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**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
WEED, CALIFORNIA  
AUDIT REPORT**

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**FOR THE YEAR ENDED  
JUNE 30, 2023**

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT**  
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**JUNE 30, 2023**

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## INDEPENDENT AUDITORS' REPORT

The Board of Trustees  
Siskiyou Joint Community College District  
Weed, California

### **Report on the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the business-type activities and the fiduciary activities of Siskiyou Joint Community College District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Siskiyou Joint Community College District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the fiduciary activities of Siskiyou Joint Community College District as of June 30, 2023, and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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 one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 and the Required Supplementary Information section, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information listed in the Table of Contents, including the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, is fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Other Information**

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 11, 2024, 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.

*CWDL, Certified Public Accountants*

San Diego, California  
April 11, 2024

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# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**ADMINISTRATIVE SERVICES**



**USING THIS ANNUAL REPORT**

As required by Governmental Accounting Standards Board (GASB) accounting principles, the annual report consists of three basic financial statements that provide information on the District's activities as a whole: The Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. The Statement of Net Position presents the assets, liabilities, and net position of the District as of the end of the fiscal year using the accrual basis of accounting, which is comparable to the accounting basis used by most private-sector institutions. Net position – the difference between assets and liabilities – are one way to measure the financial health of the District. The Statement of Revenues, Expenses, and Changes in Net Position focuses on the costs of the District's operational activities, which are supported mainly by State apportionment, property taxes, and other revenues. This approach is intended to summarize and simplify the user's analysis of the cost of various District services to students and the public. The Statement of Cash Flows provides an analysis of the sources and uses of cash within the operations of the District.

**FINANCIAL HIGHLIGHTS**

- The assets of the District exceeded its liabilities by \$39.1 million in 2022-23 and by \$3.7 million in 2021-22.
- At the close of the 2023 and 2022 fiscal years, the balance designated for economic uncertainties and the undesignated fund balance for the General Fund exceeded the State Chancellor's Office guideline of 5% of the General Fund expenses.
- Full-Time Equivalent Students (FTES) for 2022-23 and 2021-22 as reported on the annual CCFS-320 were 1,232 and 1,233, respectively. The College is currently in the process of creating the next Strategic Enrollment Management plan (SEMP) with anticipated Board approval by May 2024. This Strategic Enrollment Management Plan provides a holistic approach that encompasses goals spanning the next 5 years. The plan addresses strategies within each of the College's major areas of: Academic Affairs, Administrative Services, and Student Services. Together, these areas and the staff and faculty located within them will work to build upon and create a College that will continue to be attractive to prospective students from all backgrounds and helps students to complete their academic goals. Based on the enrollment projections in the SEMP, the District anticipates moving out of the Hold Harmless Protection and into the Student-Centered Funding Formula for the calculation of revenue by FY 27-28.



**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**FINANCIAL HIGHLIGHTS, continued**

- For the 2023 and 2022 fiscal years, total student financial aid offered to qualifying students throughout the District exceeded \$3.70 million and \$4.17 million, respectively, and is provided through grants and loans from the federal government, State Chancellor's Office, and local funding.
- Cost of employee benefits has stabilized for 2022-23 and 2021-22 under the contract with California Valued Trust (CVT) for health and prescription coverage. For 2022-23, the District paid the pay-as-you-go amount without any additional contribution to the trust.
- In 2021, the SJCCD applied for (and received) a Community College Student Housing grant created through SB 169. The program's intent is to provide grant to increase the current stock of affordable housing to support low-income students and facilitate their access to higher education. The SJCCD received \$32,613,000 to build a 178-bed facility and anticipates breaking ground in spring of 2025. The project is expected to take 18 months to complete. This is a fully State-funded project and the SJCCD does not anticipate having to provide any funding.
- The Siskiyou County housing market is still recovering from the devastating Boles, Lava, Slater, and Antelope Fires wildfires in recent years. Students face significant challenges with long driving commute times for access to higher education and competition in the local housing market with outsiders seeking vacation rentals. The local rural rental housing market is challenging for students to find places to live near campus. This project will directly respond to student demand for more on-campus housing and prioritize students who are low-income. It is anticipated that this new housing development will have significant positive impacts for the College and students by:
  - Providing more low-cost student housing and reduced rents
  - Reduce the total cost of attendance for students
  - Reducing rents for low-income students
  - Allowing the College's to service a larger number of low-income students
  - Increasing enrollment and FTES (full time equivalent students) for the College
  - Decrease time for degree completion and/or transfer
  - Increase student persistence rates

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**STATEMENT OF NET POSITION**

The Statement of Net Position includes all assets and liabilities using the full accrual basis of accounting, which is similar to the accounting method used by most private-sector institutions. Net position, the difference between assets and liabilities, are one way to measure the financial health of the District.

	<b>2023</b>	<b>2022</b>	<b>Change</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Current assets	\$ 25,894,068	\$ 20,159,979	\$ 5,734,089
Non-current assets	84,365,045	47,557,265	36,807,780
Deferred outflows of resources	5,445,345	3,214,100	2,231,245
<b>Total Assets and Deferred Outflows of Resources</b>	<b>115,704,458</b>	<b>70,931,344</b>	<b>44,773,114</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>			
Current liabilities	21,181,891	12,425,868	8,756,023
Non-current liabilities	52,822,328	46,904,143	5,918,185
Deferred inflows of resources	2,587,388	7,940,647	(5,353,259)
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>76,591,607</b>	<b>67,270,658</b>	<b>9,320,949</b>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	44,692,295	8,187,251	36,505,044
Restricted	7,577,059	7,043,504	533,555
Unrestricted	(13,156,503)	(11,570,069)	(1,586,434)
<b>Total Net Position</b>	<b>\$ 39,112,851</b>	<b>\$ 3,660,686</b>	<b>\$ 35,452,165</b>

This schedule has been prepared from the District's Statement of Net Position (page 14), which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated, and long-term liabilities are recorded.

Cash and short-term investments consist primarily of funds held in the Siskiyou County Treasury and U.S. Bank. The changes in the cash position are explained in the Statement of Cash Flows (pages 16 and 17).

Non-current liabilities consist of the General Obligation Bonds and related premiums, lease purchase agreement, compensated absences, net pension liability and net OPEB liability. The current portion represents the amount of principal to be paid within the next year.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

**OPERATING RESULTS**

	<b>2023</b>	<b>2022</b>	<b>Change</b>
<b>OPERATING REVENUES</b>			
Tuition and fees, net	\$ 2,857,883	\$ 2,699,066	\$ 158,817
Grants and contracts	36,512,403	4,092,101	32,420,302
Auxiliary enterprise sales, net	777,562	676,350	101,212
<b>Total Operating Revenues</b>	<b>40,147,848</b>	<b>7,467,517</b>	<b>32,680,331</b>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	18,480,466	15,878,170	2,602,296
Supplies, materials, and other operating expenses	8,819,446	7,715,869	1,103,577
Financial aid expenses	3,697,341	4,174,412	(477,071)
Depreciation	2,451,491	2,126,980	324,511
<b>Total Operating Expenses</b>	<b>33,448,744</b>	<b>29,895,431</b>	<b>3,553,313</b>
<b>Operating Loss</b>	<b>6,699,104</b>	<b>(22,427,914)</b>	<b>29,127,018</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
State apportionments, noncapital	12,413,693	10,915,222	1,498,471
Education protection account revenues, noncapital	1,024,258	4,105,292	(3,081,034)
Local property taxes, noncapital	4,977,749	4,584,056	393,693
State taxes and other revenues, noncapital	4,116,258	2,991,515	1,124,743
Financial aid revenues	3,315,583	3,494,886	(179,303)
Investment income (loss)	(2,359,023)	124,514	(2,483,537)
Interest expense	(1,667,285)	(1,535,603)	(131,682)
Other non-operating revenues	275,632	184,040	91,592
<b>Total Non-Operating Revenues (Expenses)</b>	<b>22,096,865</b>	<b>24,863,922</b>	<b>(2,767,057)</b>
<b>OTHER REVENUES (EXPENSES)</b>			
Local property taxes and revenues, capital	1,861,722	1,818,097	43,625
<b>Change in Net Position</b>	<b>\$ 35,455,158</b>	<b>\$ 4,254,105</b>	<b>\$ 31,201,053</b>

This schedule has been prepared from the Statement of Revenues, Expenses, and Changes in Net Position (page 15).

Auxiliary revenues consist of bookstore and cafeteria sales and charges. Room and board for the students are not part of auxiliary revenue but are included in tuition and fees under operating revenues. These operations are intended to be self-supporting through student related activities.

Grant and contract revenues relate to specific federal and State grants received for programs serving the students of the District. These grant and program revenues are restricted as to the allowable expenses related to the programs.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**OPERATING RESULTS, continued**

For 2023 and 2022, the District is recording the depreciation expense related to capital assets. The detail of the changes in capital assets for the year is included in the notes to the financial statements as Note 4.

The primary operating receipts are student tuition and fees and federal, state, and local grants and contracts. The primary operating expense of the District is the payment of salaries and benefits to instructional and classified support staff.

While state apportionment and property taxes are the primary source of noncapital related revenue, the adoption of changes to GASB accounting standards require that this source of revenue is shown as nonoperating revenue as it comes from the general resources of the State and not from the primary users of the District’s programs and services (students). The District depends upon this funding as the primary source of funds to continue the current level of operations.

**STATEMENT OF CASH FLOWS**

The Statement of Cash Flows provides information about cash receipts and payments during the year. This statement also assists users in assessing the District’s ability to meet its obligations as they come due and any potential need for external financing. This schedule is prepared from the Statement of Cash Flows presented on pages 16 and 17.

	<b>2023</b>	<b>2022</b>	<b>Change</b>
<b>CASH PROVIDED BY (USED IN)</b>			
Operating activities	\$ 15,223,819	\$ (15,182,190)	\$ 30,406,009
Non-capital financing activities	26,123,173	23,275,011	2,848,162
Capital financing activities	2,347,883	(810,760)	3,158,643
Investing activities	(2,359,023)	124,514	(2,483,537)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>\$ 41,335,852</b>	<b>\$ 7,406,575</b>	<b>\$ 33,929,277</b>

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

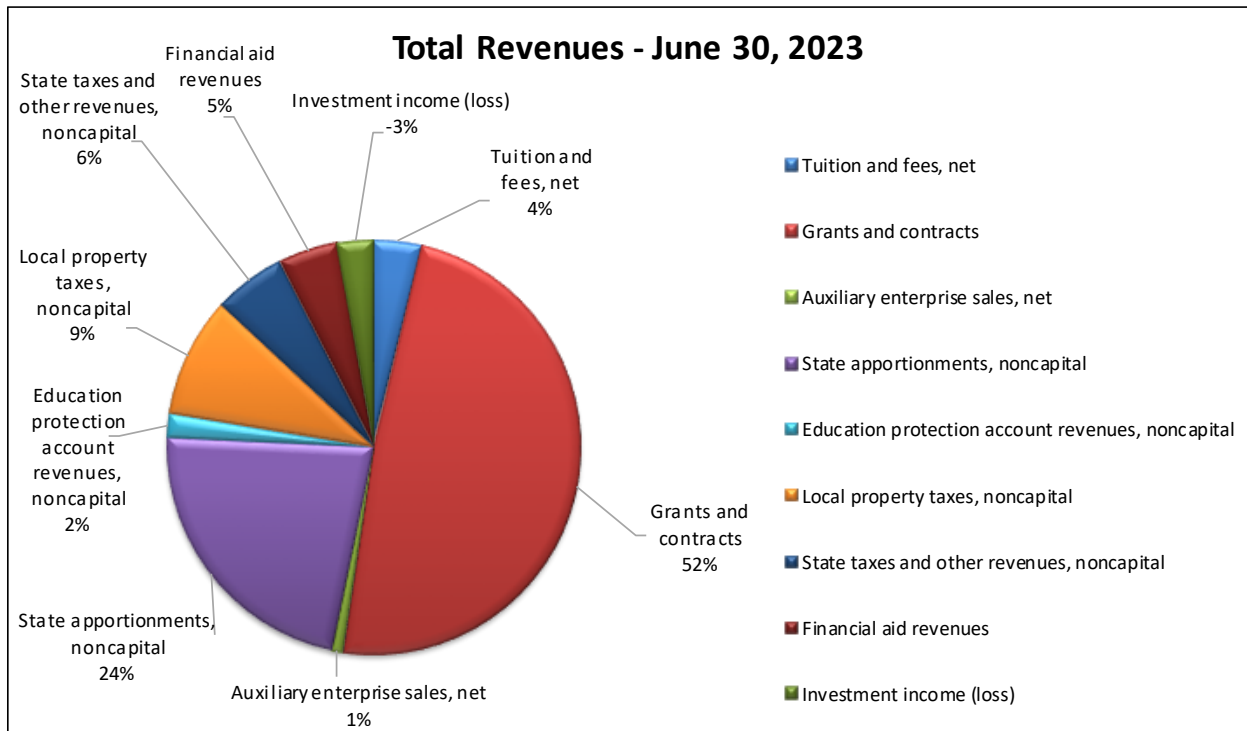
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**REVENUES**

The District’s major sources of revenues include State aid, property taxes, and grants and contracts. The primary basis of the apportionment component is the calculation of full-time equivalent students (FTES).

Of the revenue sources, State apportionment, property taxes, and enrollment fees are District General Revenues and commonly referred to as the “base revenue” to which adjustments for COLA, program improvement, growth, restoration, and any applicable deficit factor is applied. Adjustments to the “base revenue” are typically calculated twice each fiscal year and distributed through the First Principal Apportionment Statement (P1) in mid-February and the Second Principal Apportionment Statement (P2) in early June of each fiscal year.

