

Financial Statements  
June 30, 2025

**Santa Clarita  
Community College District**

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## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### ***Opinion***

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

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

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

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

#### ***Adoption of New Accounting Standard***

As discussed in Note 2 and 13 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. Accordingly, a restatement has been made to the business-type activities net position as of July 1, 2024 to restate beginning net position. Our opinion is not modified with respect to this matter.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 17 and other required supplementary schedules as listed in the table of contents on pages 60 through 66 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, including the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and other supplementary information listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Expenditures of Federal Awards and other supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Ontario, California  
February 11, 2026



## INTRODUCTION

The Santa Clarita Community College District, established in 1967, encompasses approximately 367 square miles of the unincorporated areas of Los Angeles County and areas within the City of Santa Clarita, serving the local communities of Canyon Country, Newhall, Saugus, Valencia, Castaic, Stevenson Ranch and Val Verde. With operations in the Valencia and Canyon Country campuses, the District serves a population of 295,351 and has been among the fastest growing community colleges in the nation for close to three decades. The Governing Board is comprised of five trustees elected by the voters of the District to serve four-year terms.

The following discussion and analysis provides an overview of the financial position and activities of the Santa Clarita Community College District (the District) for the year ended June 30, 2025. This discussion and analysis has been prepared by management and should be read in conjunction with the financial statements and notes, which follow this section.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

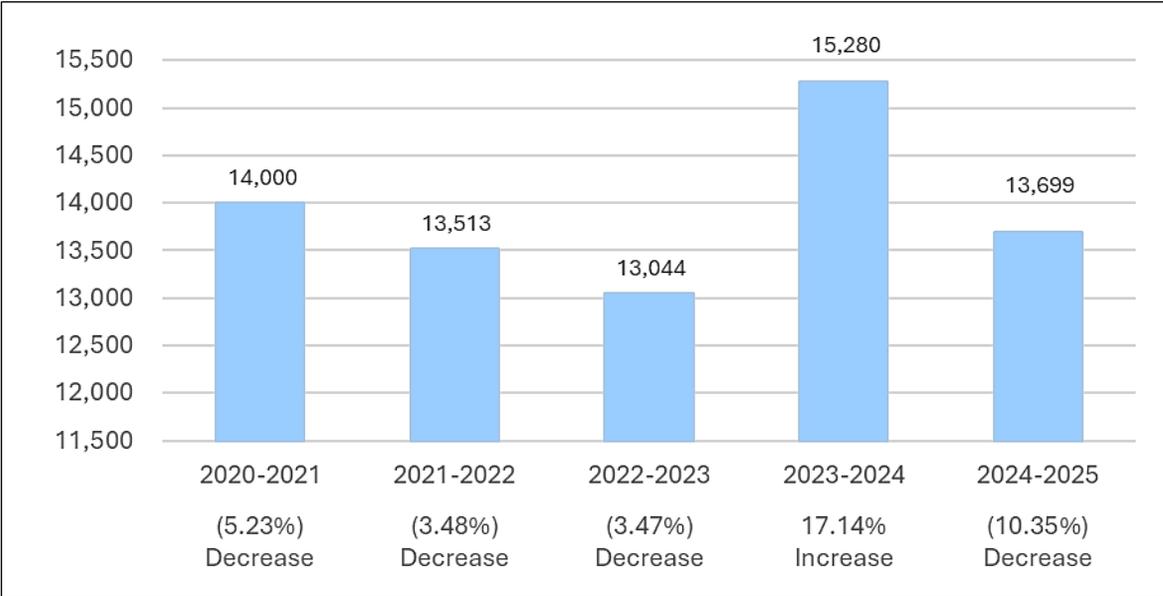
The California Community Colleges Chancellor's Office has recommended that all State community colleges follow the Business-Type Activity (BTA) model for financial statement reporting purposes.

**FINANCIAL HIGHLIGHTS**

***Full-Time Equivalent Students (FTES)***

- The District’s primary funding source is apportionment received from the State of California. The primary basis of this apportionment is the calculation of Full-Time Equivalent Students (FTES). During the 2024-2025 fiscal year, total audited FTES was 13,699. This is a decrease of (1,581) or (10.35%) from 2023-2024 fiscal year. The reason for the decrease is because the District strategically pushed FTES from summer 2025 forward to maximize future revenues.

**FTES Comparison – Funded FTES  
 FY2020-2021 Funded Through FY2024-2025 – Resident FTES Only**



**Unrestricted General Fund Balance**

- The District ended fiscal year 2024-2025 with a General Unrestricted Fund Balance at \$17,520,165 which is 11.52% of Unrestricted General Fund expenditures and other outgo.

**Unrestricted General Fund Ending Fund Balance  
 FY2020-2021 Through FY2024-2025**

	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Reserved/Assigned	\$ 1,985,807	\$ 1,417,154	\$ 2,361,683	\$ 2,007,468	\$ 1,428,844
Unassigned	9,825,527	11,869,709	14,823,004	15,493,666	16,091,321
Ending Fund Balance	<u>\$ 11,811,334</u>	<u>\$ 13,286,863</u>	<u>\$ 17,184,687</u>	<u>\$ 17,501,134</u>	<u>\$ 17,520,165</u>
Percentage of Unrestricted Expenses	10.24%	10.51%	12.68%	11.38%	11.52%

