



Financial Statements
June 30, 2024

**Santa Clarita
Community College District**

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Independent Auditor's Report

To the Board of Trustees
Santa Clarita Community College District
Santa Clarita, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of Santa Clarita Community College District (the District), as of and for the year ended June 30, 2024, 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 financial position of the business-type activities of Santa Clarita Community College District, as of June 30, 2024, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 opinion.

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 opinion. 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 21 and other required supplementary schedules as listed in the table of contents on pages 63 through 69 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 an opinion 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 June 27, 2025 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.



Rancho Cucamonga, California

June 27, 2025

INTRODUCTION

The Santa Clarita Community College District, established in 1967, encompasses 367 square miles of the unincorporated areas of Los Angeles County and areas within the City of Santa Clarita, serving the local communities of Canyon Country, Newhall, Saugus, Valencia, Castaic, Stevenson Ranch and Val Verde. With operations in the Valencia and Canyon Country campuses, the District serves a population of 294,300 and has been among the fastest growing community colleges in the nation for close to three decades. The Governing Board is comprised of five trustees elected by the voters of the District to serve four-year terms.

The following discussion and analysis provides an overview of the financial position and activities of the Santa Clarita Community College District (the District) for the year ended June 30, 2024. This discussion and analysis has been prepared by management and should be read in conjunction with the financial statements and notes, which follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Santa Clarita Community College District's financial statements are presented in accordance with Governmental Accounting Standards Board (GASB) 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*. The statements allow for the presentation of financial activity and results of operations which focuses on the District as a whole. The government-wide financial statements present the overall results of operations whereby all of the District's 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 the District. 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 the District'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 the operations of the District.

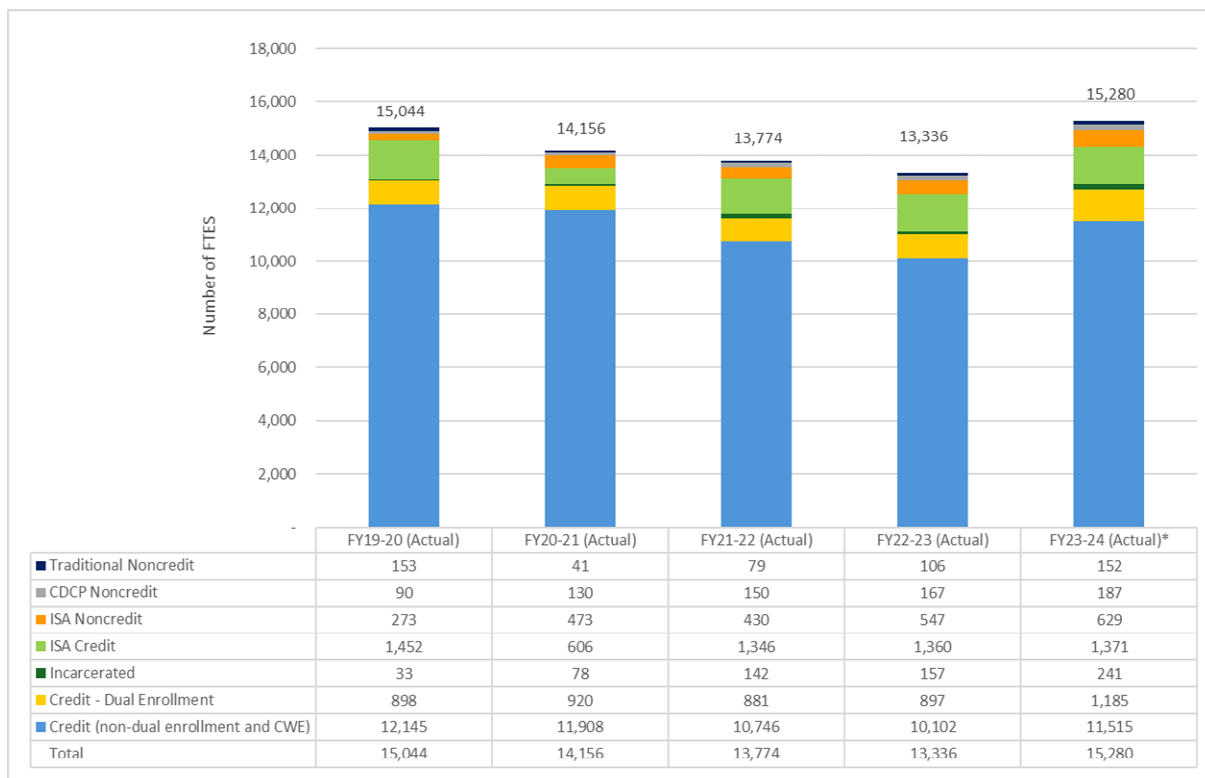
The California Community Colleges Chancellor's Office has recommended that all State community colleges follow the Business-Type Activity (BTA) model for financial statement reporting purposes.

FINANCIAL HIGHLIGHTS

Full-Time Equivalent Students (FTES)

- The District's primary funding source is apportionment received from the State of California. The primary basis of this apportionment is the calculation of Full-Time Equivalent Students (FTES). During the 2023-2024 fiscal year, total reported FTES was 15,280. This is an increase of 1,944 or 14.58% from 2022-2023 fiscal year.

FTES Comparison – Funded FTES
FY2019-2020 Funded Through FY2023-2024 – Resident FTES Only



*FY23-24 numbers are adjusted actuals.

Unrestricted General Fund Balance

- The District ended fiscal year 2023-2024 with a General Unrestricted Fund Balance at \$17,501,134 which is 11.38% of Unrestricted General Fund expenditures and other outgo.

Unrestricted General Fund Ending Fund Balance FY2019-2020 Through FY2023-2024

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Reserved/Assigned	\$ 1,244,882	\$ 1,985,807	\$ 1,417,154	\$ 2,361,683	\$ 2,007,468
Unassigned	10,142,128	9,825,527	11,869,709	14,823,004	15,493,666
Ending Fund Balance	\$ 11,387,010	\$ 11,811,334	\$ 13,286,863	\$ 17,184,687	\$ 17,501,134
Percentage of Unrestricted Expenses	9.71%	10.24%	10.51%	12.68%	11.38%

Revenues

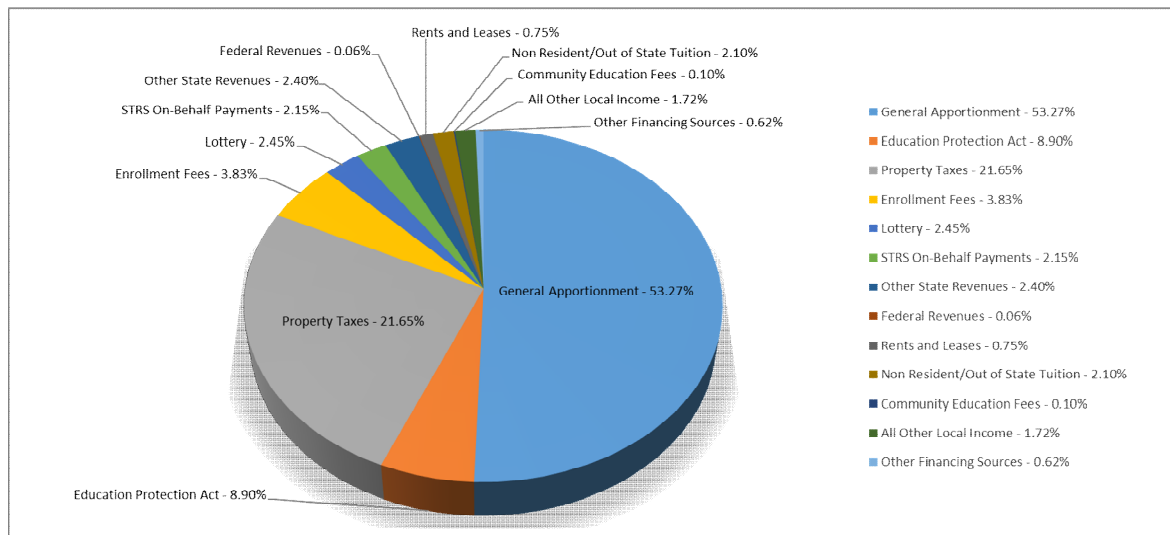
- Revenues and other financing sources in the Unrestricted General Fund totaled \$154,093,315 in fiscal year 2023-2024. This was an increase of \$14,719,358 over the prior year's revenues or a 10.56% increase. The reason for the increase over prior year is due mainly to increases in Total Computational Revenue for General Apportionment from the Student Centered Funding Formula (SCFF), Education Protection Act (EPA) and Non Resident/Out of State Tuition. The increase is offset by large decreases in Property Taxes and Enrollment Fees.

Unrestricted General Fund Revenues by Major Category FY2019-2020 Through FY2023-2024

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
General Apportionment	\$ 56,003,434	\$ 35,910,320	\$ 38,451,018	\$ 70,486,574	\$ 82,081,134
Education Protection Act	\$ 9,026,369	\$ 27,207,721	\$ 33,308,460	\$ 8,137,404	\$ 13,713,435
Property Taxes	\$ 27,873,249	\$ 31,733,049	\$ 30,490,899	\$ 35,981,951	\$ 33,357,299
Enrollment Fees	\$ 8,229,456	\$ 7,037,860	\$ 6,700,250	\$ 7,536,015	\$ 5,903,525
Lottery	\$ 2,627,316	\$ 2,958,295	\$ 3,023,845	\$ 3,756,684	\$ 3,773,826
STRS On-Behalf Payments	\$ 3,920,713	\$ 3,275,146	\$ 3,878,804	\$ 3,182,498	\$ 3,321,105
Other State Revenues	\$ 1,969,058	\$ 1,996,045	\$ 3,574,829	\$ 3,616,072	\$ 3,699,342
Federal Revenues	\$ 141,140	\$ 89,982	\$ 99,963	\$ 85,776	\$ 91,977
Rents and Leases	\$ 1,207,655	\$ 839,945	\$ 1,059,487	\$ 1,373,148	\$ 1,156,092
Non Resident/Out of State Tuition	\$ 2,322,267	\$ 1,619,448	\$ 1,924,601	\$ 2,155,490	\$ 3,236,842
Community Education Fees	\$ 181,465	\$ 70,350	\$ 107,070	\$ 125,335	\$ 148,693
All Other Local Income	\$ 1,634,331	\$ 1,095,907	\$ (613,482)	\$ 2,111,489	\$ 2,651,517
Other Financing Sources	\$ 2,322,441	\$ 1,974,732	\$ 5,843,774	\$ 825,521	\$ 958,528
Total Revenues	\$ 117,458,894	\$ 115,808,800	\$ 127,849,518	\$ 139,373,957	\$ 154,093,315
	4.09% Increase	(1.40%) Decrease	10.40% Increase	9.01% Increase	10.56% Increase

State General Apportionment, Property Taxes, and Student Enrollment Fees accounted for 78.75% of the District's Unrestricted General Fund revenues. EPA, which is temporary funding expiring in 2030, represents 8.90% of the District's Unrestricted General Fund Revenues. The remaining 12.35% includes Lottery, STRS On-Behalf Payments, Other State Revenues, Federal Revenues, Rents and Leases, Non-Resident/Out of State Tuition, Community Education Fees, All Other Local Income, and Other Financing Sources.

**Unrestricted General Fund Revenues by Major Category
FY2023-2024 Percentages**



Expenses

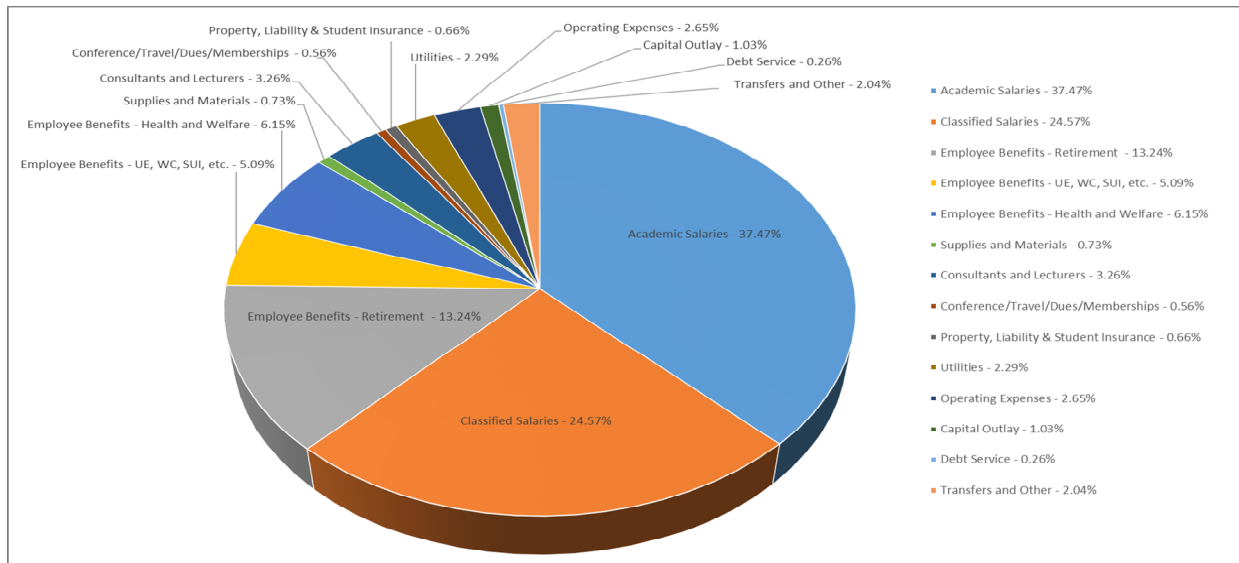
- Expenditures associated with the instructional operations and related supporting activities of the District are recorded in the Unrestricted General Fund. In addition, expenditures resulting from Unrestricted General Fund resources being moved to other funds through interfund transfers are recorded here.
- In fiscal year 2023-2024, expenditures and other financing uses in the Unrestricted General Fund totaled \$153,776,868. This is an increase of \$18,300,736 over the prior year's expenditures or a 13.51% increase. The reason for the increase over prior year is mainly due to increases in Employee Salaries and Benefits which stem from increased negotiated rates as well as step and column increases for all bargaining units.

**Unrestricted General Fund Expenses by Major Category
FY2019-2020 Through FY2023-2024**

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Academic Salaries	\$ 44,386,084	\$ 46,186,421	\$ 46,670,312	\$ 50,706,087	\$ 57,613,717
Classified Salaries	\$ 29,230,537	\$ 27,675,823	\$ 29,431,106	\$ 32,076,601	\$ 37,786,602
Employee Benefits - Retirement	\$ 14,327,917	\$ 13,796,082	\$ 15,761,093	\$ 17,578,058	\$ 20,367,599
Employee Benefits - UE, WC, SUI, etc.	\$ 5,569,393	\$ 6,006,887	\$ 6,661,921	\$ 6,892,899	\$ 7,832,097
Employee Benefits - Health and Welfare	\$ 7,260,251	\$ 7,491,331	\$ 7,727,978	\$ 8,355,368	\$ 9,455,718
Supplies and Materials	\$ 836,803	\$ 553,869	\$ 877,347	\$ 1,111,011	\$ 1,130,243
Consultants and Lecturers	\$ 5,750,812	\$ 3,040,610	\$ 3,843,860	\$ 4,627,015	\$ 5,012,978
Conference/Travel/Dues/Memberships	\$ 524,316	\$ 260,492	\$ 466,753	\$ 723,374	\$ 854,413
Property, Liability & Student Insurance	\$ 792,676	\$ 782,026	\$ 795,014	\$ 858,328	\$ 1,018,546
Utilities	\$ 2,069,138	\$ 2,312,080	\$ 3,431,116	\$ 3,770,856	\$ 3,513,911
Operating Expenses	\$ 2,723,450	\$ 3,049,785	\$ 3,860,313	\$ 3,777,618	\$ 4,069,555
Capital Outlay	\$ 1,140,419	\$ 1,151,471	\$ 1,386,231	\$ 1,163,570	\$ 1,583,050
Debt Service	\$ -	\$ -	\$ -	\$ 147,162	\$ 407,351
Transfers and Other	\$ 2,693,869	\$ 3,077,598	\$ 5,460,946	\$ 3,688,185	\$ 3,131,088
Total Expenses	\$ 117,305,665	\$ 115,384,475	\$ 126,373,990	\$ 135,476,132	\$ 153,776,868
	4.30% Increase	(1.64%) Decrease	9.52% Increase	7.20% Increase	13.51% Increase

Salaries and fringe benefits totaled 86.53% of all Unrestricted General Fund expenditures, which is above the Statewide recommended average of 85%.