In fiscal years 2023 and 2022, the District's total revenues totaled \$70,571,187 and \$33,867,042, respectively. Total revenues for the District by major category are as follows:

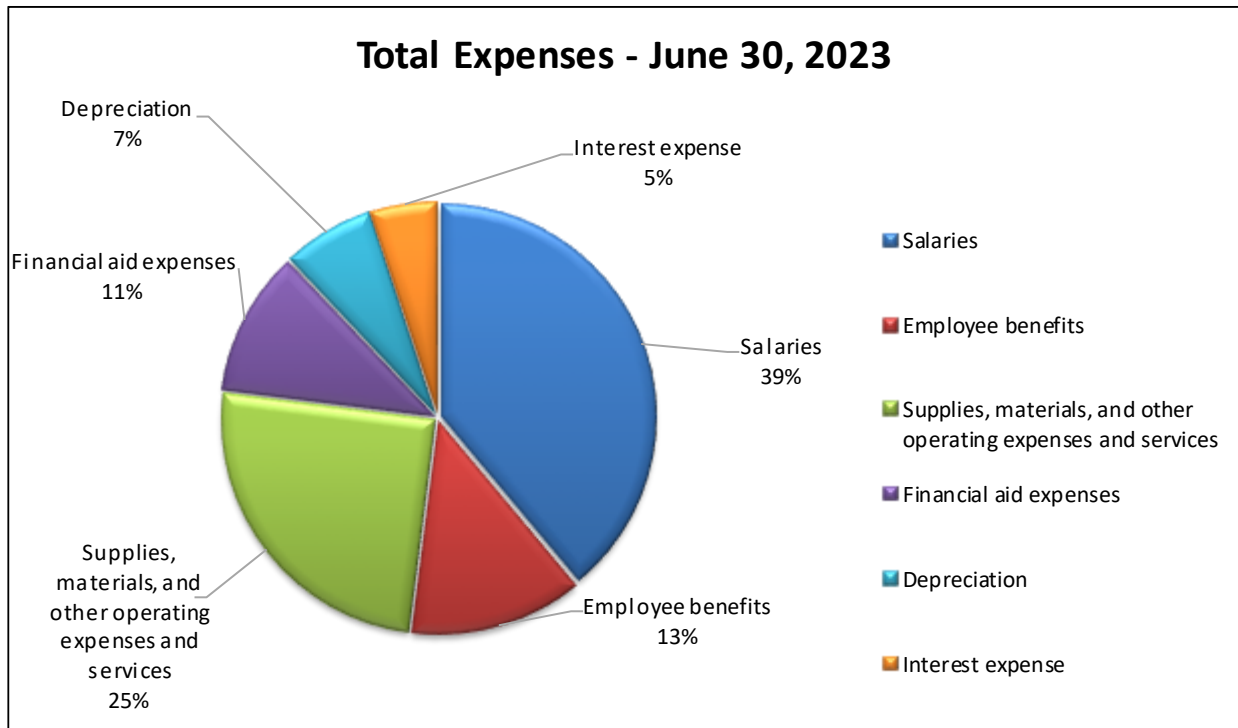


**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**EXPENSES**

The District expenses in the unrestricted General Fund were to provide classroom instruction, counseling and student support services, physical plant related activities, administration, and general support services. For the fiscal years ended June 30, 2023 and 2022, the District’s expenses totaled \$35,116,029 and \$31,431,034, respectively. Total expenses for the District by major category are as follows:

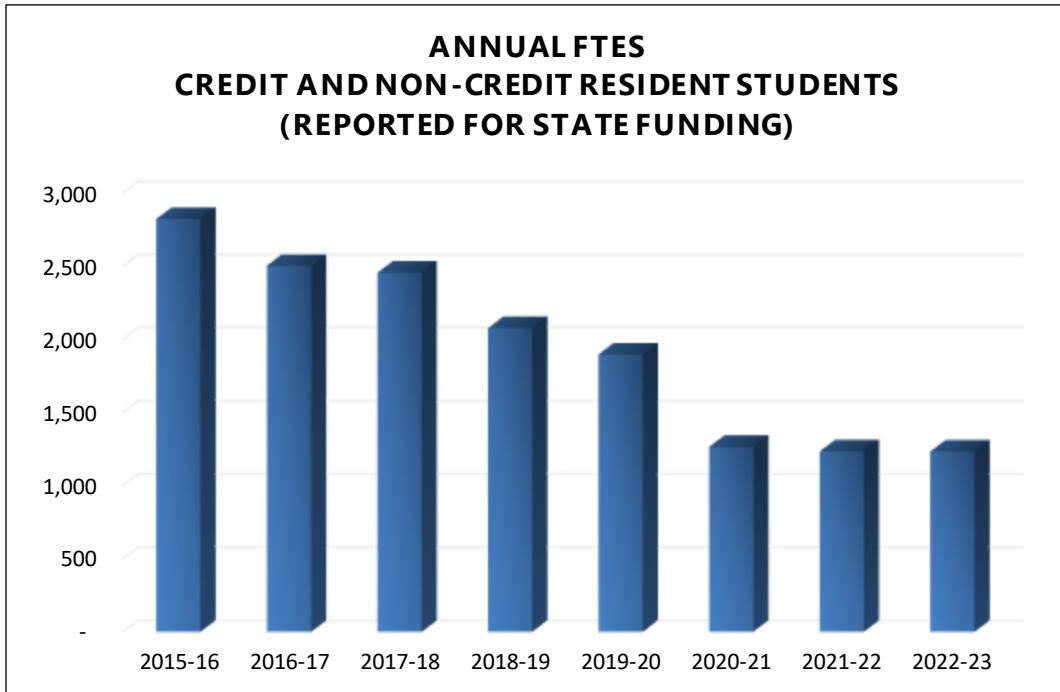


**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**FULL-TIME EQUIVALENT STUDENTS (FTES)**

The District’s primary funding source is from apportionment received from the State of California. The primary basis of this apportionment is the calculation of Full-Time Equivalent Students (FTES). See the below chart for a historical perspective on the changes in FTES over the past 8 fiscal years.



**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**COLLEGE OF THE SISKIYOU'S AUXILIARY FOUNDATION**

The Auxiliary Foundation was established as a 501(c)(3) non-profit charitable organization in 1992 to provide a vehicle for financial support from the community and beyond. It supports the mission and values of College of the Siskiyous by fostering community relationships and raising funds to enhance exceptional learning environments. This is accomplished through fundraising events, soliciting donations and contributions, and dispensing funds to support the College of the Siskiyous students and programs.

Throughout the year the Foundation conducts or assists campus personnel in a variety of fund-raising and fundraising activities including the Campus Employee Payroll Deduction Campaign, Annual Giving Campaign, North State Giving Tuesday, Scholarship Fundraising Dinner, and Holiday Craft Fair. Additionally, the Foundation serves as fiscal sponsor for numerous campus clubs, manages the Scholarship program, and coordinates and funds the campus Mini-Grant Program and Emergency Grant Program for Students.

The Foundation manages fiscal sponsorships that generate income for the Foundation, including the Eagle's Nest Resale Shop. The Eagle's Nest Shop has a paid manager and is staffed by numerous volunteers and student employees at its downtown Weed location. The Shop provides a training site for students and helps to meet the retail needs of Weed and its surrounding community.

The Foundation manages approximately 36 endowed scholarships valued at over \$1.3 million, as well as the Rural Health Sciences Institute (RHSI) Program endowment, valued at over \$2 million. The RHSI endowment was funded through a variety of sources: a 2006 Title III federal grant; funds contributed by local foundations; and COS Foundation fundraising activities from individuals and businesses. The endowment helps support the annual technology and maintenance needs of the RHSI and since 2013 has provided \$495,853 in total funding. The Foundation's investments have since grown and are now at a combined total of \$3.6 million (June 30, 2023).

**ECONOMIC FACTORS AFFECTING THE SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT**

The economic position of College of the Siskiyous is closely tied to the state of California as State apportionments and property taxes allocated to the District represent approximately 88% of the total unrestricted resources of revenues received by the District. For 2022-23, the Chancellor's Office continued with the Student-Centered Funding Formula that not only accounts for full-time equivalent students (FTES), but is also calculated on need-based factors and program completion rates. Additional funding is provided based on a point system for economic need and numerous program completion factors. There are hold harmless provisions built into the Student-Centered Funding Formula to protect districts as the new formula is fully implemented, and these provisions have been extended through fiscal year 2024-25. The California Community College system working with the State, was able to align the State's revenue sources to keep the final deficit factor down to 10.827% (\$2,335,249) for the College of the Siskiyous).

During the COVID-19 epidemic, College of the Siskiyous, like most Districts around the California Community College (CCC) System, experienced a significant decline in student enrollments, however the CCC system and College of the Siskiyous have started to see recovery of those enrollments over the last couple of years. For 2022-23, the District continued with many on-line classes, but started offering more face-to-face classes again.



**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**ECONOMIC FACTORS AFFECTING THE SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT, *continued***

The fires that occurred in Siskiyou County in 2021-2022 had a significant impact on the county's economy. The fires destroyed homes, businesses, and infrastructure, and displaced thousands of residents. The economic impacts of the fires included loss of jobs (fires destroyed or damaged many businesses, which led to job losses); loss of tourism (fires also damaged many tourist destinations, which led to a decline in tourism); and increased costs (businesses had to pay for fire suppression, clean-up, and repairs and the cost of insurance increased). The economic impacts of the fires are still being felt in Siskiyou County. The full recovery from the fires will take many years.

This year saw significant inflation rates, reaching as high as 9.1% nationally, before gradually declining. Siskiyou County was not immune to the impacts of these increases. The County experience a relatively stable unemployment rate compared to the national average; however, the local economy still struggles with limited diversification. Siskiyou County remains heavily reliant on agriculture and tourism, making it vulnerable to fluctuations in these sectors. Some agricultural sectors, particularly cattle ranching, continue to face difficulties due to droughts and rising costs. Although not fully recovered to pre-pandemic levels, tourism in Siskiyou County saw improvement in 2022 compared to 2021, with increased visitor numbers and spending.

We recognize that as programs and facilities are added, financial responsibilities also increase. We also understand that state funding may not completely meet these added responsibilities. In support of the District's mission, the College's Auxiliary Foundation has provided consistent support of District programs and needs through the Rural Health Sciences Institute endowment established under the Title III grant a number of years ago. One-half of the net earnings produced by the endowment each year may be used to support facility and program needs of the Rural Health Sciences Institute. Since 2013, the endowment has contributed \$494,853 in support of the District programs.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, students, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need any additional financial information, please contact the District at: Siskiyou Joint Community College District, 800 College Ave., Weed, CA 96094 or visit the District's website at <http://www.siskiyous.edu/>.

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## **FINANCIAL SECTION**

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**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	<u>District</u>	<u>Foundation</u>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 20,854,838	\$ 821,020
Accounts receivable, net	4,915,880	28,939
Inventory	120,436	-
Prepaid expenditures and other assets	2,914	1,596
Total Current Assets	<u>25,894,068</u>	<u>851,555</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	46,868,579	-
Investments	-	4,105,146
Beneficial interest in remainder trusts	-	26,351
Capital assets, net	37,496,466	-
Total Noncurrent Assets	<u>84,365,045</u>	<u>4,131,497</u>
<b>TOTAL ASSETS</b>	<u>110,259,113</u>	<u>4,983,052</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred loss on refunding	335,187	-
Deferred outflows - OPEB	202,023	-
Deferred outflows - pensions	4,908,135	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 115,704,458</u>	<u>\$ 4,983,052</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 6,765,147	\$ 21,092
Unearned revenue	12,729,378	1,196
Due to other funds	14,448	3,452
Amounts held for others	25,316	-
Compensated absences, current portion	324,125	-
Long-term debt, current portion	1,323,477	-
Total Current Liabilities	<u>21,181,891</u>	<u>25,740</u>
Noncurrent Liabilities:		
Compensated absences, noncurrent portion	108,042	-
Net OPEB liability	4,732,723	-
Net pension liability	17,229,633	-
Long-term debt, noncurrent portion	30,751,930	-
Total Noncurrent Liabilities	<u>52,822,328</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>74,004,219</u>	<u>25,740</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows - pensions	2,587,388	-
<b>NET POSITION</b>		
Net investment in capital assets	44,692,295	-
Restricted for:		
Debt service	7,542,110	-
Capital projects	34,949	-
With donor restrictions	-	3,964,865
Unrestricted	(13,156,503)	992,447
<b>TOTAL NET POSITION</b>	<u>39,112,851</u>	<u>4,957,312</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u>\$ 115,704,458</u>	<u>\$ 4,983,052</u>

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>District</b>	<b>Foundation</b>
<b>OPERATING REVENUES</b>		
Tuition and fees (gross)	\$ 3,406,617	\$ 262,005
Less: Scholarship discounts and allowances	(548,734)	-
Net tuition and fees	2,857,883	262,005
Grants and contracts, noncapital:		
Federal	2,455,665	-
State	33,655,407	-
Local	401,331	720,731
Auxiliary enterprise sales, net	777,562	-
<b>TOTAL OPERATING REVENUES</b>	<b>40,147,848</b>	<b>982,736</b>
<b>OPERATING EXPENSES</b>		
Salaries	13,790,835	112,852
Employee benefits	4,689,631	42,695
Supplies, materials, and other operating expenses and services	8,819,446	449,191
Financial aid expenses	3,697,341	-
Depreciation	2,451,491	-
<b>TOTAL OPERATING EXPENSES</b>	<b>33,448,744</b>	<b>604,738</b>
<b>OPERATING INCOME (LOSS)</b>	<b>6,699,104</b>	<b>377,998</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
State apportionments, noncapital	12,413,693	-
Education protection account revenues, noncapital	1,024,258	-
Local property taxes, noncapital	4,977,749	-
State taxes and other revenues, noncapital	4,116,258	-
Financial aid revenues	3,315,583	-
Investment income (loss)	(2,359,023)	361,104
Interest expense	(1,667,285)	-
Other non-operating revenues	275,632	-
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>22,096,865</b>	<b>361,104</b>
<b>INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES</b>	<b>28,795,969</b>	<b>739,102</b>
State apportionments, capital	4,797,467	-
Local property taxes and revenues, capital	1,861,722	-
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>35,455,158</b>	<b>739,102</b>
<b>NET POSITION -- BEGINNING OF YEAR</b>	<b>3,660,686</b>	<b>4,218,210</b>
<b>PRIOR YEAR ADJUSTMENT (SEE NOTE 19)</b>	<b>(2,993)</b>	<b>-</b>
<b>NET POSITION -- END OF YEAR</b>	<b>\$ 39,112,851</b>	<b>\$ 4,957,312</b>

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>District</b>	<b>Foundation</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Tuition and fees	\$ 2,857,883	\$ 262,005
Grants and contracts	41,708,101	720,731
Payments to or on behalf of employees	(19,932,232)	(155,547)
Payments to vendors for supplies and services	(6,524,044)	(539,102)
Payment to students	(3,728,094)	-
Other receipts	842,205	1,896
Net Cash Provided (Used) by Operating Activities	<u>15,223,819</u>	<u>289,983</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
State apportionments	12,413,693	-
Education protection account revenue	1,024,258	-
Financial aid revenues	3,315,583	-
Property taxes	4,977,749	-
State taxes and other revenues	4,116,258	-
Other non-operating	275,632	-
Net Cash Provided (Used) by Non-capital Financing Activities	<u>26,123,173</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(2,658,738)	-
State revenue, capital projects	4,797,467	-
Local revenue, capital	1,861,722	-
Principal paid on capital debt	(1,225,010)	-
Interest paid on capital debt	(427,558)	-
Net Cash Provided (Used) by Capital Financing Activities	<u>2,347,883</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income	(2,359,023)	75,631
Net Cash Provided (Used) by Investing Activities	<u>(2,359,023)</u>	<u>75,631</u>
<b>NET INCREASE (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	41,335,852	365,614
<b>CASH &amp; CASH EQUIVALENTS, BEGINNING OF YEAR</b>	26,387,565	455,406
<b>CASH &amp; CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 67,723,417</u>	<u>\$ 821,020</u>

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>District</b>	<b>Foundation</b>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>		
Operating loss	\$ 6,699,104	\$ 377,998
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation expense	2,451,491	-
Adjustments to beginning balance	(2,993)	-
Changes in Assets and Liabilities:		
Receivables, net	(1,180,266)	(63,019)
Prepaid items	173,493	-
Due from Foundation/District	8,003	-
Deferred outflows of resources	(2,278,565)	-
Accounts payable and accrued liabilities	1,927,563	(26,892)
Due to Foundation/District	14,448	1,896
Deferred revenue	6,401,851	-
Compensated absences	88,792	-
Net OPEB liability	(52,688)	-
Net pension liability	6,326,845	-
Deferred inflows of resources	(5,353,259)	-
Total Adjustments	8,524,715	(88,015)
<b>Net Cash Flows From Operating Activities</b>	<b>\$ 15,223,819</b>	<b>\$ 289,983</b>

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Definition of the Reporting Entity**

Siskiyou Joint Community College District (the District) is a community college governed by an elected seven-member Board of Trustees. The District provides educational services to the local residents of the surrounding area. The District consists of one community college located in Weed, California, and a satellite campus in Yreka, California.

