating expenses and services | 46,615,052 |
| Student financial aid | 68,639,638 |
| Equipment, maintenance, and repairs | 6,342,978 |
| Depreciation and amortization | 24,240,083 |
| Total operating expenses | 421,395,025 |
| **Operating Loss** | (318,039,438) |
| **Nonoperating Revenues (Expenses)** | |
| State apportionments, noncapital | 64,262,878 |
| Local property taxes, levied for general purposes | 152,146,932 |
| Taxes levied for other specific purposes | 45,904,540 |
| Federal and state financial aid grants | 62,877,553 |
| State taxes and other revenues | 9,266,662 |
| Investment income, net | 13,341,341 |
| Interest expense on capital related debt | (22,391,721) |
| Investment income on capital asset-related debt, net | 1,260,623 |
| Other nonoperating revenues | 11,854,134 |
| Total nonoperating revenues (expenses) | 338,522,942 |
| **Change In Net Position** | 20,483,504 |
| **Net Position, Beginning of Year, as previously reported** | 101,808,688 |
| **Adjustment (Note 12)** | (22,865,091) |
| **Net Position, Beginning of Year, as restated** | 78,943,597 |
| **Net Position, End of Year** | $ 99,427,101 |

| | |
|---|---|
| **Operating Activities** | |
| Tuition and fees | $ 22,617,485 |
| Federal, state, and local grants and contracts, noncapital | 58,341,257 |
| Auxiliary sales | 4,764,986 |
| Payments to or on behalf of employees | (275,896,864) |
| Payments to vendors for supplies and services | (54,759,165) |
| Payments to students for scholarships and grants | (68,639,638) |
| Net cash flows from operating activities | (313,571,939) |
| **Noncapital Financing Activities** | |
| State apportionments | 68,832,657 |
| Federal and state financial aid grants | 62,877,553 |
| Property taxes - nondebt related | 152,146,932 |
| State taxes and other apportionments | 7,190,016 |
| Other nonoperating activities | 10,064,832 |
| Net cash flows from noncapital financing activities | 301,111,990 |
| **Capital Financing Activities** | |
| Purchase of capital assets | (12,472,775) |
| Property taxes - related to capital debt | 45,904,540 |
| Principal paid on capital debt | (27,068,302) |
| Interest paid on capital debt | (21,521,907) |
| Interest received on capital asset-related debt | 1,005,879 |
| Net cash flows from capital financing activities | (14,152,565) |
| **Investing Activities** | |
| Purchase of investments | (33,329) |
| Change in fair value of cash in county treasury | 2,064,972 |
| Interest received from investments | 10,639,480 |
| Net cash flows from investing activities | 12,671,123 |
| Change In Cash and Cash Equivalents | (13,941,391) |
| Cash and Cash Equivalents, Beginning of Year | 345,594,636 |
| Cash and Cash Equivalents, End of Year | $ 331,653,245 |

| | |
|---|---|
| Reconciliation of Net Operating Loss to Net Cash Flows from Operating Activities | |
| Operating Loss | $ (318,039,438) |
| Adjustments to reconcile operating loss to net cash flows from operating activities | |
| Depreciation and amortization expense | 24,240,083 |
| Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources | |
| Accounts receivable | (7,476,827) |
| Student receivables, net | (1,559,957) |
| Prepaid expenses | (970,626) |
| Inventories | 78,070 |
| Deferred outflows of resources related to OPEB | 4,047,849 |
| Deferred outflows of resources related to pensions | 5,099,580 |
| Accounts payable | 3,658,975 |
| Unearned revenue | (8,595,075) |
| Compensated absences | 5,876,303 |
| Aggregate net OPEB liability | (20,475,777) |
| Aggregate net pension liability | (8,812,500) |
| Deferred inflows of resources related to OPEB | (1,126,069) |
| Deferred inflows of resources related to pensions | 10,483,470 |
| Total adjustments | 4,467,499 |
| Net cash flows from operating activities | $ (313,571,939) |
| Cash and Cash Equivalents Consist of the Following: | |
| Cash on hand and in banks | $ 4,720,284 |
| Cash in county treasury | 326,932,961 |
| Total cash and cash equivalents | $ 331,653,245 |
| Noncash Transactions | |
| Amortization of deferred outflows of resources related to debt refunding | $ 1,716,924 |
| Amortization of debt premiums | $ 2,004,040 |

| | Retiree OPEB Trust |
|---|---|
| **Assets** | |
| Investments | $ 203,247,460 |
| Accounts receivable | 1,100 |
| Due from primary government | 1,111 |
| Total assets | 203,249,671 |
| **Liabilities** | |
| Accounts payable | 120 |
| **Net Position** | |
| Restricted for postemployment benefits other than pensions | $ 203,249,551 |

| | Retiree OPEB Trust |
|---|---|
| **Additions** | |
| District contributions | $ 17,416,212 |
| Interest and investment income | 8,070,559 |
| Net realized and unrealized gains | 14,134,199 |
| Total additions | 39,620,970 |
| **Deductions** | |
| Benefit payments | 12,487,712 |
| Administrative expenses | 617,582 |
| Total deductions | 13,105,294 |
| Change in Net Position | 26,515,676 |
| Net Position, Beginning of Year | 176,733,875 |
| Net Position, End of Year | $ 203,249,551 |

## Note 1 - Organization

Contra Costa Community College District (the "District") was established in 1948 and began operating in 1949 as a political subdivision of the State of California and provides educational services to residents of the surrounding area. The District operates under a locally elected five-member Governing Board form of government, which establishes the policies and procedures by which the District operates. The Board must approve the annual budgets for the General Fund, special revenue funds, and capital project funds, but these budgets are managed at the department level. Currently, the District operates three colleges, Diablo Valley College located in Pleasant Hill, Contra Costa College located in San Pablo, and Los Medanos College located in Pittsburgh. In addition, there are two satellite centers located within Contra Costa County, California. While the District is a political subdivision of the State, it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board ("GASB") Codification Section (Cod. Sec) 2100.101. The District is classified as a state instrumentality under *Internal Revenue Code* Section 115 and is, therefore, exempt from Federal taxes.

## Note 2 - Summary of Significant Accounting Policies

### Financial Reporting Entity

The District has adopted accounting policies to determine whether certain organizations, for which the District is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the District, as defined by accounting principles generally accepted in the United States of America and established by GASB. The District identified that Contra Costa College, Diablo Valley College, and Los Medanos College Foundations (the Foundations), do not meet the criteria of a component unit. Therefore, the Foundation's assets, liabilities, and operations are not included in the District financial statements.

### Basis of Accounting

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB. This presentation provides a comprehensive government-wide perspective of the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, activities, and cash flows and replaces the fund group perspective previously required. Fiduciary activities are excluded from the primary government financial statements. The District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. The significant accounting policies followed by the District in preparing these financial statements are in accordance with accounting principles generally accepted in the United States of America as promulgated by GASB. Additionally, the District's policies comply with the California Community Colleges Chancellor's Office *Budget and Accounting Manual*. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All material intra-agency and intra-fund transactions have been eliminated.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. For the District, operating revenues consist primarily of student fees, noncapital grants and contracts, and auxiliary activities through the bookstore and cafeteria activities.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include State apportionments, property taxes, Federal and State grants, entitlements, and donations. Property tax revenue is recognized in the fiscal year received. State apportionment revenue is earned based upon criteria set forth from the California Community Colleges Chancellor's Office and includes reporting of full-time equivalent students (FTES) attendance. The corresponding apportionment revenue is recognized in the period the FTES are generated. Revenue from Federal and State grants and entitlements are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements may include time and/or purpose requirements.

Expenses are recorded on an accrual basis as they are incurred, when goods are received, or services are rendered.

**Cash and Cash Equivalents**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with the County treasury balances for purposes of the Statement of Cash Flows.

**Investments**

Investments 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, including money market investments and participating interest-earning investment contracts with original maturities greater than one year, are stated at cost or amortized cost.

The District's investment in the County treasury is measured at fair value on a recurring basis, which is determined by the fair value per share of the underlying portfolio determined by the program sponsor. Positions in this investment pool are not required to be categorized within the fair value hierarchy.

**Accounts Receivable**

Accounts receivable include amounts due from Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. The District provides for an allowance for uncollectible accounts as an estimation of amounts that may not be received. This allowance is based upon management's estimates and analysis. The allowance was estimated at $6,625,914 for the year ended June 30, 2025.

**Prepaid Expenses**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. The cost of prepaid items is recorded as an expense when consumed rather than when purchased.

**Inventories**

Inventories consist primarily of bookstore and cafeteria merchandise held for resale to the students and faculty of the colleges. Inventories are stated at the lower of cost or market value, utilizing the first-in, first-out method. The cost is recorded as an expense as the inventory is consumed rather than when purchased.

**Capital Assets, Depreciation, and Amortization**

Capital assets are long-lived assets of the District as a whole and include land, construction in progress, buildings, building and land improvements, and equipment. The District maintains an initial unit cost capitalization threshold of $250,000 for building and land improvements and $5,000 for all other capital assets. Assets are recorded at historical cost, or estimated historical cost, when purchased or constructed.

The District does not possess any infrastructure. Donated capital assets are recorded at acquisition value at the date of donation. Improvements to buildings and land that significantly increase the value or extend the useful life of the asset are capitalized; the costs of routine maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are charged as an operating expense in the year in which the expense was incurred. Major outlays for capital improvements are capitalized as construction in progress as the projects are constructed.

Depreciation is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 25 to 50 years; improvements, 20 years; equipment, 5 to 15 years; and vehicles, 8 years.

Right-to-use subscription IT assets are recognized at the subscription commencement date and represent the District's right to use the underlying IT asset for the subscription term. Right-to-use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right-to-use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method.

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 2025.

**Deferred Outflows of Resources and Deferred Inflows of Resources**

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense until then. The District reports deferred outflows of resources related to debt refunding, for OPEB related items, and for pension related items. The deferred outflows of resources related to debt refunding resulted from the difference between the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts for OPEB and pension related items are associated with differences between expected and actual earnings on plan investments, changes of assumptions, and other OPEB and pension related changes.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for OPEB and pension related items.

**Unearned Revenue**

Unearned revenues arise when resources are received by the District before it has a legal claim to them, such as when certain grants are received prior to the occurrence of qualifying expenses. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the financial statements and the revenue is recognized. Unearned revenue is primarily comprised of (1) amounts received for tuition and fees prior to the end of the fiscal year that are related to the subsequent fiscal year and (2) amounts received from Federal and State grants received before the eligibility requirements are met.

**Noncurrent Liabilities**

Noncurrent liabilities include general obligation bonds, SBITA liabilities, compensated absences, aggregate net OPEB liability, and aggregate net pension liability with maturities greater than one year.

**Debt Premiums**

Debt premiums are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. All other bond issuance costs are expensed when incurred.

**Subscription-based IT Arrangement (SBITA) Liabilities**

SBITA liabilities represent the District's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of the subscription payments is discounted based on a borrowing rate determined by the District.

**Compensated Absences**

Compensated absences are accrued as a liability as the benefits are earned for leave balances that are more likely than not to be used for compensated leave or settled through cash or noncash means. The entire compensated absence liability is reported on the Statement of Net Position. Compensated absences include vacation leave, load banking leave, and sick leave. The District offers load banking leave to eligible academic employees whereby the employee may teach extra courses in one period in exchange for time off in another period.

Sick leave is accumulated without limit for each employee based upon negotiated contracts. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are not paid for any sick leave balance at termination of employment or at any other time. Therefore, only the portion of accumulated sick leave that is more likely than not to be used by the employee for paid leave is recognized as a liability in the District's financial statements. Retirement credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive 0.004 year of service credit for each day of unused sick leave. Retirement credit for unused sick leave is applicable to all academic employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full time. The portion of sick leave that is more likely than not to be settled through conversion to service credit for employee retirement plans is not included in the District's liability for compensated absences.

**Postemployment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the aggregate net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District Plan and the CalSTRS Medicare Premium Payment (MPP) Program and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the District Plan and the MPP. For this purpose, the District Plan and the MPP recognize benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The aggregate net OPEB liability will be paid primarily by the General Fund.

**Pensions**

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

**Net Position**

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position related to net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. The District has related debt outstanding as of June 30, 2025. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The financial statements report $121,268,273 of restricted net position and the fiduciary fund financial statements report $203,249,551 of restricted net position.

**Operating and Nonoperating Revenues and Expenses**

**Classification of Revenues -** The District has classified its revenues as either operating or nonoperating. Certain significant revenue streams relied upon for operation are classified as nonoperating as defined by GASB. Classifications are as follows:

> **Operating Revenues** - Operating revenues include activities that have the characteristics of exchange transactions such as tuition and fees, net of scholarship discounts and allowances, noncapital Federal, State, and local grants and contracts, and sales and services of auxiliary enterprises.
>
> **Nonoperating Revenues** - Nonoperating revenues include activities that have the characteristics of nonexchange transactions such as State apportionments, property taxes, investment income, and other revenue sources defined by GASB.

**Classification of Expenses -** Nearly all of the District's expenses are from exchange transactions and are classified as either operating or nonoperating according to the following criteria:

> **Operating Expenses** - Operating expenses are necessary costs to provide the services of the District and include employee salaries and benefits, supplies, operating expenses, and student financial aid.
>
> **Nonoperating Expenses** - Nonoperating expenses include interest expense and other expenses not directly related to the services of the District.

**State Apportionments**

Certain current year apportionments from the State are based on financial and statistical information of the previous year. Any corrections due to the recalculation of the apportionment are made in February of the subsequent year. When known and measurable, these recalculations and corrections are accrued in the year in which the FTES are generated.

**Property Taxes**

Secured property taxes attach as an enforceable lien on property as of January 1. The County Assessor is responsible for assessment of all taxable real property. 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 of Contra Costa bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

The voters of the District passed General Obligation Bonds in June 2006 and June 2014 for the acquisition, construction, and rehabilitation of facilities. As a result of the passage of the Bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are assessed, billed, and collected by the County of Contra Costa and remitted to the District.

**Scholarship Discounts and Allowances**

Tuition and fee revenue is reported net of scholarship discounts and allowances. Fee waivers approved by the California Community College Board of Governors are included within the scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances represent the difference between stated charges for enrollment fees and the amount that is paid by students or third parties making payments on the students' behalf.

**Financial Assistance Programs**

The District participates in federally funded Pell Grants, Supplemental Educational Opportunity Grants (SEOG), and Federal Work-Study programs, as well as other programs funded by the Federal government and State of California. Financial aid provided to the student in the form of cash is reported as an operating expense in the Statement of Revenues, Expenses, and Changes in Net Position. Federal financial assistance programs are audited in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements*, *Cost Principles*, *and Audit Requirements for Federal Awards*.