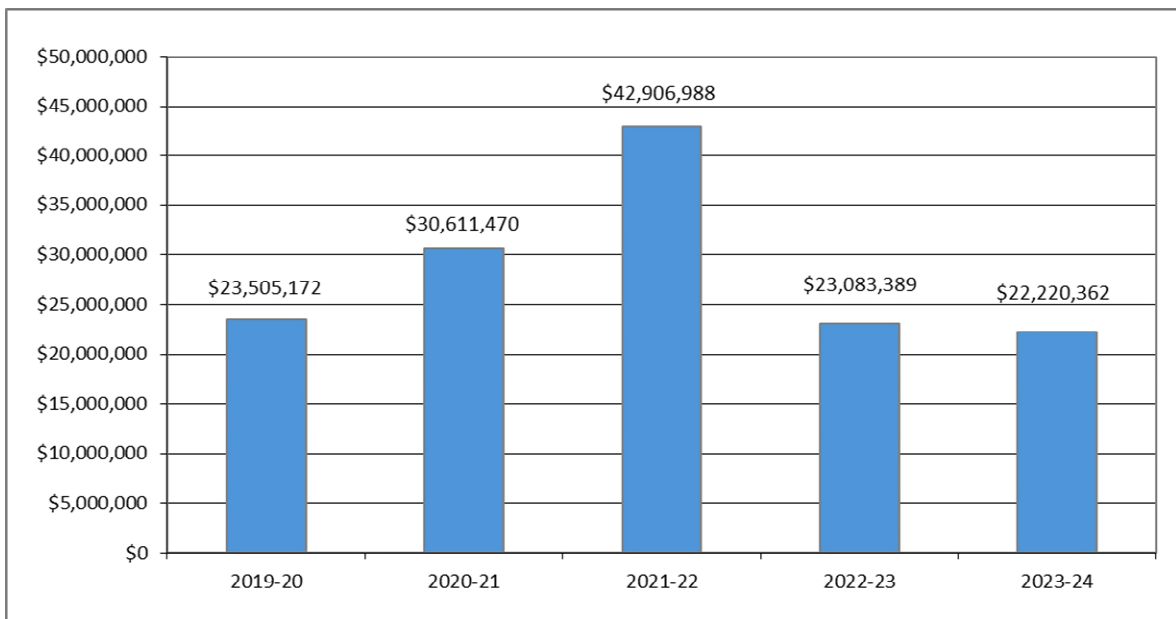
**Unrestricted General Fund Expenses by Major Category
FY2023-2024 Percentages**



Grant Funding

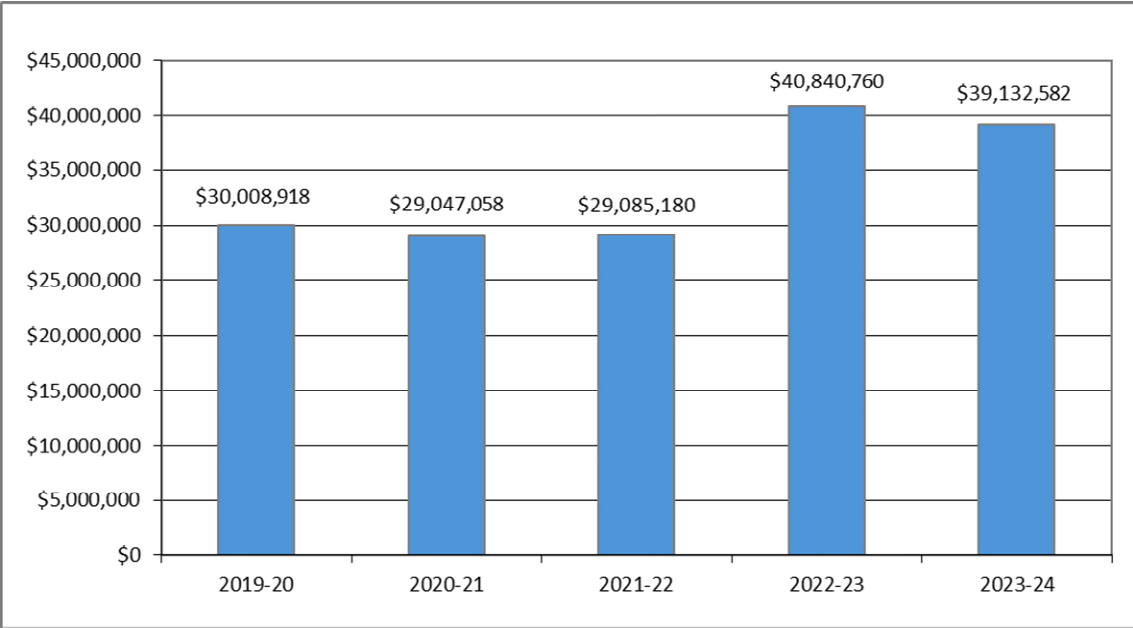
- Federal, State/Categorical and Local funding augment the resources available to the District for program development, new initiatives, innovative projects, and instructional equipment. In 2023-2024, the level of funding from 2022-2023 was maintained and saw a 21% increase totaling an additional \$11 million. The increase is due to new federal programs including Title V, Center of Excellence for Veteran Students and two Congressional funded projects for Advance Technology and Fire Academy as well as state and locally funded projects for Ethnic Studies, AB1705, Tech Data and Security, CA Apprenticeship for Early Childhood Education, Calculus Reform, and Culturally Responsive Pedagogy and Practices.
 - Federal grant program expenditures for fiscal year 2023-2024 totaled \$22,220,362 which is a decrease of (\$863,027) from prior year or a (3.74%) decrease.

**Federal Grant Expenditures
FY2019-2020 Through FY2023-2024**



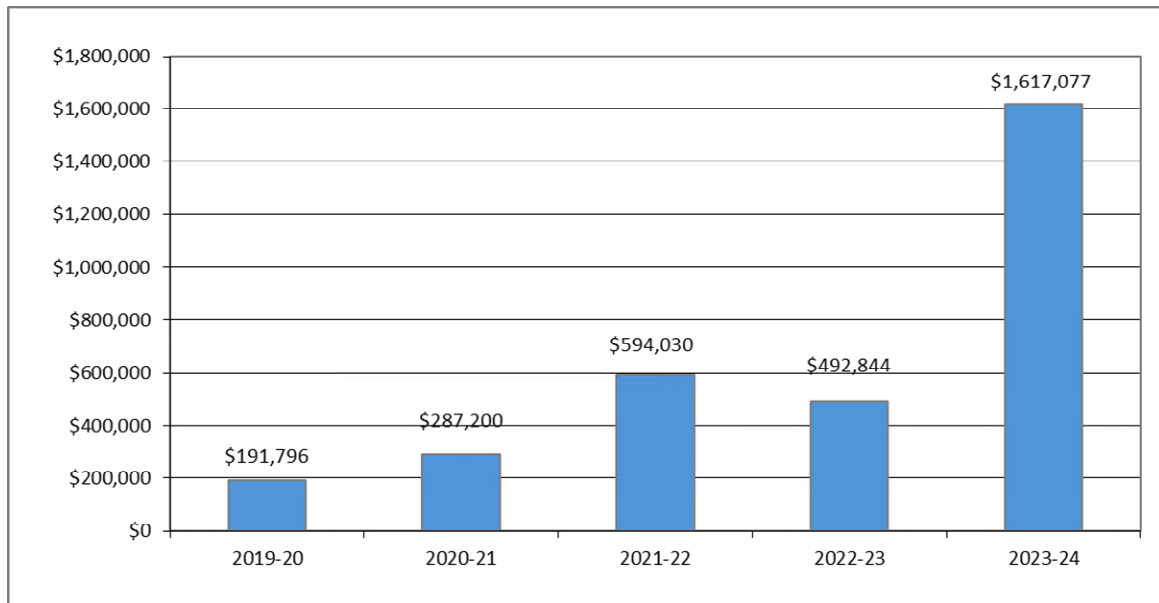
- State/Categorical grant program expenditures for fiscal year 2023-2024 totaled \$39,132,582 which is a decrease of (\$1,708,178) from prior year or a (4.18%) decrease.

State/Categorical Grant Expenditures
FY2019-2020 Through FY2023-2024



- Local grant program expenditures for fiscal year 2023-2024 totaled \$1,617,077 which is an increase of \$1,124,233 from prior year or a 228.11% increase.

**Local Grant Expenditures
FY2019-2020 Through FY2023-2024**



Student Financial Aid

- In 2023-2024, the District offered student financial aid in the form of Pell Grants, Cal Grants, and SEOG Grants totaling \$18,236,971, which is an increase of \$1,913,727 or 11.72% from fiscal year 2022-2023. The Pell and Cal Grants were funded 100% from Federal and State allocations, and SEOG Grants were funded 75% from Federal funds and 25% from a District match.

The District also disbursed Direct Student Loans to qualifying students based on legislation and provided paid Federal Work Study opportunities. Direct Student Loans were funded 100% from Federal funds, and Work Study was funded 75% from Federal funds and 25% from a District match. Students received \$1,534,868 in Direct Loans and earned \$501,804 in Federal Work Study wages from on-campus jobs.

**Student Financial Aid Expenditures
FY2019-2020 Through FY2023-2024**

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Federal Pell Grants *	\$ 13,983,344	\$ 12,363,641	\$ 12,977,414	\$ 12,967,924	\$ 15,211,570
Cal Grants *	\$ 1,701,268	\$ 1,664,528	\$ 2,431,312	\$ 2,113,131	\$ 2,440,402
Federal SEOG Grants **	\$ 663,466	\$ 825,197	\$ 718,354	\$ 582,286	\$ 584,999
Federal Higher Ed Emergency Relief Funds *	\$ 2,885,025	\$ 3,859,083	\$ 13,237,838	\$ 659,903	\$ -
Subtotal - Grants	\$ 19,233,103	\$ 18,712,449	\$ 29,364,918	\$ 16,323,244	\$ 18,236,971
Direct Student Loans ***	\$ 1,911,295	\$ 1,315,345	\$ 1,100,378	\$ 1,280,847	\$ 1,534,868
Federal Work Study Wages **	\$ 451,592	\$ 262,511	\$ 352,150	\$ 413,510	\$ 501,084
Total Grants and Work Study	\$ 21,595,990	\$ 20,290,305	\$ 30,817,446	\$ 18,017,601	\$ 20,272,923
	23.96% Increase	(6.05%) Decrease	51.88% increase	(41.53%) Decrease	12.52% Increase

* Pell Grants, Cal Grants, Full Time Student Success Grants, and Higher Ed Emergency Relief Funds are 100% funded from Federal and State sources.

** SEOG Grants and Federal Work Study Wages were funded 75% from Federal sources and require a 25% District match contribution.

*** Direct Student Loans were issued by Commercial Banks until Fall 2010, when the responsibility was transferred to community colleges.

Capital Outlay Expenditures

The District continued to plan, construct, and upgrade facilities in fiscal year 2023-2024, through a combination of the funding sources highlighted below:

- Measure E Funding for Capital Projects

Measure E General Obligation Bonds were authorized in an election held on June 7, 2016. The election approved the issuance of \$230 million of general obligation bonds. Measure E passed with 58.46% voter approval. Measure E funds were approved to for addition and renovation of facilities at the Valencia and Canyon Country Campus.

- The first issuance of Measure E bonds occurred in May 2017 in the amount of \$50 million.
- The second issuance occurred in August 2019 in the amount of \$85 million.
- The third issuance occurred in November 2022 in the amount of \$70 million.
- There is \$25 million available for future issuances as needed.

As of June 30, 2024, Measure E proceeds in the amount of \$139,906,266 were expended on the following approved projects and expenditures:

- ADA Transition Project
- Advanced Technology Center Building
- Boykin 105 Remodel
- Boykin Hall Modernization Phase 2
- Canyon Country Central Plant
- Canyon Country Campus Quad HVAC & Modular Modernization
- Canyon Country Campus Arts & Lecture Facility
- Canyon Country Campus Modernization
- Canyon Country Campus Science Building and Classroom Structure
- Canyon Country Campus Student Services and Learning Resource Center
- Canyons Hall – Counseling Offices
- CTE Building

- Inter-Cultural Center
- PE West Modernization
- Repairs and Modernization
- Site Upgrades
- Student Business Office Secondary Effects
- Student Center Modernization
- Technology/Technology Infrastructure
- Valencia Campus Parking Structure

Measure E funding will continue to fund the following projects in progress:

- ADA Transition Project
- Advanced Technology Center Building
- Boykin Hall Modernization Phase 2
- Canyon Country Campus Modernization
- ECE Modernization
- Site Upgrades
- Student Center Modernization

- **Local Funding for Capital Projects**

The District used local funding to supplement State, Measure M and Measure E capital funding. Securing local dollars for capital construction provides one more revenue source for construction and maintenance projects on the two campuses in the District (Valencia and Canyon Country). State, Measure M and Measure E dollars go further towards completing the projects in the District's Educational and Facilities Master Plan when augmented by local funding.

Local funding includes transfers from the Unrestricted General Fund, Capital Campaign donations from the COC Foundation, Certificate of Participation funding from issuing debt, energy incentive funding, facilities fees paid by international students, money collected from joint use partnerships with the local high school district, and charges from the use of District facilities.

In 2023-2024, local funding totaling \$1,434,599 was expended on projects such as:

- Equipment for Various Instructional and Non-Instructional Departments
- Capital Improvement Projects
- Custodial/Maintenance
- Del Valle Site Improvements and Equipment
- Scheduled Maintenance/Repair projects

THE DISTRICT AS A WHOLE

Statement of Net Position

In 2003, GASB 35 was established to require Public Agencies to present their financial statements in the same format as private entities in order to establish a consistent format for anyone reviewing the report.

To comply with GASB 35, the Statement of Net Position (Balance Sheet) combines the value of assets and liabilities held in the twenty-one funds of the District's books and records with adjustments, which are required by GASB 35 through manual entries.

The Statement of Net Position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the District as of the end of the fiscal year and is prepared using accrual basis accounting. The Statement of Net Position is to present a fiscal snapshot of the District by providing the following:

- The assets available to continue the operations of the District
- How much the District owes vendors and employees
- Net position and availability for expenditure by the District

The difference between total assets deferred outflows of resources and total liabilities and deferred inflows of resources (net position) is one indicator of the current financial conditions of the District. Another indicator is the change in net position which shows whether the overall financial conditions has improved or worsened during the year. Assets and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical cost, less an allocation for depreciation expense.

The Net Position is divided into three major categories:

1. The first category, net investment in capital assets, is the equity amount in property, plant and equipment owned by the District.
2. The second category, restricted net position, is equity that must be spent for purposes as determined by external entities and/or donors that have placed time or purpose restrictions on the use.
3. The third category, unrestricted net position (deficit), is available to the District for any lawful purpose of the District.