For financial reporting purposes, the District includes all funds, agencies, and authorities that are controlled by, or dependent on, the District's executive and legislative branches. Control by, or dependence on, the District was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the District, obligations of the District to finance any deficits that may occur, or receipt of significant subsidies from the District.

As a result, the financial statements of the District include the financial activities of the District and the combined totals of the trust and agency funds, which represent the various scholarships and student organizations within the District.

The District identified the College of the Siskiyous Foundation (the Foundation) as its only potential component unit. The District and the Foundation have financial and operational relationships that meet the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) for inclusion of the Foundation as a component unit of the District. Accordingly, the financial activities of the Foundation as a component unit have been included in the financial statements of the District.

The following are those aspects of the relationship between the District and the Foundation as the component unit that satisfies the GASB:

*Accountability:* The District is able to impose its will upon the Foundation. The Foundation provides specific financial benefits, or imposes specific financial burdens, on the District.

*Scope of Public Service:* The Foundation is a nonprofit public benefit corporation incorporated under the laws of the state of California. The Foundation was formed to promote and assist the educational services of the District.

*Discrete Presentation:* For financial presentation purposes, the Foundation's financial activities have been discretely presented with the financial activities of the District.

***Basis of Presentation and Accounting*** – The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities (BTA). Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. All significant intra-agency transactions have been eliminated.

The budgetary and financial accounts of the District are recorded and maintained in accordance with the *California Community Colleges Budget and Accounting Manual*.

**Cash, Cash Equivalents and Investments** – The District considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, provides that amounts held in external investment pools be reported at fair value. However, cash in the County Treasury is recorded at the value of the pool shares held, which approximates the fair value of the underlying cash and investments of the pool.

**Restricted Cash and Cash Equivalents** – Restricted cash and cash equivalents include amounts restricted for the repayment of debt, for use in the acquisition or construction of capital assets, for restricted programs, for any other restricted purpose, or in any funds restricted in purpose per the *California Community Colleges Budget and Accounting Manual*.

**Accounts Receivable** – Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff, the majority of each residing in the state of California. Accounts receivable also include amounts due from the federal, state, and local governments, or private sources, in connection with reimbursement of allowable expenses made pursuant to the District's grants and contracts. The District utilizes the allowance method with respect to its accounts receivable based on all accounts receivable with an age greater than four years old in combination with historical collection information. There was not allowance estimated for the year ended June 30, 2023.

**Inventory and Prepaids** – Inventory consists primarily of bookstore merchandise including, but not limited to, books, instructional materials, and sundry items held for resale to students and staff of the District. Additional inventory exists related to cafeteria operations. Inventory is valued at average cost, which approximates market, using the purchase method.

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

**Capital Assets** – Capital assets are recorded at cost at the date of acquisition, or fair market value at the date of donation in the case of gifts. Where historical cost is not available, estimated historical cost is based on replacement cost reduced for inflation. Capitalized equipment includes all items with a unit cost of \$5,000 or more, and estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year the expense was incurred.



**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Depreciation of capitalized assets is computed using the straight-line method over the estimated useful lives of the assets; generally, 25 to 50 years for buildings, 20 years for land improvements, and 5 to 15 years for equipment and vehicles.

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

**Deferred Outflows/Inflows of Resources** – In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) which will only be recognized as an outflow of resources (expense/expenditures) in the future. District contributions subsequent to the measurement date related to pension plans, are reported as deferred outflows of resources in the government-wide statement of net position. District contributions subsequent to the measurement date will be amortized during the next fiscal year.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and would only be recognized as an inflow of resources (revenue) at that time.

Changes in proportion and differences between District contributions and proportionate share of pension contributions, the District's proportionate share of the net difference between projected and actual earnings on pension plan investments, changes in assumptions, and the differences between the District's expected and actual experience are reported as deferred inflows of resources or deferred outflows of resources in the government-wide statement of net position. These amounts are amortized over the estimated service lives of the pension plan participants.

The District also has a deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

**Advances from Grantors and Students** – Advances include amounts received for tuition, fees, and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Advances also include amounts received from grant and contract sponsors that have not yet been earned.

**Amounts Held for Others** – Amounts held for others represents funds held by the District for the Associated Students Trust Fund, Scholarship and Loan Trust Fund, and other agency funds.

**Compensated Absences** – Accumulated and vested unpaid employee vacation benefits are recognized as liabilities of the District as the benefits are earned.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

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

**Long-Term Liabilities** – Bond premiums are deferred and amortized over the life of the bonds using the straight-line method, which does not differ materially from the effective interest method. Bonds payable are reported net of the applicable bond premium. Bond issuance costs are expensed in the year incurred. Amortization of bond premiums was \$63,322 for the year ended June 30, 2023.

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

**Net Position** – The District's net position is classified as follows:

*Net Investment in Capital Assets:* This represents the District's total investment in capital assets, net of outstanding debt obligations related to those capital assets.

*Restricted Net Position – Nonexpendable:* Consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may be expended or added to the principal depending on donor stipulations.

*Restricted Net Position – Expendable:* Restricted expendable net position represents resources which are legally or contractually obligated to be spent in accordance with restrictions imposed by external third parties.

*Unrestricted Net Position:* Unrestricted net position represents resources derived from student tuition and fees, state apportionments, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the District, and may be used at the discretion of the governing board to meet current expenses for any purpose.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the District's policy is to first apply the expense toward restricted resources, and then toward unrestricted resources.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**Classification of Revenues** – The District has classified its revenues as either operating or nonoperating, according to the following criteria:

*Operating Revenues:* Operating revenues include activities that have the characteristics of exchange transactions, such as: (1) student tuition and fees, net of scholarship discounts and allowances; (2) sales and services of auxiliary enterprises; and (3) some federal, state, and local grants contracts and federal appropriations.

*Nonoperating Revenues:* Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources described in GASB Statement No. 34, *Basic Financial Statements – And Management’s Discussion and Analysis – For State and Local Governments*, such as state appropriations, financial aid, and investment income.

**Scholarship Discounts and Allowances** – Student tuition and fee revenue are reported net of 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 goods and services provided by the District and the amount that is paid by students and/or third parties making payments on the students’ behalf.

**State Apportionment** – Certain current-year apportionments from the State are based on various financial and statistical information of the previous year, as well as state budgets and other factors outside the District’s control. In February, subsequent to the year end, the State performs a recalculation based on actual financial and statistical information for the year just completed. The District’s policy is to estimate the recalculation correction to apportionment, if any, based on factors they can reasonably determine such as local property tax revenue received and changes in full time equivalent students. Any additional corrections determined by the State are recorded in the year computed by the State.

**Property Taxes** – Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent if paid after December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. The County of Siskiyou (the County) bills and collects the taxes for the District.

**Estimates** – The preparation of 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 basic financial statements and accompanying notes. Actual results may differ from those estimates.

**Budgets and Budgetary Accounting** – By state law, the District’s governing board must approve a tentative budget no later than July 1, and adopt a final budget no later than September 15 of each year. A hearing must be conducted for public comments prior to adoption. The District’s governing board satisfied these requirements.

The budget is revised during the year to incorporate categorical funds that are awarded during the year and miscellaneous changes to the spending plans. The District’s governing board approves subsequent revisions to the budget after year end.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**On-Behalf Payments** – GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, requires that direct on-behalf payments for fringe benefits and salaries made by an entity to a third-party recipient for the employees of another legally separate entity be recognized as revenue and expenses by the employer government. The state of California makes direct on-behalf payments for retirement benefits to the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) on behalf of all community college districts in California. The amount reported in the basic financial statements as of June 30, 2023, was \$386,483.

**DISCRETELY PRESENTED COMPONENT UNIT – FOUNDATION**

**Organization** – The purpose of the Foundation is to accumulate funds to award scholarships to assist students while attending the District, and for designated projects. A substantial portion of the Foundation's revenue is from community donations, including direct donations and sales from the Eagle's Nest.

**Basis of Accounting** – The accompanying financial statements have been prepared on the accrual basis of accounting.

**Basis of Presentation** – Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

*Net assets without donor restrictions* are those resources that are currently available for operations.

*Net assets with donor restrictions* are those resources which are stipulated by donors for various scholarships or other programmatic uses.

**Cash and Cash Equivalents** – For purpose of the statement of cash flows, the Foundation considers all short-term securities purchased with a maturity of three months or less to be cash equivalents.

**Investments** – Investments are recorded at fair value based on quoted market values. The art collection and gem investments held by the Foundation are carried at the appraised value at the time of donation and reduced for any permanent declines in market value.

**Fair Value Measurements** – The Foundation accounts for certain assets and liabilities in accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*, which establishes a framework for measuring fair value under generally accepted accounting principles.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

The Foundation classifies its fair value assets and liabilities into a hierarchy of three levels based on the markets in which they are traded and the reliability of the assumptions used to determine fair value. The asset or liability measurement level within the hierarchy is based on the lowest level of any assumption that is significant to the measurement.

Valuations within the hierarchy levels are based upon the following:

*Level 1:* Quoted market prices for identical instruments traded in active exchange markets.

*Level 2:* Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable or can be corroborated by observable market data.

*Level 3:* Model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect the Foundation's estimates of assumptions that market participants would use on pricing the asset or liability. Valuation techniques include management's judgment and estimation, which may be significant.

**Endowment Investment and Spending Policies** – The Foundation's endowment consists of approximately 40 individual funds established for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Board of Trustees to function as endowments. As required by generally accepted accounting principles, net position associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net position (nonexpendable net position): (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net position is classified as temporarily restricted net position (expendable net position) until those amounts are appropriated for spending by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the institution and the endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

*Investment Return Objectives, Risk Parameters, and Strategies:* The Foundation has adopted investment and spending policies, approved by the Board of Trustees, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, which is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 4% to 7% of the Foundation's scholarship endowments, while growing the funds, if possible. Therefore, the Foundation expects its endowment assets, over time, to produce an average rate of return of 4% to 7% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

*Spending Policy:* The Foundation has a policy of appropriating for distribution each year 4% to 7% of its endowment fund's fair market value as of the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, and the possible effects of inflation. The Foundation expects the current spending policy to allow its endowment funds to grow at a nominal annual rate, which is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

**Contributions** – Contributions, including unconditional promises to give, are recorded when made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give that are due in the next year are recorded at their net realizable value. Unconditional promises to give that are due in subsequent years are reported at their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received.

**Recognition of Donor-Restricted Contributions** – Donor-restricted support is reported as an increase in temporarily or permanently restricted net position depending on the nature of the restriction. When a restriction expires, temporarily restricted net position is reclassified to unrestricted net position. However, contributions that are restricted by the donor are reported as increases in unrestricted net position if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

**Donated Services** – Donated services are recognized as contributions in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Subtopic 958-605, *Not-for-Profit Entities – Revenue Recognition*, if the services: (a) create or enhance nonfinancial assets, or (b) require specialized skills, performed by people with those skills, and would otherwise be purchased by the Foundation.

The Foundation receives donated administrative services from the District. The value of these services was estimated at \$97,455 for the year ended June 30, 2023.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Volunteers also provided their time and performed a variety of tasks that assisted the Foundation with the thrift shop and other program services. These services did not meet the above requirement for recognition in these financial statements and, accordingly, have not been valued or recorded.

**Income Taxes** – The Foundation operates under Section 501(c)(3) of the *Internal Revenue Code* and 23701(d) of the *California Revenue and Taxation Code* and is exempt from federal and state income taxes. Accordingly, no provision for income taxes is included in the financial statements. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

FASB ASC 740-10 clarifies the accounting for uncertainty in income taxes recognized in the Foundation’s financial statements in accordance with FASB ASC 740, and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return. FASB ASC 740-10 also provides guidance on derecognition and measurement of a tax position taken, or expected to be taken, in a tax return. The Foundation files income tax returns in the U.S. federal jurisdiction, and the state of California.

The Foundation’s federal income tax returns for tax years 2013 and beyond remain subject to examination by the Internal Revenue Service. The Foundation’s California income tax returns for tax years 2012 and beyond remain subject to examination by the Franchise Tax Board.

The Foundation did not have unrecognized tax benefits as of June 30, 2023, and does not expect this to change significantly over the next 12 months. In connection with the adoption of FASB ASC 740-10, the Foundation will recognize interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense. As of June 30, 2023, the Foundation did not accrue interest or penalties related to uncertain tax positions.

**NOTE 2 - CASH AND INVESTMENTS**

The following is a summary of cash and investments:

	District	Foundation
Cash and cash equivalents - current	\$ 20,854,838	\$ 821,020
Restricted cash and cash equivalents - noncurrent	46,868,579	-
Investments	-	4,105,146
Total Deposits and Investments	\$ 67,723,417	\$ 4,926,166

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 2 - CASH AND INVESTMENTS, continued**

**DEPOSITS**

The carrying amount of the District’s and Foundation’s deposits is summarized as follows:

	District	Foundation
Cash in county treasury	\$ 66,587,873	\$ 820,820
Cash in banks	1,131,548	-
Cash on hand	3,996	200
Totals	\$ 67,723,417	\$ 821,020

As provided for by *California Education Code*, Section 41001, a significant portion of the District's cash balances of most funds is deposited with the Siskiyou County Treasurer for the purpose of increasing interest earned through County investment activities. The County Treasury’s Pooled Money Investment account’s weighted average maturity was 2.86 years at June 30, 2023. As of June 30, 2023, the fair value of the County pool was 95.89% of the carrying value and is deemed to not represent a material difference. The pooled treasury has regulatory oversight by the Siskiyou County Treasury Oversight Committee in accordance with *California Government Code* requirements. The District is considered to be an involuntary participant in the external investment pool. Copies of the County’s audited financial statements can be obtained from the Siskiyou County Auditor-Controller’s Office, 311 Fourth Street, Yreka, California 96097.

**Investments**

Under provision of the District’s investment policy, and in accordance with Sections 53601 and 53602 of the *California Government Code*, the District may invest in the following types of investments:

- State of California issues
- Local Agency Investment Fund (state pool) deposits
- County Treasurer
- U.S. Treasury Bonds with less than a five-year maturity
- Time Certificates of Deposit limited to \$100,000 per financial institution (institution must be insured by FSLIC and/or FDIC, licensed by the state of California and/or the federal government, and located within the state of California)

The investment policy of the Foundation allows for investment in a variety of mutual funds and debt securities. As it relates to the gem and art collection, the Foundation intends to retain these as investments and sell the items on an as-needed basis.



**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 2 - CASH AND INVESTMENTS, continued**

Investments consisted of the following:

	District	Foundation
Mutual funds and debt securities	\$ -	\$ 4,072,611
Art and gems	-	32,535
Totals	\$ -	\$ 4,105,146

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity its fair value is to changes in market interest rates. *California Government Code*, Section 53601, limits investments to maturities of five years. The District and Foundation investment policies are to hold investments to call or maturity to further mitigate interest rate risk.

**Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. This is measured by ratings assigned by nationally recognized organizations. The District and Foundation investment policies address credit risk by limiting their investment types as noted above to investments authorized by *California Government Code*. The investment in the county investment pool is unrated.

**Concentration of Credit Risk**

Concentration risk is defined as positions of 5% or more in the securities of a single issuer. The District and Foundation investment policies allow investments in a single issuer greater than 5%.

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the failure of the counterparty (e.g., financial institution, broker-dealer), the District’s deposits may not be redeemed. For deposits, the *California Government Code* requires California banks and savings and loan associations to secure the District's deposits by pledging government securities as collateral. The market value of pledged securities must equal 110% of an entity's deposits. California law also allows financial institutions to secure an entity's deposits by pledging first trust deed mortgage notes having a value of 150% of an entity's total deposits. For investments, the District and Foundation do not have policies to address this risk.