**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, and those differences could be material.

**Interfund Activity**

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund activity within the primary government and fiduciary funds has been eliminated respectively in the consolidation process of the basic financial statements. Balances owing between the primary government and the fiduciary funds are not eliminated in the consolidation process.

Operating transfers between funds of the District are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use restricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Operating transfers within the primary government and fiduciary funds have been eliminated respectively in the consolidation process of the basic financial statements. Balances transferred between the primary government and the fiduciary funds are not eliminated in the consolidation process.

**Adoption of New Accounting Standard**

**Implementation of GASB Statement No. 101**

As of June 30, 2025, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. The effect of the implementation of this standard on beginning net position is disclosed in Note 12.

**Implementation of GASB Statement No. 102**

As of June 30, 2025, the District adopted GASB Statement No. 102, *Certain Risk Disclosures*, which requires management to evaluate whether there are risks related to a government's vulnerabilities due to certain concentrations or constraints that require disclosure. There was not a significant effect on the District's financial statements as a result of the implementation of this standard.

## Note 3 - Deposits and Investments

**Policies and Practices**

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

Investment in County Treasury - The District deposits substantially all receipts and collections of monies with their County Treasurer. The fair value of the District's investment in the pool is reported in the financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Investment in the State Investment Pool - The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California *Government Code* Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in the pool is reported in the financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on the amortized cost basis.

**General Authorizations**

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

| 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 |

**Authorized Under Debt Agreements**

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements rather than the general provisions of the California *Government Code*. These provisions allow for the acquisition of investment agreements with maturities of up to 30 years.

**Summary of Deposits and Investments**

Deposits and investments as of June 30, 2025, consisted of the following:

| | Primary Government | Fiduciary Fund |
|---|---|---|
| Cash on hand and in banks | $ 4,594,944 | $ - |
| Cash in revolving | 125,340 | - |
| Investments | 327,681,738 | 203,247,460 |
| Total deposits and investments | $ 332,402,022 | $ 203,247,460 |

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the Contra Costa County Investment Pool, LAIF, and mutual funds.

Information about the sensitivity of the fair values of the District's investments to interest rate risk and credit risk is provided by the following schedule that shows the distribution of the District's investment by maturity and credit rating:

| Investment Type | Fair Value | Weighted Average Maturity in Days | Credit Rating |
|---|---|---|---|
| Mutual funds | $ 203,212,610 | No maturity | Not rated |
| Contra Costa County Investment Pool | 326,967,811 | 277 | AAAf/S1+ |
| Local Agency Investment Fund (LAIF) | 748,777 | 248 | Not rated |
| Total | $ 530,929,198 | | |

**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 District's investments in mutual funds and LAIF are not required to be rated, nor have they been rated as of June 30, 2025.

**Custodial Credit Risk – Deposits and Investments**

**Deposits**

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California *Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% 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% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2025, the District's bank balance of approximately $3.9 million was exposed to custodial credit risk because it was collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

**Investments**

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. As of June 30, 2025, the District's investment balance of approximately $202.7 million was exposed to custodial credit risk because it was uninsured, unregistered, and held by the brokerage firm which is also the counterparty for these securities. The District does not have a policy limiting the amount of securities that can be held by counterparties.

## Note 4 - Fair Value Measurements

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, 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 in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

- 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, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

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

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

| Investment Type | Fair Value | Fair Value Measurements Using Level 1 Inputs |
|---|---|---|
| Mutual funds | $ 203,212,610 | $ 203,212,610 |

All assets have been valued using a market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets or group of assets.

## Note 5 - Accounts Receivable

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

| | Primary Government | Fiduciary Fund |
|---|---|---|
| Federal Government | | |
| Categorical aid | $ 1,977,382 | $ - |
| State Government | | |
| Apportionment | 2,343,463 | - |
| Categorical aid | 5,513,270 | - |
| Lottery | 4,037,768 | - |
| Other state sources | 6,659,528 | - |
| Local Sources | | |
| Interest | 2,515,992 | 1,100 |
| Other local sources | 5,461,493 | - |
| Total accounts receivable | $ 28,508,896 | $ 1,100 |
| Student receivables | $ 15,846,369 | $ - |
| Less: allowance for bad debt | (6,625,914) | - |
| Total student receivables, net | $ 9,220,455 | $ - |

## Note 6 - Capital Assets

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

| | Balance, July 1, 2024 | Additions | Deductions | Balance, June 30, 2025 |
|---|---|---|---|---|
| Capital Assets Not Being Depreciated or Amortized | | | | |
| Land | $ 14,054,708 | $ - | $ - | $ 14,054,708 |
| Construction in progress | 12,501,603 | 10,208,844 | (1,327,296) | 21,383,151 |
| Total capital assets not being depreciated or amortized | 26,556,311 | 10,208,844 | (1,327,296) | 35,437,859 |
| Capital Assets Being Depreciated or Amortized | | | | |
| Land improvements | 70,232,821 | 3,215,099 | - | 73,447,920 |
| Buildings and improvements | 847,620,595 | 1,913,702 | (1,329,249) | 848,205,048 |
| Furniture and equipment | 95,737,137 | 945,201 | (63,400) | 96,618,938 |
| Right-to-use subsciption IT assets | 944,618 | - | - | 944,618 |
| Total capital assets being depreciated or amortized | 1,014,535,171 | 6,074,002 | (1,392,649) | 1,019,216,524 |
| Less Accumulated Depreciation and Amortization | | | | |
| Land improvements | (65,593,943) | (2,559,919) | - | (68,153,862) |
| Buildings and improvements | (188,405,984) | (17,266,257) | 109,826 | (205,562,415) |
| Furniture and equipment | (83,287,191) | (4,224,984) | 63,400 | (87,448,775) |
| Right-to-use subsciption IT assets | (283,386) | (188,923) | - | (472,309) |
| Total accumulated depreciation and amortization | (337,570,504) | (24,240,083) | 173,226 | (361,637,361) |
| Total capital assets, net | $ 703,520,978 | $ (7,957,237) | $ (2,546,719) | $ 693,017,022 |

## Note 7 - Long-Term Liabilities other than OPEB and Pensions

### Summary

The changes in the District's long-term liabilities other than OPEB and pensions during the year ended June 30, 2025 consisted of the following:

| | Balance, July 1, 2024, as Restated | Additions | Deductions | Balance, June 30, 2025 | Due in One Year |
|---|---|---|---|---|---|
| General obligation bonds | $ 618,770,000 | $ - | $ (26,895,000) | $ 591,875,000 | $ 28,310,000 |
| Bond premium | 29,143,202 | - | (2,004,040) | 27,139,162 | - |
| Subscription-based IT arrangements | 542,571 | - | (173,302) | 369,269 | 180,751 |
| Compensated absences | 43,199,273 | 5,876,303 | - | 49,075,576 | 8,582,672 |
| Total | $ 691,655,046 | $ 5,876,303 | $ (29,072,342) | $ 668,459,007 | $ 37,073,423 |

The change in compensated absences is presented as a net change.

### Description of Long-Term Liabilities

Payments on the general obligation bonds are made by the bond interest and redemption fund with local property tax revenues. Payments for subscription-based IT arrangements will be made by the fund for which the software was intended.

### General Obligation Bonds

In March 2010, the District issued the 2010 Series B bonds in the amount of $50,305,000. The bonds require annual principal payments and semi-annual interest payments beginning August 2010 through August 2034. Annual interest rates range from 5.88% to 6.50%.

In August 2014, the District issued the 2014 Series A bonds in the amount of $120,000,000. The bonds require annual principal payments and semi-annual interest payments through August 2039. Annual interest rates range from 2.00% to 4.00%.

In September 2019, the District issued the 2019 Series B-2 bonds in the amount of $99,350,000. The bonds require annual principal payments and semi-annual interest payments through August 2039. Annual interest rates range from 3.00% to 5.00%.

In September 2019, the District issued the 2019 General Obligation Refunding Bonds in the amount of $221,660,000. The refunding bonds require annual principal payments and semi-annual interest payments through August 2038. Annual interest rates range from 1.65% to 2.93%.

In November 2020, the District issued the 2020 Series C bonds in the amount of $110,000,000. The bonds require annual principal payments and semi-annual interest payments through August 2039. Annual interest rates range from 0.20% to 4.00%.

In November 2020, the District issued the 2020 General Obligation Refunding Bonds in the amount of $35,395,000. The refunding bonds require annual principal payments and semi-annual interest payments through August 2032. Annual interest rates range from 0.35% to 2.25%.

In October 2022, the District issued the 2022 Series D and 2022 Series E bonds in the amounts of $40,000,000 and $70,000,000, respectively. The 2022 Series D bonds require annual principal payments and semi-annual interest payments through August 2039, with an annual interest rates of 5.00%. The 2022 Series E bonds require annual principal payments and semi-annual interest payments through August 2035, with an annual interest rates ranging from of 4.07% to 4.85%.

The outstanding general obligation bonded debt is as follows:

| Issue Date | Maturity Date | Interest Rate | Original Issue | Bonds Outstanding, July 1, 2024 | Issued | Redeemed | Bonds Outstanding, June 30, 2025 |
|---|---|---|---|---|---|---|---|
| 3/30/2010 | 8/1/2034 | 5.88%-6.50% | $ 50,305,000 | $ 48,495,000 | $ - | $ (2,055,000) | $ 46,440,000 |
| 8/27/2014 | 8/1/2039 | 2.00%-4.00% | 120,000,000 | 82,945,000 | - | (1,780,000) | 81,165,000 |
| 9/12/2019 | 8/1/2039 | 3.00%-5.00% | 99,350,000 | 51,260,000 | - | (1,620,000) | 49,640,000 |
| 9/12/2019 | 8/1/2038 | 1.65%-2.93% | 221,660,000 | 201,795,000 | - | (5,730,000) | 196,065,000 |
| 11/23/2020 | 8/1/2039 | 0.20%-4.00% | 110,000,000 | 98,675,000 | - | (2,665,000) | 96,010,000 |
| 11/23/2020 | 8/1/2032 | 0.35%-2.25% | 35,395,000 | 33,405,000 | - | (7,290,000) | 26,115,000 |
| 10/06/2022 | 8/1/2039 | 5.00% | 40,000,000 | 40,000,000 | - | - | 40,000,000 |
| 10/06/2022 | 8/1/2035 | 4.07%-4.85% | 70,000,000 | 62,195,000 | - | (5,755,000) | 56,440,000 |
| | | | | $ 618,770,000 | $ - | $ (26,895,000) | $ 591,875,000 |

**Debt Service Requirements to Maturity**

The bonds mature through 2040 as follows:

| Fiscal Year | Principal | Current Interest to Maturity | Total |
|---|---|---|---|
| 2026 | $ 28,310,000 | $ 20,717,732 | $ 49,027,732 |
| 2027 | 29,550,000 | 19,797,059 | 49,347,059 |
| 2028 | 32,455,000 | 18,790,707 | 51,245,707 |
| 2029 | 35,105,000 | 17,678,133 | 52,783,133 |
| 2030 | 38,030,000 | 16,440,306 | 54,470,306 |
| 2031-2035 | 193,355,000 | 60,956,895 | 254,311,895 |
| 2036-2040 | 235,070,000 | 19,522,601 | 254,592,601 |
| Total | $ 591,875,000 | $ 173,903,433 | $ 765,778,433 |

**Subscriptions-based IT Arrangements (SBITAs)**

The District entered into SBITAs for the use of various software. At June 30, 2025, the District has recognized a right-to-use subscription IT asset, net of accumulated amortization of $472,309 and a SBITA liability of $369,269 related to this agreement. Under the terms of the SBITAs, the District makes payments ranging from $83,202 to $110,000 annually, which amounted to total principal and interest costs of $193,202 for the year ending June 30, 2025. During the fiscal year, the District recorded $188,923 in amortization expense and $19,900 in interest expense for the SBITAs. The District used a discount rate of 4.22% based on the estimated incremental borrowing rate for financing over a similar time period.

The remaining principal and interest payment requirements for the SBITA obligation debt as of June 30, 2025 are as follows:

| Fiscal Year | Principal | Interest to Maturity | Total |
|---|---|---|---|
| 2026 | $ 180,751 | $ 12,451 | $ 193,202 |
| 2027 | 188,518 | 4,684 | 193,202 |
| Total | $ 369,269 | $ 17,135 | $ 386,404 |

## Note 8 - Aggregate Net Other Postemployment Benefits (OPEB) Liability

For the year ended June 30, 2025, the District reported an aggregate net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

| OPEB Plan | Aggregate Net OPEB Liability | Deferred Outflows of Resources | Deferred Inflows of Resources | OPEB Expense |
|---|---|---|---|---|
| District Plan | $ 29,813,098 | $ 6,474,108 | $ 38,159,548 | $ (17,507,936) |
| Medicare Premium Payment (MPP) Program | 502,613 | - | - | (46,061) |
| Total | $ 30,315,711 | $ 6,474,108 | $ 38,159,548 | $ (17,553,997) |

The details of each plan are as follows:

**District Plan**

**Plan Administration**

The District's governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses.

Management of the Plan is vested in the District management. Management of the trustee assets is vested with the Retirement Board of Authority. The Board of Authority is comprised of the following seven positions: Executive Vice Chancellor, Administrative Services, Associate Vice Chancellor/Chief Financial Officer, College President, Vice President, United Faculty Representative, Local 1 Representative and Management Council Representative. Board members are appointed by resolution of the governing body of the District.

**Plan Membership**

At June 30, 2025, the valuation date, the Plan membership consisted of the following:

| | |
|---|---|
| Inactive employees or beneficiaries currently receiving benefits payments | 808 |
| Active employees | 1,150 |
| Total | 1,958 |

**Contra Costa Community College District Futuris Trust**

The Contra Costa Community College District Futuris Trust (the Trust) is an irrevocable governmental trust pursuant to Section 115 of the IRC for the purpose of funding certain postemployment benefits other than pensions. The Trust is administered by the Contra Costa Community College District Retirement Board of Authority as directed by the investment alternative choice selected by the District. The District retains the responsibility to oversee the management of the Trust, including the requirement that investments and assets held within the Trust continually adhere to the requirements of the California *Government Code* Section 53600.5 which specifies that the trustee's primary role is to preserve capital, to maintain investment liquidity, and to protect investment yield. As such, the District acts as the fiduciary of the Trust. The financial activity of the Trust has been discretely presented. The Trust issues separate financial statements, which are produced by the District and available upon request.