**Revenues**

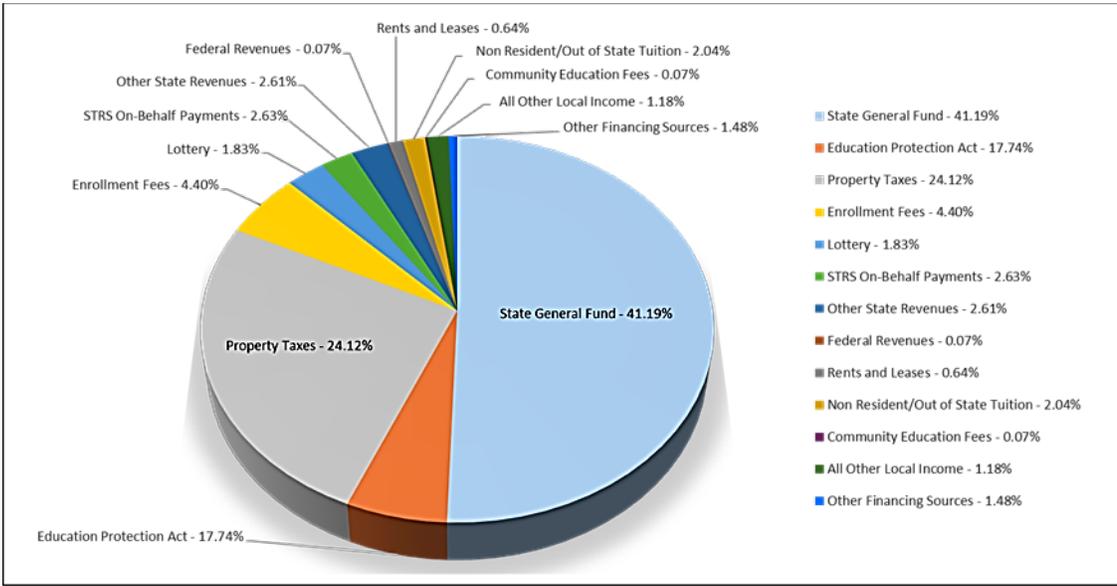
- Revenues and other financing sources in the Unrestricted General Fund totaled \$152,113,574 in fiscal year 2024-2025. This was a decrease of (\$1,979,741) over prior year’s revenues or a (1.28%) decrease. The reason for the decrease over prior year is due mainly to decreases in Total Computational Revenue for General Apportionment from the Student Centered Funding Formula (SCFF). The decrease is offset by increases in Education Protection Act (EPA) and Property Taxes.

**Unrestricted General Fund Revenues  
 FY2020-2021 Through FY2024-2025**

	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Total Revenues	<u>\$ 115,808,800</u>	<u>\$ 127,849,518</u>	<u>\$ 139,373,957</u>	<u>\$ 154,093,315</u>	<u>\$ 152,113,574</u>
	(1.40%)	10.40%	9.01%	10.56%	(1.28%)
	Decrease	Increase	Increase	Increase	Decrease

State General Apportionment, Property Taxes, and Student Enrollment Fees accounted for 69.71% of the District’s Unrestricted General Fund revenues. The EPA, which is temporary funding expiring in 2030, represents 17.74% of the District’s Unrestricted General Fund Revenues. The remaining 12.55% includes Lottery, STRS On-Behalf Payments, Other State Revenues, Federal Revenues, Rents and Leases, Non-Resident/Out of State Tuition, Community Education Fees, All Other Local Income, and Other Financing Sources.

**Unrestricted General Fund Revenues by Major Category  
 FY2024-2025 Percentages**



**Expenses**

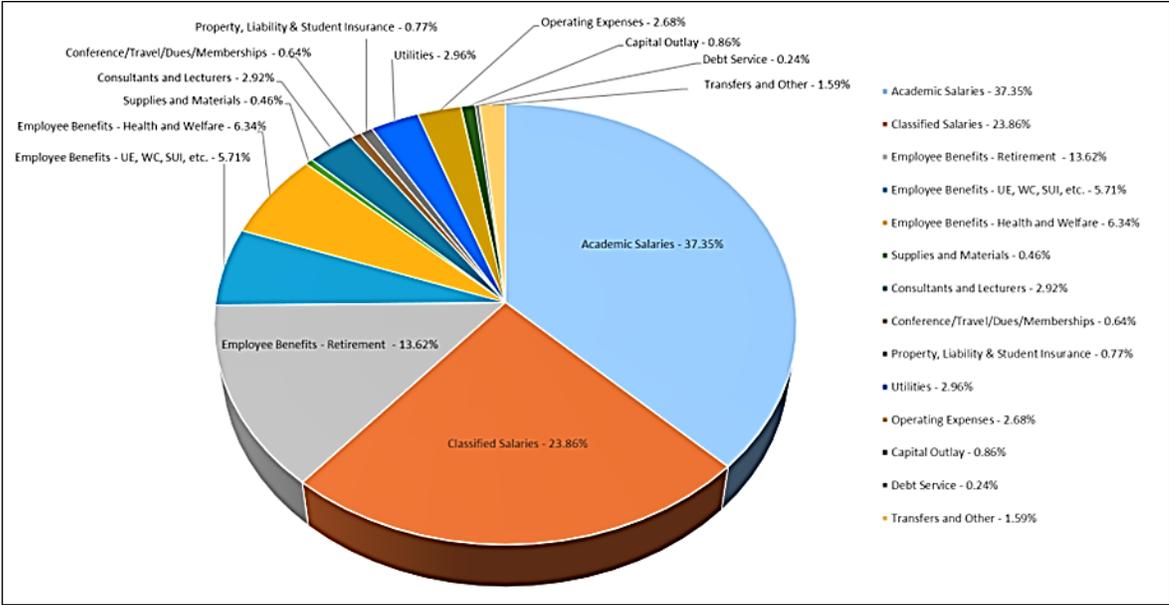
- Expenditures associated with the instructional operations and related supporting activities of the District are recorded in the Unrestricted General Fund. In fiscal year 2024-2025, expenditures and other financing uses in the Unrestricted General Fund totaled \$152,094,544. This is a decrease of (\$1,682,324) over the prior year’s expenditures or a (1.09%) decrease. The reason for the decrease over prior year is mainly due to decreases in Employee Salaries which stems from employee retirements.

**Unrestricted General Fund Expenses  
 FY2020-2021 Through FY2024-2025**

	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Total Expenses	\$ 115,384,475	\$ 126,373,990	\$ 135,476,132	\$ 153,776,868	\$ 152,094,544
	(1.64%)	9.52%	7.20%	13.51%	(1.09%)
	Decrease	Increase	Increase	Increase	Decrease

Salaries and fringe benefits totaled 86.87% of all Unrestricted General Fund expenditures, which is above the Statewide recommended average of 85%.