The Statement of Net Position as of June 30, 2024 and 2023, is summarized below:

NET POSITION			
(Amounts in thousands)			
	<u>2024</u>	<u>2023</u>	<u>Change</u>
Assets			
Cash and investments	\$ 223,589	\$ 247,935	\$ (24,346)
Receivables, net	35,318	36,489	(1,171)
Other current assets	2,323	2,461	(138)
Capital assets, net	<u>370,696</u>	<u>360,861</u>	<u>9,835</u>
Total Assets	<u>631,926</u>	<u>647,746</u>	<u>(15,820)</u>
 Deferred Outflows of Resources	 <u>56,284</u>	 <u>52,140</u>	 <u>4,144</u>
 Liabilities			
Accounts payable and accrued liabilities	118,379	134,793	(16,414)
Current portion of long-term liabilities	17,322	14,989	2,333
Noncurrent portion of long-term liabilities	<u>553,621</u>	<u>560,610</u>	<u>(6,989)</u>
Total Liabilities	<u>689,322</u>	<u>710,392</u>	<u>(21,070)</u>
 Deferred Inflows of Resources	 <u>13,796</u>	 <u>17,857</u>	 <u>(4,061)</u>
 Net Position			
Net investment in capital assets	58,535	48,077	10,458
Restricted	42,116	40,793	1,323
Unrestricted (deficit)	<u>(115,558)</u>	<u>(117,232)</u>	<u>1,674</u>
Total Net Position (deficit)	<u>(14,907)</u>	<u>(28,362)</u>	<u>13,455</u>

Assets

Total Assets at June 30, 2024 of \$631.9 million reflected a decrease of (\$15.8) million from June 30, 2023. This decrease can be analyzed as follows:

- (\$24.3) million decrease in cash and investments in the Los Angeles County Treasury was attributable to decreased cash balances in funds for Measure E General Obligation Bonds and State Construction.
- (\$1.2) million decrease in accounts receivable was attributable to lower accounts receivable balance for general apportionment in the Restricted General fund from State Apportionment Revenue offsetting EPA revenue that was due back to the State.

- (\$0.1) million decrease in other current assets (prepaid expenses) was attributable primarily to a slight decrease in the retirement payment for SERP members attributable to the 2024- 2025 fiscal year and future debt service pre-payments.
- \$9.8 million increase in net capital assets was attributable to the following: Add net of new construction and equipment which increased fixed assets by \$9.5 million and net of \$0.3 million in right-to use leased assets and subscription IT assets.

Deferred Outflows of Resources

Deferred Outflows of Resources at June 30, 2024 of \$56.3 million reflected an increase of \$4.1 million from June 30, 2023 mainly due to changes of assumptions and differences in the District's proportionate share of the CalSTRS and CalPERS pension systems per the latest available actuarial study, which is for measurement date June 30, 2024.

Liabilities

Total Liabilities at June 30, 2024 of \$689.3 million reflected a decrease of (\$21.1) million from June 30, 2023. This decrease can be attributable to the following:

- (\$16.4) million decrease in accounts payable and accrued interest payable. The decrease is primarily due to funds due back to the state for an EPA adjustment, offset by a receivable in State Apportionment.
- (\$4.6) million decrease in the District's Long-Term Liabilities.
 - \$2.3 million increase in Current Long-Term Liabilities that are due within one year.
 - (\$6.9) million decrease in Noncurrent Long-Term Liabilities that are due in more than one year. This includes Aggregate Net OPEB Liability, Aggregate Net Pension Liability, Early Retirement Plan Liability and General Obligation Bonds.

It is important to note that General Obligation Bond debt is included in the Total Liabilities of the District, even though this debt is repaid through property taxes collected by the Los Angeles County Treasurer and Tax Collector.

Deferred Inflows of Resources

Deferred Inflows of Resources at June 30, 2024 of \$13.8 million reflected a decrease of (\$4.1) million from June 30, 2023. The decrease can be attributable mainly to resources due to changes in the actuarial valuations for CalSTRS and CalPERS pension systems based on the latest version of the actuarial report.

Total Net Position

The District's Total Net Position at June 30, 2024 is (\$14.9) million. Total Net Position is the sum of all Assets and Liabilities. Beginning with the June 30, 2015 Annual Financial Report, the accounting pronouncement GASB 68 requires that the District's proportionate share of the CalPERS and CalSTRS unfunded pension liabilities be included in the Total Net Position in the financial statements. Also, beginning with the June 30, 2018 Financial Report the accounting pronouncement of GASB 75 requires that the District recognize the full Post Employment Benefit Liability in the financial statements instead of a prorated portion.

Operating Results

The results of fiscal year 2023-2024 operations for the District as a whole are reported in the *Statement of Revenues, Expenses, and Changes in Net Position*.

OPERATING RESULTS - GOVERNMENT-WIDE (Amounts in thousands)			
	2024	2023	Change
Operating Revenues			
Tuition and fees	\$ 11,141	\$ 12,042	\$ (901)
Grants and contracts, noncapital	48,089	39,179	8,910
Total Operating Revenues	<u>59,230</u>	<u>51,221</u>	<u>8,009</u>
Operating Expenses			
Salaries and benefits	156,234	133,529	22,705
Supplies, services, equipment, and maintenance	38,843	41,265	(2,422)
Student financial aid	26,538	24,757	1,781
Depreciation and amortization	11,222	9,986	1,236
Total Operating Expenses	<u>232,837</u>	<u>209,537</u>	<u>23,300</u>
Operating Loss	<u>(173,607)</u>	<u>(158,316)</u>	<u>(15,291)</u>
Nonoperating Revenues			
State apportionments	95,794	81,291	14,503
Property taxes	55,492	58,230	(2,738)
Student financial aid grants	23,473	22,102	1,371
State revenues	6,503	6,372	131
Net interest expense	(2,178)	(11,861)	9,683
Other nonoperating revenues	4,890	3,835	1,055
Total Nonoperating Revenue	<u>183,974</u>	<u>159,969</u>	<u>24,005</u>
Other Revenues			
State and local capital income	3,088	10,489	(7,401)
Net Change in Net Position	<u>\$ 13,455</u>	<u>\$ 12,142</u>	<u>\$ 1,313</u>

Functional Expenses

In accordance with requirements set forth by the California Community Colleges Chancellor's Office, the District reports operating expenses by object code. Operating expenses by functional classification are as follows:

FUNCTIONAL EXPENSES CLASSIFICATION For the Year Ended June 30, 2024 (Amounts in thousands)						
	Salaries and Employee Benefits	Supplies, Materials, and Other Expenses and Services	Student Financial Aid	Equipment, Maintenance, and Repairs	Depreciation and Amortization	Total
Instructional activities	\$ 78,680	\$ 6,693	\$ 1,332	\$ 1,395	\$ -	\$ 88,100
Academic support	5,259	664	-	3	-	5,926
Student services	21,454	2,081	1,065	96	-	24,696
Plant operations and maintenance	6,478	4,918	-	23	-	11,419
Instructional support services	23,832	12,518	83	1,090	-	37,523
Community services and economic development	6,048	587	-	12	-	6,647
Ancillary services and auxiliary operations	12,212	2,715	1	72	-	15,000
Student Aid	11	(5)	24,057	-	-	24,063
Physical property and related acquisitions	2,260	415	-	5,566	-	8,241
Unallocated depreciation and amortization	-	-	-	-	11,222	11,222
Total	<u>\$ 156,234</u>	<u>\$ 30,586</u>	<u>\$ 26,538</u>	<u>\$ 8,257</u>	<u>\$ 11,222</u>	<u>\$ 232,837</u>

Changes in Cash Position

The Statement of Cash Flows provides information about cash receipts and cash payments during the fiscal year. This Statement also helps users assess the District's ability to generate positive cash flows, meet obligations as they come due and determine the need for external financing.

The Statement of Cash Flows is divided into five parts. The first part reflects operating cash flows and shows the net cash provided by the operating activities of the District. The second part details cash received for nonoperating, noninvesting, and noncapital financing purposes. The third part shows cash flows from capital and related financing activities. This part deals with the cash used for the acquisition and construction of capital and related items. The fourth part provides information from investing activities and the amount of interest received. The last section reconciles the net cash used by operating activities to the operating loss reflected on the Statement of Revenues, Expenses, and Change in Net Position.

STATEMENT OF CASH FLOWS - GOVERNMENT-WIDE
(Amounts in thousands)

	2024	2023	Change
Net Cash Flows From			
Operating activities	\$(164,246)	\$(132,818)	\$ (31,428)
Noncapital financing activities	156,191	139,378	16,813
Capital financing activities	(27,929)	128,483	(156,412)
Investing activities	11,636	(1,494)	13,130
Net Increase (Decrease) in Cash and Cash Equivalents	(24,348)	133,549	(157,897)
Cash and Cash Equivalents, Beginning of Year	247,935	114,386	133,549
Cash and Cash Equivalents, End of Year	<u>\$ 223,587</u>	<u>\$ 247,935</u>	<u>\$ (24,348)</u>

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

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

	2024	2023	Net Change
Capital Assets			
Land and construction in progress	\$ 83,484,898	\$ 70,460,001	\$ 13,024,897
Buildings and improvements, net	275,112,748	281,482,203	(6,369,455)
Furniture and equipment, net	10,904,847	8,048,354	2,856,493
Right-to-use leased assets, net	140,884	428,489	(287,605)
Right-to-use subscription IT assets, net	1,052,325	441,557	610,768
Total capital assets, net	<u>\$ 370,695,702</u>	<u>\$ 360,860,604</u>	<u>\$ 9,835,098</u>

Long-Term Liabilities

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

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
General obligation bonds	\$ 416,369,925	\$ 1,232,349	\$ (12,404,471)	\$ 405,197,803
COPs payable	6,348,303	-	(905,252)	\$ 5,443,051
Leases	447,261	-	(295,760)	\$ 151,501
Subscription-based IT arrangements	459,512	992,417	(365,682)	\$ 1,086,247
Other liabilities	10,871,368	3,488,707	(1,979,339)	\$ 12,380,736
Total long-term liabilities	<u>\$ 434,496,369</u>	<u>\$ 5,713,473</u>	<u>\$ (15,950,504)</u>	<u>\$ 424,259,338</u>
Amount due within one year				<u>\$ 16,751,984</u>

BUDGETARY HIGHLIGHTS

The District has a history of accurate budgeting and presenting balanced budgets to the Board of Trustees for consideration. Budgeting with a high level of precision, including using a very detailed position control system to budget salaries by position, is critical to achieving the desired outcome of no deficit spending when all actual revenues and expenditures are recorded for the year. This means budgeting conservative and achievable revenue estimates and accurate and reasonable expense estimates.

General Apportionment funding continues to be the District's largest unrestricted funding source. This funding is received as a combination of State Apportionment, Education Protection Act funding (EPA), Property Taxes, and Student Enrollment Fees.

The District's 2023-2024 Adopted Budget for the Unrestricted General Fund was a balanced budget with no structural deficit (deficit spending). The District projected 90% of Unrestricted General Fund revenue to come from State General Apportionment funding. Projected fundings were based on the Student Centered Funding Formula and focused on assumptions regarding enrollment demand and student equity and success metrics. The 2023-2024 Adopted Budget reflected an 11.66% Fund Balance and no structural deficit. The District ended the fiscal year with 11.38% fund balance.

Looking Ahead

In 2024-2025, 88% percent of the District's Unrestricted General Fund revenue is projected to come from State General Apportionment funding. The 2024-2025 Adopted Budget projects funding based on the Student Centered Funding Formula and focuses on assumptions regarding enrollment demand and student equity and success metrics. The 2024-2025 Adopted Budget reflects an 11.70% Fund Balance and no structural deficit.

ECONOMIC FACTORS AFFECTING THE FUTURE OF SANTA CLARITA COMMUNITY COLLEGE DISTRICT

On June 26, 2024, Governor Newsom signed the 2024 Budget Act which reflected state expenditures of approximately \$298 billion, including \$211.5 billion in General Fund expenditures. The Budget Act of 2024 increases overall funding for community colleges by \$0.6 million over 2023-2024 levels. The enacted budget for higher education continues to be shaped by the multi-year framework introduced in 2022-2023 including the Roadmap for the Future for the California Community Colleges.

Significant revenue shortfalls related to declines in the technology sector and a delay in tax payments have created a budget deficit of \$45 billion. The enacted budget includes overall state General Fund spending of \$211.5 billion, a decline of about 6.4% compared to the enacted budget for 2023-2024. A series of early actions taken by the Legislature and the Governor in the spring addressed \$17 billion of the deficit, leaving \$28 billion in additional solutions required to address the full deficit for 2024-2025. The budget also addresses an expected deficit of over \$30 billion for 2025-2026, reflecting the two-year budget planning that the Administration suggested should be the approach going forward.

The state's efforts to build reserves over the last couple of years somewhat mitigate the impact of the projected deficits. The enacted budget uses several mechanisms to close the projected shortfalls, including some funding delays and reductions from the 2022-2023 and 2023-2024 budgets, some cuts to state programs, some internal fund shifts and borrowing, and additional revenues from suspending net operating loss deductions and some tax credits for businesses.

The economic position of the Santa Clarita Community College District is closely tied to the State of California's economy. The State Budget is largely funded by revenues from Income Tax, Sales/Use Tax and Corporate Tax; PIT at 56%, Sales/Use at 16%, Corporate Tax at 21% and Other at 7%. It is projected that 88% of the District's Unrestricted General Fund revenue in 2024-2025 will come from a combination of State Apportionment (State Budget - income tax and sales tax), Education Protection Act (EPA) funding, Redevelopment Agenda (RDA) funding, Property Taxes and Student Enrollment Fees.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT TEAM

This financial report is designed to provide our citizens, taxpayers, students, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need any additional financial information, contact the District at: Santa Clarita Community College District, 26455 Rockwell Canyon Road, Santa Clarita, California 91355.