**Benefits Provided**

The Plan provides medical, dental, and Part B insurance benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer, and the cost of benefits is covered by the Plan as detailed in the following tables. The District's governing board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

The following summarizes benefits provided under the Plan for the year ended June 30, 2025:

| | Faculty | Classified | Management |
|---|---|---|---|
| Hire date | Before July 1, 1984 | Before July 1, 1984 | Before July 1, 1984 |
| Benefits provided | Medical, Dental, and Part B | Medical, Dental, and Part B | Medical, Dental, and Part B |
| Duration of benefits | Lifetime | Lifetime | Lifetime |
| Required service | 10 years | 10 years | 10 years |
| Minimum age | 55 | 50 | 50-55 |
| Dependent Coverage | Yes | Yes | Yes |
| District contribution | 100% | 100% | 100% |
| District cap | Active | Active | Active |

| | Faculty | Classified | Management |
|---|---|---|---|
| Hire date | July 1, 1984 to June 30, 2005 | July 1, 1984 to June 30, 2005 | July 1, 1984 to June 30, 2005 |
| Benefits provided | Medical, Dental, and Part B | Medical, Dental, and Part B | Medical, Dental, and Part B |
| Duration of benefits | Lifetime | Lifetime | Lifetime |
| Required service | 10 years | 10 years | 10 years |
| Minimum age | 55 | 50 | 50-55 |
| Dependent Coverage | Yes | Yes | Yes |
| District contribution | Age + Service: 80+ | Age + Service: 80+ | Age + Service: 80+ |
| | 100% for employee<br>50% for dependent | 100% for employee<br>50% for dependent | 100% for employee<br>50% for dependent |
| | Age + Service: 70-79 | Age + Service: 70-79 | Age + Service: 70-79 |
| | 50% for employee<br>25% for dependent | 50% for employee<br>25% for dependent | 50% for employee<br>25% for dependent |
| District cap | Active | Active | Active |

| | Faculty | Classified | Management |
|---|---|---|---|
| Hire date | July 1, 2005 to June 30, 2020 | July 1, 2005 to June 30, 2020 | July 1, 2005 to June 30, 2020 |
| Benefits provided | Medical, Dental, and Part B | Medical, Dental, and Part B | Medical, Dental, and Part B |
| Duration of benefits | Lifetime | Lifetime | Lifetime |
| Required service | 10 years | 10 years | 10 years |
| Minimum age | 55 | 50 | 50-55 |
| Dependent Coverage | Yes | Yes | Yes |
| District contribution | Age + Service: 80+ | Age + Service: 80+ | Age + Service: 80+ |
| | Age: less than 65 | Age: less than 65 | Age: less than 65 |
| | 100% for employee | 100% for employee | 100% for employee |
| | 50% for dependent | 50% for dependent | 50% for dependent |
| | Age: 65+ | Age: 65+ | Age: 65+ |
| | 50% for employee only | 50% for employee only | 50% for employee only |
| | Age + Service: 70-79 | Age + Service: 70-79 | Age + Service: 70-79 |
| | Age: less than 65 | Age: less than 65 | Age: less than 65 |
| | 50% for employee | 50% for employee | 50% for employee |
| | 25% for dependent | 25% for dependent | 25% for dependent |
| | Age: 65+ | Age: 65+ | Age: 65+ |
| | 25% for employee only | 25% for employee only | 25% for employee only |
| District cap | Active | Active | Active |

| | Faculty | Classified | Management |
|---|---|---|---|
| Hire date | After June 30, 2020 | After June 30, 2020 | After June 30, 2020 |
| Benefits provided | Medical and Dental | Medical and Dental | Medical and Dental |
| Duration of benefits | To Age 65 | To Age 65 | To Age 65 |
| Required service | 10 years | 10 years | 10 years |
| Minimum age | 55 | 50 | 50-55 |
| Dependent Coverage | Yes | Yes | Yes |
| District contribution | Age + Service: 80+ | Age + Service: 80+ | Age + Service: 80+ |
| | Age: less than 65 | Age: less than 65 | Age: less than 65 |
| | 100% for employee | 100% for employee | 100% for employee |
| | 50% for dependent | 50% for dependent | 50% for dependent |
| | Age + Service: 70-79 | Age + Service: 70-79 | Age + Service: 70-79 |
| | Age: less than 65 | Age: less than 65 | Age: less than 65 |
| | 50% for employee | 50% for employee | 50% for employee |
| | 25% for dependent | 25% for dependent | 25% for dependent |
| District cap | Active | Active | Active |

**Contributions**

The contribution requirements of Plan members and the District are established and may be amended by the District and the bargaining units. The voluntary contributions are based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined feasible by District management and the District's Governing Board. For the measurement period ending June 30, 2025, the District contributed $17,416,212 to the Plan, of which $12,487,712 was used for current premiums and $4,928,500 was used to fund the OPEB trust.

**Investment**

**Investment Policy**

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the governing board by a majority vote of its members. It is the policy of the District to pursue an investment strategy that reduces risks through the prudent diversification for the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocation over short time spans. The following was the governing board's adopted asset allocation policy as of June 30, 2025:

| Asset Class | Target Allocation |
|---|---|
| Domestic equity | 22% |
| Fixed income | 55% |
| International equity | 19% |
| Real estate | 4% |

**Rate of Return**

For the year ended June 30, 2025, the annual money-weighed rate of return on investments, net of investment expense, was 12.40%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net OPEB Liability of the District**

The District's net OPEB liability of $29,813,098 was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2025. The components of the net OPEB liability of the District at June 30, 2025, were as follows:

| | |
|---|---|
| Total OPEB liability | $ 233,062,649 |
| Plan fiduciary net position | (203,249,551) |
| Net OPEB liability | $ 29,813,098 |
| Plan fiduciary net position as a percentage of the total OPEB liability | 87.21% |

**Actuarial Assumptions**

The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|---|---|
| Inflation | 2.50% |
| Salary increases | 2.75% |
| Investment rate of return | 6.10% |
| Healthcare cost trend rate | 4.00% |

The discount rate was based on the assumed long-term expected rate of return on plan assets.

Mortality rates were based on the 2020 CalSTRS Mortality Table for certificated employees and the 2021 CalPERS Active Mortality for Miscellaneous and School Employees Table for classified and miscellaneous employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actuarial assumptions used in the June 30, 2025 valuation were based on the results of an actual experience study as of October 2025.

The long-term expected rate of return on OPEB 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 investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2025, (see the discussion of the Plan's investment policy) are summarized in the following table:

| Asset Class | Long-Term Expected Real Rate of Return |
|---|---|
| Domestic equity | 7.25% |
| Fixed income | 4.25% |
| International equity | 7.25% |
| Real estate | 7.25% |

**Discount Rate**

The discount rate used to measure the total OPEB liability was 6.10%. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Changes in the Net OPEB Liability**

| | Increase (Decrease) | | |
|---|---|---|---|
| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability (a) - (b) |
| Balance, June 30, 2024 | $ 226,976,689 | $ 176,733,875 | $ 50,242,814 |
| Service cost | 5,095,434 | - | 5,095,434 |
| Interest | 13,620,114 | - | 13,620,114 |
| Difference between expected and actual experience | (141,876) | - | (141,876) |
| Contributions - employer | - | 17,416,212 | (17,416,212) |
| Expected investment income | - | 10,911,800 | (10,911,800) |
| Differences between projected and actual earnings on OPEB plan investments | - | 11,292,958 | (11,292,958) |
| Benefit payments | (12,487,712) | (12,487,712) | - |
| Administrative expense | - | (617,582) | 617,582 |
| Net change in total OPEB liability | 6,085,960 | 26,515,676 | (20,429,716) |
| Balance, June 30, 2025 | $ 233,062,649 | $ 203,249,551 | $ 29,813,098 |

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

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

| Discount Rate | Net OPEB Liability |
|---|---|
| 1% decrease (5.10%) | $ 57,017,304 |
| Current discount rate (6.10%) | 29,813,098 |
| 1% increase (7.10%) | 7,051,853 |

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

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percent lower or higher than the current healthcare cost trend rate:

| Healthcare Cost Trend Rate | Net OPEB Liability |
|---|---|
| 1% decrease (3.00%) | $ 3,894,910 |
| Current healthcare cost trend rate (4.00%) | 29,813,098 |
| 1% increase (5.00%) | 61,363,171 |

**Deferred Outflows/Inflows of Resources Related to OPEB**

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB for the following:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ - | $ 29,637,118 |
| Changes of assumptions | 6,474,108 | - |
| Net difference between projected and actual earnings on OPEB plan investments | - | 8,522,430 |
| Total | $ 6,474,108 | $ 38,159,548 |

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on OPEB plan investments will be amortized over a closed five-year period and will be recognized in OPEB expense as follows:

| Year Ended June 30, | Deferred Outflows/(Inflows) of Resources |
|---|---|
| 2026 | $ 3,416,804 |
| 2027 | (5,279,081) |
| 2028 | (4,407,525) |
| 2029 | (2,252,628) |
| Total | $ (8,522,430) |

The deferred outflows/(inflows) of resources related to differences between expected and actual experience in the measurement of the total OPEB liability and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits as of the beginning of the measurement period. The EARSL for the measurement period is 6.9 years and will be recognized in OPEB expense as follows:

| Year Ended June 30, | Deferred Outflows/(Inflows) of Resources |
|---|---|
| 2026 | $ (6,471,845) |
| 2027 | (6,270,100) |
| 2028 | (5,463,129) |
| 2029 | (4,918,870) |
| 2030 | (20,562) |
| Thereafter | (18,504) |
| Total | $ (23,163,010) |

**Medicare Premium Payment (MPP) Program**

**Plan Description**

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

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/forms-publications.

**Benefits Provided**

The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the State Teachers Retirement Plan (STRP) Defined Benefit (DB) Program who were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A. The payments are made directly to the Centers for Medicare and Medicaid Services (CMS) on a monthly basis.

The MPP Program is closed to new entrants as members who retire after July 1, 2012, are not eligible for coverage under the MPP Program.

The MPP Program is funded on a pay-as-you go basis from a portion of monthly District benefit payments. In accordance with California *Education Code* Section 25930, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

**Net OPEB Liability and OPEB Expense**

At June 30, 2025, the District reported a liability of $502,613 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating entities, actuarially determined. The District's proportionate share for the measurement periods ending June 30, 2024 and June 30, 2023, was 0.1886% and 0.1808%, respectively, resulting in a net increase in the proportionate share of 0.0078%.

For the year ended June 30, 2025, the District recognized OPEB expense of $(46,061).

**Actuarial Methods and Assumptions**

The June 30, 2024 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023 and rolling forward the total OPEB liability to June 30, 2024, using the assumptions listed in the following table:

| | |
|---|---|
| Measurement Date | June 30, 2024 |
| Valuation Date | June 30, 2023 |
| Experience Study | July 1, 2007 through June 30, 2022 |
| Actuarial Cost Method | Entry age normal |
| Investment Rate of Return | 3.93% |
| Medicare Part A Premium Cost Trend Rate | 5.00% |
| Medicare Part B Premium Cost Trend Rate | 6.50% |

For the valuation as of June 30, 2023, CalSTRS uses a generational mortality assumption, which is based off generational mortality tables that reflect expected future improvements in mortality and includes a base table and a projection table. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among members. The projection table reflects the expected annual reduction in mortality rates at each age. The current mortality assumption uses a base year of 2023, and projected improvement is based on the MP–2021 Ultimate Projection Scale.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 154 or an average of 0.12% of the potentially eligible population (132,333).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2024, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

**Discount Rate**

As the MPP Program is funded on a pay-as-you-go basis, the OPEB plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, the MPP Program used the Bond Buyer's 20-Bond GO Index from Bondbuyer.com as of June 30, 2024, as the discount rate, which was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate as of June 30, 2024, was 3.93%, which is an increase of 0.28% from 3.65% as of June 30, 2023.

**Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the District's proportionate share of the net OPEB liability calculated using the current discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

| Discount Rate | Net OPEB Liability |
|---|---|
| 1% decrease (2.93%) | $ 542,306 |
| Current discount rate (3.93%) | 502,613 |
| 1% increase (4.93%) | 467,708 |

**Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Medicare Costs Trend Rates**

The following presents the District's proportionate share of the net OPEB liability calculated using the current Medicare costs trend rates, as well as what the net OPEB liability would be if it were calculated using the Medicare costs trend rates that are one percent lower or higher than the current rates:

| Medicare Costs Trend Rates | Net OPEB Liability |
|---|---|
| 1% decrease (4.00% Part A and 5.50% Part B) | $ 465,617 |
| Current Medicare costs trend rates (5.00% Part A and 6.50% Part B) | 502,613 |
| 1% increase (6.00% Part A and 7.50% Part B) | 543,917 |

## Note 9 - Risk Management

The District participates in Joint Power Agreements ("JPAs"), with Contra Costa County Schools Insurance Group (CCCSIG) for workers' compensation insurance and Bay Area Community College District Joint Powers Authority (BACCDJPA) for property and liability insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years. There have been no significant reductions in insurance coverage from coverage in the prior year. The relationship between the District and the JPAs is such that the JPAs are not component units of the District for financial reporting purposes. The JPAs are governed by boards consisting of a representative from each member district. The boards control the operations of the JPAs, including the selection of management and approval of operating budgets, independent of any influence by the member district beyond their representation on the governing board. The District pays a premium commensurate with the level of coverage requested.

Member districts share surpluses and deficits proportionate to their participation in the JPAs. The JPAs are independently accountable for their fiscal matters and maintain their own accounting records. Budgets are not subject to any approval other than that of the governing board.

Workers' Compensation: The District provides a cooperative program of self-insurance for workers' compensation for its employees. The District is covered by CCCSIG for individual claims to a Statutory maximum per claim.

Property and Liability: The District is self insured for individual property and liability claims less than $10,000, and is covered by BACCDJPA for individual claims exceeding such amounts to $250 million for property and $25 million for liability.

Employee Medical Benefits: The District has contracted with Kaiser and Anthem to provide employee medical benefits. Rates are set through an annual calculation process. The District pays monthly contributions as applicable to each of these plans.

## Note 10 - Employee Retirement Systems

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers' Retirement System (CalSTRS), classified employees are members of the California Public Employees' Retirement System (CalPERS) Schools Pool Plan, and campus police employees are members of the CalPERS Safety Pool Plan. Additionally, employees may elect to participate in the District's Cash-in-lieu Plan.

For the year ended June 30, 2025, the District reported its proportionate share of the aggregate net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

| Pension Plan | Aggregate Net Pension Liability | Deferred Outflows of Resources | Deferred Inflows of Resources | Pension Expense |
|---|---|---|---|---|
| CalSTRS | $ 86,814,215 | $ 33,582,420 | $ 24,865,392 | $ 24,101,809 |
| CalPERS - Schools Pool Plan | 100,838,834 | 29,131,876 | 4,369,796 | 15,491,357 |
| CalPERS - Safety Pool Plan | 5,599,136 | 2,083,783 | 55,939 | 530,022 |
| Cash-in-lieu Plan | 10,358,626 | 3,241,424 | 10,534,931 | (829,976) |
| Total | $ 203,610,811 | $ 68,039,503 | $ 39,826,058 | $ 39,293,212 |

The details of each plan are as follows:

### California State Teachers' Retirement System (CalSTRS)

### Plan Description

The District contributes to the State Teachers' Retirement Plan (STRP) administered by CalSTRS. STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that may be found on the CalSTRS website under Publications at: http://www.calstrs.com/forms-publications.