**Unrestricted General Fund Expenses by Major Category  
 FY2024-2025 Percentages**



**Grant Funding**

- Federal, State/Categorical and Local funding augment the resources available to the District for program development, new initiatives, innovative projects, and instructional equipment. In 2024-2025, the level of funding from 2023-2024 decreased (21%) for a total award amount of \$64M. This decrease is due in part to the successful completion of multiple federally funded awards including the following: Advance Technology Equipment federal appropriation funds, NSF Next Generation, NSF ATE Welding Grant, USC Children’s Hospital award, Department of Education Open Textbook Pilot Program, and also due to less funding for the Strong Workforce Program and the Learning-Aligned Employment Program.

Historically, the work of Grants Development has profoundly impacted college programs, services, and overall funding. In the last ten years, from 2015-2016 through 2024-2025, Grants Development has secured \$144,469,887 in grant awards. These funds enable new and enhanced activities to support the District’s mission and boost Access, Engagement, and Success-related work.

**Student Financial Aid**

- In 2024-2025, student financial aid expenditures totaled \$24,607,680, which is an increase of \$4,334,757 or 21.38% from fiscal year 2023-2024.

The District offered student financial aid in the form of PELL Grants, Cal Grants, and SEOG Grants totaling \$22,435,574. The PELL and Cal Grants were funded 100% from Federal and State allocations, and SEOG Grants were funded 75% from Federal funds and 25% from a District match.

The District also disbursed Direct Student Loans to qualifying students based on legislation and provided paid Federal Work Study opportunities. Direct Student Loans were funded 100% from Federal funds, and Work Study was funded 75% from Federal funds and 25% from a District match. Students received \$1,628,326 in Direct Loans and earned \$543,780 in Federal Work Study wages from on-campus jobs.

**Student Financial Aid Expenditures  
FY2020-2021 Through FY2024-2025**

	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Federal Pell Grants *	\$ 12,363,641	\$ 12,977,414	\$ 12,967,924	\$ 15,211,570	\$ 18,870,734
Cal Grants *	\$ 1,664,528	\$ 2,431,312	\$ 2,113,131	\$ 2,440,402	\$ 2,898,184
Federal SEOG Grants **	\$ 825,197	\$ 718,354	\$ 582,286	\$ 584,999	\$ 666,656
Federal Higher Ed Emergency Relief Funds *	\$ 3,859,083	\$ 13,237,838	\$ 659,903	\$ -	\$ -
Subtotal - Grants	\$ 18,712,449	\$ 29,364,918	\$ 16,323,244	\$ 18,236,971	\$ 22,435,574
Direct Student Loans ***	\$ 1,315,345	\$ 1,100,378	\$ 1,280,847	\$ 1,534,868	\$ 1,628,326
Federal Work Study Wages **	\$ 262,511	\$ 352,150	\$ 413,510	\$ 501,084	\$ 543,780
Total Grants and Work Study	<u>\$ 20,290,305</u>	<u>\$ 30,817,446</u>	<u>\$ 18,017,601</u>	<u>\$ 20,272,923</u>	<u>\$ 24,607,680</u>
	(6.05%)	51.88%	(41.53%)	12.52%	21.38%
	Decrease	Increase	Decrease	Increase	Increase

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

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

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

**Capital Outlay Expenditures**

The District continued to plan, construct, and upgrade facilities in fiscal year 2024-2025 with Measure E capital funding. Measure E General Obligation Bonds were authorized in an election held on June 7, 2016. The election approved the issuance of \$230 million of general obligation bonds. Measure E passed with 58.46% voter approval. Measure E funds were approved to for addition and renovation of facilities at the Valencia and Canyon Country Campus.

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

For more information on GO Bond expenditures, please visit the Citizens' Bond Oversight webpage on the District Website to access the annual report.

## THE DISTRICT AS A WHOLE

### *Statement of Net Position*

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

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

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

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

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

The Net Position is divided into three major categories:

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

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

(Amounts in thousands)

	<u>2025</u>	<u>2024*</u>	<u>Change</u>
<b>Assets</b>			
Cash and investments	\$ 148,625	\$ 223,589	\$ (74,964)
Receivables, net	22,202	35,318	(13,116)
Other current assets	1,684	2,323	(639)
Capital assets, net	<u>376,711</u>	<u>370,696</u>	<u>6,015</u>
Total assets	<u>549,222</u>	<u>631,926</u>	<u>(82,704)</u>
Deferred Outflows of Resources	<u>57,994</u>	<u>56,284</u>	<u>1,710</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	46,162	118,379	(72,217)
Current portion of long-term liabilities	22,150	17,322	4,828
Noncurrent portion of long-term liabilities	<u>563,043</u>	<u>553,621</u>	<u>9,422</u>
Total liabilities	<u>631,355</u>	<u>689,322</u>	<u>(57,967)</u>
Deferred Inflows of Resources	<u>16,178</u>	<u>13,796</u>	<u>2,382</u>
<b>Net Position</b>			
Net investment in capital assets	66,319	58,535	7,784
Restricted	37,148	42,116	(4,968)
Unrestricted	<u>(143,783)</u>	<u>(115,558)</u>	<u>(28,225)</u>
Total net position	<u>\$ (40,316)</u>	<u>\$ (14,907)</u>	<u>\$ (25,409)</u>

\* Amounts have not been restated for the effects of the implementation of GASB Statement No. 101. See Note 13 for further information.

**Assets**

Total Assets at June 30, 2025 of \$549.2 million reflected a decrease of (\$82.7) million from June 30, 2024. This decrease is primarily due to decreased cash balances in funds for Measure E General Obligation Bonds and State Construction.

**Deferred Outflows of Resources**

Deferred Outflows of Resources at June 30, 2025 of \$58.0 million reflected an increase of \$1.7 million from June 30, 2024 mainly due to changes of assumptions and differences in the District's proportionate share of the CalSTRS and CalPERS pension systems per the latest available actuarial study, which is for measurement date June 30, 2025.

### **Liabilities**

Total Liabilities at June 30, 2025 of \$631.4 million reflected a decrease of (\$58.0) million from June 30, 2024. The decrease is primarily in accrued liability for the return of the Student Housing grant funding. It is important to note that General Obligation Bond debt is included in the Total Liabilities of the District, even though this debt is repaid through property taxes collected by the Los Angeles County Treasurer and Tax Collector.