Santa Clarita Community College District

Statement of Net Position

June 30, 2024

Assets	
Cash and cash equivalents	\$ 1,750,941
Investments	221,837,824
Accounts receivable	29,249,028
Student receivables, net	5,499,705
Prepaid expenses	2,323,025
Lease receivables	569,822
Capital assets not depreciated or amortized	83,484,898
Capital assets, net of accumulated depreciation and amortization	<u>287,210,804</u>
Total assets	<u>631,926,047</u>
Deferred Outflows of Resources	
Deferred outflows of resources related to debt refunding	10,127,072
Deferred outflows of resources related to OPEB	2,433,890
Deferred outflows of resources related to pensions	<u>43,723,422</u>
Total deferred outflows of resources	<u>56,284,384</u>
Liabilities	
Accounts payable	92,479,733
Accrued interest payable	5,653,976
Unearned revenue	20,245,208
Long-term liabilities	
Long-term liabilities other than OPEB and pensions, due within one year	16,751,984
Total OPEB liability, due within one year	570,000
Long-term liabilities other than OPEB and pensions, due in more than one year	407,507,354
Aggregate net other postemployment benefits (OPEB) liability	18,577,737
Aggregate net pension liability	<u>127,535,920</u>
Total liabilities	<u>689,321,912</u>
Deferred Inflows of Resources	
Deferred inflows of resources related to leases	541,020
Deferred inflows of resources related to OPEB	4,141,365
Deferred inflows of resources related to pensions	<u>9,113,354</u>
Total deferred inflows of resources	<u>13,795,739</u>
Net Position	
Net investment in capital assets	58,534,850
Restricted for	
Debt service	15,652,925
Capital projects	9,521,140
Educational programs	7,416,557
Other activities	9,525,513
Unrestricted deficit	<u>(115,558,205)</u>
Total net position (deficit)	<u><u>\$ (14,907,220)</u></u>

Santa Clarita Community College District
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2024

Operating Revenues	
Tuition and fees	\$ 19,088,111
Less: Scholarship discounts and allowances	<u>(7,946,832)</u>
Net tuition and fees	<u>11,141,279</u>
Grants and contracts, noncapital	
Federal	5,035,174
State	41,917,450
Local	<u>1,136,104</u>
Total grants and contracts, noncapital	<u>48,088,728</u>
Total operating revenues	<u>59,230,007</u>
Operating Expenses	
Salaries	113,444,403
Employee benefits	42,790,008
Supplies, materials, and other operating expenses and services	30,585,457
Student financial aid	26,537,614
Equipment, maintenance, and repairs	8,257,278
Depreciation and amortization	<u>11,222,375</u>
Total operating expenses	<u>232,837,135</u>
Operating Loss	<u>(173,607,128)</u>
Nonoperating Revenues (Expenses)	
State apportionments, noncapital	95,794,569
Local property taxes, levied for general purposes	33,380,974
Taxes levied for other specific purposes	22,110,533
Federal and State financial aid grants	23,472,641
State taxes and other revenues	6,503,053
Investment income, net	10,681,090
Interest expense on capital related debt	(14,362,741)
Investment income on capital asset-related debt, net	1,503,395
Other nonoperating revenue	<u>4,890,830</u>
Total nonoperating revenues (expenses)	<u>183,974,344</u>
Income Before Other Revenues	<u>10,367,216</u>
Other Revenues	
State revenues, capital	3,060,657
Local revenues, capital	<u>27,211</u>
Total other revenues	<u>3,087,868</u>
Change In Net Position	13,455,084
Net Position (Deficit), Beginning of Year	<u>(28,362,304)</u>
Net Position (Deficit), End of Year	<u><u>\$ (14,907,220)</u></u>

Santa Clarita Community College District

Statement of Cash Flows

Year Ended June 30, 2024

Operating Activities	
Tuition and fees	\$ 10,927,307
Federal, state, and local grants and contracts, noncapital	46,955,606
Payments to or on behalf of employees	(158,131,148)
Payments to vendors for supplies and services	(37,459,733)
Payments to students for scholarships and grants	<u>(26,537,614)</u>
Net cash flows from operating activities	<u>(164,245,582)</u>
Noncapital Financing Activities	
State apportionments	86,482,495
Federal and state financial aid grants	23,472,641
Property taxes - nondebt related	33,380,974
State taxes and other apportionments	6,454,574
Other nonoperating activities	<u>6,400,792</u>
Net cash flows from noncapital financing activities	<u>156,191,476</u>
Capital Financing Activities	
Purchase of capital assets	(22,718,302)
State revenue, capital	(1,160,546)
Local revenue, capital	27,211
Property taxes - related to capital debt	22,110,533
Principal paid on capital debt	(12,896,442)
Interest paid on capital debt	(13,809,346)
Interest received on capital asset-related debt	<u>518,146</u>
Net cash flows from capital financing activities	<u>(27,928,746)</u>
Investing Activities	
Change in fair value of cash in county treasury	(1,850,787)
Interest received from investments	<u>13,487,265</u>
Net cash flows from investing activities	<u>11,636,478</u>
Change In Cash and Cash Equivalents	(24,346,374)
Cash and Cash Equivalents, Beginning of Year	<u>247,935,139</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 223,588,765</u></u>

Santa Clarita Community College District

Statement of Cash Flows

Year Ended June 30, 2024

Reconciliation of net operating loss to net cash flows from operating activities	
Operating Loss	<u>\$ (173,607,128)</u>
Adjustments to reconcile operating loss to net cash flows from operating activities	
Depreciation and amortization expense	11,222,375
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources	
Accounts receivable	3,830,232
Student receivables	676,105
Prepaid expenses	137,812
Lease receivables	46,056
Deferred outflows of resources related to OPEB	(67,205)
Deferred outflows of resources related to pensions	(4,655,969)
Accounts payable	989,250
Unearned revenue	(5,846,505)
Compensated absences	(367,777)
Load banking	179,843
Early retirement plan	1,697,302
Aggregate net OPEB liability	1,384,605
Aggregate net pension liability	4,196,401
Deferred inflows of resources related to leases	(52,982)
Deferred inflows of resources related to OPEB	(744,574)
Deferred inflows of resources related to pensions	<u>(3,263,423)</u>
Total adjustments	<u>9,361,546</u>
Net cash flows from operating activities	<u><u>\$ (164,245,582)</u></u>
Cash and Cash Equivalents Consist of the Following:	
Cash in banks	\$ 1,750,941
Cash in county treasury	<u>221,837,824</u>
Total cash and cash equivalents	<u><u>\$ 223,588,765</u></u>
Noncash Transactions	
Amortization of deferred outflows of resources related to debt refunding	\$ 578,873
Amortization of debt premiums	\$ 1,074,723
Accretion of interest on capital appreciation bonds	\$ 1,232,349

Note 1 - Organization

The Santa Clarita Community College District (the District) was established in 1967 as a political subdivision of the State of California and is a comprehensive, public, two-year institution offering educational services to residents of the surrounding area. The District operates under a locally elected five-member Board of Trustees 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 one community college and one center located in Santa Clarita, California. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61. The District is classified as a Public Educational Institution under *Internal Revenue Code* Section 115 and is, therefore, exempt from Federal taxes.

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 financial reporting entity consists of the primary government (the District), and the following component units:

The following entity met the criterion for inclusion as a “blended” component unit and is consolidated within the financial statements of the District:

- Public Property Financing Corporation

The Public Property Financing Corporation (the Corporation) is a legally separate entity and a component unit of the District. The Corporation was formed to issue debt specifically for the acquisition and construction of capital assets for the District. The Board of Trustees of the Corporation is the same as the Board of Trustees of the District. The financial activity has been “blended” or consolidated within the financial statements as the District as if the activity was the District’s. Certificates of participation issued by the Corporation are included as long-term liabilities of the District. Stand-alone financial statements are not prepared for the Public Property Financing Corporation. Condensed component unit information for the Corporation, the District’s blended component unit, for the year ended June 30, 2024, is as follows:

Condensed Statement of Net Position

Assets	
Investments	\$ 985,163
Accounts receivable	1,296
	<u> </u>
Total assets	<u>\$ 986,459</u>
Net Position	
Restricted for Debt Service	<u>\$ 986,459</u>

Condensed Statement of Revenues, Expenses, and Changes in Net Position

Nonoperating Income/(Expenses)	
Principal expense on capital related debt	\$ (830,000)
Interest expense on capital related debt	(237,306)
Other income	8,284
	<u> </u>
Total nonoperating income/(expenses)	(1,059,022)
	<u> </u>
Loss Before transfers	(1,059,022)
Transfers in	1,056,931
	<u> </u>
Change in Net Position	(2,091)
Net Position, Beginning of Year	988,550
	<u> </u>
Net Position, End of Year	<u>\$ 986,459</u>

Note 2 - Summary of Significant Accounting Policies

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. 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. Nonexchange transactions, in which the District receives value without directly giving equal value in return, include State apportionments, property taxes, certain 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 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 the 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 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 the 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. The District provides for an allowance for uncollectible accounts as an estimation of amounts that may not be received. The allowance is based upon management's estimates and analysis. The allowance was estimated at \$72,088 for the year ended June 30, 2024.

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.

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 \$5,000 and an estimated useful life greater than one year. 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 of capital assets is computed and recorded utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 50 years; improvements, 20 to 25 years; equipment, 3 to 15 years; vehicles, 5 to 10 years.

The District records the value of intangible right-to-use assets based on the underlying leased asset in accordance with GASB Statement No. 87, *Leases*. The right-to-use intangible asset is amortized each year for the term of the contract or useful life of the underlying asset.

The District records the value of right-to-use subscription IT assets based on the underlying subscription asset in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. The right-to-use subscription IT asset is amortized each year for the term of the contract or useful life of the underlying asset.

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, 2024.

Compensated Absences and Load Banking

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. The current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignation and retirements that occur prior to year end that have not yet been paid within the fund from which the employees who have accumulated the leave are paid. The District also participates in "load banking" with eligible academic employees whereby the employee may teach extra courses in one period in exchange for time off in another period. The liability for this benefit is reported on the government-wide financial statements.

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 never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, retirement credit for unused sick leave is applicable to all classified 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.

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.

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 related to 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 leases, OPEB and pension related items.

Leases

The District recognizes a lease liability and an intangible right-to-use leased asset in the government-wide financial statements. The District measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The right-to-use leased asset is initially measured as the initial amount of the lease liability, plus certain initial direct costs. Subsequently, the right-to-use leased asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

The District recognizes a lease receivable and a deferred inflow of resources in the government-wide financial statements. At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Subscription-based IT Arrangements

The District recognizes a subscription-based IT arrangement liability and an intangible right-to-use subscription IT asset (subscription IT asset) in the government-wide financial statements. The District measures the subscription-based IT arrangement liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription-based IT arrangement liability is reduced by the principal portion of subscription payments made. The right-to-use subscription IT asset is initially measured as the initial amount of the subscription-based IT arrangement liability, plus certain initial direct costs. Subsequently, the right-to-use subscription IT asset is amortized on a straight-line basis over the subscription term or useful life of the underlying asset. The amortization period varies from two to four years.

Pensions

For purposes of measuring the 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) plan for schools (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.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the aggregate net OPEB liability, deferred outflows/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 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.

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 expenditures. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized. Unearned revenue is primarily composed 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, certificates of participation, leases, subscription-based IT arrangements, compensated absences, load banking, early retirement plan, aggregate net OPEB liability, and aggregate net pension liability with maturities greater than one year.

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. 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 government-wide financial statements report \$42,116,135 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, Federal, State, and local grants and contracts.
- **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 Los Angeles bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

The voters of the District passed a General Obligation Bond in November 2001, November 2006, and June 2016 for the acquisition, construction, and remodeling of certain District property. 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 as noted above and remitted to the District when collected.

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 has been eliminated in the consolidation process of the basic financial statements.

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 has been eliminated in the consolidation process of the basic financial statements.

Adoption of New Accounting Standard

Implementation of GASB Statement No. 100

As of July 1, 2023, the District adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*. The implementation of this standard requires additional presentation and disclosure requirements for accounting changes and error corrections. There was not a significant effect on the District's financial statements as a result of the implementation of the 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 - In accordance with the *Budget and Accounting Manual*, the District deposits substantially all receipts and collections of monies with their County Treasurer as part of the common investment pool. The District is considered to be an involuntary participant in an external investment pool. The fair value of the District's investment in the pool is reported in the accompanying 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.

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, 2024, consist of the following:

	Primary Government
Cash on hand and in banks	\$ 1,600,941
Cash in revolving	150,000
Investments	<u>221,837,824</u>
Total deposits and investments	<u>\$ 223,588,765</u>

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 does not have a formal investment policy that limits 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 Los Angeles County Investment pool and having the pool purchase a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The District maintains an investment of \$221,837,824 with the Los Angeles County Investment Pool with an average weighted maturity of 668 days.

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 investment in the Los Angeles County Investment pool is not required to be rated, nor has it been rated as of June 30, 2024.

Custodial Credit Risk**Deposits**

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California *Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (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 agency. 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, 2024, the District's bank balance of approximately \$677 thousand was exposed to custodial credit risk because it was uninsured and/or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

Note 4 - Accounts Receivable

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

	<u>Primary Government</u>
Federal Government	
Categorical aid	\$ 2,201,430
State Government	
Apportionment	14,213,751
Categorical aid	6,738,574
Lottery	1,122,401
Local Sources	
Interest	2,223,465
Other local sources	<u>2,749,407</u>
Total	<u>\$ 29,249,028</u>
Student receivables	\$ 5,571,793
Less: allowance for bad debt	<u>(72,088)</u>
Student receivables, net	<u>\$ 5,499,705</u>

Note 5 - Lease Receivables

The District has entered into lease agreements with various lessees. The lease receivables are summarized below:

<u>Lease Receivables</u>	<u>Balance, July 1, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2024</u>
Building Lease	\$ 414,653	\$ -	\$ (8,879)	\$ 405,774
Cell Tower Leases	<u>201,225</u>	<u>-</u>	<u>(37,177)</u>	<u>164,048</u>
Total	<u>\$ 615,878</u>	<u>\$ -</u>	<u>\$ (46,056)</u>	<u>\$ 569,822</u>

Building Lease

The District leases a portion of its facilities for the middle college. This agreement is for a period of 40 years. During the year ended June 30, 2024, the District recognized \$15,404 in lease revenue and \$18,120 in interest revenue related to this agreement. At June 30, 2024, the District recorded \$405,774 in lease receivables and \$385,101 in deferred inflows of resources for this arrangement. The District used an interest rate of 4%, based on the rates available to finance real estate or machinery and equipment over the same time periods.

Cellular Tower Antenna Sites

The District licenses (leases) a portion of its facilities for cellular tower antenna sites. These licenses are noncancelable for a period of five years, with three additional renewal periods of five years. The District believes the licensees will exercise the renewal option with reasonable certainty. The agreements allow for 3% to 10% annual CPI increases to the license payments. At termination, the lessees must remove all equipment and restore the site to its original state. During the year ended June 30, 2024, the District recognized \$37,578 in lease revenue and \$8,794 in interest revenue related to these agreements. At June 30, 2024, the District recorded \$164,048 in lease receivables and \$155,919 in deferred inflows of resources for these arrangements. The District used an interest rate of 4%, based on the rates available to finance real estate or machinery and equipment over the same time periods.

Note 6 - Capital Assets

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

	Balance, July 1, 2023	Additions	Deductions	Balance, June 30, 2024
Capital Assets Not Being Depreciated or Amortized				
Land	\$ 14,309,904	\$ -	\$ -	\$ 14,309,904
Construction in progress	56,150,097	15,815,385	(2,790,488)	69,174,994
Total capital assets not being depreciated or amortized	70,460,001	15,815,385	(2,790,488)	83,484,898
Capital Assets Being Depreciated and Amortized				
Land improvements	24,038,634	2,131,183	-	26,169,817
Buildings and improvements	375,203,539	580,715	-	375,784,254
Furniture, equipment, and vehicles	23,579,846	4,343,316	(877,102)	27,046,060
Right-to-use leased buildings and improvements	701,497	-	-	701,497
Right-to-use leased furniture, equipment, and vehicles	273,923	-	(108,123)	165,800
Right-to-use subscription IT assets	573,031	993,667	(3,089)	1,563,609
Total capital assets being depreciated or amortized	424,370,470	8,048,881	(988,314)	431,431,037
Less Accumulated Depreciation and Amortization				
Land improvements	(17,552,882)	(670,746)	-	(18,223,628)
Buildings and improvements	(100,207,088)	(8,410,607)	-	(108,617,695)
Furniture, equipment, and vehicles	(15,531,492)	(1,470,518)	860,797	(16,141,213)
Right-to-use leased buildings and improvements	(331,262)	(233,832)	-	(565,094)
Right-to-use leased furniture, equipment, and vehicles	(215,669)	(53,773)	108,123	(161,319)
Right-to-use subscription IT assets	(131,474)	(382,899)	3,089	(511,284)
Total accumulated depreciation and amortization	(133,969,867)	(11,222,375)	972,009	(144,220,233)
Total capital assets, net	\$ 360,860,604	\$ 12,641,891	\$ (2,806,793)	\$ 370,695,702

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, 2024, consisted of the following:

	Balance, July 1, 2023	Additions	Deductions	Balance, June 30, 2024	Due in One Year
General obligation bonds	\$ 394,500,870	\$ 1,232,349	\$ (11,405,000)	\$ 384,328,219	\$ 12,540,000
Bond premium	21,869,055	-	(999,471)	20,869,584	-
Certificates of participation (COP)	5,740,000	-	(830,000)	4,910,000	855,000
COP premium	608,303	-	(75,252)	533,051	-
Leases	447,261	-	(295,760)	151,501	151,501
Subscription-based IT arrangements	459,512	992,417	(365,682)	1,086,247	348,395
Compensated absences	5,947,758	-	(367,777)	5,579,981	846,722
Load banking	408,280	179,843	-	588,123	-
Early retirement plan	4,515,330	3,308,864	(1,611,562)	6,212,632	2,010,366
	<u>\$ 434,496,369</u>	<u>\$ 5,713,473</u>	<u>\$ (15,950,504)</u>	<u>\$ 424,259,338</u>	<u>\$ 16,751,984</u>
Total	<u>\$ 434,496,369</u>	<u>\$ 5,713,473</u>	<u>\$ (15,950,504)</u>	<u>\$ 424,259,338</u>	<u>\$ 16,751,984</u>

Description of Long-Term Liabilities

Payments of the general obligation bonds are to be made by the Bond Interest and Redemption Fund with local property tax collections. Payments of the certificates of participation (COPs) are made by the Other Debt service Fund. The payments of the leases are made by the General Fund. The payments of the subscription-based IT arrangements are made by the General Fund and the Employee Training Institute Fund. The compensated absences, load banking, and early retirement plan will be paid by the fund for which the employee worked.