**Benefits Provided**

The STRP provides retirement, disability, and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0% of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the State is the sponsor of the STRP and obligor of the trust. In addition, the State is both an employer and non-employer contributing entity to the STRP.

The District contributes to the STRP Defined Benefit Program and Cash Balance Program.

The STRP Defined Benefit Program provisions and benefits in effect at June 30, 2025, are summarized as follows:

| Hire date | On or before December 31, 2012 | On or after January 1, 2013 |
|---|---|---|
| Benefit formula | 2% at 60 | 2% at 62 |
| Benefit vesting schedule | 5 years of service | 5 years of service |
| Benefit payments | Monthly for life | Monthly for life |
| Retirement age | 60 | 62 |
| Monthly benefits as a percentage of eligible compensation | 2.0% - 2.4% | 2.0% - 2.4% |
| Required employee contribution rate | 10.25% | 10.205% |
| Required employer contribution rate | 19.10% | 19.10% |
| Required State contribution rate | 10.828% | 10.828% |

**Contributions**

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and are detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with California Assembly Bill 1469, employer contributions into CalSTRS will be increasing to a total of 19.10% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2025, are presented above, and the District's total contributions were $18,029,409.

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

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

| | |
|---|---|
| Total net pension liability, including State share: | |
| District's proportionate share of net pension liability | $ 86,814,215 |
| State's proportionate share of net pension liability associated with the District | 39,830,661 |
| Total | $ 126,644,876 |

The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating member districts and the State, as actuarially determined. The District's proportionate share for the measurement periods of June 30, 2024 and June 30, 2023, was 0.1293% and 0.1222%, respectively, resulting in a net increase in the proportionate share of 0.0071%.

For the year ended June 30, 2025, the District recognized pension expense of $24,101,809. In addition, the District recognized pension expense and revenue of $3,626,116, for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Pension contributions subsequent to measurement date | $ 18,029,409 | $ - |
| Change in proportion and differences between contributions made and District's proportionate share of contributions | 5,353,184 | 14,789,654 |
| Differences between projected and actual earnings on pension plan investments | - | 350,292 |
| Differences between expected and actual experience in the measurement of the total pension liability | 9,819,806 | 3,796,336 |
| Changes of assumptions | 380,021 | 5,929,110 |
| Total | $ 33,582,420 | $ 24,865,392 |

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

| Year Ended June 30, | Deferred Outflows/(Inflows) of Resources |
|---|---|
| 2026 | $ (5,819,779) |
| 2027 | 7,009,176 |
| 2028 | (571,863) |
| 2029 | (967,826) |
| Total | $ (350,292) |

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is seven years and will be recognized in pension expense as follows:

| Year Ended June 30, | Deferred Outflows/(Inflows) of Resources |
|---|---|
| 2026 | $ (1,929,622) |
| 2027 | (1,524,271) |
| 2028 | (1,281,344) |
| 2029 | (1,855,426) |
| 2030 | (364,781) |
| Thereafter | (2,006,645) |
| Total | $ (8,962,089) |

**Actuarial Methods and Assumptions**

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023 and rolling forward the total pension liability to June 30, 2024. The financial reporting actuarial valuation as of June 30, 2023, used the following methods and assumptions, applied to all prior periods included in the measurement:

| | |
|---|---|
| Valuation date | June 30, 2023 |
| Measurement date | June 30, 2024 |
| Experience study | July 1, 2007 through June 30, 2022 |
| Actuarial cost method | Entry age normal |
| Discount rate | 7.10% |
| Investment rate of return | 7.10% |
| Consumer price inflation | 2.75% |
| Wage growth | 3.50% |

CalSTRS uses a generational mortality assumption, which is based off generational mortality tables that reflect expected future improvements in mortality and includes a base table and a projection table. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection table reflects the expected annual reduction in mortality rates at each age. The current mortality assumption uses a base year of 2023, and projected improvement is based on the MP–2021 Ultimate Projection Scale.

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

| Asset Class | Assumed Asset Allocation | Long-Term Expected Real Rate of Return |
|---|---|---|
| Public equity | 38% | 5.25% |
| Real estate | 15% | 4.05% |
| Private equity | 14% | 6.75% |
| Fixed income | 14% | 2.45% |
| Risk mitigating strategies | 10% | 2.25% |
| Inflation sensitive | 7% | 3.65% |
| Cash/liquidity | 2% | 0.05% |

**Discount Rate**

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return 7.10% and assuming that contributions, benefit payments, and administrative expense occurred mid-year. Based on these assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

| Discount Rate | Net Pension Liability |
|---|---|
| 1% decrease (6.10%) | $ 154,414,082 |
| Current discount rate (7.10%) | 86,814,215 |
| 1% increase (8.10%) | 30,365,522 |

**California Public Employees' Retirement System (CalPERS) - SEP**

**Plan Description**

Qualified employees are eligible to participate in the School Employer Pool (SEP) under CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023, annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that may be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/forms-publications.

**Benefits Provided**

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor, and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or age 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS SEP provisions and benefits in effect at June 30, 2025, are summarized as follows:

| Hire date | On or before December 31, 2012 | On or after January 1, 2013 |
|---|---|---|
| Benefit formula | 2% at 55 | 2% at 62 |
| Benefit vesting schedule | 5 years of service | 5 years of service |
| Benefit payments | Monthly for life | Monthly for life |
| Retirement age | 55 | 62 |
| Monthly benefits as a percentage of eligible compensation | 1.1% - 2.5% | 1.0% - 2.5% |
| Required employee contribution rate | 7.00% | 8.00% |
| Required employer contribution rate | 27.05% | 27.05% |

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2025, are presented above and the total District contributions were $14,493,253.

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

As of June 30, 2025, the District reported a liability for its proportionate share of the CalPERS net pension liability totaling $100,838,834. The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2024 and June 30, 2023, was 0.2822% and 0.2850%, respectively, resulting in a net decrease in the proportionate share of 0.0028%.

For the year ended June 30, 2025, the District recognized pension expense of $15,491,357. At June 30, 2025, the District 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 |
|---|---|---|
| Pension contributions subsequent to measurement date | $ 14,493,253 | $ - |
| Change in proportion and differences between contributions made and District's proportionate share of contributions | 38,875 | 3,648,096 |
| Differences between projected and actual earnings on pension plan investments | 3,917,007 | - |
| Differences between expected and actual experience in the measurement of the total pension liability | 8,453,862 | 721,700 |
| Changes of assumptions | 2,228,879 | - |
| Total | $ 29,131,876 | $ 4,369,796 |

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

| Year Ended June 30, | Deferred Outflows/(Inflows) of Resources |
|---|---|
| 2026 | $ (33,766) |
| 2027 | 6,090,054 |
| 2028 | (899,882) |
| 2029 | (1,239,399) |
| Total | $ 3,917,007 |

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and the District's proportionate share of contributions, and differences between expected and actual experience in the measurement of the total pension liability, changes of assumptions, will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.9 years and will be recognized in pension expense as follows:

| Year Ended June 30, | Deferred Outflows/(Inflows) of Resources |
|---|---|
| 2026 | $ 2,675,106 |
| 2027 | 1,956,998 |
| 2028 | 1,719,716 |
| Total | $ 6,351,820 |

**Actuarial Methods and Assumptions**

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023 and rolling forward the total pension liability to June 30, 2024. The financial reporting actuarial valuation as of June 30, 2023, used the following methods and assumptions, applied to all prior periods included in the measurement:

| | |
|---|---|
| Valuation date | June 30, 2023 |
| Measurement date | June 30, 2024 |
| Experience study | July 1, 1997 through June 30, 2015 |
| Actuarial cost method | Entry age normal |
| Discount rate | 6.90% |
| Investment rate of return | 6.90% |
| Consumer price inflation | 2.30% |
| Wage growth | Varies by entry age and service |

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class | Assumed Asset Allocation | Long-Term Expected Real Rate of Return |
|---|---|---|
| Global equity - cap-weighted | 30% | 4.54% |
| Global equity - non-cap-weighted | 12% | 3.84% |
| Private equity | 13% | 7.28% |
| Treasury | 5% | 0.27% |
| Mortgage-backed securities | 5% | 0.50% |
| Investment grade corporates | 10% | 1.56% |
| High yield | 5% | 2.27% |
| Emerging market debt | 5% | 2.48% |
| Private debt | 5% | 3.57% |
| Real assets | 15% | 3.21% |
| Leverage | (5%) | (0.59%) |

**Discount Rate**

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

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

| Discount Rate | Net Pension Liability |
|---|---|
| 1% decrease (5.90%) | $ 149,796,930 |
| Current discount rate (6.90%) | 100,838,834 |
| 1% increase (7.90%) | 60,395,550 |

**California Public Employees' Retirement System (CalPERS) – Safety Pool Plan**

**Plan Description**

Qualified employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Plan under CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The Public Agency Cost-Sharing Multiple-Employer Plan is comprised of a Miscellaneous Risk Pool and a Safety Risk Pool. The District sponsors one Safety Pool Plan (the Plan) for employees of the District Police Department. 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 Law.

**Benefits Provided**

The Plan provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members who must be sworn police officers and beneficiaries. Benefits are based on years of service credit, a benefit factor, and the member's final compensation. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for employment-related disability benefits regardless of length of service and non-duty disability benefits after five years of service. Disability benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. The Post-Retirement Death Benefit is a one-time payment made to a retiree's designated survivor or estate upon the retiree's death. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The Special Death Benefit is provided to an employee's eligible survivors if the member dies while actively employed and the death is job-related. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS provisions and benefits in effect at June 30, 2025, are summarized as follows:

| Hire date | On or before December 31, 2012 | On or after January 1, 2013 |
|---|---|---|
| Benefit formula | 3% at 55 | 2% at 62 |
| Benefit vesting schedule | 5 years of service | 5 years of service |
| Benefit payments | Monthly for life | Monthly for life |
| Retirement age | 55 | 62 |
| Monthly benefits as a percentage of eligible compensation | 2.4% - 3.0% | 1.0% - 2.5% |
| Required employee contribution rate | 8.96% | 14.50% |
| Required employer contribution rate | 21.92% | 14.72% |
| Required unfunded liability payment to CalPERS | $435,196 | $4,285 |

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are determined annually through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2025, are presented above and the total District contributions were $1,124,346.

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

As of June 30, 2025, the District reported a liability for its proportionate share of the Safety Risk Pool net pension liability totaling $5,599,136. The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2024 and June 30, 2023, was 0.0768% and 0.0764%, respectively, resulting in a net increase in the proportionate share of 0.0004%.

For the year ended June 30, 2025, the District recognized pension expense of $530,022. At June 30, 2025, the District 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 |
|---|---|---|
| Pension contributions subsequent to measurement date | $ 1,124,346 | $ - |
| Change in proportion and differences between contributions made and District's proportionate share of contributions | 93,910 | 41,082 |
| Differences between projected and actual earnings on pension plan investments | 270,637 | - |
| Differences between expected and actual experience in the measurement of the total pension liability | 456,939 | 14,857 |
| Changes of assumptions | 137,951 | - |
| Total | $ 2,083,783 | $ 55,939 |

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

| Year Ended June 30, | Deferred Outflows/(Inflows) of Resources |
|---|---|
| 2026 | $ (3,765) |
| 2027 | 437,673 |
| 2028 | (70,672) |
| 2029 | (92,599) |
| Total | $ 270,637 |

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and the District's proportionate share of contributions, and differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.9 years and will be recognized in pension expense as follows:

| Year Ended June 30, | Deferred Outflows/(Inflows) of Resources |
|---|---|
| 2026 | $ 347,369 |
| 2027 | 222,328 |
| 2028 | 63,164 |
| Total | $ 632,861 |

**Actuarial Methods and Assumptions**

Total pension liability for the Plan was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023, and rolling forward the total pension liability to June 30, 2024. The financial reporting actuarial valuation as of June 30, 2023, used the following methods and assumptions, applied to all prior periods included in the measurement:

| | |
|---|---|
| Valuation date | June 30, 2023 |
| Measurement date | June 30, 2024 |
| Experience study | July 1, 1997 through June 30, 2015 |
| Actuarial cost method | Entry age normal |
| Discount rate | 6.90% |
| Investment rate of return | 6.90% |
| Consumer price inflation | 2.30% |
| Wage growth | Varies by entry age and service |

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class | Assumed Asset Allocation | Long-Term Expected Real Rate of Return |
|---|---|---|
| Global equity - cap-weighted | 30% | 4.54% |
| Global equity - non-cap-weighted | 12% | 3.84% |
| Private equity | 13% | 7.28% |
| Treasury | 5% | 0.27% |
| Mortgage-backed securities | 5% | 0.50% |
| Investment grade corporates | 10% | 1.56% |
| High yield | 5% | 2.27% |
| Emerging market debt | 5% | 2.48% |
| Private debt | 5% | 3.57% |
| Real assets | 15% | 3.21% |
| Leverage | (5%) | (0.59%) |

**Discount Rate**

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these 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 total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

| Discount Rate | Net Pension Liability |
|---|---|
| 1% decrease (5.90%) | $ 8,876,655 |
| Current discount rate (6.90%) | 5,599,136 |
| 1% increase (7.90%) | 2,918,586 |

**Cash-in-lieu Plan**

**Plan Description**

The cash in-lieu plan is a single employer defined benefit pension plan administered by the District. Retired employees who choose not to receive health contributions by the District and who submit an affidavit of other coverage shall receive a monthly amount equal to, or applicable percentage of, the Kaiser single premium rate, as determined by the provisions of the substantive cash in-lieu plan. There are no assets accumulated in a qualifying trust for this plan.

**Plan Membership**

At June 30, 2025, the valuation date, the Plan membership consisted of the following:

| | |
|---|---|
| Inactive employees or beneficiaries currently receiving benefit payments | 29 |
| Active employees | 1,150 |
| Total | 1,179 |

**Benefits Provided**

The District provides payments to eligible retirees to help offset the costs of healthcare coverage. There is no requirement for the annual payment to be spent on health insurance. The payment is treated as taxable income to the retiree, and is thus considered to be a pension rather than a retiree health benefit falling within the scope of GASB Statement No. 75.

This benefit is payable in addition to pension benefits that may be payable under one of the District's other pension plans (CalPERS, CalSTRS, or a supplemental employee retirement plan).