### **Deferred Inflows of Resources**

Deferred Inflows of Resources at June 30, 2025 of \$16.2 million reflected an increase of \$2.4 million from June 30, 2024. The decrease can be attributable mainly due to changes in the actuarial valuations for CalSTRS and CalPERS pension systems based on the latest version of the actuarial report.

### **Total Net Position**

The District's Total Net Position at June 30, 2025 is (\$40.3) million. Total Net Position is the sum of all Assets and Liabilities. Beginning with the June 30, 2015 Annual Financial Report, the accounting pronouncement GASB 68 requires that the District's proportionate share of the CalPERS and CalSTRS unfunded pension liabilities be included in the Total Net Position in the financial statements. Also, beginning with the June 30, 2018 Financial Report the accounting pronouncement of GASB 75 requires that the District recognize the full Post Employment Benefit Liability in the financial statements instead of a prorated portion.

**Operating Results**

The results of fiscal year 2024-2025 operations for the District as a whole are reported in the *Statement of Revenues, Expenses, and Changes in Net Position*.

(Amounts in thousands)

	2025	2024*	Change
Operating Revenues			
Tuition and fees	\$ 11,837	\$ 11,141	\$ 696
Grants and contracts, noncapital	41,628	48,089	(6,461)
Total operating revenues	53,465	59,230	(5,765)
Operating Expenses			
Salaries and benefits	153,930	156,234	(2,304)
Supplies, services, equipment, and maintenance	34,113	38,843	(4,730)
Student financial aid	32,400	26,538	5,862
Depreciation and amortization	11,894	11,222	672
Total operating expenses	232,337	232,837	(500)
Operating loss	(178,872)	(173,607)	(5,265)
Nonoperating Revenues			
State apportionments	89,627	95,794	(6,167)
Property taxes	58,859	55,491	3,368
Student financial aid grants	28,859	23,473	5,386
State revenues	4,854	6,503	(1,649)
Net interest expense	(5,333)	(2,178)	(3,155)
Other nonoperating revenues	4,692	4,891	(199)
Total nonoperating revenue	181,558	183,974	(2,416)
Other Revenues and (Losses)			
State and local capital income and (losses)	2,482	3,088	(606)
Change in net position	\$ 5,168	\$ 13,455	\$ (8,287)

\* Expenses for the year ended June 30, 2024 were not restated for the effects of the implementation of GASB Statement No. 101.  
See note 13 for further information.

**Functional Expenses**

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

(Amounts in thousands)

	Salaries and Employee Benefits	Supplies, Material, and Other Expenses and Services	Student Financial Aid	Equipment, Maintenance, and Repairs	Depreciation and Amortization	Total
Instructional activities	\$ 77,188	\$ 7,159	\$ 1,226	\$ 644	\$ -	\$ 86,217
Academic support	5,089	525	-	4	-	5,618
Student services	21,911	1,535	1,491	76	-	25,013
Plant operations and maintenance	6,189	5,575	-	110	-	11,874
Instructional support services	24,041	11,513	96	376	-	36,026
Community services and economic development	6,179	241	-	3	-	6,423
Ancillary services and auxiliary operations	11,328	2,582	29	29	-	13,968
Student aid	-	-	29,558	-	-	29,558
Physical property and related acquisitions	2,005	372	-	3,369	-	5,746
Unallocated depreciation	-	-	-	-	11,894	11,894
<b>Total</b>	<b>\$ 153,930</b>	<b>\$ 29,502</b>	<b>\$ 32,400</b>	<b>\$ 4,611</b>	<b>\$ 11,894</b>	<b>\$ 232,337</b>

**Changes in Cash Position**

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

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

Santa Clarita Community College District  
Management's Discussion and Analysis  
June 30, 2025

(Amounts in thousands)	<u>2025</u>	<u>2024</u>	<u>Change</u>
Net Cash Flows from			
Operating activities	\$ (170,100)	\$ (164,245)	\$ (5,855)
Noncapital financing activities	167,967	156,191	11,776
Capital financing activities	(82,339)	(27,929)	(54,410)
Investing activities	<u>9,508</u>	<u>11,636</u>	<u>(2,128)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(74,964)	(24,347)	(50,617)
Cash and Cash Equivalents, Beginning of Year	<u>223,588</u>	<u>247,935</u>	<u>(24,347)</u>
Cash and Cash Equivalents, End of Year	<u>\$ 148,624</u>	<u>\$ 223,588</u>	<u>\$ (74,964)</u>

*\* Cash flows from operating activities for the year ended June30, 2024 were not restated for the effects of the implementation of GASB Statement No. 101. See Note 13 for further information.*

**CAPITAL ASSET AND DEBT ADMINISTRATION**

***Capital Assets***

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

	<u>2025</u>	<u>2024</u>	<u>Net Change</u>
Capital Assets			
Land and construction in progress	\$ 45,280,999	\$ 83,484,898	\$ (38,203,899)
Buildings and improvements, net	316,309,522	275,112,748	41,196,774
Furniture and equipment, net	13,392,925	10,904,847	2,488,078
Right-to-use leased assets, net	631,535	140,884	490,651
Right-to-use subscription IT assets, net	<u>1,096,489</u>	<u>1,052,325</u>	<u>44,164</u>
Total capital assets, net	<u>\$ 376,711,470</u>	<u>\$ 370,695,702</u>	<u>\$ 6,015,768</u>

**Long-Term Liabilities**

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

	Balance July 1, 2024*	Additions/ Restatements	Deletions	Balance June 30, 2025
General obligation bonds	\$ 405,197,803	\$ 1,203,149	\$ (13,482,555)	\$ 392,918,397
COPs payable	5,443,051	-	(930,252)	4,512,799
Leases	151,501	733,395	(248,361)	636,535
Subscription-based IT arrangements	1,086,247	567,494	(517,015)	1,136,726
Other liabilities	12,380,736	34,735,640	(4,707,988)	42,408,388
<b>Total long-term liabilities</b>	<b>\$ 424,259,338</b>	<b>\$ 37,239,678</b>	<b>\$ (19,886,171)</b>	<b>\$ 441,612,845</b>
Amount due within one year				<u>\$ 21,400,381</u>

\* Amounts have not been restated for the effects of the implementation of GASB Statement No. 101. See Note 13 for further information.