General Obligation Bonds

In November 2001, voters authorized a total of \$82,110,000 in general obligation bonds. In July 2003, the District issued Election of 2001 Series 2003 General Obligation Bonds in the amount of \$17,498,982. The bonds were issued as capital appreciation bonds. The bonds were issued to finance the acquisition, modernization, and renovation of District facilities. The bonds bear interest rates of 1.05% to 5.60%. At June 30, 2024, the principal balance outstanding was \$10,260,088.

In October 2005, the District issued Election of 2001 Series 2005 General Obligation Bonds in the amount of \$42,981,087. The bonds were issued as current interest bonds in the aggregate principal amount of \$39,310,000 and as capital appreciation bonds in the principal amount of \$3,671,087. The bonds were issued to finance the acquisition, modernization, and renovation of District facilities. The bonds bear interest rates of 3.00% to 5.00%. At June 30, 2024, the principal balance outstanding was \$10,823,131.

In May 2012, the District issued Election of 2006 Series 2012 General Obligation Bonds in the amount of \$35,000,000. The bonds were issued as current interest bonds. The bonds were issued to finance the acquisition, modernization, and renovation of District facilities. The bonds bear interest rates of 2.00% to 5.00%. At June 30, 2024, the principal balance outstanding was \$1,360,000. Unamortized premium received on issuance of the bonds amounted to \$40,599 as of June 30, 2024.

In February 2013, the District issued the 2013 General Obligation Refunding Bonds in the amount of \$33,765,000, with interest rates from 2.00% to 5.00%. The net proceeds of \$39,057,475 (representing the principal amount of \$33,765,000 plus premium on issuance of \$5,292,475) from the issuance were used to advance refund the District's outstanding 2001 General Obligation Bonds, Series 2005 maturing on August 1, 2016 through and including August 1, 2023, and to pay the cost of the issuance associated with the refunding bonds. Amounts paid to the refunded bond escrow agent in excess of outstanding debt at the time of payment are recorded as deferred charges on refunding on the Statement of Net Position and are amortized as interest expense over the life of the liability. At June 30, 2024, the principal balance outstanding was paid in full.

In September 2014, the District issued Election of 2006 Series 2014 General Obligation Bonds in the amount of \$25,000,000. The bonds were issued as current interest bonds. The bonds were issued to finance the acquisition, modernization, and renovation of District facilities. The bonds bear interest rates of 2.00% to 5.00%. At June 30, 2024, the principal balance outstanding was \$5,770,000. Unamortized premium received on issuance of the bonds amounted to \$498,918 as of June 30, 2024.

In May 2016, the District issued the 2016 General Obligation Refunding Bonds in the amount of \$94,050,000. The bonds have a final maturity to occur on August 1, 2046, with interest rates from 2.00% to 5.00%. The net proceeds of \$103,474,669 (representing the principal amount of \$94,050,000 plus premium on issuance of \$9,424,669) from the issuance were used to currently refund the District's outstanding 2005 General Obligation Refunding Bonds, maturing on August 1, 2016 through and including August 1, 2021, and to advance refund a portion of the District's outstanding General Obligation Bonds, Series 2007 maturing on August 1, 2016 and including August 1, 2018 through August 1, 2046, and to pay the cost of the issuance associated with the refunding bonds. Amounts paid to the refunded bond escrow agent in excess of outstanding debt at the time of payment are recorded as deferred charges on refunding on the Statement of Net Position and are amortized as interest expense over the life of the liability. At June 30, 2024, the principal balance outstanding was \$84,180,000. Unamortized premium received on issuance of the bonds amounted to \$6,899,274 as of June 30, 2024.

In November 2016, the District issued Election of 2006 Series 2016 General Obligation Bonds in the amount of \$20,000,000. The bonds were issued as current interest bonds. The bonds were issued to finance the acquisition, modernization, and renovation of District facilities, to refund the 2009 certificates of participation, and to pay the cost of the issuance associated with the issuance of the bonds. The bonds bear interest rates of 3.00% to 5.00%. At June 30, 2024, the principal balance outstanding was \$19,225,000. Unamortized premium received on issuance of the bonds amounted to \$1,166,321 as of June 30, 2024.

In June 2016, voters authorized a total of \$230,000,000 in general obligation bonds. In April 2017, the District issued Election of 2016 Series 2017 General Obligation Bonds in the amount of \$50,000,000. The bonds were issued as current interest bonds. The bonds were issued to finance the acquisition, modernization, and renovation of District facilities. The bonds bear interest rates of 2.00% to 5.00%. At June 30, 2024, the principal balance outstanding was \$37,290,000. Unamortized premium received on issuance of the bonds amounted to \$2,634,620 as of June 30, 2024.

In August 2019, the District issued Election of 2016 Series 2019 General Obligation Bonds in the amount of \$85,000,000. The bonds were issued as current interest bonds. The bonds were issued to finance the acquisition, modernization, and renovation of District facilities. The bonds bear interest rates of 3.00% to 5.00%. At June 30, 2024, the principal balance outstanding was \$75,125,000. Unamortized premium received on issuance of the bonds amounted to \$3,851,835 as of June 30, 2024.

In November 2019, the District issued the 2019 General Obligation Refunding Bonds in the amount of \$34,400,000. The bonds have a final maturity to occur on August 1, 2039, with interest rates from 1.787% to 3.046%. The net proceeds of \$34,400,000 from the issuance were used to advance refund a portion of the District's outstanding 2006 General Obligation Bonds, Series 2012 maturing on August 1, 2012 through and including August 1, 2042, and to pay the cost of the issuance associated with the refunding bonds. Amounts paid to the refunded bond escrow agent in excess of outstanding debt at the time of payment are recorded as deferred charges on refunding on the Statement of Net Position and are amortized to interest expense over the life of the liability. At June 30, 2024, the principal balance outstanding was \$31,325,000.

In May 2021, the District issued the 2021 General Obligation Refunding Bonds in the amount of \$41,475,000. The bonds have a final maturity to occur on August 1, 2038, with interest rates from 0.157% to 2.621%. The net proceeds of \$41,475,000 from the issuance were used to advance refund a portion of the District's outstanding 2013 General Obligation Refunding Bonds and 2014 General Obligation Bonds, and to pay the cost of the issuance associated with the refunding bonds. Amounts paid to the refunded bond escrow agent in excess of outstanding debt at the time of payment are recorded as deferred charges on refunding on the Statement of Net Position and are amortized to interest expense over the life of the liability. At June 30, 2024, the principal balance outstanding was \$38,970,000.

In October 2022, the District issued Election of 2016 Series 2022 General Obligation Bonds in the amount of \$70,000,000. The bonds were issued as current interest bonds. The bonds were issued to finance the acquisition, modernization, and renovation of District facilities. The bonds bear an interest rate of 5.00%. At June 30, 2024, the principal balance outstanding was \$70,000,000. Unamortized premium received on issuance of the bonds amounted to \$5,778,017.

Santa Clarita Community College District

Notes to Financial Statements

June 30, 2024

Debt Maturity

The outstanding general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2023	Accreted Interest	Redeemed	Bonds Outstanding June 30, 2024
2003	08/01/28	1.05%-5.60%	\$ 17,498,982	\$ 11,465,893	\$ 599,195	\$ (1,805,000)	\$ 10,260,088
2005	08/01/30	3.00%-5.00%	42,981,087	10,189,977	633,154	-	10,823,131
2012	08/01/42	2.00%-5.00%	35,000,000	1,360,000	-	-	1,360,000
2013	08/01/23	2.00%-5.00%	33,765,000	3,570,000	-	(3,570,000)	-
2014	08/01/39	2.00%-5.00%	25,000,000	6,185,000	-	(415,000)	5,770,000
2016	08/01/46	2.00%-5.00%	94,050,000	84,180,000	-	-	84,180,000
2016	08/01/46	3.00%-5.00%	20,000,000	19,285,000	-	(60,000)	19,225,000
2017	08/01/47	2.00%-5.00%	50,000,000	37,685,000	-	(395,000)	37,290,000
2019	08/01/49	3.00%-5.00%	85,000,000	78,360,000	-	(3,235,000)	75,125,000
2019	08/01/39	1.787%-3.046%	34,400,000	32,325,000	-	(1,000,000)	31,325,000
2021	08/01/38	0.157%-2.621%	41,475,000	39,895,000	-	(925,000)	38,970,000
2022	08/01/48	5.00%	70,000,000	70,000,000	-	-	70,000,000
				<u>\$ 394,500,870</u>	<u>\$ 1,232,349</u>	<u>\$ (11,405,000)</u>	<u>\$ 384,328,219</u>

Debt Service Requirements to Maturity

The bonds mature through fiscal year 2050 as follows:

Fiscal Year	Principal (Including accreted interest to date)	Accreted Interest	Current Interest to Maturity	Total
2025	\$ 12,488,780	\$ 51,220	\$ 13,203,314	\$ 25,743,314
2026	10,112,034	157,966	12,979,967	23,249,967
2027	9,811,098	268,902	12,824,655	22,904,655
2028	10,339,359	510,641	12,653,600	23,503,600
2029	11,803,817	671,183	12,434,970	24,909,970
2030-2034	52,843,131	4,841,869	58,196,012	115,881,012
2035-2039	74,735,000	-	48,270,523	123,005,523
2040-2044	88,055,000	-	32,790,402	120,845,402
2045-2049	107,450,000	-	11,737,449	119,187,449
2050	6,690,000	-	100,350	6,790,350
Total	<u>\$ 384,328,219</u>	<u>\$ 6,501,781</u>	<u>\$ 215,191,242</u>	<u>\$ 606,021,242</u>

Certificates of Participation

In April 2017, the District issued the 2017 Refunding Certificates of Participation in the amount of \$9,580,000. The certificates have a final maturity to occur on August 1, 2031, with interest rates from 2.00% to 5.00%. The net proceeds of the certificates were used to currently refund the outstanding 2006 Certificates of Participation and to pay the cost of issuance associated with the refunding certificates. At June 30, 2024, the principal balance outstanding was \$4,910,000. Unamortized premium received on issuance of the certificates amounted to \$533,051 as of June 30, 2024.

Santa Clarita Community College District

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June 30, 2024

The certificates mature through fiscal year 2032 as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Current Interest to Maturity</u>	<u>Total</u>
2025	\$ 855,000	\$ 199,331	\$ 1,054,331
2026	660,000	161,456	821,456
2027	685,000	127,831	812,831
2028	710,000	92,956	802,956
2029	745,000	56,581	801,581
2030-2032	1,255,000	41,341	1,296,341
Total	<u>\$ 4,910,000</u>	<u>\$ 679,496</u>	<u>\$ 5,589,496</u>

Leases

The District has entered into agreements to lease various facilities and equipment. The District's liability for lease agreements is summarized below:

<u>Leases</u>	<u>Balance, July 1, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2024</u>
Copier Lease	\$ 61,090	\$ -	\$ (56,276)	\$ 4,814
Building Lease	386,171	-	(239,484)	146,687
Total	<u>\$ 447,261</u>	<u>\$ -</u>	<u>\$ (295,760)</u>	<u>\$ 151,501</u>

Copier Lease

The District entered an agreement to lease copiers for five years, beginning June 2019. Under the terms of the lease, the District paid the monthly payments of \$4,833, which amounted to total principal and interest costs of \$57,996. The annual interest rate charged on the lease is 4.84%. At June 30, 2024, the District has recognized a right to use asset of \$4,481, net of accumulated amortization and a lease liability of \$4,814 related to this agreement. During the fiscal year, the District recorded \$53,773 in amortization expense and \$1,720 in interest expense for the right to use of the copiers.

Building Lease

The District entered an agreement to lease building space for 36 of months, beginning February 2022. The lease terminates January 2025. Under the terms of the lease, the District pays a monthly base fee of \$20,274, increasing 2.0% annually on the anniversary of the agreement. At June 30, 2024, the District has recognized a right to use asset of \$136,403, net of accumulated amortization and a lease liability of \$146,687 related to this agreement. During the fiscal year, the District recorded \$233,832 in amortization expense and \$12,149 in interest expense for the right to use the building space. The District used a discount rate of 4.37%, based on the agreement.

Santa Clarita Community College District

Notes to Financial Statements

June 30, 2024

The District's liability on lease agreements with option to purchase is summarized below:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	<u>\$ 151,501</u>	<u>\$ 2,164</u>	<u>\$ 153,665</u>

Subscriptions-Based IT Arrangements (SBITAs)

The District entered into SBITAs for the use of various software. The District is required to make annual principal and interest payments between \$1,000 and \$65,596 through 2028. The subscriptions have an interest rate of 4.37%. At June 30, 2024, the District has recognized a right-to-use subscriptions IT asset of \$1,052,325, net of accumulated amortization and a SBITA liability of \$1,086,247 related to these agreements. During the fiscal year, the District recorded \$382,899 in amortization expense and \$20,081 in interest expense.

The remaining principal and interest payment requirements for the SBITA obligation debt as of June 30, 2024, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 348,395	\$ 47,470	\$ 395,865
2026	310,086	32,243	342,329
2027	305,946	18,694	324,640
2028	<u>121,820</u>	<u>5,324</u>	<u>127,144</u>
Total	<u>\$ 1,086,247</u>	<u>\$ 103,731</u>	<u>\$ 1,189,978</u>

Early Retirement Plan

The District has entered into two agreements to provide certain benefits to employees participating in the early retirement incentive program. The District will pay a total of \$6,212,632 on behalf of the retirees over the next five years in accordance with the following schedule:

<u>Fiscal Year</u>	
2025	\$ 2,010,366
2026	1,694,756
2027	1,154,082
2028	809,369
2029	<u>544,059</u>
Total	<u>\$ 6,212,632</u>

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

For the fiscal year ended June 30, 2024, 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	\$ 18,857,671	\$ 2,433,890	\$ 4,141,365	\$ 605,588
Medicare Premium Payment (MPP) Program	290,066	-	-	(32,762)
Total	<u>\$ 19,147,737</u>	<u>\$ 2,433,890</u>	<u>\$ 4,141,365</u>	<u>\$ 572,826</u>

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. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Management of the Plan is vested in the District management.

Plan Membership

At June 30, 2024, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	247
Active employees	609
Total	<u>856</u>

Benefits Provided

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

The benefit payment requirements of the Plan members and the District are established and may be amended by the District and the District's bargaining units. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District and the District's bargaining units. For the measurement period of June 30, 2024, the District paid \$619,524 in benefits, all of which was used for current premiums.

Total OPEB Liability of the District

The District's total OPEB liability of \$18,857,671 was measured as of June 30, 2024, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary increases	2.75 percent
Discount rate	3.93 percent
Healthcare cost trend rates	4.00 percent

The discount rate was based on the Bond Buyer 20-Bond General Obligation Index.