The Cash-in-lieu Plan provisions and benefits in effect at June 30, 2025, are summarized as follows:

| | Faculty | Classified | Management |
|---|---|---|---|
| Hire date | Before July 1, 1984 | Before July 1, 1984 | Before July 1, 1984 |
| Benefits provided | Cash | Cash | Cash |
| Duration of benefits | Lifetime | Lifetime | Lifetime |
| Required service | 10 years | 10 years | 10 years |
| Minimum age | 55 | 50 | 50-55 |
| District cap | Average of Kaiser and Blue Cross EPO premium for either single or 2-party coverage | Average of Kaiser and Blue Cross EPO premium for either single or 2-party coverage | Average of Kaiser anc Blue Cross EPO premium for either single or 2-party coverage |

| | Faculty | Classified | Management |
|---|---|---|---|
| Hire date | After July 1, 1984 | After July 1, 1984 | After July 1, 1984 |
| Benefits provided | Cash | Cash | Cash |
| Duration of benefits | Lifetime | Lifetime | Lifetime |
| Required service | 10 years | 10 years | 10 years |
| Minimum age | 55 | 50 | 50-55 |
| District contribution | Age + Service: 80+ | Age + Service: 80+ | Age + Service: 80+ |
| | 100% for employee | 100% for employee | 100% for employee |
| | Age + Service: 70-79 | Age + Service: 70-79 | Age + Service: 70-79 |
| | 50% for employee | 50% for employee | 50% for employee |
| District cap | Kaiser premium (75% if 2-party) | Kaiser premium (75% if 2-party) | Kaiser premium (75% if 2-party) |

**Contributions**

The District provides contributions to all eligible retirees in the Plan. Total District contributions for the year ending June 30, 2025, were $413,742.

**Changes in the Total Pension Liability (TPL)**

| | Total Pension Liability |
|---|---|
| Balance at June 30, 2024 | $ 10,436,158 |
| Service cost | 223,643 |
| Interest | 406,406 |
| Difference between expected and actual experience | 1,468,905 |
| Changes of assumptions | (1,762,744) |
| Benefit payments | (413,742) |
| Net change in total pension liability | (77,532) |
| Balance at June 30, 2025 | $ 10,358,626 |

The discount rate was changed from 3.93% to 5.20% since the previous valuation.

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

For the year ended June 30, 2025, the District recognized pension expense of $(829,976). At June 30, 2025, the District 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 expected and actual experience in the measurement of the total pension liability | $ 1,341,174 | $ 3,982,132 |
| Changes of assumptions | 1,900,250 | 6,552,799 |
| Total | $ 3,241,424 | $ 10,534,931 |

The deferred outflows/(inflows) of resources related to differences between expected and actual experience in the measurement of the total pension liability and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 11.5 years and will be recognized in OPEB expense as follows:

| Year Ended June 30, | Deferred Outflows/(Inflows) of Resources |
|---|---|
| 2026 | $ (1,046,283) |
| 2027 | (1,046,283) |
| 2028 | (977,137) |
| 2029 | (869,470) |
| 2030 | (964,461) |
| Thereafter | (2,389,873) |
| Total | $ (7,293,507) |

**Actuarial Methods and Assumptions**

| | |
|---|---|
| Valuation date | June 30, 2025 |
| Measurement date | June 30, 2025 |
| Experience study | As of October 2025 |
| Actuarial cost method | Entry age normal |
| Discount rate | 5.20% |
| Consumer price inflation | 2.50% |
| Wage growth | 2.75% |

Mortality rates were based on the 2020 CalSTRS Mortality Table for certificated employees and the 2021 CalPERS Active Mortality for Miscellaneous and School Employees Table for classified and miscellaneous employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.)

**Discount Rate**

The discount rate used to measure the total pension liability was 5.20%. The discount rate was based on the Bond Buyer 20-Bond General Obligation Index.

The following presents the District's total pension liability calculated using the current discount rate, as well as what the total pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

| Discount Rate | Total Pension Liability |
|---|---|
| 1% decrease (4.20%) | $ 11,708,088 |
| Current discount rate (5.20%) | 10,358,626 |
| 1% increase (6.20%) | 9,247,766 |

**On Behalf Payments**

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of $8,042,648 (10.828% of annual payroll). Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

## Note 11 - Commitments and Contingencies

### Grants

The District receives 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 District. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2025.

### Litigation

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

### Construction Commitments

As of June 30, 2025, the District had committed under various capital expenditure purchase agreements for various projects totaling approximately $46.1 million to be funded through a combination of general obligation bonds and capital project apportionments from the California Community Colleges Chancellor's Office.

## Note 12 - Restatement

### Change in Accounting Principle

As of June 30, 2025, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. Therefore, the current and noncurrent portions of compensated absences were increased by $1,738,730 and $21,126,361, respectively, as of July 1, 2024. The effect of this change in accounting principle is described in the following table:

| Primary Government | |
|---|---|
| Net Position - Beginning, as previously reported on July 1, 2024 | $ 101,808,688 |
| Change in accounting principle - adoption of GASB Statement No. 101 | (22,865,091) |
| Net Position - Beginning, as restated on July 1, 2024 | $ 78,943,597 |

Required Supplementary Information
June 30, 2025

# Contra Costa Community College District

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| Total OPEB Liability | | | | | |
| Service cost | $ 5,095,434 | $ 5,051,383 | $ 5,624,452 | $ 5,494,814 | $ 5,031,066 |
| Interest | 13,620,114 | 13,248,953 | 15,028,492 | 14,515,825 | 15,344,934 |
| Difference between expected and actual experience | (141,876) | - | (39,687,249) | - | (26,761,353) |
| Changes of assumptions | - | - | 2,133,539 | - | 19,902,086 |
| Benefit payments | (12,487,712) | (11,987,814) | (11,983,122) | (11,359,036) | (12,634,630) |
| Net change in total OPEB liability | 6,085,960 | 6,312,522 | (28,883,888) | 8,651,603 | 882,103 |
| Total OPEB Liability - Beginning | 226,976,689 | 220,664,167 | 249,548,055 | 240,896,452 | 240,014,349 |
| Total OPEB Liability - Ending (a) | $ 233,062,649 | $ 226,976,689 | $ 220,664,167 | $ 249,548,055 | $ 240,896,452 |
| Plan Fiduciary Net Position | | | | | |
| Contributions - employer | $ 17,416,212 | $ 11,987,814 | $ 17,483,122 | $ 11,359,036 | $ 12,634,630 |
| Expected investment income | 10,911,800 | 9,556,602 | 8,628,058 | 10,503,579 | 35,638,883 |
| Differences between projected and actual earnings on OPEB plan investments | 11,292,958 | 10,774,826 | 4,358,055 | (43,479,485) | - |
| Benefit payments | (12,487,712) | (11,987,814) | (11,983,122) | (11,359,036) | (12,634,630) |
| Administrative expense | (617,582) | (541,333) | (487,248) | (554,382) | (515,161) |
| Net change in plan fiduciary net position | 26,515,676 | 19,790,095 | 17,998,865 | (33,530,288) | 35,123,722 |
| Plan Fiduciary Net Position - Beginning | 176,733,875 | 156,943,780 | 138,944,915 | 172,475,203 | 137,351,481 |
| Plan Fiduciary Net Position - Ending (b) | $ 203,249,551 | $ 176,733,875 | $ 156,943,780 | $ 138,944,915 | $ 172,475,203 |
| Net OPEB Liability - Ending (a) - (b) | $ 29,813,098 | $ 50,242,814 | $ 63,720,387 | $ 110,603,140 | $ 68,421,249 |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 87.21% | 77.86% | 71.12% | 55.68% | 71.60% |
| Covered Payroll | $ 147,974,306 | $ 149,868,056 | $ 141,087,863 | $ 125,547,320 | $ 94,670,553 |
| Net OPEB Liability as a Percentage of Covered Payroll | 20.15% | 33.52% | 45.16% | 88.10% | 72.27% |
| Measurement Date | June 30, 2025 | June 30, 2024 | June 30, 2023 | June 30, 2022 | June 30, 2021 |

*Note:* In the future, as data becomes available, ten years of information will be presented.

| | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|
| Total OPEB Liability | | | | |
| Service cost | $ 4,896,415 | $ 4,376,778 | $ 4,259,638 | $ 4,145,633 |
| Interest | 14,880,070 | 14,487,926 | 14,030,835 | 13,581,519 |
| Difference between expected and actual experience | - | (1,073,071) | - | - |
| Changes of assumptions | - | - | - | - |
| Benefit payments | (12,369,884) | (11,632,101) | (11,142,888) | (10,714,315) |
| Net change in total OPEB liability | 7,406,601 | 6,159,532 | 7,147,585 | 7,012,837 |
| Total OPEB Liability - Beginning | 232,607,748 | 226,448,216 | 219,300,631 | 212,287,794 |
| Total OPEB Liability - Ending (a) | $ 240,014,349 | $ 232,607,748 | $ 226,448,216 | $ 219,300,631 |
| Plan Fiduciary Net Position | | | | |
| Contributions - employer | $ 26,977,784 | $ 16,847,901 | $ 16,362,461 | $ 16,414,515 |
| Expected investment income | 5,031,233 | 5,519,557 | 7,061,693 | 10,443,808 |
| Differences between projected and actual earnings on OPEB plan investments | - | - | - | - |
| Benefit payments | (12,369,884) | (11,632,101) | (11,142,888) | (10,714,315) |
| Administrative expense | (411,592) | (377,549) | (355,956) | (302,333) |
| Net change in plan fiduciary net position | 19,227,541 | 10,357,808 | 11,925,310 | 15,841,675 |
| Plan Fiduciary Net Position - Beginning | 118,123,940 | 107,766,132 | 95,840,822 | 79,999,147 |
| Plan Fiduciary Net Position - Ending (b) | $ 137,351,481 | $ 118,123,940 | $ 107,766,132 | $ 95,840,822 |
| Net OPEB Liability - Ending (a) - (b) | $ 102,662,868 | $ 114,483,808 | $ 118,682,084 | $ 123,459,809 |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 57.23% | 50.78% | 47.59% | 43.70% |
| Covered Payroll | $ 98,253,624 | $ 92,199,316 | $ 88,414,095 | $ 89,504,733 |
| Net OPEB Liability as a Percentage of Covered Payroll | 104.49% | 124.17% | 134.23% | 137.94% |
| Measurement Date | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 |

*Note:* In the future, as data becomes available, ten years of information will be presented.

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| Annual money-weighted rate of return, net of investment expense | 12.40% | 13.00% | 8.33% | (19.35%) | 23.00% |
| Measurement Date | June 30, 2025 | June 30, 2024 | June 30, 2023 | June 30, 2022 | June 30, 2021 |

| | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|
| Annual money-weighted rate of return, net of investment expense | 3.90% | 4.60% | 6.50% | 11.50% |
| Measurement Date | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 |

*Note:* In the future, as data becomes available, ten years of information will be presented.

| Year ended June 30, | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| Proportion of the net OPEB liability | 0.1886% | 0.1808% | 0.1842% | 0.1996% |
| Proportionate share of the net OPEB liability | $ 502,613 | $ 548,674 | $ 606,719 | $ 796,112 |
| Covered payroll | N/A[1] | N/A[1] | N/A[1] | N/A[1] |
| Proportionate share of the net OPEB liability as a percentage of it's covered payroll | N/A[1] | N/A[1] | N/A[1] | N/A[1] |
| Plan fiduciary net position as a percentage of the total OPEB liability | (1.02%) | (0.96%) | (0.94%) | (0.80%) |
| Measurement Date | June 30, 2024 | June 30, 2023 | June 30, 2022 | June 30, 2021 |

| Year ended June 30, | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|
| Proportion of the net OPEB liability | 0.1950% | 0.2190% | 0.2126% | 0.2172% |
| Proportionate share of the net OPEB liability | $ 826,409 | $ 798,610 | $ 713,029 | $ 1,286,745 |
| Covered payroll | N/A[1] | N/A[1] | N/A[1] | N/A[1] |
| Proportionate share of the net OPEB liability as a percentage of it's covered payroll | N/A[1] | N/A[1] | N/A[1] | N/A[1] |
| Plan fiduciary net position as a percentage of the total OPEB liability | (0.71%) | (0.81%) | (0.40%) | 0.01% |
| Measurement Date | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 |

[1] As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP Program; therefore, the covered payroll disclosure is not applicable.

*Note* : In the future, as data becomes available, ten years of information will be presented.

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| **CalSTRS** | | | | | |
| Proportion of the net pension liability | 0.1293% | 0.1222% | 0.1227% | 0.1328% | 0.1220% |
| Proportionate share of the net pension liability | $ 86,814,215 | $ 93,104,830 | $ 85,275,559 | $ 60,427,032 | $ 117,893,000 |
| State's proportionate share of the net pension liability associated with the District | 39,830,661 | 44,609,142 | 42,705,667 | 30,404,539 | 64,428,000 |
| Total | $ 126,644,876 | $ 137,713,972 | $ 127,981,226 | $ 90,831,571 | $ 182,321,000 |
| Covered payroll | $ 93,728,277 | $ 88,282,660 | $ 78,893,540 | $ 75,765,994 | $ 69,642,088 |
| Proportionate share of the net pension liability as a percentage of its covered payroll | 92.62% | 105.46% | 108.09% | 79.75% | 169.28% |
| Plan fiduciary net position as a percentage of the total pension liability | 84% | 81% | 81% | 87% | 72% |
| Measurement Date | June 30, 2024 | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 |
| **CalPERS - Schools Pool Plan** | | | | | |
| Proportion of the net pension liability | 0.2822% | 0.2850% | 0.3049% | 0.3178% | 0.3120% |
| Proportionate share of the net pension liability | $ 100,838,834 | $ 103,168,138 | $ 104,920,060 | $ 64,627,975 | $ 100,099,000 |
| Covered payroll | $ 56,139,779 | $ 52,805,203 | $ 46,653,780 | $ 48,245,048 | $ 44,950,783 |
| Proportionate share of the net pension liability as a percentage of its covered payroll | 179.62% | 195.37% | 224.89% | 133.96% | 222.69% |
| Plan fiduciary net position as a percentage of the total pension liability | 72% | 70% | 70% | 81% | 70% |
| Measurement Date | June 30, 2024 | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 |

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|
| **CalSTRS** | | | | | |
| Proportion of the net pension liability | 0.1240% | 0.1240% | 0.1260% | 0.1350% | 0.1440% |
| Proportionate share of the net pension liability | $ 111,786,000 | $ 114,269,000 | $ 116,525,000 | $ 108,983,000 | $ 97,268,576 |
| State's proportionate share of the net pension liability associated with the District | 60,987,000 | 65,425,000 | 68,936,000 | 62,048,000 | 51,444,000 |
| Total | $ 172,773,000 | $ 179,694,000 | $ 185,461,000 | $ 171,031,000 | $ 148,712,576 |
| Covered payroll | $ 66,528,999 | $ 66,183,001 | $ 69,533,029 | $ 67,152,908 | $ 67,059,144 |
| Proportionate share of the net pension liability as a percentage of its covered payroll | 168.03% | 172.66% | 167.58% | 162.29% | 145.05% |
| Plan fiduciary net position as a percentage of the total pension liability | 73% | 71% | 69% | 70% | 74% |
| Measurement Date | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
| **CalPERS - Schools Pool Plan** | | | | | |
| Proportion of the net pension liability | 0.3060% | 0.3090% | 0.3200% | 0.3270% | 0.3290% |
| Proportionate share of the net pension liability | $ 93,111,000 | $ 86,016,000 | $ 79,451,000 | $ 68,722,000 | $ 48,535,698 |
| Covered payroll | $ 42,393,306 | $ 40,792,377 | $ 43,397,177 | $ 39,268,996 | $ 40,329,003 |
| Proportionate share of the net pension liability as a percentage of its covered payroll | 219.64% | 210.86% | 183.08% | 175.00% | 120.35% |
| Plan fiduciary net position as a percentage of the total pension liability | 70% | 71% | 72% | 74% | 79% |
| Measurement Date | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| **CalPERS - Safety Pool Plan** | | | | | |
| Proportion of the net pension liability | 0.0768% | 0.0764% | 0.0752% | 0.0702% | 0.0653% |
| Proportionate share of the net pension liability | $ 5,599,136 | $ 5,714,185 | $ 5,170,228 | $ 2,464,073 | $ 4,350,000 |
| Covered payroll | $ 2,231,522 | $ 1,908,317 | $ 1,931,567 | $ 1,900,918 | N/A |
| Proportionate share of the net pension liability as a percentage of its covered payroll | 250.91% | 299.44% | 267.67% | 129.63% | N/A |
| Plan fiduciary net position as a percentage of the total pension liability | 77% | 75% | 76% | 87% | 73% |
| Measurement Date | June 30, 2024 | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 |

N/A: Information is not available for the fiscal years prior to June 30, 2021. Certain information for the year ending June 30, 2021 is not available.