All cash held by financial institutions is collateralized by securities that are held by the broker or dealer, or by its trust department or agent, but not in the District’s name. In addition, \$250,000 of the bank balances (per institution) at June 30, 2023, are insured.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 2 - CASH AND INVESTMENTS, continued**

**Fair Value Measurements**

The District's investment in the County treasurer's investment pool is measured at fair value. At June 30, 2023, the County treasurer's pool of \$66,587,873 is valued using quoted prices for similar instruments in active market and quoted prices for identical or similar instruments in markets that are not active (level 2 inputs).

**NOTE 3 – ACCOUNTS RECEIVABLE**

Accounts receivable consisted of the following:

	District	Foundation
Federal	\$ 362,873	\$ -
State	893,816	-
Local	3,552,698	28,939
Auxiliary enterprise sales and charges - net	84,491	-
Investment income	22,002	-
Totals	<u>\$ 4,915,880</u>	<u>\$ 28,939</u>

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity consists of the following:

	Beginning Balance July 1, 2022	Additions	Deductions	Ending Balance June 30, 2023
Capital assets not being depreciated				
Land	\$ 199,350	\$ -	\$ -	\$ 199,350
Construction in progress	507,554	-	507,554	-
Total capital assets not being depreciated	<u>706,904</u>	<u>-</u>	<u>507,554</u>	<u>199,350</u>
Capital assets being depreciated				
Improvements	13,962,653	1,636,538	-	15,599,191
Buildings	41,059,456	-	-	41,059,456
Vehicles	545,369	697,396	-	1,242,765
Equipment	10,499,268	832,358	-	11,331,626
Total capital assets being depreciated	<u>66,066,746</u>	<u>3,166,292</u>	<u>-</u>	<u>69,233,038</u>
Total capital assets	<u>66,773,650</u>	<u>3,166,292</u>	<u>507,554</u>	<u>69,432,388</u>
Less: accumulated depreciation	<u>29,484,431</u>	<u>2,451,491</u>	<u>-</u>	<u>31,935,922</u>
Net Capital Assets	<u>\$ 37,289,219</u>	<u>\$ 714,801</u>	<u>\$ 507,554</u>	<u>\$ 37,496,466</u>

Depreciation expense for the year was \$2,451,491.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 5 – ACCOUNTS PAYABLE**

Accounts payable consisted of the following:

	District	Foundation
Accrued payroll and related liabilities	\$ 2,089,558	\$ -
Interest payable	247,100	-
Other	4,428,489	21,092
Totals	<u>\$ 6,765,147</u>	<u>\$ 21,092</u>

**NOTE 6 - LONG TERM LIABILITIES**

The long-term liabilities activity is as follows:

	Balance July 1, 2022	Additions/ Accretions	Reductions	Balance June 30, 2023	Current Portion
Long-Term Debt					
General obligation bonds:					
Measure A:					
Series B and C	\$ 17,274,788	\$ 945,307	\$ 80,000	\$ 18,140,095	\$ 80,000
Series A Refunding	11,285,000	-	820,000	10,465,000	910,000
Premiums on general obligation bonds	762,584	-	63,322	699,262	63,322
Lease purchase agreement	3,032,738	-	261,688	2,771,050	270,155
Total long-term debt	<u>32,355,110</u>	<u>945,307</u>	<u>1,225,010</u>	<u>32,075,407</u>	<u>1,323,477</u>
Other long-term liabilities:					
Compensated absences	343,375	88,792	-	432,167	324,125
Net pension liability	10,902,788	6,326,845	-	17,229,633	-
Net OPEB liability	4,785,411	-	52,688	4,732,723	-
Total other long-term liabilities	<u>16,031,574</u>	<u>6,415,637</u>	<u>52,688</u>	<u>22,394,523</u>	<u>324,125</u>
Total long-term liabilities	<u>\$ 48,386,684</u>	<u>\$ 7,360,944</u>	<u>\$ 1,277,698</u>	<u>\$ 54,469,930</u>	<u>\$ 1,647,602</u>

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 6 - LONG TERM LIABILITIES, continued**

The 2005 General Obligation Bonds, Series A, were issued in May 2006 in the original amount of \$14,997,976, and include both current-interest bonds and capital appreciation bonds. The bonds are for the purpose of financing the acquisition, construction, modernization, and renovation of the District facilities. The bonds are payable solely from the proceeds of ad valorem taxes. The bonds were partially refinanced and the remaining bonds mature in 2021. The interest rate ranges from 4% to 5%.

The final payment of \$265,000 was made on August 1, 2020.

The 2005 General Obligation Bonds, Series B and C, were issued in April 2008 in the original amount of \$9,998,688 and include both current-interest bonds and capital appreciation bonds. The bonds are for the purpose of financing the acquisition, construction, modernization and renovation of District facilities. The bonds are payable solely from the proceeds of ad valorem taxes. The Final maturity of all bonds is in August 2047. The interest rate ranges from 3% to 6%.

Debt service requirements to maturity – The 2005 Series B and C General Obligation Bonds matures through August 1, 2047 as follows:

Fiscal Year	Principal	Interest	Accreted Interest	Total
2024	\$ 80,000	\$ 142,125	\$ -	\$ 222,125
2025	75,000	138,500	-	213,500
2026	70,000	135,125	-	205,125
2027	65,000	132,125	-	197,125
2028	55,000	128,625	-	183,625
2029-2033	643,788	634,250	3,461,212	4,739,250
2034-2038	1,971,473	569,250	9,413,527	11,954,250
2039-2043	4,161,143	-	9,918,857	14,080,000
2044-2048	1,787,284	-	15,002,716	16,790,000
Accreted Interest	9,231,407	-	(9,231,407)	-
Total	\$ 18,140,095	\$ 1,880,000	\$ 28,564,905	\$ 48,585,000

The 2014 General Obligation Refunding Bonds were issued in September 2014 in the original amount of \$12,740,000 and includes current-interest bonds. The bonds are for the purpose of financing the acquisition, construction, modernization and renovation of District facilities. The bonds are payable solely from the proceeds of ad valorem taxes. Final maturity of all bonds is in August 2030. The interest rate ranges from 2% to 5%.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 6 - LONG TERM LIABILITIES, continued**

Debt service requirements to maturity – The 2014 General Obligation Refunding Bonds matures through August 1, 2030 as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 910,000	\$ 355,650	\$ 1,265,650
2025	1,020,000	315,038	1,335,038
2026	1,120,000	269,175	1,389,175
2027	1,240,000	216,375	1,456,375
2028	1,365,000	171,100	1,536,100
2029-2031	4,810,000	237,763	5,047,763
Total	\$ 10,465,000	\$ 1,565,101	\$ 12,030,101

The District leases equipment and other capital assets at a cost of \$4,000,000 under agreements which provide for title to pass upon expiration of the lease period. The amount of interest costs incurred during the year ended June 30, 2023, was \$394,800 all of which was charged to expenses. Amortization under capital leases has been included with depreciation expense in the statement of revenue, expenses, and changes in net position.

Future minimum lease payments for capital leases are as follows:

Fiscal Year	Lease Payments
2024	\$ 356,955
2025	356,955
2026	356,956
2027	356,955
2028	356,956
2029-2032	1,427,823
Total	3,212,600
Less: Amount representing interest	441,550
Present Value of Net Minimum Lease Payments	\$ 2,771,050

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 7 - NET PENSION LIABILITY**

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are member of the California State Teachers’ Retirement System (CalSTRS), and Classified employees are members of the California Public Employees’ Retirement System (CalPERS). The District reported its proportionate share of the net pension liabilities, pension expense, deferred outflows of resources, and deferred inflows of resources for each of the above plans as follows:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	\$ 4,616,805	\$ 1,062,492	\$ 1,759,095	\$ (130,501)
CalPERS	12,612,828	3,845,643	828,293	1,413,028
Total	\$ 17,229,633	\$ 4,908,135	\$ 2,587,388	\$ 1,282,527

**Pension Plans – California Public Employees’ Retirement System (CalPERS)**

**General Information about the Pension Plan**

**Plan Description** – Qualified employees are eligible to participate in the School Employer Pool (SEP) under the California Public Employees' Retirement System (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, 2021 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 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.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 7 - NET PENSION LIABILITY, continued**

**Pension Plans – California Public Employees’ Retirement System (CalPERS), continued**

***General Information about the Pension Plan, continued***

The CalPERS provisions and benefits in effect at June 30, 2023, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before	On or after
Hire date	December 31, 2012	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	7.000%	7.000%
Required employer contribution rate	25.37%	25.37%

**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 the 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 contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2023, are presented above and the total District contributions were \$1,366,384.

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

As of June 30, 2023, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$12,612,828. The net pension liability was measured as of June 30, 2022. 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 school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2022 and June 30, 2021, respectively was 0.0367 percent and 0.0370 percent, resulting in a net decrease in the proportionate share of 0.0003 percent.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 7 - NET PENSION LIABILITY, continued**

**Pension Plans – California Public Employees’ Retirement System (CalPERS), continued**

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

For the year ended June 30, 2023, the District recognized pension expense of \$1,413,028. At June 30, 2023, 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
Difference between projected and actual earnings on plan investments	\$ 1,489,231	\$ -
Differences between expected and actual experience	57,002	313,824
Changes in assumptions	933,026	-
Net changes in proportionate share of net pension liability	-	514,469
District contributions subsequent to the measurement date	1,366,384	-
Total	<u>\$ 3,845,643</u>	<u>\$ 828,293</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 pensions will be recognized as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ 317,313
2025	240,320
2026	200,009
2027	893,324
Total	<u>\$ 1,650,966</u>

**Actuarial assumptions.** For the measurement period ended June 30, 2022 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2021 total pension liability. The June 30, 2022 and the June 30, 2021 total pension liabilities were based on the following actuarial methods and assumptions:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
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	2.50%
Wage growth	Varies by entry age and service



**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 7 - NET PENSION LIABILITY, continued**

**Pension Plans – California Public Employees’ Retirement System (CalPERS), continued**

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS experience study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include 15 years of mortality improvements using 90% of scale MP 2016 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 allocation and best estimates of arithmetic real rates of return for each major asset class are summarized herein.

Asset Class*	Assumed Asset Allocation	Real Return Years 1 - 10**
Global Equity - cap-weighted	30%	4.45%
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%
	100%	

\*An expected inflation of 2.30% used for this period.

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

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

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 7 - NET PENSION LIABILITY, continued**

**Pension Plans – California Public Employees’ Retirement System (CalPERS), continued**

**Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate -**

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is in the following table:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Plan’s net pension liability	\$ 18,219,868	\$ 12,612,828	\$ 7,978,814

**Pension plan fiduciary net position.** Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS CAFR at <https://www.calpers.ca.gov>.

**Pension Plans – California State Teachers’ Retirement System (CalSTRS)**

**General Information about the Pension Plan**

**Plan Description** – The District contributes to the State Teachers Retirement Plan (STRP) administered by the California State Teachers' Retirement System (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, 2021, 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 percent 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.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 7 - NET PENSION LIABILITY, continued**

**Pension Plans – California State Teachers’ Retirement System (CalSTRS), continued**

**General Information about the Pension Plan, continued**

The District contributes exclusively to the STRP Defined Benefit Program, thus disclosures are not included for the other plans. The STRP provision and benefits in effect as June 30, 2023 are summarized as follows:

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

\*The rate imposed on CalSTRS 2% at 62 members assuming no change in the normal cost of benefits.

**Contributions** - Required member, District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2023, are presented above and the District's total contributions were \$829,916.

**On-Behalf Payments** - The District was the recipient of on-behalf payments made by the State of California to CalSTRS for community college education. These payments consist of state general fund contributions of approximately \$386,483 to CalSTRS.

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

At June 30, 2023, 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:

District's proportionate share of the net pension liability	\$	4,616,805
State's proportionate share of the net pension liability associated with the District		2,312,109
Total	\$	<u>6,928,914</u>

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 7 - NET PENSION LIABILITY, continued**

**Pension Plans – California State Teachers’ Retirement System (CalSTRS), continued**

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

The net pension liability was measured as of June 30, 2022. 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 school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2022 and June 30, 2021, respectively, was 0.0066 percent and 0.0070 percent, resulting in net decrease of .0004 in the proportionate share.

For the year ended June 30, 2023, the District recognized pension expense of (\$130,501). At June 30, 2023, 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
Difference between projected and actual earnings on plan investments	\$ -	\$ 225,915
Differences between expected and actual experience	3,787	346,106
Changes in assumptions	228,789	-
Net changes in proportionate share of net pension liability	-	1,187,074
District contributions subsequent to the measurement date	829,916	-
Total	<u>\$ 1,062,492</u>	<u>\$ 1,759,095</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 pensions will be recognized as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ (525,963)
2025	(549,927)
2026	(608,499)
2027	221,607
2028	(47,857)
Thereafter	(15,880)
Total	<u>\$ (1,526,519)</u>

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 7 - NET PENSION LIABILITY, continued**

**Pension Plans – California State Teachers’ Retirement System (CalSTRS), continued**

**Actuarial Assumptions**

The total pension liability for the STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
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 and adopted by the CalSTRS Board in January 2020 in conjunction with the most recent experience study. Best estimates of 20-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized herein.

Asset Class	Assumed Asset Allocation	Long-term Expected Real Rate of Return*
Public Equity	42%	4.80%
Real Estate	15%	3.60%
Private Equity	13%	6.30%
Fixed Income	12%	1.30%
Risk Mitigating Strategies	10%	1.80%
Inflation Sensitive	6%	3.30%
Cash/Liquidity	2%	-0.40%
	100%	

\*20-year geometric average

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 7 - NET PENSION LIABILITY, continued**

**Pension Plans – California State Teachers’ Retirement System (CalSTRS), continued**

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

**Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate** - The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.10% percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10%) or 1-percentage-point higher (8.10%) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Plan's net pension liability	\$ 7,841,047	\$ 4,616,805	\$ 1,939,715

**Pension plan fiduciary net position** - Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalSTRS CAFR at <http://www.calstrs.com/comprehensive-annual-financial-report>.

**NOTE 8 – STATE AND FEDERAL ALLOWANCES, AWARDS, AND GRANTS**

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expense disallowance under terms of the grants, management believes that any required reimbursements will not be material.

**NOTE 9 – RISK MANAGEMENT**

The District is a member of the Northern California Community Colleges Self-Insurance Authority (the Authority). The Authority is a member of the Statewide Association of Community Colleges Joint Powers Authority (SWACC). The Authority provides for a risk-sharing plan whereby the member districts share in the claims costs as well as the administrative costs of providing property and liability coverages. Financial statements are available from the Authority upon request.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 9 – RISK MANAGEMENT, continued**

Coverage includes property, liability, and workers’ compensation insurance. Liability losses in excess of the District’s \$1,000 retention amount are covered through the SWACC up to \$25,000,000 per occurrence. Property losses in excess of the District’s \$1,000 retention amount are covered up to the District’s total insurable values. Workers’ compensation losses are fully insured. There has been no significant reduction in any of the insurance coverages from the prior year. Settled claims resulting from these programs have not exceeded insurance coverage in any of the past three fiscal years.

The District is fully insured for its medical and prescription insurance coverage for all eligible employees through California Valued Trust. Employees can select from a number of plans to best fit their needs.

**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS**

**Plan Description**

The Siskiyou Joint Community College District Post-Retirement Health Benefits Plan (the Plan) is a single-employer OPEB plan administered by the District. All full-time employees with 20 or more years of service are eligible to receive District-paid medical benefits from the date of retirement for the remainder of their lives according to the following criteria:

1. Administrators, academic, and administrative support management employees hired prior to July 1, 1992, and
2. Classified employees hired prior to December 1, 1992.