**BUDGETARY HIGHLIGHTS**

The District has a history of accurate budgeting and presenting balanced budgets to the Board of Trustees for consideration. Budgeting with a high level of precision is critical to achieving the desired outcome of no deficit spending when all actual revenues and expenditures are recorded for the year. General Apportionment funding continues to be the District's largest unrestricted funding source. This funding is received as a combination of State Apportionment, Education Protection Act funding (EPA), Property Taxes, and Student Enrollment Fees. Projected fundings are based on the Student Centered Funding Formula and focuses on assumptions regarding enrollment demand and student equity and success metrics.

The District's 2024-2025 Adopted Budget for the Unrestricted General Fund was a balanced budget with no structural deficit (deficit spending). The District projected 88% of Unrestricted General Fund revenue to come from State General Apportionment funding and reflected an 11.70% Fund Balance. The District ended the fiscal year with 11.52% Fund Balance.

In 2025-2026, 87% percent of the District's Unrestricted General Fund revenue is projected to come from State General Apportionment funding. The 2025-2026 Adopted Budget reflects an 11.64% Fund Balance and no structural deficit.

### **ECONOMIC FACTORS AFFECTING THE FUTURE OF SANTA CLARITA COMMUNITY COLLEGE DISTRICT**

The economic position of the Santa Clarita Community College District is closely tied to the State of California's economy. The State Budget is largely funded by revenues from Income Tax, Sales/Use Tax and Corporate Tax; PIT @ 59%, Sales/Use @ 16%, Corporate Tax @ 17%, and Other @ 8%.

In January 2025, the State projected a roughly balanced budget for 2025-2026 based on the two-year budget planning process in the 2024 Budget Act that addressed a projected deficit of over \$30 billion for 2025-2026. However, updated revenue and spending estimates indicated a need to address an additional deficit of approximately \$12 billion for 2025-2026. The 2025 Budget Act includes overall state General Fund spending of \$228.4 billion, an increase of nearly 8% compared to the enacted budget for 2024-2025, reflecting, in part, the use of reserves and special fund transfers to offset revenue shortfalls. The budget addresses the expected remaining deficit (about \$12 billion) through a combination of these fund shifts and reserves along with program reductions, revenues and borrowing, and deferrals.

### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT TEAM**

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

Santa Clarita Community College District

Statement of Net Position

June 30, 2025

Assets

Cash and cash equivalents	\$ 2,084,068
Investments	146,540,596
Accounts receivable	16,052,326
Student receivables, net	5,620,262
Prepaid expenses	1,683,857
Lease receivables	529,902
Capital assets not depreciated or amortized	45,280,999
Capital assets, net of accumulated depreciation and amortization	<u>331,430,471</u>

Total assets	<u>549,222,481</u>
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Deferred Outflows of Resources

Deferred outflows of resources related to debt refunding	9,548,199
Deferred outflows of resources related to OPEB	1,918,849
Deferred outflows of resources related to pensions	<u>46,526,670</u>

Total deferred outflows of resources	<u>57,993,718</u>
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Liabilities

Accounts payable	23,526,936
Accrued interest payable	5,514,897
Unearned revenue	17,120,416
Long-term liabilities	
Long-term liabilities other than OPEB and pensions, due within one year	21,400,381
Total OPEB liability, due within one year	750,000
Long-term liabilities other than OPEB and pensions, due in more than one year	420,212,464
Aggregate net other postemployment benefits (OPEB) liability	16,505,619
Aggregate net pension liability	<u>126,324,479</u>

Total liabilities	<u>631,355,192</u>
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Deferred Inflows of Resources

Deferred inflows of resources related to leases	488,038
Deferred inflows of resources related to OPEB	5,926,481
Deferred inflows of resources related to pensions	<u>9,763,137</u>

Total deferred inflows of resources	<u>16,177,656</u>
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Net Position (Deficit)

Net investment in capital assets	66,318,778
Restricted for	
Debt service	13,055,563
Capital projects	9,313,040
Educational programs	6,004,560
Other activities	8,774,732
Unrestricted deficit	<u>(143,783,322)</u>

Total net position (deficit)	<u>\$ (40,316,649)</u>
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Santa Clarita Community College District  
Statement of Revenues, Expenses, and Changes in Net Position  
Year Ended June 30, 2025

Operating Revenues	
Tuition and fees	\$ 20,126,304
Less: Scholarship discounts and allowances	<u>(8,289,321)</u>
Net tuition and fees	<u>11,836,983</u>
Grants and contracts, noncapital	
Federal	5,571,894
State	35,098,871
Local	<u>957,354</u>
Total grants and contracts, noncapital	<u>41,628,119</u>
Total operating revenues	<u>53,465,102</u>
Operating Expenses	
Salaries	115,025,830
Employee benefits	38,904,072
Supplies, materials, and other operating expenses and services	29,501,703
Student financial aid	32,400,207
Equipment, maintenance, and repairs	4,611,344
Depreciation and amortization	<u>11,893,736</u>
Total operating expenses	<u>232,336,892</u>
Operating Loss	<u>(178,871,790)</u>
Nonoperating Revenues (Expenses)	
State apportionments, noncapital	89,627,461
Local property taxes, levied for general purposes	36,727,089
Taxes levied for other specific purposes	22,131,611
Federal and State financial aid grants	28,858,743
State taxes and other revenues	4,854,189
Investment income, net	7,915,329
Interest expense on capital related debt	(14,076,867)
Investment income on capital asset-related debt, net	828,680
Other nonoperating revenue	<u>4,691,547</u>
Total nonoperating revenues (expenses)	<u>181,557,782</u>
Income Before Other Revenues and (Losses)	<u>2,685,992</u>
Other Revenues and (Losses)	
State revenues, capital	2,540,026
Local revenues, capital	28,493
Loss on disposal of capital assets	<u>(86,931)</u>
Total other revenues and (losses)	<u>2,481,588</u>
Change In Net Position	5,167,580
Net Position (Deficit), Beginning of Year, as previously reported	(14,907,220)
Adjustment (Note 13)	(30,577,009)
Net Position (Deficit), Beginning of Year, as restated	<u>(45,484,229)</u>
Net Position (Deficit), End of Year	<u>\$ (40,316,649)</u>