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|
| **CalPERS - Safety Pool Plan** | | | | | |
| Proportion of the net pension liability | N/A | N/A | N/A | N/A | N/A |
| Proportionate share of the net pension liability | N/A | N/A | N/A | N/A | N/A |
| Covered payroll | N/A | N/A | N/A | N/A | N/A |
| Proportionate share of the net pension liability as a percentage of its covered payroll | N/A | N/A | N/A | N/A | N/A |
| Plan fiduciary net position as a percentage of the total pension liability | 73% | 71% | 72% | 70% | 77% |
| Measurement Date | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |

N/A: Information is not available for the fiscal years prior to June 30, 2021. Certain information for the year ending June 30, 2021 is not available.

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| **CalSTRS** | | | | | |
| Contractually required contribution | $ 18,029,409 | $ 17,902,101 | $ 16,861,988 | $ 13,348,787 | $ 12,236,208 |
| Contributions in relation to the contractually required contribution | (18,029,409) | (17,902,101) | (16,861,988) | (13,348,787) | (12,236,208) |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - |
| Covered payroll | $ 94,394,812 | $ 93,728,277 | $ 88,282,660 | $ 78,893,540 | $ 75,765,994 |
| Contributions as a percentage of covered payroll | 19.10% | 19.10% | 19.10% | 16.92% | 16.15% |
| **CalPERS - Schools Pool Plan** | | | | | |
| Contractually required contribution | $ 14,493,253 | $ 14,978,093 | $ 13,396,680 | $ 10,688,381 | $ 9,986,725 |
| Contributions in relation to the contractually required contribution | (14,493,253) | (14,978,093) | (13,396,680) | (10,688,381) | (9,986,725) |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - |
| Covered payroll | $ 53,579,494 | $ 56,139,779 | $ 52,805,203 | $ 46,653,780 | $ 48,245,048 |
| Contributions as a percentage of covered payroll | 27.050% | 26.680% | 25.370% | 22.910% | 20.700% |
| **CalPERS - Safety Pool Plan** | | | | | |
| Contractually required contribution | $ 1,124,346 | $ 967,262 | $ 1,000,532 | $ 862,703 | $ 860,252 |
| Contributions in relation to the contractually required contribution | (1,124,346) | (967,262) | (1,000,532) | (862,703) | (860,252) |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - |
| Covered payroll | $ 2,486,754 | $ 2,231,522 | $ 1,908,317 | $ 1,931,567 | $ 1,900,918 |
| Contributions as a percentage of covered payroll | 45.213% | 43.345% | 52.430% | 44.663% | 45.255% |

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|
| **CalSTRS** | | | | | |
| Contractually required contribution | $ 11,908,797 | $ 10,830,921 | $ 9,550,207 | $ 8,747,255 | $ 7,205,507 |
| Contributions in relation to the contractually required contribution | (11,908,797) | (10,830,921) | (9,550,207) | (8,747,255) | (7,205,507) |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - |
| Covered payroll | $ 69,642,088 | $ 66,528,999 | $ 66,183,001 | $ 69,533,029 | $ 67,152,908 |
| Contributions as a percentage of covered payroll | 17.10% | 16.28% | 14.43% | 12.58% | 10.73% |
| **CalPERS - Schools Pool Plan** | | | | | |
| Contractually required contribution | $ 8,864,744 | $ 7,657,079 | $ 6,335,464 | $ 6,027,000 | $ 4,652,198 |
| Contributions in relation to the contractually required contribution | (8,864,744) | (7,657,079) | (6,335,464) | (6,027,000) | (4,652,198) |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - |
| Covered payroll | $ 44,950,783 | $ 42,393,306 | $ 40,792,377 | $ 43,397,177 | $ 39,268,996 |
| Contributions as a percentage of covered payroll | 19.721% | 18.062% | 15.531% | 13.888% | 11.847% |
| **CalPERS - Safety Pool Plan** | | | | | |
| Contractually required contribution | N/A | N/A | N/A | N/A | N/A |
| Contributions in relation to the contractually required contribution | N/A | N/A | N/A | N/A | N/A |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - |
| Covered payroll | N/A | N/A | N/A | N/A | N/A |
| Contributions as a percentage of covered payroll | N/A | N/A | N/A | N/A | N/A |

N/A: Information is not available for the fiscal years prior to June 30, 2021.

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| Total Pension Liability | | | | | |
| Service cost | $ 223,643 | $ 319,844 | $ 456,595 | $ 653,059 | $ 918,893 |
| Interest | 406,406 | 384,247 | 449,463 | 327,296 | 473,776 |
| Difference between expected and actual experience | 1,468,905 | - | (2,225,580) | - | (2,642,069) |
| Changes of assumptions | (1,762,744) | (393,568) | (266,223) | (2,801,038) | (4,386,586) |
| Benefit payments | (413,742) | (483,525) | (546,970) | (526,986) | (700,615) |
| Net change in total pension liability | (77,532) | (173,002) | (2,132,715) | (2,347,669) | (6,336,601) |
| Total Pension Liability - Beginning | 10,436,158 | 10,609,160 | 12,741,875 | 15,089,544 | 21,426,145 |
| Total Pension Liability - Ending | $ 10,358,626 | $ 10,436,158 | $ 10,609,160 | $ 12,741,875 | $ 15,089,544 |
| Covered Payroll | $147,974,306 | $149,868,056 | $141,087,863 | $125,547,320 | $ 94,670,553 |
| Total Pension Liability as a Percentage of Covered Payroll | 7.00% | 6.96% | 7.52% | 10.15% | 15.94% |
| Measurement Date | June 30, 2025 | June 30, 2024 | June 30, 2023 | June 30, 2022 | June 30, 2021 |

*Note:* In the future, as data becomes available, ten years of information will be presented.

| | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|
| Total Pension Liability | | | | |
| Service cost | $ 620,964 | $ 380,612 | $ 370,425 | $ 360,511 |
| Interest | 378,174 | 707,085 | 727,024 | 659,009 |
| Difference between expected and actual experience | - | (2,593,954) | (881,562) | - |
| Changes of assumptions | 3,892,699 | 695,880 | - | - |
| Benefit payments | (689,855) | (765,324) | (726,052) | (726,052) |
| Net change in total pension liability | 4,201,982 | (1,575,701) | (510,165) | 293,468 |
| Total Pension Liability - Beginning | 17,224,163 | 18,799,864 | 19,310,029 | 19,016,561 |
| Total Pension Liability - Ending | $ 21,426,145 | $ 17,224,163 | $ 18,799,864 | $ 19,310,029 |
| Covered Payroll | $ 98,253,624 | $ 92,199,316 | $ 88,414,095 | $ 89,504,733 |
| Total Pension Liability as a Percentage of Covered Payroll | 21.81% | 18.68% | 21.26% | 21.57% |
| Measurement Date | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 |

*Note:* In the future, as data becomes available, ten years of information will be presented.

## Note 1 - Purpose of Schedules

### Schedule of Changes in the District's Net OPEB Liability and Related Ratios

This schedule presents information on the District's changes in the net OPEB liability, including beginning and ending balances, the Plan's fiduciary net position, and the net OPEB liability. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* - There were no changes in benefit terms since the previous valuation.
- *Changes of Assumptions* - There were no changes in economic assumptions since the previous valuation.

### Schedule of OPEB Investment Returns

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

### Schedule of the District's Proportionate Share of the Net OPEB Liability - MPP Program

This schedule presents information on the District's proportionate share of the net OPEB Liability – MPP Program and the plans' fiduciary net position. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – The plan rate of investment return assumption was changed from 3.65% to 3.93% since the previous valuation. The Medicare Part A premium cost trend rate assumption was changed from 4.50% to 5.00%, while the Medicare Part B premium cost trend rate assumption was changed from 5.40% to 6.50% since the previous valuation.

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

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District.

- *Changes in Benefit Terms* – There were no changes in benefit terms for the CalSTRS or CalPERS plans since the previous valuation.
- *Changes of Assumptions* – There were no changes in economic assumptions for the CalSTRS or CalPERS plans since the previous valuation.

### Schedule of District Contributions for Pensions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution.

**Schedule of Changes in the District's Cash-in-Lieu Plan Total Pension Liability and Related Ratios**

This schedule presents information on the District's changes in the Cash-in-lieu total pension liability, including beginning and ending balances and related ratios. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* - There were no changes in benefit terms since the previous valuation.
- *Changes of Assumptions* - The discount rate assumption was changed from 3.93% to 5.20% since the previous valuation.

Supplementary Information
June 30, 2025

# Contra Costa Community College District

The Contra Costa Community College District was established in 1948, and is comprised of an area of approximately 686 square miles located in Contra Costa County. There were no changes in the boundaries of the District during the current year. The District's three colleges are each accredited by the Accrediting Commission for Community and Junior Colleges Western Association of Schools and Colleges.

**Board of Trustees as of June 30, 2025**

| Member | Office | Term Expires |
|---|---|---|
| Andy Li | President | 2026 |
| Diana Honig | Vice President | 2028 |
| Fernando Sandoval | Secretary | 2028 |
| Rebecca Barrett | Member | 2026 |
| John E. Márquez | Member | 2026 |
| Sophie Khouri | Student Trustee | 2026 |

**Administration as of June 30, 2025**

| | |
|---|---|
| Mojdeh Mehdizadeh | Chancellor |
| Micaela Ochoa | Executive Vice Chancellor, Administrative Services |
| Kelly Schelin | Executive Vice Chancellor, Education and Technology |

**Auxiliary Organizations in Good Standing**

The District did not identify any auxiliary organizations in good standing.

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title | Federal Financial Assistance Listing | Pass-Through Entity Identifying Number | Federal Expenditures |
|---|---|---|---|
| U.S. Department of Education | | | |
| Student Financial Assistance Cluster | | | |
| Federal Pell Grant Program | 84.063 | | $ 43,209,510 |
| Federal Pell Grant Program Administrative Allowance | 84.063 | | 51,955 |
| Federal Direct Student Loans | 84.268 | | 3,905,957 |
| Federal Supplemental Educational Opportunity Grants (FSEOG) | 84.007 | | 836,002 |
| Federal Work-Study Program | 84.033 | | 713,261 |
| Subtotal Student Financial Assistance Cluster | | | 48,716,685 |
| TRIO Cluster | | | |
| TRIO Talent Search | 84.044A | | 361,908 |
| TRIO Upward Bound I | 84.047A | | 276,279 |
| TRIO Upward Bound II | 84.047A | | 270,492 |
| Subtotal TRIO Cluster | | | 908,679 |
| Title V, Caminos Project | 84.031S | | 1,071,925 |
| Open Educational Resources | 84.116Z | | 214,001 |
| CCAMPIS - Parent Success Initiative | 84.335A | | 160,374 |
| Passed through California Community Colleges Chancellor's Office | | | |
| Career and Technical Education Act (CTEA), Title I, Part C | 84.048A | 24-C01-280 | 1,658,713 |
| Total U.S. Department of Education | | | 52,730,377 |
| U.S. Department of Agriculture | | | |
| Passed through California Department of Social Services | | | |
| Child and Adult Care Food Program | 10.558 | 06311-CACFP-07-CC-CS | 25,405 |
| U.S. Department of the Treasury | | | |
| Passed through California Community Colleges Chancellor's Office | | | |
| COVID-19: Coronavirus State and Local Fiscal Recovery Funds | 21.027 | [1] | 538,405 |
| National Science Foundation | | | |
| Research and Development Cluster | | | |
| STEM Scholars | 47.076 | | 934 |
| STEM Transfer Improvement | 47.076 | | 186,427 |
| Diversity in Cybersecurity | 47.076 | | 165,523 |
| Subtotal Research and Development Cluster | | | 352,884 |
| U.S. Department of Veterans Affairs | | | |
| Veterans Outreach Program - Administration | 64.117 | | 3,504 |
| U.S. Department of Health and Human Services | | | |
| Passed through California Community Colleges Chancellor's Office | | | |
| Temporary Assistance for Needy Families (TANF) | 93.558 | [1] | 134,217 |
| Foster and Kinship Care Education | 93.658 | [1] | 70,527 |
| Passed through Contra Costa County | | | |
| Foster Care - Title IV-E - Foster Relative | 93.658 | 19-695, 21-114 | 4,926 |
| Foster Care - Title IV-E - Foster Pride | 93.658 | 20-047, 21-261 | 10,506 |
| Subtotal | | | 85,959 |
| Total U.S. Department of Health and Human Services | | | 220,176 |
| Total Federal Financial Assistance | | | $ 53,870,751 |

[1] Pass-Through Entity Identifying Number is not available.