Board members elected between January 1, 1981, and January 1, 1995, with 20 or more years of service are eligible to receive District-paid medical benefits from the date of retirement for the remainder of their lives.

The District pays 100% of the eligible retirees’ medical plan premiums.

The following is a description of the current retiree benefit plan:

	Faculty	Classified	Administrators and Board	Confidential and Supervisors
Benefit types provided	Medical only	Medical only	Medical only	Medical only
Duration of Benefits	Lifetime	Lifetime	Lifetime	Lifetime
Required Service	20 years	20 years	20 years	20 years
Minimum Age	55	55	55	55
Dependent Coverage	No	No	No	No
College Contribution %	100%	100%	100%	100%
College Cap	None	None	None	None

\*Retirees with at least 10 but less than 20 years of service qualify for District-paid benefits to age 65

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS, continued**

**Funding Policy**

The contribution requirements are established and may be amended by the District and the District’s bargaining units. The required contribution is based on projected pay-as-you-go financing requirements with an additional amount to prefund benefits as determined annually. Additionally, the District has established an irrevocable trust (the “Trust”) with U.S. Bank through the Retiree Health Benefit Program Joint Powers Authority to prefund a portion of the retiree health benefit costs. For the year ended June 30, 2023, the District contributed \$573,196 to the Plan.

**Employees Covered by Benefit Term**

The following is a table of plan participants at the June 30, 2022 measurement date:

	Number of Participants
Inactive Employees/Dependents Receiving Benefits	75
Active Employees	3
	<u>78</u>

**Contributions to Trust**

Eligible employees are not permitted to make contributions to the Trust. The Plan administrator (CalPERS) shall, on behalf of the employer (District), make all contribution to the Trustee. All contributions shall be paid to the Trustee for investment and reinvestment pursuant to the terms of the trust agreement. The District does not have contractually required contributions rates, but contributes in an amount sufficient to fully fund the total OPEB obligation over a period not to exceed 30 years. The District has a net OPEB liability of \$4,732,723 as of June 30, 2023.

**OPEB Plan Investments**

The plan discount rate of 5.75% was determined using the following asset allocation and assumed rate of return:

Asset Class	Percentage of Portfolio	Assumed Gross Return
U.S. Large Cap	29%	7.55%
U.S. Small Cap	13%	7.55%
All Foreign Stock	9%	7.55%
Other Fixed Income	49%	3.00%
Total	<u>100%</u>	

Rolling periods of time for all asset classes in combination to appropriately reflect correlation between asset classes. That means that the average returns for any asset class don’t necessarily reflect the averages over time individually, but reflect the return for the asset class for the portfolio average. Geometric means were used.



**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS, continued**

**Actuarial Assumptions**

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Fiscal year	July 1st to June 30th
Actuarial cost methods	Entry age normal cost method
Inflation rate	2.50%
Investment rate of return	5.75%
Discount rate	5.75%
Health care cost trend rate	4.00%
Payroll increase	2.75%
Mortality	For certificated employees the 2020 CalSTRS mortality tables were used. For classified employees the 2017 CalPERS active mortality for miscellaneous and schools employees were used.

**Changes in the Net OPEB Liability**

	Increase/(Decrease)		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance July 1, 2021	\$ 7,221,435	\$ 2,436,024	\$ 4,785,411
Changes for the year:			
Service cost	7,402	-	7,402
Interest	381,316	-	381,316
Employer contributions	-	584,226	(584,226)
Changes of assumptions	(155,118)	-	(155,118)
Expected Investment income	-	133,895	(133,895)
Investment gains/losses	-	(428,712)	428,712
Administrative expense	-	(3,121)	3,121
Expected benefit payments	(584,226)	(584,226)	-
Net change	(350,626)	(297,938)	(52,688)
Balance June 30, 2022	\$ 6,870,809	\$ 2,138,086	\$ 4,732,723

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS, continued**

**Sensitivity of the net pension liability to assumptions**

The following presents the net OPEB liability calculated using the discount rate of 5.75 percent. The schedule also shows what the net OPEB liability would be if it were calculated using a discount rate that is 1 percent lower (4.75 percent) and 1 percent higher (6.75 percent):

	Discount Rate 1% Lower (4.75%)	Current Discount Rate (5.75%)	Discount Rate 1% Higher (6.75%)
Net OPEB liability	\$ 5,364,057	\$ 4,732,723	\$ 4,207,196

The following table presents the net OPEB liability calculated using the health care cost trend rate of 4.0 percent. The schedule also shows what the net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percent lower (3.0 percent) and 1 percent higher (5.0 percent):

	Healthcare Cost Trend Rates 1% Lower (3.0%)	Healthcare Cost Trend Rates Current Rate (4.0%)	Healthcare Cost Trend Rates 1% Higher (5.0%)
Net OPEB liability	\$ 4,109,923	\$ 4,732,723	\$ 5,432,792

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$(443,894). At June 30, 2023, the District reported \$202,023 of deferred outflows of resources related to differences between projected and actual earnings and no deferred inflows of resources.

**NOTE 11 – BENEFICIAL INTEREST IN CHARITABLE REMAINDER TRUSTS – FOUNDATION**

Charitable remainder trusts provide for the payment of distributions to designated beneficiaries over the trusts’ terms. At the end of the trusts’ terms, the remaining assets are available for the beneficiaries’ use, subject to donor-imposed restrictions. Assets held in charitable remainder trusts are reported at fair value in the Foundation’s statement of financial position. Changes in fair value of charitable remainder trusts are reflected as changes in temporarily restricted net assets in the Foundation’s statement of activities.

The Foundation has been named as the irrevocable remainder beneficiary of one charitable remainder trusts (the trust is administered by a third party). At June 30, 2023, the present value of the future benefits was calculated using a discount rate of 2.0%, estimated rate of return of 2.0%, and applicable mortality tables. Assets held in the charitable remainder trust at June 30, 2023, totaled \$26,351 and are reported at fair value in the Foundation’s statement of financial position.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 12 – INVESTMENT INCOME – FOUNDATION**

A summary of return investments consisted of the following:

Dividends and capital gains	\$	102,344
Change in value of charitable remainder trusts		(8,944)
Net realized and unrealized gain (losses)		267,704
<b>Total Investment Income (Expense)</b>	<b>\$</b>	<b>361,104</b>

**NOTE 13 – SPECIAL EVENTS – FOUNDATION**

For the year ended June 30, 2023, the Foundation held the following special events:

	Craft Fair	Scholarship Dinner	Flea Market	Electric Bike Raffle	Total
Gross revenue	\$ 7,523	\$ 9,355	\$ 707	\$ 2,158	\$ 19,743
Expenses	1,864	3,235	-	-	5,099
<b>Totals</b>	<b>\$ 5,659</b>	<b>\$ 6,120</b>	<b>\$ 707</b>	<b>\$ 2,158</b>	<b>\$ 14,644</b>

**NOTE 14 – NET ASSETS WITH DONOR RESTRICTIONS – FOUNDATION**

Net assets with donor restrictions are available for the following purpose:

Scholarships	\$	1,432,676
Title III		2,175,406
Beneficial interest in charitable remainder trusts		26,351
Mercy medical		172,423
Forest CRT		101,370
Goodman		56,639
<b>Total</b>	<b>\$</b>	<b>3,964,865</b>

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 15 – ENDOWMENTS – FOUNDATION**

Endowment composition by type of fund is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Asset
<b>Donor Restricted Endowment Funds</b>			
Scholarships	\$ 24,074	\$ 1,408,602	\$ 1,432,676
Title III	-	2,175,406	2,175,406
Mercy medical	-	172,423	172,423
Forest CRT	101,370	-	101,370
Goodman	-	56,639	56,639
<b>Total Endowment Funds</b>	<b>\$ 125,444</b>	<b>\$ 3,813,070</b>	<b>\$ 3,938,514</b>
<b>Endowment Assets- Beginning of Year</b>			
Investment income	2,166	96,836	99,002
Net unrealized gain	6,367	211,373	217,740
Amounts appropriated for expenditures	(492)	(18,030)	(18,522)
<b>Endowment Assets - End of Year</b>	<b>\$ 125,444</b>	<b>\$ 3,813,070</b>	<b>\$ 3,938,514</b>

Scholarship endowment funds consist of donor restricted contributions received for various scholarship programs. Earnings on these endowments are used for the payment of scholarships under the various programs. Donor-restricted Title III endowment funds are federal grant receipts (and matching contributions) which are to be held for a period of 20 years. Earnings on these funds are to be spent on maintenance of the Rural Health Science Institute. At the end of the 20-year period, the grant proceeds and matching contributions are available to be used to pay various Rural Health Science Institute related expenses.

**NOTE 16 – FAIR VALUE MEASUREMENTS – FOUNDATION**

Fair values of assets measured on a recurring basis are as follows:

	Level 1	Level 2	Level 3	Total
<b>Fixed Income Securities:</b>				
Cash reserves	\$ 51,792	\$ -	\$ -	\$ 51,792
<b>Mutual Funds:</b>				
Stock funds	388,734	-	-	388,734
Bond Funds	623,905	-	-	623,905
<b>Total Mutual Funds</b>	<b>1,012,639</b>	<b>-</b>	<b>-</b>	<b>1,012,639</b>
<b>Exchange Traded Products:</b>				
Equity	2,199,848	-	-	2,199,848
Fixed income	695,526	-	-	695,526
Other	112,806	-	-	112,806
<b>Total Exchange Traded Products</b>	<b>3,008,180</b>	<b>-</b>	<b>-</b>	<b>3,008,180</b>
Beneficiary interest in charitable remainder trust	-	-	26,351	26,351
<b>Total</b>	<b>\$ 4,072,611</b>	<b>\$ -</b>	<b>\$ 26,351</b>	<b>\$ 4,098,962</b>

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 16 – FAIR VALUE MEASUREMENTS – FOUNDATION, continued**

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

<b>Beginning of Year - July 1, 2021</b>	\$	51,773
Total gains or losses (realized/unrealized)		(8,944)
Purchases, issuance, and settlements		(16,478)
<b>End of Year - June 30, 2022</b>	<b>\$</b>	<b>26,351</b>

**NOTE 17 – IMPACT OF RECENTLY ISSUED ACCOUNTING STANDARDS**

**New Accounting Pronouncements**

GASB Statement No. 96 – Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). Under this Statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. The statement is effective for fiscal year 2022-23. The District has implemented GASB Statement No. 96 for the year ending June 30, 2023. There was no material impact noted for FY 2022-23, however, it is expected to be material for FY 2023-24.

GASB Statement No. 91 – In May 2019, GASB issued Statement No. 91, Conduit Debt Obligations. This standard’s primary objectives are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The statement was postponed by GASB Statement No. 95 and is effective for periods beginning after December 15, 2021. The District has implemented GASB Statement No. 91 for the year ending June 30, 2023.

GASB Statement No. 99 – In April 2022, GASB issued Statement No. 99, Omnibus 2022. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The statement addresses various practice issues, including: (a) clarification of provisions in Statement No. 87, Leases, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives, (b) disclosures related to nonmonetary transactions; clarification of provisions in Statement No. 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments, as amended, related to the focus of the government-wide financial statements, (c) terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, and (d) terminology used in Statement 53 to refer to resource flows statements. A portion of this statement was effective upon issuance, while the remaining portions of this statement were effective for periods beginning after June 15, 2022 and for periods beginning after June 15, 2023. The District has implemented the requirements that were effective upon issuance but has not yet determined the impact on the financial statements for the requirements of this statement that are not yet effective.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 17 – IMPACT OF RECENTLY ISSUED ACCOUNTING STANDARDS, continued**

**Foundation**

In February 2016, FASB issued ASU 2016-02, Leases (ASU 2016-02). ASU 2016-02 requires a lessee to recognize a lease asset representing its right to use the underlying asset for the lease term, and a lease liability for the payments to be made to lessor, on its statement of financial position for all operating leases greater than 12 months. ASU 2016-02 will be effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2021. The Foundation has adopted this standard for the year ending June 30, 2023.

**NOTE 18 - COMMITMENTS AND CONTINGENCIES**

**Contingent Liabilities**

The District is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the District.

**NOTE 19 – SUBSEQUENT EVENTS**

The District evaluated subsequent events from June 30, 2023 through April 11, 2024, the date the financial statements were issued. The District concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT**  
**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	\$ 7,402	\$ 29,521	\$ 28,731	\$ 48,529	\$ 47,230	\$ 45,966
Interest on Total OPEB Liability	381,316	366,787	372,296	415,502	416,249	416,229
Experience gains/losses	-	12,192	6,342	(302,293)	-	-
Changes of assumptions	(155,118)	162,993	-	437,603	-	-
Benefit payments	(584,226)	(511,629)	(505,429)	(480,941)	(472,217)	(454,055)
Net change in total OPEB liability	(350,626)	59,864	(98,060)	118,400	(8,738)	8,140
Total OPEB liability, beginning of year	7,221,435	7,161,571	7,259,631	7,141,231	7,149,969	7,141,829
Total OPEB liability, end of year (a)	\$ 6,870,809	\$ 7,221,435	\$ 7,161,571	\$ 7,259,631	\$ 7,141,231	\$ 7,149,969
Plan fiduciary net position						
Employer contributions	\$ 584,226	\$ 511,629	\$ 505,429	\$ 480,941	\$ 542,217	\$ 699,055
Investment income	133,895	365,146	74,809	113,357	104,260	129,539
Investment gains/losses	(428,712)	-	-	1,303	15,826	-
Administrative expense	(3,121)	(3,158)	(3,342)	(2,758)	(499)	(500)
Expected benefit payments	(584,226)	(511,629)	(505,429)	(480,941)	(472,217)	(454,055)
Other	-	-	-	-	(1,832)	-
Change in plan fiduciary net position	(297,938)	361,988	71,467	111,902	187,755	374,039
Fiduciary trust net position, beginning of year	2,436,024	2,074,036	2,002,569	1,890,667	1,702,912	1,328,073
Fiduciary trust net position, end of year (b)	\$ 2,138,086	\$ 2,436,024	\$ 2,074,036	\$ 2,002,569	\$ 1,890,667	\$ 1,702,112
Net OPEB liability, ending (a) - (b)	\$ 4,732,723	\$ 4,785,411	\$ 5,087,535	\$ 5,257,062	\$ 5,250,564	\$ 5,447,857
Covered payroll	\$ 313,383	\$ 689,439	\$ 689,439	\$ 671,057	\$ 900,940	\$ 1,285,309
Plan fiduciary net position as a percentage of the total OPEB liability	31%	34%	29%	28%	26%	24%
Net OPEB liability as a percentage of covered payroll	1510%	694%	738%	783%	583%	424%

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



**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF CONTRIBUTIONS - OPEB  
FOR THE YEAR ENDED JUNE 30, 2023**

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	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 571,405	\$ 584,226	\$ 499,087	\$ 499,087	\$ 480,941	\$ 472,217
Contributions in relations to the actuarially determined contribution	573,196	427,507	507,106	468,529	466,021	525,763
Contribution deficiency (excess)	\$ 77,120	\$ 77,120	\$ (8,019)	\$ 30,558	\$ 14,920	\$ (53,546)
Covered-employee payroll	\$ 313,383	\$ 689,439	\$ 689,439	\$ 671,057	\$ 900,940	\$ 1,285,309
Contribution as a percentage of covered-employee payroll	182.91%	62.01%	73.55%	69.82%	51.73%	40.91%