Mortality rates were based on the 2020 CalSTRS Mortality Table for certificated employees and the 2021 CalPERS Active Mortality for Miscellaneous Employees Table for classified 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, 2024 valuation were based on the results of an actual experience study as of June 2024.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance, June 30, 2023	\$ 17,440,304
Service cost	814,515
Interest	640,130
Difference between expected and actual experience	533,008
Changes of assumptions	49,238
Benefit payments	(619,524)
Net change in total OPEB liability	1,417,367
Balance, June 30, 2024	\$ 18,857,671

There were no changes in the benefit terms since the previous valuation. Changes of assumptions and other inputs reflect a change in discount rate from 3.65% to 3.93% since the previous valuation.

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

The following presents the total OPEB liability of the District, as well as what the District's total 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	Total OPEB Liability
1% decrease (2.93%)	\$ 21,424,417
Current discount rate (3.93%)	18,857,671
1% increase (4.93%)	16,709,485

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

The following presents the total OPEB liability of the District, as well as what the District's total 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	Total OPEB Liability
1% decrease (3.00%)	\$ 17,563,428
Current healthcare cost trend rate (4.00%)	18,857,671
1% increase (5.00%)	20,382,353

Deferred Outflows/Inflows of Resources Related to OPEB

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB for the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 584,231	\$ 1,015,938
Changes of assumptions	1,849,659	3,125,427
Total	<u>\$ 2,433,890</u>	<u>\$ 4,141,365</u>

The deferred outflows/inflows of resources related to the 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 8.8 years and will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ (229,533)
2026	(229,533)
2027	(229,533)
2028	(260,851)
2029	(447,902)
Thereafter	(310,123)
Total	<u>\$ (1,707,475)</u>

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, 2022 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/member-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, 2024, the District reported a liability of \$290,066 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. 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 of June 30, 2023 and June 30, 2022, was 0.0956% and 0.0980%, respectively, resulting in a net decrease in the proportionate share of 0.0024%.

For the year ended June 30, 2024, the District recognized OPEB expense of \$(32,762).

Actuarial Methods and Assumptions

The June 30, 2023 total OPEB liability was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total OPEB liability to June 30, 2023, using the assumptions listed in the following table:

Measurement Date	June 30, 2023	June 30, 2022
Valuation Date	June 30, 2022	June 30, 2021
Experience Study	July 1, 2015 through June 30, 2018	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.65%	3.54%
Medicare Part A Premium Cost Trend Rate	4.50%	4.50%
Medicare Part B Premium Cost Trend Rate	5.40%	5.40%

For the valuation as of June 30, 2022, CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP 2019) table, issued by the Society of Actuaries.

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 179 or an average of 0.13% of the potentially eligible population (138,780).

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, 2023, 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, 2023, 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, 2023, was 3.65%, which is an increase of 0.11% from 3.54% as of June 30, 2022.

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 (2.65%)	\$ 315,243
Current discount rate (3.65%)	290,066
1% increase (4.65%)	268,176

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 a Medicare costs trend rates that are one percent lower or higher than the current rates:

Medicare Costs Trend Rates	Net OPEB Liability
1% decrease (3.50% Part A and 4.40% Part B)	\$ 266,890
Current Medicare costs trend rates (4.50% Part A and 5.40% Part B)	290,066
1% increase (5.50% Part A and 6.40% Part B)	316,232

Note 9 - Risk Management**Property and Liability Insurance Coverages**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance for property with coverages of \$250,000,000, subject to various policy limits. The District also purchases commercial insurance for general liability claims with coverage up to \$5,000,000 per occurrence, all subject to various deductibles.

Joint Powers Authority Risk Pools

During fiscal year ended June 30, 2024, the District contracted with the Statewide Association of Community Colleges (SWACC)/Schools Association for Excess Risk (SAFER) Joint Powers Authority for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2024, the District participated in the Protected Insurance Program for Schools (PIPS) Joint Powers Authority (JPA), an insurance purchasing pool. The intent of the JPA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the JPA. The workers' compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in the JPA. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated, and each participant's individual performance is compared to the overall saving. A participant will then either receive money from or be required to contribute to the "equity-pooling fund". This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the JPA. Participation in the JPA is limited to community college districts that can meet the JPA's selection criteria.

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) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

For the fiscal year ended June 30, 2024, 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	\$ 49,221,601	\$ 17,171,455	\$ 5,011,012	\$ 6,959,325
CalPERS	78,314,319	26,551,967	4,102,342	11,037,666
Total	<u>\$ 127,535,920</u>	<u>\$ 43,723,422</u>	<u>\$ 9,113,354</u>	<u>\$ 17,996,991</u>

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, 2022, annual actuarial valuation report, Defined Benefit 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/member-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 nonemployer contributing entity to the STRP.

The District contributes exclusively to the STRP Defined Benefit Program, thus disclosures are not included for the other plans.

The STRP Defined Benefit Program provisions and benefits in effect at June 30, 2024, are summarized as follows:

	<u>On or before December 31, 2012</u>	<u>On or after January 1, 2013</u>
Hire date		
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 the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the District's total contributions were \$9,998,924.

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

At June 30, 2024, 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	\$ 49,221,601
State's proportionate share of net pension liability associated with the District	<u>23,583,453</u>
Total	<u>\$ 72,805,054</u>

The net pension liability was measured as of June 30, 2023. 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 college districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2023 and June 30, 2022, was 0.0646% and 0.0653%, respectively, resulting in a net decrease in the proportionate share of 0.0007%.

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For the year ended June 30, 2024, the District recognized pension expense of \$6,959,325. In addition, the District recognized pension expense and revenue of \$3,208,001 for support provided by the State. At June 30, 2024, 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	\$ 9,998,924	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	2,808,825	2,377,406
Differences between projected and actual earnings on pension plan investments	210,688	-
Differences between expected and actual experience in the measurement of the total pension liability	3,868,007	2,633,606
Changes of assumptions	285,011	-
Total	<u>\$ 17,171,455</u>	<u>\$ 5,011,012</u>

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
2025	\$ (1,548,550)
2026	(2,426,848)
2027	3,988,161
2028	197,925
Total	<u>\$ 210,688</u>

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
2025	\$ 549,713
2026	101,037
2027	288,591
2028	187,635
2029	100,410
Thereafter	723,445
Total	<u>\$ 1,950,831</u>

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, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 2015 through June 30, 2018
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 involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

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 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2023, are summarized in the following table:

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

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 midyear. 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%)	\$ 82,565,309
Current discount rate (7.10%)	49,221,601
1% increase (8.10%)	21,525,766

California Public Employees' Retirement System (CalPERS)

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, 2022, annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can 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 School Employer Pool provisions and benefits in effect at June 30, 2024, 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	26.68%	26.68%

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, 2024, are presented above, and the total District contributions were \$11,721,058.

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

As of June 30, 2024, the District reported a net pension liability for its proportionate share of the CalPERS net pension liability totaling \$78,314,319. The net pension liability was measured as of June 30, 2023. 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 college districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2023 and June 30, 2022, was 0.2163% and 0.2266%, respectively, resulting in a net decrease in the proportionate share of 0.0103%.

For the year ended June 30, 2024, the District recognized pension expense of \$11,037,666. At June 30, 2024, 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	\$ 11,721,058	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	-	2,899,550
Differences between projected and actual earnings on pension plan investments	8,365,089	-
Differences between expected and actual experience in the measurement of the total pension liability	2,857,911	1,202,792
Changes of assumptions	3,607,909	-
	<u>\$ 26,551,967</u>	<u>\$ 4,102,342</u>
Total		

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
2025	\$ 1,560,414
2026	924,429
2027	5,619,916
2028	260,330
Total	<u>\$ 8,365,089</u>

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 3.8 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ 987,585
2026	1,140,336
2027	235,557
Total	<u>\$ 2,363,478</u>

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, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
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 School Employer Pool 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 School Employer Pool 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%)	\$ 113,222,262
Current discount rate (6.90%)	78,314,319
1% increase (7.90%)	49,463,698

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 \$3,772,209 (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.

Deferred Compensation

The District offers its employees three deferred compensation plans created in accordance with *Internal Revenue Code* Sections 457 and 403(b). The plans, available to all District employees with the exception of College Assistants, permit them to defer a portion of their salary until future years. Depending on the plan, the deferred compensation is not available to employees until termination, retirement, death, disability, hardship, or unforeseeable emergency.

The District offers its employees a CalPERS administered 457 Deferred Compensation Program (the Program). The Program available to all permanent employees, permits them to defer a portion of pre-tax salary into investment of an individual's own choosing until future years. The deferred compensation is not available to the employees or their beneficiaries until termination, retirement, death, or an unforeseeable emergency. The CalPERS Board controls the investment and administrative functions of the CalPERS 457 Deferred Compensation Program. The Board for the exclusive benefit of participating employees, which adds security, holds the assets in trust.

Social Security

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use Social Security as its plan for all employees, as well as the CalSTRS Cash Balance Benefit Program (an alternative plan) for adjunct faculty. Contributions made by the District and an employee vest immediately. The District contributes 6.20% of an employee's gross earnings (four percent for CalSTRS Cash Balance Benefit Program participants). An employee is required to contribute 6.20% of his or her gross earnings to the pension plan (four percent for CalSTRS Cash Benefit Program participants).

Note 11 - Participation in Public Entity Risk Pools and Joint Powers Authorities

The District is a member of the Protected Insurance Program for Schools (PIPS), the Statewide Association of Community College (SWACC)/Schools Association for Excess Risk (SAFER), Alameda County Schools Insurance Group/Educational Dental Group Enterprise (ACSIG/Edge), Self-Insured Schools of California (SISC), and Alameda County Schools Insurance Group (ACSIG) JPAs. The District pays premiums for its workers' compensation and property liability coverage, as well as monthly premiums for employee Delta Dental and Vision Service Plan coverage. The relationships between the District and the JPAs are such that they are not component units of the District for financial reporting purposes.

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

During the year ended June 30, 2024, the District made payments of \$2,485,623, \$848,643, \$151,204, \$23,091, and \$151,385 to PIPS, SWACC/SAFER, ACSIG/Edge, ACSIG, and SISC JPAs, respectively.

Note 12 - 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, 2024.

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, 2024.

Construction Commitments

As of June 30, 2024, the District had the following commitments with respect to the unfinished capital projects:

Capital Project	Remaining Construction Commitment	Expected Date of Completion
ATC - Valley Center	\$ 22,025,000	To Be Determined
CCC - Health and Natural Sciences	588,965	February 28, 2026
Student Housing	1,686,063	To Be Determined
ADA Transition Plan - Phase 3	5,000	January 31, 2026
Boykin Hall Modernization Phase 2	295,204	December 31, 2024
CCC - Signage Project	49,554	October 31, 2024
Counseling 2nd Floor Canyons Hall	129	September 30, 2024
OTA & PTA Labs	5,850	February 28, 2025
Valencia Student Center Remodel	1,461,014	June 30, 2026
Student Housing - Parking Lot 5 Utilities	13,700	To Be Determined
Total	\$ 26,130,479	



Required Supplementary Information
June 30, 2024

**Santa Clarita
Community College District**

Santa Clarita Community College District
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
Year Ended June 30, 2024

	2024	2023	2022	2021
Total OPEB Liability				
Service cost	\$ 814,515	\$ 871,560	\$ 1,056,868	\$ 872,725
Interest	640,130	600,810	405,066	421,223
Changes of benefit terms	-	-	2,294,686	-
Difference between expected and actual experience	533,008	-	(1,476,057)	209,005
Changes of assumptions	49,238	(253,756)	(3,402,204)	(1,284,364)
Benefit payments	(619,524)	(629,147)	(504,245)	(424,617)
Net change in total OPEB liability	1,417,367	589,467	(1,625,886)	(206,028)
Total OPEB Liability - Beginning	17,440,304	16,850,837	18,476,723	18,682,751
Total OPEB Liability - Ending	<u>\$ 18,857,671</u>	<u>\$ 17,440,304</u>	<u>\$ 16,850,837</u>	<u>\$ 18,476,723</u>
Covered Payroll	<u>N/A¹</u>	<u>N/A¹</u>	<u>N/A¹</u>	<u>N/A¹</u>
Total OPEB Liability as a Percentage of Covered Payroll	<u>N/A¹</u>	<u>N/A¹</u>	<u>N/A¹</u>	<u>N/A¹</u>
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021

¹ The OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay. Therefore, no measure of payroll is presented.

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

Santa Clarita Community College District
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
Year Ended June 30, 2024

	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 597,864	\$ 436,238	\$ 413,136
Interest	326,477	492,562	471,671
Changes of benefit terms	-	747,173	-
Difference between expected and actual experience	(20,174)	(93,026)	-
Changes of assumptions	3,407,347	583,618	-
Benefit payments	(359,582)	(359,582)	(346,593)
Net change in total OPEB liability	3,951,932	1,806,983	538,214
Total OPEB Liability - Beginning	14,730,819	12,923,836	12,385,622
Total OPEB Liability - Ending	<u>\$ 18,682,751</u>	<u>\$ 14,730,819</u>	<u>\$ 12,923,836</u>
Covered Payroll	<u>N/A¹</u>	<u>N/A¹</u>	<u>N/A¹</u>
Total OPEB Liability as a Percentage of Covered Payroll	<u>N/A¹</u>	<u>N/A¹</u>	<u>N/A¹</u>
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018

¹ The OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay. Therefore, no measure of payroll is presented.

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

Santa Clarita Community College District
Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program
Year Ended June 30, 2024

	2024	2023	2022	2021
Year ended June 30,				
Proportion of the net OPEB liability	0.0956%	0.0980%	0.1036%	0.1135%
Proportionate share of the net OPEB liability	\$ 290,066	\$ 322,828	\$ 413,298	\$ 480,893
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	(0.96%)	(0.94%)	(0.80%)	(0.71%)
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020

	2020	2019	2018
Year ended June 30,			
Proportion of the net OPEB liability	0.1146%	0.1115%	0.1049%
Proportionate share of the net OPEB liability	\$ 426,830	\$ 426,876	\$ 441,354
Covered payroll	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
Plan fiduciary net position as a percentage of the total OPEB liability	(0.81%)	(0.40%)	0.01%
Measurement Date	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.