| Program | Program Revenues | | | | Program Expenditures |
|---|---|---|---|---|---|
| | Cash Received | Accounts Receivable | Unearned Revenue | Total Revenue | |
| Adult Education Block Grant | $ 851,199 | $ 62,072 | $ 51,668 | $ 861,603 | $ 861,603 |
| Apprenticeship Pathways Demonstration | 79,200 | 43,081 | - | 122,281 | 122,281 |
| Asian American Native Hawaiian and Pacific Island | 674,799 | 30,752 | 506,448 | 199,103 | 199,103 |
| Basic Needs Centers | 3,056,910 | 78,214 | 2,040,824 | 1,094,300 | 1,094,300 |
| Cal Grants | 5,649,103 | 266,456 | - | 5,915,559 | 5,915,559 |
| CalFresh Outreach | 15,551 | - | 13,670 | 1,881 | 1,881 |
| California Apprenticeship Initiative (CAI) | 96,000 | 14,672 | - | 110,672 | 110,672 |
| California College Promise | 5,842,176 | - | 3,866,637 | 1,975,539 | 1,975,539 |
| CalWORKS | 871,124 | 66,466 | 153,076 | 784,514 | 784,514 |
| CARE | 958,260 | 64,030 | 248,029 | 774,261 | 774,261 |
| CCAP Instructional Materials | 38,852 | - | 19,992 | 18,860 | 18,860 |
| CCAP STEM | 167,198 | 166,667 | - | 333,865 | 333,865 |
| Chafee Grants | 257,500 | - | - | 257,500 | 257,500 |
| Classified Employee Summer Assistance Program (CESAP) | 636 | - | 636 | - | - |
| Common Course Numbering System | 2,519,999 | 219,130 | 2,617,157 | 121,972 | 121,972 |
| COVID-19 Recovery Block Grant | 749,369 | - | 323,268 | 426,101 | 426,101 |
| CTE Data Unlocked | 63,297 | - | 41,420 | 21,877 | 21,877 |
| Culturally Competent Professional Development | 107,002 | - | - | 107,002 | 107,002 |
| Disabled Student Program & Services (DSPS) | 5,800,508 | 311,450 | 1,233,973 | 4,877,985 | 4,877,985 |
| Education Planning | 33,984 | - | 9,984 | 24,000 | 24,000 |
| EEO Innovative Best Practices | 452,240 | 12,000 | 182,402 | 281,838 | 281,838 |
| Emergency Financial Assistance Supplemental | 320,501 | - | 219,501 | 101,000 | 101,000 |
| Equal Employment Opportunity | 428,094 | 10,959 | 402,929 | 36,124 | 36,124 |
| Equitable Placement | 1,390,165 | - | 434,097 | 956,068 | 956,068 |
| Extended Opportunity Programs and Services (EOPS) | 4,658,942 | 377,633 | 335,456 | 4,701,119 | 4,701,119 |
| Financial Aid Technology | 288,926 | - | 202,147 | 86,779 | 86,779 |
| Foster Care Education | 175,705 | 11,461 | 5,300 | 181,866 | 181,866 |
| Guided Pathways | 658,973 | - | 507,527 | 151,446 | 151,446 |

| Program | Program Revenues: Cash Received | Accounts Receivable | Unearned Revenue | Total Revenue | Program Expenditures |
|---|---|---|---|---|---|
| Instructional Equipment | $ 2,762,889 | $ - | $ 2,405,422 | $ 357,467 | $ 357,467 |
| LEAP | 56,578 | - | - | 56,578 | 56,578 |
| LGBTQ+ | 626,149 | 17,754 | 370,383 | 273,520 | 273,520 |
| Mental Health Program | 1,469,597 | 58,943 | 513,328 | 1,015,212 | 1,015,212 |
| MESA | 3,198,006 | - | 2,126,480 | 1,071,526 | 1,071,526 |
| Middle College High School Grants | 143,219 | 21,149 | 43,679 | 120,689 | 120,689 |
| NextUp | 2,892,070 | 109,655 | 1,288,322 | 1,713,403 | 1,713,403 |
| Nursing Education | 337,042 | 20,563 | 76,857 | 280,748 | 280,748 |
| Puente Project | 395,000 | - | 394,907 | 93 | 93 |
| Rising Scholars Network | 155,417 | 38,250 | - | 193,667 | 193,667 |
| Seamless Transfer of Ethnic Studies | 71,993 | - | 13,507 | 58,486 | 58,486 |
| SFAA | 1,661,036 | 134,023 | 164,064 | 1,630,995 | 1,630,995 |
| Shifting Faculty Mindsets | 52,598 | - | - | 52,598 | 52,598 |
| State Childcare Grant | 330,223 | 67,426 | - | 397,649 | 397,649 |
| State Preschool Grant | 515,372 | 14,374 | - | 529,746 | 529,746 |
| Strong Workforce Program | 5,527,856 | 1,884,454 | 883,306 | 6,529,004 | 6,529,004 |
| Student Equity & Achievement Program | 16,121,865 | 983,761 | 3,786,435 | 13,319,191 | 13,319,191 |
| Student Housing Program | 336,492 | - | 336,492 | - | - |
| Student Retention & Enrollment Outreach | 1,735,635 | - | 1,096,544 | 639,091 | 639,091 |
| Student Success Completion Grant | 7,826,208 | 287,411 | - | 8,113,619 | 8,113,619 |
| Student Transfer Achievement Reform | 1,654,682 | - | 1,093,296 | 561,386 | 561,386 |
| Systemwide Technology and Data Security | 638,452 | - | 638,452 | - | - |
| Undocumented Resources Liasions | 934,537 | 21,815 | 828,068 | 128,284 | 128,284 |
| Veteran Resource Center | 810,279 | 21,129 | 536,315 | 295,093 | 295,093 |
| Workforce Pathway Grant | 90,000 | - | 48,408 | 41,592 | 41,592 |
| Zero Textbook Cost Program | 2,233,800 | 97,520 | 1,956,279 | 375,041 | 375,041 |
| Total state programs | $ 88,783,208 | $ 5,513,270 | $ 32,016,685 | $ 62,279,793 | $ 62,279,793 |

| CATEGORIES | Reported Data** | Audit Adjustments | Audited Data |
|---|---|---|---|
| **A. Summer Intersession (Summer 2024 only)** | | | |
| 1. Noncredit* | 23.88 | - | 23.88 |
| 2. Credit | 181.46 | - | 181.46 |
| **B. Summer Intersession (Summer 2025 - Prior to July 1, 2025)** | | | |
| 1. Noncredit* | 2.65 | - | 2.65 |
| 2. Credit | 161.04 | - | 161.04 |
| **C. Primary Terms (Exclusive of Summer Intersession)** | | | |
| 1. Census Procedure Courses | | | |
| (a) Weekly Census Contact Hours | 9,591.27 | - | 9,591.27 |
| (b) Daily Census Contact Hours | 646.32 | - | 646.32 |
| 2. Actual Hours of Attendance Procedure Courses | | | |
| (a) Noncredit* | 328.09 | - | 328.09 |
| (b) Credit | 481.10 | - | 481.10 |
| 3. Alternative Attendance Accounting Procedure Courses | | | |
| (a) Weekly Census Procedure Courses | 8,183.62 | - | 8,183.62 |
| (b) Daily Census Procedure Courses | 2,620.03 | - | 2,620.03 |
| (c) Noncredit Independent Study/Distance Education Courses | - | - | - |
| **D. Total FTES** | 22,219.46 | - | 22,219.46 |
| **SUPPLEMENTAL INFORMATION (Subset of Above Information)** | | | |
| **E. Inservice Training Courses (FTES)** | - | - | - |
| **F. Basic Skills Courses and Immigrant Education** | | | |
| 1. Noncredit* | - | - | - |
| 2. Credit | - | - | - |
| **CCFS-320 Addendum** | | | |
| CDCP Noncredit FTES | 247.97 | - | 247.97 |
| **Centers FTES** | | | |
| 1. Noncredit* | 12.32 | - | 12.32 |
| 2. Credit | 2,507.66 | - | 2,507.66 |

*Including Career Development and College Preparation (CDCP) FTES.
**Annual report revised as of September 26, 2025.

| | | ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110 | | | ECS 84362 B Total CEE AC 0100 - 6799 | | |
|---|---|---|---|---|---|---|---|
| | Object/TOP Codes | Reported Data | Audit Adjustments | Revised Data | Reported Data | Audit Adjustments | Revised Data |
| <u>Academic Salaries</u> | | | | | | | |
| Instructional Salaries | | | | | | | |
| Contract or Regular | 1100 | $ 39,768,974 | $ - | $ 39,768,974 | $ 39,768,974 | $ - | $ 39,768,974 |
| Other | 1300 | 40,721,833 | - | 40,721,833 | 40,782,850 | - | 40,782,850 |
| Total Instructional Salaries | | 80,490,807 | - | 80,490,807 | 80,551,824 | - | 80,551,824 |
| Noninstructional Salaries | | | | | | | |
| Contract or Regular | 1200 | - | - | - | 19,214,393 | - | 19,214,393 |
| Other | 1400 | - | - | - | 2,166,706 | - | 2,166,706 |
| Total Noninstructional Salaries | | - | - | - | 21,381,099 | - | 21,381,099 |
| Total Academic Salaries | | 80,490,807 | - | 80,490,807 | 101,932,923 | - | 101,932,923 |
| <u>Classified Salaries</u> | | | | | | | |
| Noninstructional Salaries | | | | | | | |
| Regular Status | 2100 | - | - | - | 33,328,456 | - | 33,328,456 |
| Other | 2300 | - | - | - | 2,763,840 | - | 2,763,840 |
| Total Noninstructional Salaries | | - | - | - | 36,092,296 | - | 36,092,296 |
| Instructional Aides | | | | | | | |
| Regular Status | 2200 | 3,774,610 | - | 3,774,610 | 3,774,610 | - | 3,774,610 |
| Other | 2400 | 1,135,426 | - | 1,135,426 | 1,135,426 | - | 1,135,426 |
| Total Instructional Aides | | 4,910,036 | - | 4,910,036 | 4,910,036 | - | 4,910,036 |
| Total Classified Salaries | | 4,910,036 | - | 4,910,036 | 41,002,332 | - | 41,002,332 |
| Employee Benefits | 3000 | 41,351,773 | - | 41,351,773 | 80,102,499 | - | 80,102,499 |
| Supplies and Material | 4000 | - | - | - | 2,356,297 | - | 2,356,297 |
| Other Operating Expenses | 5000 | 339,670 | - | 339,670 | 23,486,449 | - | 23,486,449 |
| Equipment Replacement | 6420 | - | - | - | 148,973 | - | 148,973 |
| Total Expenditures Prior to Exclusions | | 127,092,286 | - | 127,092,286 | 249,029,473 | - | 249,029,473 |

| | | ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110 | | | ECS 84362 B Total CEE AC 0100 - 6799 | | |
|---|---|---|---|---|---|---|---|
| | Object/TOP Codes | Reported Data | Audit Adjustments | Revised Data | Reported Data | Audit Adjustments | Revised Data |
| Exclusions | | | | | | | |
| Activities to Exclude | | | | | | | |
| Instructional Staff - Retirees' Benefits and Retirement Incentives | 5900 | $ 6,466,655 | $ - | $ 6,466,655 | $ 6,466,655 | $ - | $ 6,466,655 |
| Student Health Services Above Amount Collected | 6441 | - | - | - | 1,492,738 | - | 1,492,738 |
| Student Transportation | 6491 | - | - | - | - | - | - |
| Noninstructional Staff - Retirees' Benefits and Retirement Incentives | 6740 | - | - | - | 6,434,799 | - | 6,434,799 |
| Objects to Exclude | | | | | | | |
| Rents and Leases | 5060 | - | - | - | - | - | - |
| Lottery Expenditures | | | | | | | - |
| Academic Salaries | 1000 | - | - | - | 1,685,165 | - | 1,685,165 |
| Classified Salaries | 2000 | - | - | - | 1,285,728 | - | 1,285,728 |
| Employee Benefits | 3000 | - | - | - | 1,493,999 | - | 1,493,999 |
| Supplies and Materials | 4000 | - | - | - | - | - | - |
| Software | 4100 | - | - | - | - | - | - |
| Books, Magazines, and Periodicals | 4200 | - | - | - | - | - | - |
| Instructional Supplies and Materials | 4300 | - | - | - | - | - | - |
| Noninstructional Supplies and Materials | 4400 | - | - | - | 54,139 | - | 54,139 |
| Total Supplies and Materials | | - | - | - | 54,139 | - | 54,139 |

| | | ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110 | | | ECS 84362 B Total CEE AC 0100 - 6799 | | |
|---|---|---|---|---|---|---|---|
| | Object/TOP Codes | Reported Data | Audit Adjustments | Revised Data | Reported Data | Audit Adjustments | Revised Data |
| Other Operating Expenses and Services | 5000 | $ - | $ - | $ - | $ 564,546 | $ - | $ 564,546 |
| Capital Outlay | 6000 | | | | | | |
| Library Books | 6300 | - | - | - | - | - | - |
| Equipment | 6400 | - | - | - | - | - | - |
| Equipment - Additional | 6410 | - | - | - | - | - | - |
| Equipment - Replacement | 6420 | - | - | - | - | - | - |
| Total Equipment | | - | - | - | - | - | - |
| Total Capital Outlay | | - | - | - | - | - | - |
| Other Outgo | 7000 | - | - | - | - | - | - |
| Total Exclusions | | 6,466,655 | - | 6,466,655 | 19,477,769 | - | 19,477,769 |
| Total for ECS 84362, 50% Law | | $ 120,625,631 | $ - | $ 120,625,631 | $ 229,551,704 | $ - | $ 229,551,704 |
| % of CEE (Instructional Salary Cost/Total CEE) | | 52.55% | | 52.55% | 100.00% | | 100.00% |
| 50% of Current Expense of Education | | | | | $ 114,775,852 | | $ 114,775,852 |

| Activity Classification | Object Code | | | Unrestricted | |
|---|---|---|---|---|---|
| EPA Revenues: | 8630 | | | | $ 43,908,664 |
| Activity Classification | Activity Code | Salaries and Benefits (Obj 1000-3000) | Operating Expenses (Obj 4000-5000) | Capital Outlay (Obj 6000) | Total |
| Instructional Activities | 1000-5900 | $ 43,908,664 | $ - | $ - | $ 43,908,664 |
| Total Expenditures for EPA | | $ 43,908,664 | $ - | $ - | $ 43,908,664 |
| Revenues Less Expenditures | | | | | $ - |

| | | |
|---|---|---|
| Amounts reported for governmental activities in the Statement of Net Position are different because | | |
| Total fund balance and retained earnings - all District Funds | | |
| General Funds | $ 99,647,563 | |
| Special Revenue Funds | 16,513,365 | |
| Capital Project Funds | 136,511,621 | |
| Debt Service Funds | 60,133,435 | |
| Proprietary Funds | 3,368,440 | |
| Internal Service Funds | 567,601 | |
| Fiduciary Fund | 203,249,551 | |
| Total fund balance and retained earnings - all District funds | | $ 519,991,576 |
| Amounts held in trust on behalf of others (Retiree OPEB Trust) | | (203,249,551) |
| The District's investment in the Contra Costa County investment pool is reported at fair market value in the Statement of Net Position. | | (211,499) |
| Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds. | | |
| The cost of capital assets is | 1,054,654,383 | |
| Accumulated depreciation and amortization is | (361,637,361) | |
| Less: fixed assets already recorded in proprietary funds | (6,034) | |
| Total capital assets, net | | 693,010,988 |
| Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the District's funds. Deferred outflows of resources at year-end consist of: | | |
| Deferred outflows of resources related to debt refunding | 6,032,517 | |
| Deferred outflows of resources related to OPEB | 6,474,108 | |
| Deferred outflows of resources related to pensions | 68,039,503 | |
| Total deferred outflows of resources | | 80,546,128 |
| In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide statements, unmatured interest on long-term liabilities is recognized when it is incurred. | | (10,289,406) |

| | | |
|---|---|---|
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of: | | |
| General obligation bonds | $ (619,014,162) | |
| Subscription-based IT arrangements | (369,269) | |
| Compensated absences | (49,075,576) | |
| Aggregate net OPEB liability | (30,315,711) | |
| Aggregate net pension liability | (203,610,811) | |
| Total long-term liabilities | | $ (902,385,529) |
| Deferred inflows of resources represent an acquisition of net position in a future period and is not reported in the District's funds. Deferred inflows of resources amount to and related to: | | |
| Deferred inflows of resources related to OPEB | (38,159,548) | |
| Deferred inflows of resources related to pensions | (39,826,058) | |
| Total deferred inflows of resources | | (77,985,606) |
| Total net position | | $ 99,427,101 |

## Note 1 - Purpose of Schedules

**District Organization**

This schedule provides information about the District's governing board members, administration members, and auxiliary organizations in good standing as of June 30, 2025.