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

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2023**

	Reporting Fiscal Year (Measurement Date)				
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)
CalSTRS					
District's proportion of the net pension liability	0.0066%	0.0070%	0.0080%	0.0080%	0.0100%
District's proportionate share of the net pension liability	\$ 4,616,805	\$ 3,402,827	\$ 7,966,675	\$ 7,611,945	\$ 8,813,307
State's proportionate share of the net pension liability associated with the District	2,312,109	1,712,206	4,106,788	4,152,858	5,046,274
Total	\$ 6,928,914	\$ 5,115,033	\$ 12,073,463	\$ 11,764,803	\$ 13,859,581
District's covered-employee payroll	\$ 4,711,442	\$ 4,049,759	\$ 4,657,936	\$ 4,393,309	\$ 4,764,115
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	98%	84%	171%	173%	175%
Plan fiduciary net position as a percentage of the total pension liability	81%	87%	72%	73%	71%

	Reporting Fiscal Year (Measurement Date)				
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)
CalPERS					
District's proportion of the net pension liability	0.0367%	0.0370%	0.0390%	0.0400%	0.0420%
District's proportionate share of the net pension liability	\$ 12,612,828	\$ 7,499,961	\$ 11,825,720	\$ 11,723,135	\$ 11,077,227
District's covered-employee payroll	\$ 5,569,908	\$ 5,307,961	\$ 5,547,310	\$ 5,547,310	\$ 5,508,925
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	226%	141%	213%	211%	182%
Plan fiduciary net position as a percentage of the total pension liability	70%	81%	70%	70%	71%

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

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2023**

	Reporting Fiscal Year (Measurement Date)			
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
CalSTRS				
District's proportion of the net pension liability	0.0100%	0.0090%	0.0100%	0.0100%
District's proportionate share of the net pension liability	\$ 8,797,789	\$ 7,333,140	\$ 6,014,982	\$ 5,440,880
State's proportionate share of the net pension liability associated with the District	5,204,740	4,175,241	2,328,939	2,200,153
Total	\$ 14,002,529	\$ 11,508,381	\$ 8,343,921	\$ 7,641,033
District's covered-employee payroll	\$ 5,022,613	\$ 5,052,496	\$ 4,619,680	\$ 4,660,169
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	175%	145%	130%	117%
Plan fiduciary net position as a percentage of the total pension liability	69%	70%	77%	77%
	Reporting Fiscal Year (Measurement Date)			
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
CalPERS				
District's proportion of the net pension liability	0.0390%	0.0340%	0.0320%	0.0290%
District's proportionate share of the net pension liability	\$ 9,246,076	\$ 6,711,837	\$ 5,141,432	\$ 3,256,519
District's covered-employee payroll	\$ 5,433,967	\$ 4,920,598	\$ 4,075,007	\$ 3,575,983
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	152%	136%	126%	91%
Plan fiduciary net position as a percentage of the total pension liability	72%	74%	84%	84%

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

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF CONTRIBUTIONS - PENSIONS  
FOR THE YEAR ENDED JUNE 30, 2023**

CalSTRS	Reporting Fiscal Year				
	2023	2022	2021	2020	2019
Statutorily required contribution	\$ 1,216,399	\$ 797,176	\$ 654,036	\$ 796,507	\$ 775,598
District's contributions in relation to the statutorily required contribution	1,216,399	797,176	654,036	796,507	775,598
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 6,368,581	\$ 4,711,442	\$ 4,049,759	\$ 4,657,936	\$ 4,764,115
District's contributions as a percentage of covered-employee payroll	19.10%	16.92%	16.15%	17.10%	16.28%

CalPERS	Reporting Fiscal Year				
	2023	2022	2021	2020	2019
Statutorily required contribution	\$ 1,366,384	\$ 1,276,066	\$ 1,098,748	\$ 1,093,985	\$ 995,022
District's contributions in relation to the statutorily required contribution	1,366,384	1,276,066	1,098,748	1,093,985	995,022
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 5,385,826	\$ 5,569,908	\$ 5,307,961	\$ 5,547,310	\$ 5,508,925
District's contributions as a percentage of covered-employee payroll	25.37%	22.91%	20.70%	19.72%	18.06%

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

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF CONTRIBUTIONS - PENSIONS  
FOR THE YEAR ENDED JUNE 30, 2023**

CalSTRS	Reporting Fiscal Year			
	2018	2017	2016	2015
Statutorily required contribution	\$ 724,763	\$ 635,604	\$ 494,082	\$ 413,219
District's contributions in relation to the statutorily required contribution	724,763	635,604	494,082	413,219
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 5,022,613	\$ 5,052,496	\$ 4,619,680	\$ 4,660,169
District's contributions as a percentage of covered-employee payroll	14.43%	12.58%	10.70%	8.87%

CalPERS	Reporting Fiscal Year			
	2018	2017	2016	2015
Statutorily required contribution	\$ 843,895	\$ 683,471	\$ 482,754	\$ 420,932
District's contributions in relation to the statutorily required contribution	843,895	683,471	482,754	420,932
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 5,433,967	\$ 4,920,598	\$ 4,075,007	\$ 3,575,983
District's contributions as a percentage of covered-employee payroll	15.53%	13.89%	11.85%	11.77%

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

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

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**NOTE 1 – PURPOSE OF SCHEDULES**

**Schedule of Changes in Net OPEB Liability and Related Ratios**

The Schedule of Changes in Net OPEB liability is presented to illustrate the elements of the District's Net OPEB liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**Schedule of Contributions - OPEB**

The Schedule of the District's Contributions is presented to illustrate the District's actuarial determined contributions relating to the net OPEB liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**Schedule of Proportionate Share of the Net Pension Liability**

The Schedule of the District's Proportionate Share of the Net Pension Liability is presented to illustrate the elements of the District's Net Pension Liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**Schedule of Contributions - Pensions**

The Schedule of the District's Contributions is presented to illustrate the District's required contributions relating to the pensions. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**Changes of Benefit Terms**

There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.

**Changes of Assumptions**

The discount rate decreased from 7.15% to 6.90% since the previous valuation for CalPERS. There were no changes since the previous valuation for CalSTRS.

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## **SUPPLEMENTARY INFORMATION**

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**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
DISTRICT ORGANIZATIONAL STRUCTURE  
JUNE 30, 2023**

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The District, a political subdivision of the state of California, was established on May 17, 1957. Its territories encompass portions of Siskiyou and Shasta Counties. There were no changes in boundaries during the fiscal year ended June 30, 2023.

The District provides higher education instruction for the first and second years of college education and vocational training.

**GOVERNING BOARD**

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<b>NAME</b>	<b>OFFICE</b>	<b>Area</b>	<b>TERM EXPIRES</b>
Ms. Kathleen Koon	President	V	December 2024
Mrs. Debbie Derby	Vice President	II	December 2026
Mr. Kevin Dalton	Member	I	December 2026
Mr. Barry Ohlund	Member	IV	December 2024
Ms. Carol Cupp	Member	III	December 2026
Mr. Greg Hanna	Member	VI	December 2024
Ms. Erica Mitchell	Member	VII	December 2026

**DISTRICT ADMINISTRATION**

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Dr. Charlene Perlas  
*Superintendent/President*

Dr. Mark Fields  
*Vice President, Academic Affairs*

Patrick Walton  
*Vice President, Student Services*

Christina Van Alfen  
*Interim Vice President, Administrative Services*

**AUXILIARY ORGANIZATIONS IN GOOD STANDING**

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<b>AUXILIARY NAME</b>	<b>DIRECTOR'S NAME/TITLE</b>	<b>ESTABLISHMENT AND MASTER AGREEMENT DATE</b>
College of the Siskiyous Auxiliary Foundation	Dawnie Slabaugh, Director Public Relations & College Foundation	<i>Organized as an auxiliary organization in 1991-1992 and has a signed master agreement dated November 2, 1993.</i>



**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<b>HIGHER EDUCATION ACT</b>			
TRIO - Student Support Services	84.042	*	212,343
TRIO - Upward Bound Program	84.047A	*	326,331
<b>Total Higher Education Act</b>			<u>538,674</u>
<b>STUDENT FINANCIAL ASSISTANCE CLUSTER</b>			
Federal Supplement Education Opportunity Grant (FSEOG)	84.007	*	23,182
Federal Direct Student Loans	84.268	*	776,936
Federal Work Study Program (FWS)	84.033	*	48,721
Federal Pell Grants (PELL)	84.063	*	1,935,856
<b>Total Student Financial Assistance Cluster</b>			<u>2,784,695</u>
<b>HIGHER EDUCATION EMERGENCY RELIEF FUNDS</b>			
COVID-19 HEERF II Institutional Aid	84.425F	*	117,763
COVID-19 HEERF III Institutional Aid	84.425F	*	1,586,995
<b>Total Higher Education Emergency Relief Funds</b>			<u>1,704,758</u>
<b>CAREER AND TECHNICAL EDUCATION ACT</b>			
<b>Passed through State Department of Education</b>			
Basic Grants to States	84.048	13-112-110	61,498
<b>Total U.S. Department of Education</b>			<u>5,089,625</u>
<b>Total Federal Expenditures</b>			<u>\$ 5,089,625</u>

\*Pass-Through number is either not available or not applicable

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT**  
**SCHEDULE OF REVENUES AND EXPENDITURES OF STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Cash Received	Accounts Receivable	Deferred Income	Total Revenues	Program Expenditures
Basic Needs Centers (21-22)	\$ 324,391	\$ -	\$ 128,808	\$ 195,583	\$ 195,583
CA College Promise (AB19)	244,437	-	204,536	39,901	39,901
Cal Works	443,104	-	386,642	56,462	56,462
Campus Safety/Sexual Assault	8,814	-	8,814	-	-
CARE	171,212	-	150,160	21,052	21,052
CEC Mentor Grant	1,470	-	1,470	-	-
Child Develop Training Consortuim	1,246	-	1,246	-	-
Classified Professional Development	18,226	-	18,226	-	-
COVID-19 Response Grant (State)	49,939	-	49,939	-	-
CTE - Adult Education 22-23	126,593	-	52,878	73,715	73,715
CTE - Adult Educ 15-16 (Data & Acct)	931	-	931	-	-
CTN Model eHealth Community Grant	1,318	-	1,318	-	-
Cultural Comp Faculty Prof Dev (21-22)	50,434	-	50,434	-	-
DFG - Other Contract Services	10,902	-	10,902	-	-
DSPS	467,216	-	298,203	169,013	169,013
EEO Best Practices	208,333	-	208,333	-	-
Enrollment Growth and Retention Grt (20-21)	439	-	439	-	-
Enrollment Growth and Retention Grt (21-22)	90,416	-	90,416	-	-
EOPS	888,210	-	492,411	395,799	395,799
Fin Aid Technology Grant	136,972	-	111,995	24,977	24,977
Foster Parent	31,841	-	15,452	16,389	16,389
Guided Pathways	486,760	-	362,319	124,441	124,441
Instructional Equipment	61	-	-	61	82,560
LGBTQ+ (2021-22)	52,743	-	49,908	2,835	2,835
Mental Health Support	248,911	-	220,690	28,221	28,221
NextUp	-	-	217,307	(217,307)	-
Nursing-College Specific (21-22)	355,000	-	355,000	-	-
Prop-20 Lottery Funds	220,813	178,498	289,311	110,000	110,000
SB 85 - CalFresh Outreach	22,387	-	18,030	4,357	4,357
SB 85 - Early Action Emergency FA	136,107	-	136,107	-	-
SB 85 - Retention/Enroll Outreach	846,232	-	676,159	170,073	170,073
SFAA	168,835	-	126,962	41,873	41,873
Song Brown 2010/2011	14,862	-	14,862	-	-
Staff Diversity	241,945	-	209,337	32,608	32,608
Strong Workforce (21-22)	601,876	-	208,959	392,917	392,917
Strong Workforce Regional (21-22)	454,165	-	259,211	194,954	194,954
Strong Workforce (20-21)	585,862	-	-	585,862	56,462
Strong Workforce Marketing	6,975	38,302	38,302	6,975	6,975
Strong Workforce Nursing (12/19-21)	189	-	189	-	-
Student Equity& Achievement SEA	1,443,985	-	730,338	713,647	713,647
Student Food/Housing Support (21-22)	342,660	-	342,660	-	-
SWF - PIC Accelerated Workforce	26,466	-	13,650	12,816	12,816
TANF	133,891	-	127,324	6,567	6,567
Undocumented Resources Liasion	153,534	-	153,534	-	-
Unrestricted Lottery Funds	438,306	166,258	-	604,564	604,564
Veteran Program	8,134	-	8,134	-	-
Veterans Resource Center	105,725	-	73,550	32,175	31,743
Wellness Vending Machine	128,808	-	128,808	-	-
Zero Textbook Cost Program (ZTC)	199,000	-	199,000	-	-
<b>Total</b>	<b>\$ 10,700,676</b>	<b>\$ 383,058</b>	<b>\$ 7,243,204</b>	<b>\$ 3,840,530</b>	<b>\$ 3,610,504</b>

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT –  
ANNUAL/ACTUAL ATTENDANCE  
FOR THE YEAR ENDED JUNE 30, 2023**

<b>CATEGORIES</b>	Reported Data	Audit Adjustments	Audited Data
<b>A. Summer Intersession (Summer 2022 only)</b>			
1. Noncredit	37.36	-	37.36
2. Credit	44.25	-	44.25
<b>B. Summer Intersession (Summer 2023 - Prior to July 1, 2023)</b>			
1. Noncredit	-	-	-
2. Credit	42.31	-	42.31
<b>C. Primary Terms (Exclusive of Summer Intersession)</b>			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	282.50	-	282.50
(b) Daily Census Contact Hours	117.28	-	117.28
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	49.03	-	49.03
(b) Credit	65.86	-	65.86
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Contact Hours	367.33	-	367.33
(b) Daily Census Contact Hours	84.49	-	84.49
(c) Noncredit Independent Study/Distance Education Courses	141.25	-	141.25
<b>D. Total FTES</b>	1,231.66	-	1,231.66
<b>Supplemental Information (subset of above information)</b>			
<b>E. In-service Training Courses</b>	22.09	-	22.09
<b>F. Basic Skills Courses and Immigrant Education</b>			
1. Credit	0.88	-	0.88
2. Noncredit	135.09	-	135.09
Total Basic Skills FTES	135.97	-	135.97

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
RECONCILIATION OF ECS 84362 (50 PERCENT LAW) CALCULATION  
FOR THE YEAR ENDED JUNE 30, 2023**