Santa Clarita Community College District  
Statement of Cash Flows  
Year Ended June 30, 2025

Operating Activities	
Tuition and fees	\$ 11,052,161
Federal, state, and local grants and contracts, noncapital	40,951,256
Payments to or on behalf of employees	(156,753,505)
Payments to vendors for supplies and services	(32,949,466)
Payments to students for scholarships and grants	<u>(32,400,207)</u>
Net cash flows from operating activities	<u>(170,099,761)</u>
Noncapital Financing Activities	
State apportionments	91,495,688
Federal and state financial aid grants	28,858,743
Property taxes - nondebt related	36,727,089
State taxes and other apportionments	4,806,385
Other nonoperating activities	<u>6,078,938</u>
Net cash flows from noncapital financing activities	<u>167,966,843</u>
Capital Financing Activities	
Purchase of capital assets	(17,819,768)
Proceeds from sale of capital assets	(16,305)
State revenue, capital	(59,517,977)
Local revenue, capital	28,493
Property taxes - related to capital debt	22,131,611
Principal paid on capital debt	(14,160,376)
Interest paid on capital debt	(13,451,731)
Interest received on capital asset-related debt	<u>466,580</u>
Net cash flows from capital financing activities	<u>(82,339,473)</u>
Investing Activities	
Change in fair market value of cash in county treasury	2,659,189
Interest received from investments	<u>6,849,101</u>
Net cash flows from investing activities	<u>9,508,290</u>
Change In Cash and Cash Equivalents	(74,964,101)
Cash and Cash Equivalents, Beginning of Year	<u>223,588,765</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 148,624,664</u></u>

Santa Clarita Community College District  
Statement of Cash Flows  
Year Ended June 30, 2025

Reconciliation of net operating loss to net cash flows from operating activities	
Operating Loss	<u>\$ (178,871,790)</u>
Adjustments to reconcile operating loss to net cash flows from operating activities	
Depreciation and amortization expense	11,893,736
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources	
Accounts receivable	1,813,916
Student receivables, net	(120,557)
Prepaid expenses	639,168
Lease receivables	39,920
Deferred outflows of resources related to OPEB	515,041
Deferred outflows of resources related to pensions	(2,803,248)
Accounts payable	1,207,034
Unearned revenue	(3,141,982)
Compensated absences	(2,437,639)
Early retirement plan	(111,718)
Other long term liability	2,000,000
Aggregate net OPEB liability	(1,892,118)
Aggregate net pension liability	(1,211,441)
Deferred inflows of resources related to leases	(52,982)
Deferred inflows of resources related to OPEB	1,785,116
Deferred inflows of resources related to pensions	<u>649,783</u>
Total adjustments	<u>8,772,029</u>
Net cash flows from operating activities	<u><u>\$ (170,099,761)</u></u>
Cash and Cash Equivalents Consist of the Following:	
Cash in banks	\$ 2,084,068
Cash in county treasury	<u>146,540,596</u>
Total cash and cash equivalents	<u><u>\$ 148,624,664</u></u>
Noncash Transactions	
Amortization of deferred outflows of resources related to debt refunding	\$ 578,873
Amortization of debt premiums	\$ 1,017,807
Accretion of interest on capital appreciation bonds	\$ 1,203,149

**Note 1 - Organization**

The Santa Clarita Community College District (the District) was established in 1967 as a political subdivision of the State of California and is a comprehensive, public, two-year institution offering educational services to residents of the surrounding area. The District operates under a locally elected five-member Board of Trustees which establishes the policies and procedures by which the District operates. The Board must approve the annual budgets for the General Fund, special revenue funds, and capital project funds, but these budgets are managed at the department level. Currently, the District operates one community college and one center located in Santa Clarita, California. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61. The District is classified as a Public Educational Institution under *Internal Revenue Code* Section 115 and is, therefore, exempt from Federal taxes.

**Financial Reporting Entity**

The District has adopted accounting policies to determine whether certain organizations, for which the District is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the District, as defined by accounting principles generally accepted in the United States of America and established by GASB. The financial reporting entity consists of the primary government (the District), and the following component units:

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

- Public Property Financing Corporation

The Public Property Financing Corporation (the Corporation) is a legally separate entity and a component unit of the District. The Corporation was formed to issue debt specifically for the acquisition and construction of capital assets for the District. The Board of Trustees of the Corporation is the same as the Board of Trustees of the District. The financial activity has been “blended” or consolidated within the financial statements as the District as if the activity was the District’s. Certificates of participation issued by the Corporation are included as long-term liabilities of the District. Stand-alone financial statements are not prepared for the Public Property Financing Corporation. Condensed component unit information for the Corporation, the District’s blended component unit, for the year ended June 30, 2025, is as follows:

**Condensed Statement of Net Position**

Assets	
Investments	\$ 943,897
Accounts receivable	1,140
	<hr/>
Total assets	\$ 945,037
	<hr/> <hr/>
Net Position	
Restricted for Debt Service	\$ 945,037
	<hr/> <hr/>

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

Nonoperating Income/(Expenses)	
Principal expense on capital related debt	\$ (855,000)
Interest expense on capital related debt	(199,331)
Other income	8,253
	<u>                    </u>
Total nonoperating income/(expenses)	(1,046,078)
Loss Before transfers	(1,046,078)
Transfers in	1,004,656
	<u>                    </u>
Change in Net Position	(41,422)
Net Position, Beginning of Year	986,459
	<u>                    </u>
Net Position, End of Year	<u><u>\$ 945,037</u></u>

**Note 2 - Summary of Significant Accounting Policies**

**Basis of Accounting**

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

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

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

**Cash and Cash Equivalents**

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

**Investments**

Investments are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value, including money market investments and participating interest-earning investment contracts with original maturities greater than one year, are stated at cost or amortized cost.