Santa Clarita Community College District
Schedule of the District's Proportionate Share of the Net Pension Liability
Year Ended June 30, 2024

	2024	2023	2022	2021	2020
CalSTRS					
Proportion of the net pension liability	0.0646%	0.0653%	0.0689%	0.0651%	0.0648%
Proportionate share of the net pension liability	\$ 49,221,601	\$ 45,374,105	\$ 31,370,447	\$ 63,110,962	\$ 58,517,112
State's proportionate share of the net pension liability associated with the District	23,583,453	22,723,174	15,784,392	32,533,709	31,924,991
Total	\$ 72,805,054	\$ 68,097,279	\$ 47,154,839	\$ 95,644,671	\$ 90,442,103
Covered payroll	\$ 44,365,937	\$ 40,502,258	\$ 40,361,901	\$ 39,503,526	\$ 38,629,263
Proportionate share of the net pension liability as a percentage of its covered payroll	110.94%	112.03%	77.72%	159.76%	151.48%
Plan fiduciary net position as a percentage of the total pension liability	81%	81%	87%	72%	73%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
CalPERS					
Proportion of the net pension liability	0.2163%	0.2266%	0.2310%	0.2346%	0.2297%
Proportionate share of the net pension liability	\$ 78,314,319	\$ 77,965,414	\$ 46,967,637	\$ 71,990,579	\$ 66,955,435
Covered payroll	\$ 38,205,112	\$ 34,775,740	\$ 33,204,618	\$ 33,798,403	\$ 31,869,068
Proportionate share of the net pension liability as a percentage of its covered payroll	204.98%	224.19%	141.45%	213.00%	210.10%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	81%	70%	70%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019

Santa Clarita Community College District
Schedule of the District's Proportionate Share of the Net Pension Liability
Year Ended June 30, 2024

	2019	2018	2017	2016	2015
CalSTRS					
Proportion of the net pension liability	0.0657%	0.0616%	0.0643%	0.0644%	0.0625%
Proportionate share of the net pension liability	\$ 60,375,178	\$ 56,994,059	\$ 52,007,869	\$ 43,356,157	\$ 36,549,359
State's proportionate share of the net pension liability associated with the District	34,567,613	33,717,204	29,607,152	22,930,627	22,070,189
Total	\$ 94,942,791	\$ 90,711,263	\$ 81,615,021	\$ 66,286,784	\$ 58,619,548
Covered payroll	\$ 36,652,349	\$ 32,921,367	\$ 31,151,911	\$ 25,442,973	\$ 27,811,867
Proportionate share of the net pension liability as a percentage of its covered payroll	164.72%	173.12%	166.95%	170.41%	131.42%
Plan fiduciary net position as a percentage of the total pension liability	71%	69%	70%	74%	77%
Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS					
Proportion of the net pension liability	0.2153%	0.2153%	0.2101%	0.2102%	0.2058%
Proportionate share of the net pension liability	\$ 57,407,934	\$ 51,396,096	\$ 41,487,302	\$ 30,976,787	\$ 23,365,441
Covered payroll	\$ 29,121,280	\$ 28,198,934	\$ 24,896,193	\$ 21,783,893	\$ 21,565,373
Proportionate share of the net pension liability as a percentage of its covered payroll	197.13%	182.26%	166.64%	142.20%	108.35%
Plan fiduciary net position as a percentage of the total pension liability	71%	72%	74%	79%	83%
Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

Santa Clarita Community College District
Schedule of the District's Contributions for Pensions
Year Ended June 30, 2024

	2024	2023	2022	2021	2020
CalSTRS					
Contractually required contribution	\$ 9,998,924	\$ 8,473,894	\$ 6,852,982	\$ 6,518,447	\$ 6,755,103
Contributions in relation to the contractually required contribution	<u>(9,998,924)</u>	<u>(8,473,894)</u>	<u>(6,852,982)</u>	<u>(6,518,447)</u>	<u>(6,755,103)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 52,350,387</u>	<u>\$ 44,365,937</u>	<u>\$ 40,502,258</u>	<u>\$ 40,361,901</u>	<u>\$ 39,503,526</u>
Contributions as a percentage of covered payroll	<u>19.10%</u>	<u>19.10%</u>	<u>16.92%</u>	<u>16.15%</u>	<u>17.10%</u>
CalPERS					
Contractually required contribution	\$ 11,721,058	\$ 9,692,637	\$ 7,967,122	\$ 6,873,356	\$ 6,665,383
Contributions in relation to the contractually required contribution	<u>(11,721,058)</u>	<u>(9,692,637)</u>	<u>(7,967,122)</u>	<u>(6,873,356)</u>	<u>(6,665,383)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 43,932,001</u>	<u>\$ 38,205,112</u>	<u>\$ 34,775,740</u>	<u>\$ 33,204,618</u>	<u>\$ 33,798,403</u>
Contributions as a percentage of covered payroll	<u>26.680%</u>	<u>25.370%</u>	<u>22.910%</u>	<u>20.700%</u>	<u>19.721%</u>

Santa Clarita Community College District
Schedule of the District's Contributions for Pensions
Year Ended June 30, 2024

	2019	2018	2017	2016	2015
CalSTRS					
Contractually required contribution	\$ 6,288,844	\$ 5,288,934	\$ 4,141,508	\$ 3,342,600	\$ 2,259,336
Contributions in relation to the contractually required contribution	<u>(6,288,844)</u>	<u>(5,288,934)</u>	<u>(4,141,508)</u>	<u>(3,342,600)</u>	<u>(2,259,336)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 38,629,263</u>	<u>\$ 36,652,349</u>	<u>\$ 32,921,367</u>	<u>\$ 31,151,911</u>	<u>\$ 25,442,973</u>
Contributions as a percentage of covered payroll	<u>16.28%</u>	<u>14.43%</u>	<u>12.58%</u>	<u>10.73%</u>	<u>8.88%</u>
CalPERS					
Contractually required contribution	\$ 5,756,191	\$ 4,522,826	\$ 3,916,268	\$ 2,949,452	\$ 2,564,182
Contributions in relation to the contractually required contribution	<u>(5,756,191)</u>	<u>(4,522,826)</u>	<u>(3,916,268)</u>	<u>(2,949,452)</u>	<u>(2,564,182)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 31,869,068</u>	<u>\$ 29,121,280</u>	<u>\$ 28,198,934</u>	<u>\$ 24,896,193</u>	<u>\$ 21,783,893</u>
Contributions as a percentage of covered payroll	<u>18.062%</u>	<u>15.531%</u>	<u>13.888%</u>	<u>11.847%</u>	<u>11.771%</u>

Note 1 - Purpose of Schedules

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

This schedule presents information on the District's changes in the total OPEB liability, including beginning and ending balances. 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 discount rate changed from 3.65% to 3.93% since the previous valuation.

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 3.54% to 3.65% 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 positions 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.



Supplementary Information
June 30, 2024

**Santa Clarita
Community College District**

The Santa Clarita Community College District is a single college district established in November 1967 with two campuses: Valencia and Canyon Country. The Valencia Campus is comprised of an area of approximately 153 acres, and the Canyon Country Campus is comprised of an area of approximately 70 acres. Both campuses are located in Los Angeles County. There were no changes in the boundaries of the District during the current year. The District's college is accredited by the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges, which is one of six regional associations that accredit public and private schools, colleges, and universities in the United States.

Board of Trustees as of June 30, 2024

Member	Office	Term Expires
Edel Alonso	President	2024
Vacant	Vice President	2026
Joan W. MacGregor	Clerk	2026
Jerry K. Danielsen	Member	2024
Sebastian Cazares	Member	2024

Administration as of June 30, 2024

Dianne G. Van Hook, Ed.D.	Chancellor/Secretary/Parliamentarian to the Governing Board
Jasmine Ruys	Assistant Superintendent/Vice President, Student Services
Omar Torres	Assistant Superintendent/Vice President, Instruction
Sharlene L. Coleal	Assistant Superintendent/Vice President, Business Services
Diane Fiero, Ed.D.	Deputy Chancellor/Chief Diversity, Equity, Inclusion Officer
Rian Medlin	Assistant Superintendent/Vice President, Human Resources
Erin Tague	Assistant Superintendent/Vice President, Facilities Planning, Operations, and Construction
Eric Harnish	Vice President, Public Information, Advocacy, and External Relations
Jason Hinkle	Associate Vice President, Business Services

Auxiliary Organizations in Good Standing

College of the Canyons Foundation, established in 1987
 Master Agreement entered into July 2019
 Shawna Mann, Foundation Executive Director

Santa Clarita Community College District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Passed through California Department of Social Services Child and Adult Care Food Program	10.558	2346-4A	\$ 18,785
Passed through Los Angeles County Office of Education Forest Service Schools and Roads Cluster Forest Reserve	10.665	[1]	<u>12,409</u>
Subtotal Forest Service Schools and Roads Cluster			<u>12,409</u>
Supplemental Nutrition Assistance Program (SNAP) Cluster			
Passed through Chico State Enterprises State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	A-22-0055-S038	6,269
Passed through Foundation for California Community Colleges State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	00005173	<u>49,539</u>
Subtotal SNAP Cluster			<u>55,808</u>
Total U.S. Department of Agriculture			<u>87,002</u>
National Science Foundation			
Research and Development Cluster			
Welding Education Smart Technology Program	47.076		273,668
RCN-UBE: The BUZZ: Engaging Community College Students in Native Bee Biodiversity Research	47.076		76,861
Improving Educational Outcomes at Two-year Colleges through Mentorships, Support Services, and Equitable Classroom Practices	47.076		235,628
Passed through Madison Area Technical College CREATE: Energy National Center	47.076	2201631	377,835
Passed through from Lorain County Community College Enhancing Welding Technician Education through the Continuation of the National Center of Welding Education as a Resource Center	47.076	2000539	6,599
Passed through Tunxis Community College Advanced Technology Education Grant for the National Center for Next Generations Manufacturing	47.076	COT-JB2359-2	<u>25,124</u>
Subtotal Research and Development Cluster			<u>995,715</u>
Total National Science Foundation			<u>995,715</u>
Small Business Administration			
Passed through Long Beach City Community College District Small Business Development Centers	59.037	CN 99881.5	159,806
Small Business Development Centers	59.037	CN 99820.7	<u>179,515</u>
Subtotal			<u>339,321</u>
Total Small Business Administration			<u>339,321</u>
U.S. Department of the Treasury			
Passed through County of Los Angeles Department of Economic Opportunity COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	ARP-EMI-05	<u>60,745</u>
Total U.S. Department of the Treasury			<u>60,745</u>

[1] Pass-Through Entity Identifying Number is unavailable.

Santa Clarita Community College District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

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		\$ 15,211,570
Federal Pell Grant Program Administrative Allowance	84.063		20,000
Federal Direct Student Loans	84.268		1,534,868
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		438,749
Federal Work-Study Program	84.033		375,814
Federal Work-Study Program Administrative Allowance	84.033		54,304
Subtotal Student Financial Assistance Cluster			17,635,305
TRIO Cluster			
Upward Bound - Veterans	84.047V		125,567
Subtotal TRIO Cluster			125,567
A Comprehensive Approach to Improving Latinx Student Access, Engagement and Success	84.031S		165,868
Passed through The University Corporation - CSUN			
Strengthening Equitable Culturally Responsive Environments (SECURE) for Student Success: Using a Servingness Model to Support Hispanic and Underrepresented Students	84.031S	A24-0022-S001	14,433
Subtotal			180,301
Child Care Access Means Parents in School (CCAMPIS)	84.335A		280,272
Passed through California Community Colleges Chancellor's Office			
Career and Technical Education Act (CTEA), Title I, Part C	84.048A	24-C01-660	512,672
Perkins V Reserve Innovation Grant	84.048	G0330	173,184
Subtotal			685,856
College of the Canyons Application for Congressionally Directed Awards - Advanced Technology Center	84.116Z		956,108
Santa Clarita Community College District Application for Congressionally Directed Awards (1 of 2) - Robotic Automation Production Lab and Simulation Center	84.116Z		463,373
College of the Canyons: Centers of Excellence for Veterans Student Success (CEVSS) Program	84.116G		85,276
Passed through West Hills Community College District			
Open Textbooks Program	84.116T	P116T20017	96,242
Subtotal			1,600,999
Total U.S. Department of Education			20,508,300
U.S. Department of Veterans Affairs			
Veterans Outreach Program - Administration	64.117		5,264
Total U.S. Department of Veterans Affairs			5,264

Santa Clarita Community College District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services			
Passed through California Community Colleges Chancellor's Office			
Foster and Kinship Care Education	93.658	[1]	\$ 27,559
Child Care and Development Fund (CCDF) Cluster			
Passed through Yosemite Community College District			
Child Development Training Consortium	93.575	23-24-288COC	16,100
Passed through California Department of Education			
Child Care Mandatory and Matching Funds of the			
Child Care and Development Fund	93.596	13609	9,459
Child Care and Development Block Grant	93.575	15136, 14551, 15557	4,555
Passed through California Department of Social Services			
COVID-19: CA State Preschool Program One Time Stipend	93.575	[1]	<u>24,194</u>
Subtotal Child Care and Development Fund (CCDF) Cluster			<u>54,308</u>
Passed through California Community Colleges Chancellor's Office			
Temporary Assistance for Needy Families (TANF)	93.558	[1]	58,921
Passed through Los Angeles County Department of Public Social Services			
Temporary Assistance for Needy Families (TANF)	93.558	CCCP21011	<u>47,612</u>
Subtotal			<u>106,533</u>
Total U.S. Department of Health and Human Services			<u>188,400</u>
U.S. Department of Labor			
Passed through West Los Angeles College			
Growing Advanced Manufacturing Apprentices			
Across America (GAMAAA)	17.268	4500280538	<u>32,400</u>
Total U.S. Department of Labor			<u>32,400</u>
U.S. Department of Defense			
Passed through California Online Community College/Calbright College			
California Defense Ecosystem and National Consortium			
Effect (CADENCE) Program	12.600	OPR20121	<u>3,215</u>
Total U.S. Department of Defense			<u>3,215</u>
Total Federal Financial Assistance			<u>\$ 22,220,362</u>

[1] Pass-Through Entity Identifying Number is unavailable.

Santa Clarita Community College District

Schedule of Expenditures of State Awards

Year Ended June 30, 2024

Program	Program Revenues				Total Revenue	Program Expenditures
	Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue		
A2MEND	\$ 26,080	\$ -	\$ -	\$ 1,318	\$ 24,762	\$ 24,762
AANHPI Student Achievement Program 22-23	150,697	-	-	150,697	-	-
AANHPI Student Achievement Program 23-24	129,600	-	-	129,600	-	-
ADN Enrollment Growth	93,591	-	-	42,374	51,217	51,217
Advanced Technology Center	476,284	-	-	-	476,284	476,284
Allied Health Simulation Lab (College Specific Allocation)	1,000,000	-	-	1,000,000	-	-
Apprenticeship Demonstration Pathways	-	5,944	-	-	5,944	5,944
Basic Needs Center	508,793	-	-	-	508,793	492
Board Financial Assistance Program (BFAP)	646,892	-	-	-	646,892	646,892
CA Apprenticeship Initiative	-	111,538	-	-	111,538	111,538
CA College Promise AB19 23-24	1,683,952	-	-	-	1,683,952	1,395,421
CA Work Opportunities and Responsibilities	406,654	-	-	-	406,654	351,326
Cal Chaffee Grant	215,000	2,500	-	-	217,500	217,500
Cal Grant	2,434,089	6,313	-	-	2,440,402	2,440,402
California Adult Education Plan (CAEP) 23-24	488,221	-	-	148,323	339,898	339,897
California Adult Education Plan (CAEP) 22-23	272,815	3,289	-	-	276,104	276,104
California Apprenticeship Initiative New and Innovative Program ECE	-	92,755	-	-	92,755	92,754
Career Tech Educ- Data Unlocked	21,278	-	-	19,416	1,862	1,862
CCC eTranscript Mini Grant	1,244	-	-	1,244	-	-
Child Development - Child Nutrition	617	-	-	-	617	617
Child Development - Foster Parent	54,016	-	-	-	54,016	54,016
Child Development - General Childcare & Dev Programs	122,493	-	60,114	-	62,379	62,379
Child Development - State Preschool Contract	302,819	62,877	-	-	365,696	365,696
Closed Caption Grant - Distance Ed - Butte	119,853	-	-	119,853	-	-
Cooperative Agency Res for Education (CARE)	186,554	-	-	-	186,554	831
COVID-19 Recovery Block Grant	7,730,531	-	-	3,699,433	4,031,098	4,031,099
CSAC-Learning-Aligned Education Program	2,607,992	-	2,596,747	-	11,245	11,245
Currently & Formerly Incarcerated Student Reentry Program	4,107	-	-	2,893	1,214	1,214
Disabled Student Programs and Services	1,590,573	-	-	-	1,590,573	156,436
Dreamer Resource Liaison 23-24	143,901	-	-	-	143,901	11,319
Emergency Financial Assistance Supplemental	124,816	-	-	-	124,816	124,816
Employer Engagement	150,094	-	-	29,516	120,578	120,578