	Object/ TOP Codes	Activity (ESCA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6100			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Academic Salaries</u>							
Instructional Salaries							
Contract or Regular	1100	\$ 3,057,599	\$ -	\$ 3,057,599	\$ 3,057,599	\$ -	\$ 3,057,599
Other	1300	2,168,187	-	2,168,187	2,168,187	-	2,168,187
Total Instructional Salaries		5,225,786	-	5,225,786	5,225,786	-	5,225,786
Non-Instructional Salaries							
Contract or Regular	1200	-	-	-	1,421,954	-	1,421,954
Other	1400	-	-	-	102,307	-	102,307
Total Non-Instructional Salaries		-	-	-	1,524,261	-	1,524,261
Total Academic Salaries		5,225,786	-	5,225,786	6,750,047	-	6,750,047
<u>Classified Salaries</u>							
Non-Instructional Salaries							
Regular Status	2100	-	-	-	2,548,668	-	2,548,668
Other	2300	-	-	-	93,960	-	93,960
Total Non-Instructional Salaries		-	-	-	2,642,628	-	2,642,628
Instructional Aides							
Regular Status	2200	603,796	-	603,796	603,796	-	603,796
Other	2400	694,971	-	694,971	694,971	-	694,971
Total Instructional Aides		1,298,767	-	1,298,767	1,298,767	-	1,298,767
Total Classified Salaries		1,298,767	-	1,298,767	3,941,395	-	3,941,395
Employee Benefits	3000	1,983,063	-	1,983,063	4,732,359	-	4,732,359
Supplies and Materials	4000	-	-	-	269,893	-	269,893
Other Operating Expenses	5000	78,197	-	78,197	2,854,735	-	2,854,735
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures Prior to Exclusions		8,585,813	-	8,585,813	18,548,429	-	18,548,429
<u>Exclusions</u>							
Activities to Exclude							
Inst. Staff-Retirees' Benefits and Incentives	5900	302,084	-	302,084	302,084	-	302,084
Std. Health Svcs. Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	-	-	-
Non-inst.Staff-Retirees' Benefits and Incentives	6740	-	-	-	271,112	-	271,112
Object to Exclude							
Rents and Leases	5060	-	-	-	808,112	-	808,112
Lottery Expenditures							
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines & Periodicals	4200	-	-	-	-	-	-
Instructional Supplies & Materials	4300	-	-	-	-	-	-
Non-inst. Supplies & Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	-	-	-
Other Operating Expenses and Services	5000	-	-	-	604,564	-	604,564
Capital Outlay	6000	-	-	-	-	-	-
Library Books	6300	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay		-	-	-	-	-	-
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		\$ 302,084	\$ -	\$ 302,084	\$ 1,985,872	\$ -	\$ 1,985,872
Total for ECS 84362, 50% Law		\$ 8,283,729	\$ -	\$ 8,283,729	\$ 16,562,557	\$ -	\$ 16,562,557
Percent of CEE (Instructional Salary Cost/Total CEE)		50.01%	0.00%	50.01%	100.00%	0.00%	100.00%
50% of Current Expense of Education		\$ -	\$ -	\$ -	\$ 8,281,279	\$ -	\$ 8,281,279

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
 DETAILS OF THE EDUCATION PROTECTION ACCOUNT  
 FOR THE YEAR ENDED JUNE 30, 2023**

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EPA Revenue	\$ 1,024,258
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Activity Classification	Activity Code	Salaries and Benefits	Operating Expenses	Capital Outlay	Total
		(Obj 1000-3000)	(Obj 4000-5000)	(Obj 6000)	
Instructional Activities	0100-5900	\$ 1,024,258	\$ -	\$ -	\$ 1,024,258
Total		\$ 1,024,258	\$ -	\$ -	\$ 1,024,258

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
 COMBINING BALANCE SHEET – DISTRICT FUNDS INCLUDED IN THE REPORTING ENTITY  
 FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund	Bond Interest and Redemption Fund	Measure A Interest and Redemption Fund	Cafeteria Fund	Dormitory Revenue Fund	Dormitory Repair and Replacement Fund	Capital Outlay Fund	Balance Forward
<b>ASSETS</b>								
Cash and equivalents	\$ 23,294,968	\$ 8,816	\$ 7,923,714	\$ (751,133)	\$ 174,584	\$ 173,852	\$ 38,215,063	\$ 69,039,864
Accounts receivable	4,249,236	566	(25,993)	254,885	186,823	-	82,937	4,748,454
Inventory	-	-	-	15,452	-	-	-	15,452
Prepaid assets	2,858	-	-	-	-	-	-	2,858
Due from other funds	11,449	-	-	463,103	38,094	16,946	87,609	617,201
<b>Total Assets</b>	<b>\$ 27,558,511</b>	<b>\$ 9,382</b>	<b>\$ 7,897,721</b>	<b>\$ (17,693)</b>	<b>\$ 399,501</b>	<b>\$ 190,798</b>	<b>\$ 38,385,609</b>	<b>\$ 74,423,829</b>
<b>LIABILITIES</b>								
Accounts payable	\$ 5,745,336	\$ -	\$ 356,047	\$ 10,072	\$ 11,906	\$ -	\$ 36,202	\$ 6,159,563
Deferred revenue	12,399,597	-	-	83,014	-	-	-	12,482,611
Amounts held for others	-	-	-	-	-	-	-	-
Current loans	-	-	-	-	-	-	-	-
Due to other funds	884,135	8,946	-	-	-	-	-	893,081
<b>Total Liabilities</b>	<b>19,029,068</b>	<b>8,946</b>	<b>356,047</b>	<b>93,086</b>	<b>11,906</b>	<b>-</b>	<b>36,202</b>	<b>19,535,255</b>
<b>FUND EQUITY</b>								
Fund balance	8,529,443	436	7,541,674	(110,779)	387,595	190,798	38,349,407	54,888,574
<b>Total Fund Equity</b>	<b>8,529,443</b>	<b>436</b>	<b>7,541,674</b>	<b>(110,779)</b>	<b>387,595</b>	<b>190,798</b>	<b>38,349,407</b>	<b>54,888,574</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 27,558,511</b>	<b>\$ 9,382</b>	<b>\$ 7,897,721</b>	<b>\$ (17,693)</b>	<b>\$ 399,501</b>	<b>\$ 190,798</b>	<b>\$ 38,385,609</b>	<b>\$ 74,423,829</b>

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
 COMBINING BALANCE SHEET – DISTRICT FUNDS INCLUDED IN THE REPORTING ENTITY  
 FOR THE YEAR ENDED JUNE 30, 2023**

	Balance Brought Forward	Revenue Bond Construction Fund	Bookstore Fund	Student Financial Aid Trust Fund	Associated Students Trust Fund	Scholarship and Loan Trust Fund	Other Agency Funds	Total
<b>ASSETS</b>								
Cash and equivalents	\$ 69,039,864	\$ 720,986	\$ (185,965)	\$ 713,429	\$ 91,191	\$ 22,323	\$ 178,363	\$ 70,580,191
Accounts receivable	4,748,454	-	84,491	6,788	61,571	2,993	11,583	4,915,880
Inventory	15,452	-	104,984	-	-	-	-	120,436
Prepaid assets	2,858	-	-	-	-	-	56	2,914
Due from other funds	617,201	-	225,776	37,248	108	-	-	880,333
<b>Total Assets</b>	<b>\$ 74,423,829</b>	<b>\$ 720,986</b>	<b>\$ 229,286</b>	<b>\$ 757,465</b>	<b>\$ 152,870</b>	<b>\$ 25,316</b>	<b>\$ 190,002</b>	<b>\$ 76,499,754</b>
<b>LIABILITIES</b>								
Accounts payable	\$ 6,159,563	\$ 99,395	\$ 15,052	\$ 242,096	\$ 1,905	\$ -	\$ 36	\$ 6,518,047
Deferred revenue	12,482,611	-	-	228,256	1,411	-	17,100	12,729,378
Amounts held for others	-	-	-	-	-	25,316	-	25,316
Long-term obligations	-	-	-	-	-	-	-	-
Due to other funds	893,081	-	-	-	-	-	1,700	894,781
<b>Total Liabilities</b>	<b>19,535,255</b>	<b>99,395</b>	<b>15,052</b>	<b>470,352</b>	<b>3,316</b>	<b>25,316</b>	<b>18,836</b>	<b>20,167,522</b>
<b>FUND EQUITY</b>								
Fund balance	54,888,574	621,591	214,234	287,113	149,554	-	171,166	56,332,232
<b>Total Fund Equity</b>	<b>54,888,574</b>	<b>621,591</b>	<b>214,234</b>	<b>287,113</b>	<b>149,554</b>	<b>-</b>	<b>171,166</b>	<b>56,332,232</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 74,423,829</b>	<b>\$ 720,986</b>	<b>\$ 229,286</b>	<b>\$ 757,465</b>	<b>\$ 152,870</b>	<b>\$ 25,316</b>	<b>\$ 190,002</b>	<b>\$ 76,499,754</b>

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY – DISTRICT  
FUNDS INCLUDED IN THE REPORTING ENTITY  
FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund	Bond Interest and Redemption Fund	Measure A Interest and Redemption Fund	Cafeteria Fund	Dormitory Revenue Fund	Dormitory Repair and Replacement Fund	Capital Outlay Fund	Balance Forward
<b>OPERATING REVENUES</b>								
Net tuition and fees	\$ 2,030,410	\$ -	\$ -	\$ 134,000	\$ 557,578	\$ -	\$ -	\$ 2,721,988
Grants and Contracts, noncapital								
Federal	2,455,665	-	-	-	-	-	-	2,455,665
State	863,629	-	-	-	-	-	32,613,000	33,476,629
Local	3,216	-	-	134,532	56,685	-	11,700	206,133
Auxiliary enterprise sales, net	-	-	-	552,931	-	-	-	552,931
<b>Total Operating Revenues</b>	<b>5,352,920</b>	<b>-</b>	<b>-</b>	<b>821,463</b>	<b>614,263</b>	<b>-</b>	<b>32,624,700</b>	<b>39,413,346</b>
<b>OPERATING EXPENDITURES</b>								
Salaries	13,157,609	-	-	242,891	167,468	-	-	13,567,968
Employee benefits	5,990,271	-	-	118,374	79,611	-	-	6,188,256
Supplies, materials, and other operating expenses and services	8,717,867	-	5,280	530,853	329,911	30,831	945,028	10,559,770
Financial aid expenses	-	-	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>27,865,747</b>	<b>-</b>	<b>5,280</b>	<b>892,118</b>	<b>576,990</b>	<b>30,831</b>	<b>945,028</b>	<b>30,315,994</b>
<b>Operating Income (Loss)</b>	<b>(22,512,827)</b>	<b>-</b>	<b>(5,280)</b>	<b>(70,655)</b>	<b>37,273</b>	<b>(30,831)</b>	<b>31,679,672</b>	<b>9,097,352</b>
<b>NONOPERATING REVENUES (EXPENDITURES)</b>								
State apportionments, noncapital	12,413,693	-	-	-	-	-	-	12,413,693
Education protection account revenues, noncapital	1,024,258	-	-	-	-	-	-	1,024,258
Local property taxes, noncapital	4,977,749	-	-	-	-	-	-	4,977,749
State taxes and other revenues, noncapital	3,520,954	-	16,840	-	-	-	-	3,537,794
Financial aid revenues	-	-	-	-	-	-	-	-
Investment income	402,508	3	62,166	34	4,736	317	15,726	485,490
Interest expense	-	(95,280)	(544,598)	-	-	-	-	(639,878)
Other non-operating revenues	(135,992)	-	-	-	24,450	-	41,686	(69,856)
Local property taxes and revenues, capital	-	-	1,861,722	-	-	-	-	1,861,722
<b>Total Nonoperating Revenues (Expenditures)</b>	<b>22,203,170</b>	<b>(95,277)</b>	<b>1,396,130</b>	<b>34</b>	<b>29,186</b>	<b>317</b>	<b>4,854,879</b>	<b>28,388,439</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Operating transfer in	82,500	356,967	-	200,000	-	180,000	-	819,467
Operating transfer out	(356,967)	-	-	-	(180,000)	-	-	(536,967)
Debt service	-	(261,688)	(900,000)	-	-	-	-	(1,161,688)
<b>Total Other Financing Sources (Uses)</b>	<b>(274,467)</b>	<b>95,279</b>	<b>(900,000)</b>	<b>200,000</b>	<b>(180,000)</b>	<b>180,000</b>	<b>-</b>	<b>(879,188)</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures/Expenses and Other Financing Uses</b>	<b>(584,124)</b>	<b>2</b>	<b>490,850</b>	<b>129,379</b>	<b>(113,541)</b>	<b>149,486</b>	<b>36,534,551</b>	<b>36,606,603</b>
<b>FUND EQUITY -- BEGINNING OF YEAR</b>	<b>9,116,560</b>	<b>434</b>	<b>7,050,824</b>	<b>(240,158)</b>	<b>501,136</b>	<b>41,312</b>	<b>1,814,856</b>	<b>18,284,964</b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>(2,993)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,993)</b>
<b>FUND EQUITY -- END OF YEAR</b>	<b>\$ 8,529,443</b>	<b>\$ 436</b>	<b>\$ 7,541,674</b>	<b>\$ (110,779)</b>	<b>\$ 387,595</b>	<b>\$ 190,798</b>	<b>\$ 38,349,407</b>	<b>\$ 54,888,574</b>



**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY – DISTRICT  
FUNDS INCLUDED IN THE REPORTING ENTITY  
FOR THE YEAR ENDED JUNE 30, 2023**

	Balance Brought Forward	Revenue Bond Construction Fund	Bookstore Fund	Student Financial Aid Trust Fund	Associated Students Trust Fund	Scholarship and Loan Trust Fund	Other Agency Funds	Total
<b>OPERATING REVENUES</b>								
Net tuition and fees	\$ 2,721,988	\$ -	\$ 74,333	\$ -	\$ 32,112	\$ -	\$ 29,450	\$ 2,857,883
Grants and Contracts, noncapital								
Federal	2,455,665	-	-	-	-	-	-	2,455,665
State	33,476,629	-	-	178,778	-	-	-	33,655,407
Local	206,133	-	-	-	-	-	195,198	401,331
Auxiliary enterprise sales and charges	552,931	-	219,965	-	-	-	4,666	777,562
<b>Total Operating Revenues</b>	<b>39,413,346</b>	<b>-</b>	<b>294,298</b>	<b>178,778</b>	<b>32,112</b>	<b>-</b>	<b>229,314</b>	<b>40,147,848</b>
<b>OPERATING EXPENDITURES</b>								
Salaries	13,567,968	-	70,661	63,414	-	-	-	13,702,043
Employee benefits	6,188,256	-	23,796	8,173	-	-	-	6,220,225
Supplies, materials, and other operating expenses and services	10,559,770	438,034	244,087	18,260	12,181	-	205,852	11,478,184
Financial aid expenses	-	-	-	3,697,341	-	-	-	3,697,341
<b>Total Operating Expenses</b>	<b>30,315,994</b>	<b>438,034</b>	<b>338,544</b>	<b>3,787,188</b>	<b>12,181</b>	<b>-</b>	<b>205,852</b>	<b>35,097,793</b>
<b>Operating Income (Loss)</b>	<b>9,097,352</b>	<b>(438,034)</b>	<b>(44,246)</b>	<b>(3,608,410)</b>	<b>19,931</b>	<b>-</b>	<b>23,462</b>	<b>5,050,055</b>
<b>NONOPERATING REVENUES (EXPENDITURES)</b>								
State apportionments, noncapital	12,413,693	-	-	-	-	-	-	12,413,693
Education protection account revenues, noncapital	1,024,258	-	-	-	-	-	-	1,024,258
Local property taxes, noncapital	4,977,749	-	-	-	-	-	-	4,977,749
State taxes and other revenues, noncapital	3,537,794	-	-	751,391	-	-	-	4,289,185
Financial aid revenues	-	-	-	3,315,583	-	-	-	3,315,583
Investment income	485,490	11,600	358	143	32	-	128	497,751
Interest expense	(639,878)	-	-	-	-	-	-	(639,878)
Other non-operating revenues	(69,856)	-	-	-	(334)	-	-	(70,190)
Local property taxes and revenues, capital	1,861,722	-	-	-	-	-	-	1,861,722
<b>Total Nonoperating Revenues (Expenditures)</b>	<b>28,388,439</b>	<b>11,600</b>	<b>358</b>	<b>4,067,117</b>	<b>(302)</b>	<b>-</b>	<b>128</b>	<b>32,467,340</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Operating transfer in	819,467	-	-	-	-	-	-	819,467
Operating transfer out	(536,967)	-	-	-	-	-	-	(536,967)
Debt service	(1,161,688)	-	-	-	-	-	-	(1,161,688)
<b>Total Other Financing Sources (Uses)</b>	<b>(879,188)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(879,188)</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures/Expenses and Other Financing Uses</b>	<b>36,606,603</b>	<b>(426,434)</b>	<b>(43,888)</b>	<b>458,707</b>	<b>19,629</b>	<b>-</b>	<b>23,590</b>	<b>36,638,207</b>
<b>FUND EQUITY -- BEGINNING OF YEAR</b>	<b>18,284,964</b>	<b>1,048,025</b>	<b>258,122</b>	<b>(171,594)</b>	<b>129,925</b>	<b>-</b>	<b>147,576</b>	<b>19,697,018</b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>(2,993)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,993)</b>
<b>FUND EQUITY -- END OF YEAR</b>	<b>\$ 54,888,574</b>	<b>\$ 621,591</b>	<b>\$ 214,234</b>	<b>\$ 287,113</b>	<b>\$ 149,554</b>	<b>\$ -</b>	<b>\$ 171,166</b>	<b>\$ 56,332,232</b>