**Schedule of Expenditures of Federal Awards (SEFA)**

Basis of Presentation
The accompanying Schedule of Expenditures of Federal Awards (the SEFA) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2025. The information 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). Because the SEFA presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

Summary of Significant Accounting Policies
Expenditures reported in the SEFA are reported on the modified accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Indirect Cost Rate
The District has not elected to use the 10% de minimis cost rate.

**Schedule of Expenditures of State Awards**

The accompanying Schedule of Expenditures of State Awards includes the state grant activity of the District and is presented on the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The information in this schedule is presented to comply with reporting requirements of the California Community Colleges Chancellor's Office.

**Schedule of Workload Measures for State General Apportionment Annual (Actual) Attendance**

FTES is a measurement of the number of students attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis for making apportionments of State funds to community college districts. This schedule provides information regarding the attendance of students based on various methods of accumulating attendance data.

**Reconciliation of *Education Code* Section 84362 (50% Law) Calculation**

California *Education Code* section 84362 requires the District to expend a minimum of 50% of the unrestricted General Fund monies on salaries of classroom instructors. This is reported annually to the California Community Colleges Chancellor's Office. This schedule provides a reconciliation of the amount reported to the California Community Colleges Chancellor's Office and the impact of any audit adjustments and/or corrections noted during the audit.

**Proposition 30 Education Protection Account (EPA) Expenditure Report**

This schedule provides information about the District's EPA revenues and summarized expenditures of EPA revenues.

**Reconciliation of the Governmental Funds to the Statement of Net Position**

This schedule provides a reconciliation of the adjustments necessary to bring the District's internal fund financial statements, prepared on a modified accrual basis, to the government-wide full accrual basis financial statements required under GASB Statements No. 34 and No. 35 business-type activities reporting model.

Independent Auditor’s Reports
June 30, 2025

# Contra Costa Community College District

**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Board of Trustees
Contra Costa Community College District
Martinez, California

We have audited, 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 (*Government Auditing Standards*), the financial statements of the business-type activities and fiduciary activities of Contra Costa Community College District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 12, 2026.

***Adoption of New Accounting Standard***

As discussed in Note 2 and Note 12 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences,* for the year ended June 30, 2025. Accordingly, a restatement has been made to the business-type activities net position as of July 1, 2024 to restate beginning net position. Our opinions are not modified with respect to this matter.

**Report on Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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.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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

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

**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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Ontario, California
January 12, 2026

**Independent Auditor's Report on Compliance for the Major Federal Program; Report on Internal Control over Compliance Required by the Uniform Guidance**

To the Board of Trustees
Contra Costa Community College District
Martinez, California

**Report on Compliance for the Major Federal Program**

***Opinion on the Major Federal Program***

We have audited Contra Costa Community College District's (the District) 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 the District's major federal program for the year ended June 30, 2025. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Contra Costa Community College District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

***Basis for Opinion on the Major Federal Program***

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

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



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### *Responsibilities of Management for Compliance*

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

### *Auditor's Responsibilities for the Audit of Compliance*

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

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

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

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

### *Other Matters*

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002. Our opinion on the major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's responses to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

**Report on Internal Control over Compliance**

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002 to be significant deficiencies.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's responses to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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.

Eide Bailly LLP

Ontario, California
January 12, 2026

Eide Bailly

**Independent Auditor's Report on State Compliance**

To the Board of Trustees
Contra Costa Community College District
Martinez, California

**Report on State Compliance**

***Opinion on State Compliance***

We have audited Contra Costa Community College District's (the District) compliance with the types of compliance requirements described in the 2024-2025 California Community Colleges Chancellor's Office *Contracted District Audit Manual* applicable to the state laws and regulations identified below for the year ended June 30, 2025.

In our opinion, Contra Costa Community College District complied, in all material respects, with the compliance requirements referred to above that are applicable to the state laws and regulations identified below that were audited for the year ended June 30, 2025.

***Basis for Opinion***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), and the 2024-2025 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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


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***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's compliance with the requirements identified below.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements listed in the table below has occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the 2024-2025 California Community Colleges Chancellor's Office *Contracted District Audit Manual* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements listed in the table below.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the 2024-2025 California Community Colleges Chancellor's Office *Contracted District Audit Manual*, 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 the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance 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 District's internal control over compliance. Accordingly, we express no such opinion.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any material noncompliance that we identify during the audit.

**Compliance Requirements Tested**

In connection with the audit referred to above, we selected and tested transactions and records to determine the District's compliance with state laws and regulations applicable to the following:

| | |
|---|---|
| Section 411 | SCFF Data Management Control Environment |
| Section 412 | SCFF Supplemental Allocation Metrics |
| Section 413 | SCFF Success Allocation Metrics |
| Section 421 | Salaries of Classroom Instructors (50 Percent Law) |
| Section 423 | Apportionment for Activities Funded From Other Sources |
| Section 424 | Student Centered Funding Formula Base Allocation: FTES |
| Section 425 | Residency Determination for Credit Courses |
| Section 426 | Students Actively Enrolled |
| Section 427 | Dual Enrollment (CCAP) |
| Section 430 | Scheduled Maintenance Program |
| Section 431 | Gann Limit Calculation |
| Section 444 | Apprenticeship Related and Supplemental Instruction (RSI) Funds |
| Section 475 | Disabled Student Programs and Services (DSPS) |
| Section 490 | Propositions 1D and 51 State Bond Funded Projects |
| Section 491 | Education Protection Account Funds |
| Section 492 | Student Representation Fee |
| Section 494 | State Fiscal Recovery Fund |
| Section 498 | COVID-19 Recover Block Grant Expenditures |

The District received no funding through Propositions 1D and 51 State Bond Funded Projects; therefore, the compliance tests within this section were not applicable.

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the 2024-2025 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Ontario, California
January 12, 2026

Schedule of Findings and Questioned Costs
June 30, 2025

# Contra Costa Community College District

**FINANCIAL STATEMENTS**

| | |
|---|---|
| Type of auditor's report issued: | Unmodified |
| Internal control over financial reporting: | |
| Material weaknesses identified | No |
| Significant deficiencies identified not considered to be material weaknesses | None Reported |
| Noncompliance material to financial statements noted? | No |

**FEDERAL AWARDS**

| | |
|---|---|
| Internal control over major programs: | |
| Material weaknesses identified | No |
| Significant deficiencies identified not considered to be material weaknesses | Yes |
| Type of auditor's report issued on compliance for major programs: | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a): | Yes |

**Identification of major programs:**

| Name of Federal Program or Cluster | Federal Financial Assistance Listing |
|---|---|
| Student Financial Assistance Cluster | 84.007, 84.033, 84.063, 84.268 |

| | |
|---|---|
| Dollar threshold used to distinguish between type A and type B programs: | $1,616,123 |
| Auditee qualified as low-risk auditee? | Yes |

**STATE COMPLIANCE**

| | |
|---|---|
| Type of auditor's report issued on compliance for State programs: | Unmodified |

None reported.

The following findings represent significant deficiencies in internal control over compliance and instances of noncompliance including questioned costs that are required to be reported by the Uniform Guidance.

**2025-001 Special Tests and Provisions – NSLDS Reporting**

**Federal Agency:** U.S. Department of Education (ED)
**Pass-Through Entity:** Direct Funded by the U.S. Department of Education (ED)
**Program Name:** Student Financial Assistance Cluster
**Assistance Listing Numbers:** 84.007, 84.033, 84.063, and 84.268
**Award Identification Numbers:** P063P240029, P063241131, P063P243321, P063P250029, P268K251131, P268K253321
**Award Year:** 2024-2025

**Criteria**
OMB Compliance Supplement, OMB No. 1845-0035 – Institutions are required to report enrollment information under the Pell grant and the Direct and Federal Family Education Loan (FFEL) loan programs via the National Student Loan Data System (NSLDS).

Institutions must review, update, and verify student enrollment statuses, program information, and effective dates that appear on the Enrollment Reporting Roster file or on the Enrollment Maintenance page of the NSLDS Professional Access (NSLDSFAP) website which the financial aid administrator can access for the auditor. The data on the institutions' Enrollment Reporting Roster, or Enrollment Maintenance page, is what NSLDS has as the most recently certified enrollment information. There are two categories of enrollment information: "Campus Level" and "Program Level", both of which need to be reported accurately and have separate record types. The NSLDS Enrollment Reporting Guide provides the requirements and guidance for reporting enrollment details using the NSLDS Enrollment Reporting Process.

Institutions are responsible for timely reporting, whether they report directly or via a third-party servicer.

**Condition**
*Significant Deficiency in Internal Control over Compliance and Noncompliance* – During our review of the enrollment reporting requirements we observed the following:

- For 22 out of 60 students, the District did not report the students' accurate enrollment status to NSLDS.
- For 2 out of 60 students, the District did not report the correct date that the students' change in enrollment occurred.
- For 1 out of 60 students, the District did not report the correct program start date.
- For 3 out of 60 students, the District did not certify the students' enrollment status within the required timeframe.

**Questioned Costs**
There are no questioned costs associated with the condition identified.

**Context**
We tested a non-statistical sample of 60 students out of 15,341 students that the District disbursed Pell grants and Direct loans to that required student enrollment and program enrollment reporting to NSLDS.

**Effect**
The District is not in compliance with the Federal enrollment requirements described in the OMB *Compliance Supplement*.

**Cause**
The District did not accurately report enrollment information for students under the Pell grant and Direct loan programs via NSLDS timely or accurately.

**Repeat Finding (Yes or No)**
No.

**Recommendation**
The District should implement a process to review, update, and verify student enrollment statuses, effective dates and program information that appear on the Enrollment Reporting Roster files or on the Enrollment Maintenance page of the NSLDS Professional Access (NSLDSFAP) website.

**Views of Responsible Officials and Corrective Action Plan**
Due to programmatic update requirements mandated by state initiative AB 789, previously reported academic programs required recalculated timeframes. Concurrently, the District undertook a data cleanup initiative to ensure that each student declares only one active program of study, instead of multiple active programs. These adjustments, while essential for compliance and data accuracy, resulted in data discrepancies within the enrollment reporting files. Although the District has been diligently working to resolve these issues, the NSLDS reporting process requires all prior-term errors to be fully resolved before a subsequent term’s file can be submitted. As a result, the time required to correct all identified errors in the prior term caused delays in successful transmission to NSLDS within the required timeframe.

The District has completed a comprehensive review to identify the causes of these reporting errors and is implementing an improvement plan with a defined timeline. Specifically, the programming logic used to generate the NSLDS upload file has been rewritten to ensure compliance with updated reporting parameters. Additionally, Admissions and Records offices have established a post-upload review process to conduct spot checks of enrollment data after each NSLDS submission to verify accuracy and prevent future delays. As the District gains more experience with the updated process and completes the backlog of pending submissions, the District is confident that future enrollment reports will be transmitted to NSLDS accurately within the required timeframe.

**2025-002** **Special Tests and Provisions – Return of Title IV Funds**

**Federal Agency:** U.S. Department of Education (ED)
**Pass-Through Entity:** Direct Funded by the U.S. Department of Education (ED)
**Program Name:** Student Financial Assistance Cluster
**Assistance Listing Numbers:** 84.007, 84.033, 84.063, and 84.268
**Award Identification Numbers:** P063P240029, P063241131, P063P243321, P063P250029, P268K251131, P268K253321, P007A240345, P007A240362, P007A240458, P033A240345, P033A240362, P033A240458
**Award Year:** 2024-2025

**Criteria**
*34 CFR 668.173(b)* - Returns of Title IV (R2T4) funds are required to be deposited or transferred into the Student Financial Aid (SFA) account or electronic fund transfers initiated to ED as soon as possible, but no later than 45 days after the date the institution determines that the student withdrew.

**Condition**
*Significant Deficiency in Internal Control over Compliance and Noncompliance* – For 1 out of 60 students tested, we noted a deviation from the District's designed procedures and controls which resulted in the District not returning the institution's portion of the required return in a timely manner.

**Questioned Costs**
There are no questioned costs associated with the condition identified.

**Context**
There were 1,038 Return of Title IV calculations performed during the year ended June 30, 2025.

**Effect**
The District is not in compliance with the Federal Return of Title IV requirements described in the OMB *Compliance Supplement*.

**Cause**
The District's internal controls were not sufficient to ensure that the Return of Title IV funds were returned in a timely manner.

**Repeat Finding (Yes or No)**
No.

**Recommendation**
The District should strengthen internal controls over the Return of Title IV calculations to ensure that funds are returned in a timely manner.

**Views of Responsible Officials and Corrective Action Plan**
The District has reviewed the current R2T4 procedures and taken corrective measures to strengthen internal controls over the Return of Title IV calculations to ensure that funds are returned in a timely manner.

1. **Process Review:**
   All Financial Aid staff involved in the R2T4 process have reviewed the *Overpayments-R2T4 Policy and Procedure* to ensure a full understanding of each step and to continue to comply with federal timelines and documentation requirements.

2. **Monitoring and Accountability:**
   The Financial Aid Office will conduct a review of the return of Title IV calculations and ensure that the funds are returned to the ED within 45 days after the institution determines that the student withdrew.

3. **Ongoing Evaluation:**
   The *Overpayments-R2T4 Policy and Procedure* will be reviewed periodically by the Districtwide Financial Aid Directors Workgroup to ensure continued compliance and effectiveness of internal controls.

None reported.

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.