See Note to Supplementary Information

Santa Clarita Community College District

Schedule of Expenditures of State Awards

Year Ended June 30, 2024

Program	Program Revenues					Program Expenditures
	Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue	Total Revenue	
Ethnic Studies	\$ 48,695	\$ -	\$ -	\$ 48,695	\$ -	\$ -
Extended Opportunity Program and Services FY 23-24	914,769	-	-	-	914,769	356,140
Financial Aid Technology	61,968	-	-	-	61,968	61,961
Guided Pathways	231,808	-	-	13,405	218,403	218,403
Highroad Training Partnership	-	32,204	-	-	32,204	32,204
Information Technology & Security	334,861	-	-	312,823	22,038	22,038
Information Technology & Security	175,000	-	-	136,229	38,771	38,771
Information Technology & Security #2	368,639	-	-	209,594	159,045	159,045
Institutional Effectiveness and Technical Assistance (Year 10)	1,454,646	367,215	-	-	1,821,861	1,821,861
Institutional Effectiveness and Technical Assistance						
Carry Forward (Year 9)	-	5,867,715	-	-	5,867,715	5,867,705
Institutional Equipment Support (Block Grant)	83,734	-	-	-	83,734	12
Institutional Equipment Support (Block Grant)	2,081,133	-	-	-	2,081,133	2,031,143
Institutional Support Services	460,074	-	-	-	460,074	460,074
Institutional Support Services	9,873	-	-	-	9,873	9,873
K-14 TAP Yr 5	157,500	12,727	-	-	170,227	170,227
K-14 TAP Yr 4	50,138	-	-	-	50,138	50,138
LGBTQ+	135,189	-	-	-	135,189	-
Library Services Platform	17,861	-	-	17,861	-	-
Mental Health Support	433,388	-	-	340,386	93,002	93,002
Mental Health Support #2	392,306	-	-	-	392,306	392,306
Native American Student Success and Support Program	1,500,000	-	-	1,315,704	184,296	184,296
NextUp Program	429,487	-	-	-	429,487	100,548
OER Textbook Affordability AB798 #2	33,916	-	-	18,756	15,160	15,161
Pathway to Law	80,000	-	-	7,996	72,004	72,005
Placement and Completion AB1705	663,072	-	-	490,679	172,393	172,393
Quality Start (QRIS)	20,634	-	-	9,774	10,860	10,860
Quality Start (QRIS) Infant Toddler #2	-	1,000	-	1,000	-	-
Quality Start (QRIS) Preschool	12,000	-	-	3,767	8,233	8,233
Regional Center of Excellence	800,000	-	-	785,824	14,176	14,176
Rising Scholars	263,663	-	-	65,880	197,783	197,783
SB140 PRESCHOOL	41,553	-	-	41,553	-	-

Santa Clarita Community College District

Schedule of Expenditures of State Awards

Year Ended June 30, 2024

Program	Program Revenues				Total Revenue	Program Expenditures
	Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue		
SB140 PRESCHOOL ONE TIME	\$ 3,000	\$ -	\$ -	\$ 3,000	\$ -	\$ -
SB140 INFANT TODDLER	13,607	-	-	13,607	-	-
SBDC - GO Biz (CN 99878.6)	44,810	29,113	-	-	73,923	73,924
SBDC - GO Biz (CN 99875.5)	281,099	86,989	-	-	368,088	368,089
SBDC - GO Biz (CN 99815.6)	43,492	-	-	-	43,492	43,492
SBDC - GO Biz (CN 99816.3)	23,025	-	-	-	23,025	23,025
Staff Diversity	138,888	-	-	-	138,888	31,041
Strong Workforce Carry Forward	611,692	-	-	-	611,692	611,691
Strong Workforce Local Share	2,082,508	-	-	397,220	1,685,288	1,685,288
Strong Workforce Regional Share Round 6	584,848	-	-	67,724	517,124	517,124
Strong Workforce Regional Share Round 7 & 4	1,143,551	-	-	124,522	1,019,029	1,019,029
Strong Workforce Regional Share Rounds 8 & 5	1,068,061	-	-	691,998	376,063	376,064
Student Equity and Achievement Plan 2023-24	5,838,638	-	-	-	5,838,638	4,822,390
Student Food and Housing Support	450,489	-	-	-	450,489	199
Student Retention and Outreach 23-24	846,669	-	-	846,669	-	-
Student Retention and Outreach 22-23	1,314,714	-	-	-	1,314,714	1,314,713
Student Success - Mesa Grant	280,000	28,396	-	-	308,396	308,396
Student Success - Mesa Grant CR	250,344	27,999	-	-	278,343	278,343
Student Success - Middle College HS (AOC)	-	-	-	-	-	-
Student Success - Middle College HS (AOC) CF	61,187	-	-	-	61,187	61,188
Student Success Completion Grant	4,327,269	-	-	822,534	3,504,735	3,504,735
Student Transfer and Achievement	565,217	-	-	565,217	-	-
Veterans' Resource Center	135,763	-	-	-	135,763	51,990
Veteran's Resource Program	37,782	-	-	-	37,782	37,781
Zero Textbook Cost Program	19,988	-	-	18,194	1,794	1,794
Zero Textbook Cost Program #2	180,000	-	-	163,313	16,687	16,687
Zero Textbook Cost Program Sustainable Design	200,000	-	-	167,307	32,693	32,693
Zero Textbook Cost Program-Land Survey	200,000	-	-	182,987	17,013	17,013
Zero Textbook Cost Program-water System Technology	200,000	-	-	197,106	2,894	2,894
Total state programs	<u>\$ 53,896,104</u>	<u>\$ 6,738,574</u>	<u>\$ 2,656,861</u>	<u>\$ 13,425,991</u>	<u>\$ 44,551,826</u>	<u>\$ 39,132,582</u>

Santa Clarita Community College District
Schedule of Workload Measures for State General Apportionment Annual (Actual) Attendance
Year Ended June 30, 2024

CATEGORIES	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2023 only)			
1. Noncredit*	180.29	-	180.29
2. Credit	1,515.39	-	1,515.39
B. Summer Intersession (Summer 2024 - Prior to July 1, 2024)			
1. Noncredit*	26.42	-	26.42
2. Credit	1,215.44	-	1,215.44
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	3,827.70	-	3,827.70
(b) Daily Census Contact Hours	1,164.68	-	1,164.68
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit*	659.11	-	659.11
(b) Credit	892.68	-	892.68
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Procedure Courses	2,440.97	-	2,440.97
(b) Daily Census Procedure Courses	2,978.29	-	2,978.29
(c) Noncredit Independent Study/Distance Education Courses	378.83	-	378.83
D. Total FTES	<u>15,279.80</u>	<u>-</u>	<u>15,279.80</u>
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. In-Service Training Courses (FTES)	1,906.00	-	1,906.00
F. Basic Skills Courses and Immigrant Education			
1. Noncredit*	100.38	-	100.38
2. Credit	-	-	-
<u>CCFS-320 Addendum</u>			
CDCP Noncredit FTES	273.74	-	273.74
<u>Centers FTES</u>			
1. Noncredit*	9.14	-	9.14
2. Credit	1,474.68	-	1,474.68

*Including Career Development and College Preparation (CDCP) FTES.

Santa Clarita Community College District
Reconciliation of *Education Code* Section 84362 (50% Law) Calculation
Year Ended June 30, 2024

		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	\$ 24,235,775	\$ -	\$ 24,235,775	\$ 24,430,986	\$ -	\$ 24,430,986
Other		1300	20,122,536	-	20,122,536	20,139,174	-	20,139,174
Total Instructional Salaries			44,358,311	-	44,358,311	44,570,160	-	44,570,160
Noninstructional Salaries								
Contract or Regular		1200	-	-	-	8,825,191	-	8,825,191
Other		1400	-	-	-	1,987,926	-	1,987,926
Total Noninstructional Salaries			-	-	-	10,813,117	-	10,813,117
Total Academic Salaries			44,358,311	-	44,358,311	55,383,277	-	55,383,277
<u>Classified Salaries</u>								
Noninstructional Salaries								
Regular Status		2100	-	-	-	23,650,536	-	23,650,536
Other		2300	-	-	-	1,337,523	-	1,337,523
Total Noninstructional Salaries			-	-	-	24,988,059	-	24,988,059
Instructional Aides								
Regular Status		2200	2,243,262	-	2,243,262	2,245,108	-	2,245,108
Other		2400	1,301,239	-	1,301,239	1,301,239	-	1,301,239
Total Instructional Aides			3,544,501	-	3,544,501	3,546,347	-	3,546,347
Total Classified Salaries			3,544,501	-	3,544,501	28,534,406	-	28,534,406
Employee Benefits		3000	16,279,140	-	16,279,140	32,437,503	-	32,437,503
Supplies and Material		4000	-	-	-	954,517	-	954,517
Other Operating Expenses		5000	1,888,973	-	1,888,973	12,850,989	-	12,850,989
Equipment Replacement		6420	-	-	-	949,510	-	949,510
Total Expenditures								
Prior to Exclusions			66,070,925	-	66,070,925	131,110,202	-	131,110,202

Santa Clarita Community College District
Reconciliation of *Education Code* Section 84362 (50% Law) Calculation
Year Ended June 30, 2024

		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>Exclusions</u>								
Activities to Exclude								
Instructional Staff - Retirees' Benefits and Retirement Incentives		5900	\$ 866,739	\$ -	\$ 866,739	\$ 866,739	\$ -	\$ 866,739
Student Health Services Above Amount Collected		6441	-	-	-	16,226	-	16,226
Student Transportation		6491	-	-	-	-	-	-
Noninstructional Staff - Retirees' Benefits and Retirement Incentives		6740	-	-	-	741,229	-	741,229
Objects to Exclude								
Rents and Leases		5060	-	-	-	325,757	-	325,757
Lottery Expenditures								-
Academic Salaries		1000	-	-	-	-	-	-
Classified Salaries		2000	-	-	-	-	-	-
Employee Benefits		3000	-	-	-	-	-	-
Supplies and Materials		4000	-	-	-	-	-	-
Software		4100	-	-	-	-	-	-
Books, Magazines, and Periodicals		4200	-	-	-	-	-	-
Instructional Supplies and Materials		4300	-	-	-	-	-	-
Noninstructional Supplies and Materials		4400	-	-	-	-	-	-
Total Supplies and Materials			-	-	-	-	-	-

Santa Clarita Community College District
Reconciliation of *Education Code* Section 84362 (50% Law) Calculation
Year Ended June 30, 2024

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Other Operating Expenses and Services	5000	\$ -	\$ -	\$ -	\$ 3,773,826	\$ -	\$ 3,773,826
Capital Outlay	6000						
Library Books	6300	-	-	-	27,693	-	27,693
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	881,005	-	881,005
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	881,005	-	881,005
Total Capital Outlay		-	-	-	908,698	-	908,698
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		866,739	-	866,739	6,632,475	-	6,632,475
Total for ECS 84362, 50% Law		\$ 65,204,186	\$ -	\$ 65,204,186	\$ 124,477,727	\$ -	\$ 124,477,727
% of CEE (Instructional Salary Cost/Total CEE)		52.38%		52.38%	100.00%		100.00%
50% of Current Expense of Education					\$ 62,238,864		\$ 62,238,864

Santa Clarita Community College District
Proposition 30 Education Protection Account (EPA) Expenditure Report
Year Ended June 30, 2024

Activity Classification	Object Code	Unrestricted			
EPA Revenues:	8630				
					\$ 13,713,435
Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	1000-5900	\$ 13,713,435	\$ -	\$ -	\$ 13,713,435
Total Expenditures for EPA		\$ 13,713,435	\$ -	\$ -	\$ 13,713,435
Revenues Less Expenditures					\$ -

Santa Clarita Community College District
Reconciliation of Governmental Funds to the Statement of Net Position
Year Ended June 30, 2024

Amounts reported for governmental activities in the Statement of Net Position are different because

Total fund balance		
General Funds	\$ 24,917,691	
Special Revenue Funds	9,570,575	
Capital Project Funds	85,013,410	
Debt Service Funds	21,306,901	
Internal Service Funds	<u>6,280,283</u>	
Total fund balance - all District funds		\$ 147,088,860
Lease receivables and deferred inflows of resources related to leases are reported in the Statement of Net Position, but were not reported in District's CCFS-311 report.		
Lease receivables	569,822	
Deferred inflows of resources related to leases	<u>(541,020)</u>	
		28,802
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	514,915,935	
Accumulated depreciation and amortization is	<u>(144,220,233)</u>	
Total capital assets, net		370,695,702
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	10,127,072	
Deferred outflows of resources related to OPEB	2,433,890	
Deferred outflows of resources related to pensions	<u>43,723,422</u>	
Total deferred outflows of resources		56,284,384
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.		
		(5,653,976)

Santa Clarita Community College District
Reconciliation of Governmental Funds to the Statement of Net Position
Year Ended June 30, 2024

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 and associated premiums	\$(391,099,395)
Certificates of participation and associated premiums	(5,443,051)
Leases	(151,501)
Subscription-based IT arrangements	(1,086,247)
Compensated absences (less amount already included in funds)	(4,733,259)
Load banking	(588,123)
Early retirement plan	(6,212,632)
Aggregate net other postemployment benefits (OPEB) liability	(19,147,737)
Aggregate net pension liability	(127,535,920)
In addition, the District has issued 'capital appreciation' general obligation bonds. The accretion of interest unmatured on the general obligation bonds to date is	<u>(14,098,408)</u>

Total long-term liabilities		\$(570,096,273)
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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	(4,141,365)
Deferred inflows of resources related to pensions	<u>(9,113,354)</u>

Total deferred inflows of resources		<u>(13,254,719)</u>
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Total net position (deficit)		<u><u>\$ (14,907,220)</u></u>
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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, 2024.

Schedule of Expenditures of Federal Awards (SEFA)

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2024. 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 schedule 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 schedule 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 State 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 Percent Law) Calculation

ECS 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 State Chancellor's Office. This schedule provides a reconciliation of the amount reported to the State 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 revenue and summarizes the expenditures of EPA funds.

Reconciliation of Governmental Funds to the Statements 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, 2024

**Santa Clarita
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
Santa Clarita Community College District
Santa Clarita, 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 of Santa Clarita Community College District (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 27, 2025.

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 opinion 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.

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.

A handwritten signature in black ink that reads "Eide Sallie LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
June 27, 2025



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

To the Board of Trustees
Santa Clarita Community College District
Santa Clarita, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Santa Clarita 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 each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Santa Clarita Community College District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of 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 each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding 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.

Report on Internal Control over Compliance

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

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

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

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

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
June 27, 2025



Independent Auditor's Report on State Compliance

To the Board of Trustees
Santa Clarita Community College District
Santa Clarita, California

Report on State Compliance

Opinion on State Compliance

We have audited Santa Clarita Community College District's (the District) compliance with the types of compliance requirements described in the 2023-2024 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, 2024.

In our opinion, Santa Clarita 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, 2024.

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 2023-2024 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.

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 2023-2024 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 2023-2024 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 499	COVID-19 Response Block Grant Expenditures

The District reports no Apprenticeship Related and Supplemental Instruction (RSI) Funds; therefore, the compliance tests within this section were not applicable.

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 District submitted their final COVID-19 Response Block Grant Expenditures report in the 2022-2023 fiscal year; 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 2023-2024 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.



Rancho Cucamonga, California
June 27, 2025



Schedule of Findings and Questioned Costs
June 30, 2024

**Santa Clarita
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	None Reported
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):	No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Federal Financial Assistance Listing</u>
Research and Development Cluster	47.076
Student Financial Assistance Cluster	84.007, 84.033, 84.063, 84.268
College of the Canyons Application for Congressionally Directed Awards - Advanced Technology Center	84.116Z
Santa Clarita Community College District Application for Congressionally Directed Awards (1 of 2) - Robotic Automation Production Lab and Simulation Center	84.116Z
College of the Canyons: Centers of Excellence for Veterans Student Success (CEVSS) Program	84.116G
Open Textbooks Program	84.116T
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

STATE COMPLIANCE

Type of auditor's report issued on compliance for state programs:	Unmodified
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None reported.

None reported.

None reported.

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