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
RECONCILIATION OF FUND EQUITY TO NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2023**

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**Total Fund Equity - District Funds Included in the Reporting Entity**

General Fund	\$ 8,529,443	
Debt Service Fund	7,542,110	
Special Revenue Funds	467,614	
Capital Project Funds	38,970,998	
Proprietary Fund	214,234	
Student Financial Aid Fund	287,113	
Other Funds	<u>320,720</u>	\$ 56,332,232
Assets recorded within the statements of net position not included in the District fund financial statements:		
Nondepreciable capital assets	\$ 199,350	
Depreciable capital assets	69,233,038	
Accumulated depreciation	<u>(31,935,922)</u>	37,496,466
Unmatured Interest		(247,100)
Deferred outflows recorded within the statement of net position not included in the District fund financial statements:		
Deferred loss on refunding		335,187
Deferred outflows from pensions		4,908,135
Liabilities recorded within the statements of net position not recorded in the District fund financial statements:		
Compensated absences		(432,167)
Net pension liability		(17,229,633)
Net OPEB obligation		(4,732,723)
Long-term debt		(32,075,407)
Deferred inflows recorded within the statement of net position not included in the District fund financial statements:		
Deferred inflows - OPEB		202,023
Deferred inflows - Pensions		<u>(2,587,388)</u>
<b>Total Net Position Reported Within the Statements of Net Position</b>		<u>\$ 41,969,625</u>

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
RECONCILIATION OF CHANGE IN FUND EQUITY TO CHANGE IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2023**

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<b>Change in Fund Equity - District Funds Included in the Reporting Entity in the Reporting Entity</b>	\$ 36,638,207
Compensated absence expense not reported within the GASB 35 Statements	(88,792)
Depreciation expense reported within the GASB 35 Statements	(2,451,491)
Accretion of general obligation bonds reported within the GASB 35 Statements	(945,307)
Accrued interest reported within the GASB 35 Statements	(34,780)
Amortization of bond premiums reported within the GASB 35 Statements	63,322
Amortization of deferred loss on refunding reported within the GASB 35 Statements	(47,320)
Capital outlay expense not reported within the GASB 35 Statements	2,658,738
Pension expense reported within the GASB 35 Statements	913,773
Other postemployment benefits expense reported within the GASB 35 Statements	443,894
Principal payments on debt not reported within the GASB 35 Statements	<u>1,161,688</u>
<b>Change in Net Position Reported Within the Statement of Revenues, Expenses, and Changes in Net Position</b>	<u>\$ 38,311,932</u>

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTES TO THE SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

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**NOTE 1 - PURPOSE OF SCHEDULES**

**District Organizational Structure**

This schedule provides information about the District's boundaries and schools operated members of the governing board, and members of the administration.

**Schedule of Expenditures of Federal Awards**

This schedule includes the federal activity of the District under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance).

Expenses reported on this schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenses are not allowable or are limited as to reimbursement.

The District has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**Schedule of Revenues and Expenditures of State Awards**

The accompanying Schedule of State Financial Awards includes State grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented to comply with reporting requirements of the California Community College Chancellor's Office.

**Schedule of Workload Measures for State General Apportionment – Annual/Actual Attendance**

Full-time equivalent students 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 on which apportionments of State funds are made to community college districts. This schedule provides information regarding the attendance of students based on various methods of accumulating attendance data.

**Reconciliation of Annual Financial and Budget Report (CCFS-311) with Audited Financial Statements**

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the CCFS-311 to the audited financial statements.

**Details of the Education Protection Account**

This schedule provides information about the District's EPA proceeds and summarizes how the EPA proceeds were spent.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTES TO THE SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

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**NOTE 1 - PURPOSE OF SCHEDULES, continued**

**Combining Balance Sheet - District Funds Included in the Reporting Entity**

This schedule provides a balance sheet detail of all District funds included in the government-wide financial reporting entity.

**Combining Statement of Revenues, Expenses, and Changes in Fund Equity - District Funds Included in the Reporting Entity**

This schedule provides revenues, expenditures, and changes in fund equity detail for all District funds included in the government-wide financial reporting entity.

**Reconciliation of Fund Equity to Net Position and Reconciliation of Change in Fund Equity to Change in Net Position**

These schedules provide the information necessary to reconcile the supplemental combining financial schedules to the audited financial statements.

**NOTE 2 - COMBINING FINANCIAL STATEMENT SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Accounting*** – The accompanying combining balance sheet – District funds included in the reporting entity, and the combining statement of revenues, expenditures/expenses, and changes in fund equity – are presented on the modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable” and “available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers property taxes available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Property taxes, franchise taxes, licenses, interest revenue, and charges for services are susceptible to accrual. Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
NOTES TO THE SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

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**NOTE 2 - COMBINING FINANCIAL STATEMENT SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,  
continued**

The District reports advances of revenues on its combining balance sheet. Advances of revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Advances of revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has legal claim to the resources, the liability for advances of revenue is removed and revenue is recognized.

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**OTHER INDEPENDENT AUDITORS' REPORTS**

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

The Board of Trustees  
Siskiyou Joint Community College District  
Weed, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Siskiyou Joint Community College District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Siskiyou Joint Community College District's basic financial statements, and have issued our report thereon dated April 11, 2024.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Siskiyou Joint Community College District internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Siskiyou Joint Community College District internal control. Accordingly, we do not express an opinion on the effectiveness of the Siskiyou Joint Community College 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did identify any deficiencies in internal control that we consider to be significant deficiency, described in the accompanying schedule of findings and questioned costs as finding 2023-001.



### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*CWDL, Certified Public Accountants*

San Diego, California  
April 11, 2024



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

The Board of Trustees  
Siskiyou Joint Community College District  
Weed, California

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

***Opinion on Each Major Federal Program***

We have audited Siskiyou Joint Community College District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Siskiyou Joint Community College District's major federal programs for the year ended June 30, 2023. Siskiyou Joint Community College 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, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations 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 Siskyou Joint Community College 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 Siskiyou Joint Community College 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 Siskyou Joint Community College District's federal programs.

### ***Auditors' 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 Siskiyou Joint Community College 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 Siskiyou Joint Community College 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 Siskiyou Joint Community College 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 Siskiyou Joint Community College 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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Siskiyou Joint Community College 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 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.

*CWDL, Certified Public Accountants*

San Diego, California  
April 11, 2024



## INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

The Board of Trustees  
Siskiyou Joint Community College District  
Weed, California

### **Report on State Compliance**

#### ***Opinion on State Compliance***

We have audited Siskiyou Joint Community College District's compliance with the types of compliance requirements described in the *California Community Colleges Contracted District Audit Manual (CDAM) 2022-23*, issued by the California Community Colleges Chancellor's Office for the year ended June 30, 2023. The applicable state compliance requirements are identified in the table below.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the programs noted below that were audited for the year ended June 30, 2023.

#### ***Basis for Opinion***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the compliance requirements described in the *California Community Colleges Contracted District Audit Manual (CDAM) 2022-23*, issued by the California Community Colleges Chancellor's Office. Our responsibilities under those standards and the compliance requirements are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Siskiyou Joint Community College 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 program. Our audit does not provide a legal determination of Siskiyou Joint Community College 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 listed in the table below..

### ***Auditors' 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 2022-2023 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 2022-2023 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, 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 material noncompliance with the requirements listed in the table below that we identified during the audit.

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 with the requirements listed in the table below that we identified during the audit.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the 2023-22 Contracted District Audit Manual, published by the California Community Colleges Chancellor's Office, and which is described in the accompanying schedule of findings and questioned costs as finding 2023-002. Our opinion on each state program is not modified with respect to these matters.

The District's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Procedures Performed**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing over state laws and regulations based on the requirements described in the *California Community Colleges Contracted District Audit Manual (CDAM) 2022-23*. Accordingly, this report is not suitable for any other purpose.

*CWDL, Certified Public Accountants*

San Diego, California  
April 11, 2024

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**Section I – Summary of Auditors’ Results**

**FINANCIAL STATEMENTS**

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>Yes</u>
Non-compliance material to financial statements noted?	<u>No</u>

**FEDERAL AWARDS**

Internal control over major programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None Noted</u>
Type of auditors' report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards	<u>No</u>
Identification of major programs:	

<u>CFDA Numbers</u>	<u>Name of Federal Program of Cluster</u>
<u>84.007, 84.033 84.063, 84.268</u>	<u>Student Financial Aid Cluster</u>
<u>84.425E, 84.425F</u>	<u>Higher Education Emergency Relief Funds</u>

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

**STATE AWARDS**

Internal control over State programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>Yes</u>
Type of auditors' report issued on compliance for State programs:	<u>Unmodified</u>



**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**Section II – Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

**FINDING #2023 – 001 – FINANCIAL CLOSING PROCESS**

Type of Finding: Significant Deficiency in Internal Control Over Financial Reporting

**Criteria**

Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP in a timely manner.

**Condition / Context**

The District was unable to complete its closing process in a timely manner due to key management turnover during the 2021-22 fiscal year. This turnover created difficulties in closing the fund financial statements and reporting of audited financial statements to all required agencies by statutory deadlines and has continued to impact the financial reporting process for fiscal year 2022-23.

**Effect**

The errors resulted in significant delays to the completion of the District's audited financial statements and the potential for misstatements in the closing process.

**Cause**

Implementation of new processes for closing the District's books in a timely manner including all financial adjustments.

**Repeat Finding**

See finding 2022-001.

**Recommendation**

To ensure policies and procedures are in place for all key management roles, so that, in the case of significant employee turnover, employees can be trained and ready for fiscal operations including closing, internal controls and financial reporting within a timely manner and within all required statutory deadlines.

**Management Response**

The district continued to experience transition in key positions near the end of 2022-23 that stalled closing processes due to not meeting the 50% law requirement, which necessitated a need for negotiations that were also delayed. Closing processes were mostly complete on-time, but adjustments were needed once negotiations were settled with all bargaining units. The district has reinstated early deadlines for end of the fiscal year spending and is working with staff in the Business Office to ensure a smoother closing process for 2023-24. The Business Office anticipates closing on-time for the 2023-24 fiscal year.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**Section III – Federal Award Findings and Questioned Costs**

This section identifies the audit findings required to be reported under Uniform Guidance.

**There were no federal award findings or questioned costs identified during 2021-22.**

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**Section IV – State Award Findings and Questioned Costs**

This section identifies the audit findings pertaining to noncompliance with state program rules and regulations.

**FINDING #2023-002 – STATE COMPLIANCE (ANNUAL CCFS-311 REPORTING)**

**Criteria**

The California Community Colleges Chancellor's Office requires that each community college district report the financial activity of the General Fund on a quarterly basis via the CCFS-311Q report and the districts' total revenues and expenditures for the fiscal year via the CCFS-311 by October 10 of each year. This report is also required to include the adopted budget for the subsequent fiscal year.

**Condition/Context**

In our testing of the District annual CCFS-311 for the fiscal year 2021-22, we noted that the certification and filing did not occur by October 10, 2023.

**Questioned Costs**

No questioned costs noted.

**Effect**

Noncompliance with submission requirements for the annual CCFS-311.

**Cause**

The annual CCFS-311 report was certified to the State Chancellor's Office after October 10, 2023.

**Repeat Finding**

None.

**Recommendation**

We recommend that in accordance with the instructions of the State Chancellor's Office for the Annual Financial and Budget Report requirements, the annual activity of all funds of the District be made available to the public on or before September 30 of each year and be submitted to the Chancellor's Office no later than October 10 of each year.

**Management Response**

The Business Office is now fully staffed and working through reconciliations for the 2023-24 fiscal year and closing processes are expected to be completed by the end of August 2024. It is anticipated that the 2023-24 CCFS-311 will be presented to the governing board in September 2024 and submitted to the State Chancellor's Office by late September 2024.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**FINDING #2022 – 001 – FINANCIAL CLOSING PROCESS**

Type of Finding: Significant Deficiency in Internal Control Over Financial Reporting

**Criteria**

Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP in a timely manner.

**Condition / Context**

The District was unable to complete its closing process in a timely manner due to key management turnover during the 2021-22 fiscal year. This turnover created difficulties in closing the fund financial statements and reporting of audited financial statements to all required agencies by the December 31, 2022 deadline.

**Effect**

The errors resulted in significant delays to the completion of the District's audited financial statements.

**Cause**

Management turnover in the business office during the closing process.

**Recommendation**

To ensure policies and procedures are in place for all key management roles, so that, in the case of significant employee turnover, employees can be trained and ready for fiscal operations including closing, controls and reporting.

**Management Response**

The district is currently working with the new Business Office staff to ensure the timeliness of closing processes by creating internal deadlines well in advance of the required external deadlines and contracting with outside resources for training in key fiscal processes. It is anticipated that the bulk of the 2022-23 closing will be completed by the end of August 2023 to allow ample time for the district to complete the 2022-23 audit.

**Current Status**

See finding 2023-001.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**FINDING #2022-002 – STATE COMPLIANCE (ANNUAL CCFS-311 REPORTING)**

**Criteria**

The California Community Colleges Chancellor's Office requires that each community college district report the financial activity of the General Fund on a quarterly basis via the CCFS-311Q report and the districts' total revenues and expenditures for the fiscal year via the CCFS-311 by October 10 of each year. This report is also required to include the adopted budget for the subsequent fiscal year.

**Condition/Context**

In our testing of the District annual CCFS-311 for the fiscal year 2021-22, we noted that the certification and filing did not occur by October 10, 2022.

**Questioned Costs**

No questioned costs noted.

**Effect**

Noncompliance with submission requirements for the annual CCFS-311.

**Cause**

The annual CCFS-311 report was certified to the State Chancellor's Office after October 10, 2022.

**Recommendation**

We recommend that in accordance with the instructions of the State Chancellor's Office for the Annual Financial and Budget Report requirements, the annual activity of all funds of the District be made available to the public on or before September 30 of each year and be submitted to the Chancellor's Office no later than October 10 of each year.

**Management Response**

The Business Office is now fully staffed and working through reconciliations for the 2022-23 fiscal year and closing processes are expected to be completed by the end of August. It is anticipated that the 2022-23 CCFS-311 will be presented to the governing board in September 2023 and submitted to the State Chancellor's Office by late September 2023.

**Current Status**

See Finding 2023-002.