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

**Accounts Receivable**

Accounts receivable include amounts due from the Federal, State, and/or local governments or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students. The District provides for an allowance for uncollectible accounts as an estimation of amounts that may not be received. The allowance is based upon management's estimates and analysis. The allowance was estimated at \$72,088 for the year ended June 30, 2025.

**Prepaid Expenses**

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

**Lease Receivables**

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

**Capital Assets, Depreciation, and Amortization**

Capital assets are long-lived assets of the District as a whole and include land, construction in progress, buildings, building and land improvements, and equipment. The District maintains an initial unit cost capitalization threshold of \$5,000 and an estimated useful life greater than one year. Assets are recorded at historical cost, or estimated historical cost, when purchased or constructed.

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

Depreciation of capital assets is computed and recorded utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 50 years; improvements, 20 to 25 years; equipment, 3 to 15 years; vehicles, 5 to 10 years.

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

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

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

**Compensated Absences**

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

Sick leave is accumulated without limit for each employee based upon negotiated contracts. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, only the portion of accumulated sick leave that is more likely than not to be used by the employee for paid leave is recognized as a liability in the District's financial statements. Retirement credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive 0.004 year of service credit for each day of unused sick leave. Retirement credit for unused sick leave is applicable to all academic employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full time. The portion of sick leave that is more likely than not to be settled through conversion to service credit for employee retirement plans is not included in the District's liability for compensated absences.

**Debt Premiums**

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

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

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

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

**Lease Liabilities**

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

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

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

**Pensions**

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

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

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

**Unearned Revenue**

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

**Noncurrent Liabilities**

Noncurrent liabilities include general obligation bonds, certificates of participation, leases, subscription-based IT arrangements, compensated absences, early retirement plan, aggregate net OPEB liability, and aggregate net pension liability with maturities greater than one year.

**Net Position**

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position related to net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report \$37,147,895 of restricted net position.

**Operating and Nonoperating Revenues and Expenses**

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

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

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

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

**State Apportionments**

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

**Property Taxes**

Secured property taxes attach as an enforceable lien on property as of January 1. The County Assessor is responsible for assessment of all taxable real property. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of Los Angeles bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

The voters of the District passed a General Obligation Bond in November 2001, November 2006, and June 2016 for the acquisition, construction, and remodeling of certain District property. As a result of the passage of the Bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are assessed, billed, and collected as noted above and remitted to the District when collected.

**Scholarship Discounts and Allowances**

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

**Financial Assistance Programs**

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

**Estimates**

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

**Interfund Activity**

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund activity within the primary government has been eliminated in the consolidation process of the basic financial statements.

Operating transfers between funds of the District are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use restricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Operating transfers within the primary government has been eliminated in the consolidation process of the basic financial statements.

### **Adoption of New Accounting Standard**

#### **Implementation of GASB Statement No. 101**

As of June 30, 2025, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. The effect of the implementation of this standard on beginning net position is disclosed in Note 13.

#### **Implementation of GASB Statement No. 102**

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

### **Note 3 - Deposits and Investments**

#### **Policies and Practices**

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

Investment in County Treasury - In accordance with the *Budget and Accounting Manual*, the District deposits substantially all receipts and collections of monies with their County Treasurer as part of the common investment pool. The District is considered to be an involuntary participant in an external investment pool. The fair value of the District's investment in the pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

**General Authorizations**

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

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

**Authorized Under Debt Agreements**

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

**Summary of Deposits and Investments**

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

	Primary Government
Cash on hand and in banks	\$ 1,935,118
Cash in revolving	148,950
Investments	<u>146,540,596</u>
Total deposits and investments	<u><u>\$ 148,624,664</u></u>

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the Los Angeles County Investment pool and having the pool purchase a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The District maintains an investment of \$146,540,596 with the Los Angeles County Investment Pool with an average weighted maturity of 556 days.

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the Los Angeles County Investment pool is not required to be rated, nor has it been rated as of June 30, 2025.

**Custodial Credit Risk****Deposits**

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California *Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2025, the District's bank balance of approximately \$960 thousand was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

**Note 4 - Accounts Receivable**

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

	<u>Primary Government</u>
Federal Government	
Categorical aid	\$ 3,851,443
State Government	
Apportionment	5,401,413
Categorical aid	3,269,372
Lottery	1,170,205
Local Sources	
Interest	992,604
Other local sources	<u>1,367,289</u>
Total	<u>\$ 16,052,326</u>
Student receivables	\$ 5,692,350
Less: allowance for bad debt	<u>(72,088)</u>
Student receivables, net	<u>\$ 5,620,262</u>

**Note 5 - Lease Receivables**

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

<u>Lease Receivables</u>	<u>Balance, July 1, 2024</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2025</u>
Building Lease	\$ 405,774	\$ -	\$ (9,268)	\$ 396,506
Cell Tower Leases	<u>164,048</u>	<u>-</u>	<u>(30,652)</u>	<u>133,396</u>
Total	<u>\$ 569,822</u>	<u>\$ -</u>	<u>\$ (39,920)</u>	<u>\$ 529,902</u>

**Building Lease**

The District leases a portion of its facilities for the middle college. This agreement is for a period of 40 years. During the year ended June 30, 2025, the District recognized \$15,404 in lease revenue and \$17,732 in interest revenue related to this agreement. At June 30, 2025, the District recorded \$396,506 in lease receivables and \$369,697 in deferred inflows of resources for this arrangement. The District used an interest rate of 4%, based on the rates available to finance real estate or machinery and equipment over the same time periods.

**Cellular Tower Antenna Sites**

The District licenses (leases) a portion of its facilities for cellular tower antenna sites. These licenses are noncancelable for a period of five years, with three additional renewal periods of five years. The District believes the licensees will exercise the renewal option with reasonable certainty. The agreements allow for 3% to 10% annual CPI increases to the license payments. At termination, the lessees must remove all equipment and restore the site to its original state. During the year ended June 30, 2025, the District recognized \$37,577 in lease revenue and \$6,810 in interest revenue related to these agreements. At June 30, 2025, the District recorded \$133,396 in lease receivables and \$118,341 in deferred inflows of resources for these arrangements. The District used an interest rate of 4%, based on the rates available to finance real estate or machinery and equipment over the same time periods.

**Note 6 - Capital Assets**

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

	Balance, July 1, 2024	Additions	Deductions	Balance, June 30, 2025
Capital Assets Not Being Depreciated or Amortized				
Land	\$ 14,309,904	\$ -	\$ -	\$ 14,309,904
Construction in progress	69,174,994	12,582,251	(50,786,150)	30,971,095
Total capital assets not being depreciated or amortized	<u>83,484,898</u>	<u>12,582,251</u>	<u>(50,786,150)</u>	<u>45,280,999</u>
Capital Assets Being Depreciated or Amortized				
Land improvements	26,169,817	8,646,378	-	34,816,195
Buildings and improvements	375,784,254	41,921,160	-	417,705,414
Furniture, equipment, and vehicles	27,046,060	4,277,458	(370,381)	30,953,137
Right-to-use leased buildings and improvements	701,497	733,395	(701,497)	733,395
Right-to-use leased furniture, equipment, and vehicles	165,800	-	(165,800)	-
Right-to-use subscription IT assets	1,563,609	621,943	(23,142)	2,162,410
Total capital assets being depreciated or amortized	<u>431,431,037</u>	<u>56,200,334</u>	<u>(1,260,820)</u>	<u>486,370,551</u>
Less Accumulated Depreciation and Amortization				
Land improvements	(18,223,628)	(910,519)	-	(19,134,147)
Buildings and improvements	(108,617,695)	(8,460,245)	-	(117,077,940)
Furniture, equipment, and vehicles	(16,141,213)	(1,702,449)	283,450	(17,560,212)
Right-to-use leased buildings and improvements	(565,094)	(238,263)	701,497	(101,860)
Right-to-use leased furniture, equipment, and vehicles	(161,319)	(4,481)	165,800	-
Right-to-use subscription IT assets	(511,284)	(577,779)	23,142	(1,065,921)
Total accumulated depreciation and amortization	<u>(144,220,233)</u>	<u>(11,893,736)</u>	<u>1,173,889</u>	<u>(154,940,080)</u>
Total capital assets, net	<u>\$ 370,695,702</u>	<u>\$ 56,888,849</u>	<u>\$ (50,873,081)</u>	<u>\$ 376,711,470</u>

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

**Summary**

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

	Balance, July 1, 2024 as Restated	Additions	Deductions	Balance, June 30, 2025	Due in One Year
General obligation bonds	\$ 384,328,219	\$ 1,203,149	\$ (12,540,000)	\$ 372,991,368	\$ 10,270,000
Bond premium	20,869,584	-	(942,555)	19,927,029	-
Certificates of participation (COP)	4,910,000	-	(855,000)	4,055,000	660,000
COP premium	533,051	-	(75,252)	457,799	-
Leases	151,501	733,395	(248,361)	636,535	235,037
Subscription-based IT arrangements	1,086,247	567,494	(517,015)	1,136,726	500,483
Compensated absences	36,745,113	-	(2,437,639)	34,307,474	6,608,379
Early retirement plan	6,212,632	2,158,631	(2,270,349)	6,100,914	2,126,482
Other long term liability	-	2,000,000	-	2,000,000	1,000,000
<b>Total</b>	<b>\$ 454,836,347</b>	<b>\$ 6,662,669</b>	<b>\$ (19,886,171)</b>	<b>\$ 441,612,845</b>	<b>\$ 21,400,381</b>

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

**Description of Long-Term Liabilities**

Payments of the general obligation bonds are to be made by the Bond Interest and Redemption Fund with local property tax collections. Payments of the certificates of participation (COPs) are made by the Other Debt service Fund. The payments of the leases are made by the General Fund. The payments of the subscription-based IT arrangements are made by the General Fund and the Performing Arts Center Fund. The payments for the other long term liability are made by the General Fund.

**General Obligation Bonds**

In November 2001, voters authorized a total of \$82,110,000 in general obligation bonds. In July 2003, the District issued Election of 2001 Series 2003 General Obligation Bonds in the amount of \$17,498,982. The bonds were issued as capital appreciation bonds. The bonds were issued to finance the acquisition, modernization, and renovation of District facilities. The bonds bear interest rates of 1.05% to 5.60%. At June 30, 2025, the principal balance outstanding was \$8,899,306.

In October 2005, the District issued Election of 2001 Series 2005 General Obligation Bonds in the amount of \$42,981,087. The bonds were issued as current interest bonds in the aggregate principal amount of \$39,310,000 and as capital appreciation bonds in the principal amount of \$3,671,087. The bonds were issued to finance the acquisition, modernization, and renovation of District facilities. The bonds bear interest rates of 3.00% to 5.00%. At June 30, 2025, the principal balance outstanding was \$11,497,062.

In May 2012, the District issued Election of 2006 Series 2012 General Obligation Bonds in the amount of \$35,000,000. The bonds were issued as current interest bonds. The bonds were issued to finance the acquisition, modernization, and renovation of District facilities. The bonds bear interest rates of 2.00% to 5.00%. At June 30, 2025, the principal balance outstanding was \$1,360,000. Unamortized premium received on issuance of the bonds amounted to \$21,111 as of June 30, 2025.

In September 2014, the District issued Election of 2006 Series 2014 General Obligation Bonds in the amount of \$25,000,000. The bonds were issued as current interest bonds. The bonds were issued to finance the acquisition, modernization, and renovation of District facilities. The bonds bear interest rates of 2.00% to 5.00%. At June 30, 2025, the principal balance outstanding was \$5,275,000. Unamortized premium received on issuance of the bonds amounted to \$451,403 as of June 30, 2025.

In May 2016, the District issued the 2016 General Obligation Refunding Bonds in the amount of \$94,050,000. The bonds have a final maturity to occur on August 1, 2046, with interest rates from 2.00% to 5.00%. The net proceeds of \$103,474,669 (representing the principal amount of \$94,050,000 plus premium on issuance of \$9,424,669) from the issuance were used to currently refund the District's outstanding 2005 General Obligation Refunding Bonds, maturing on August 1, 2016 through and including August 1, 2021, and to advance refund a portion of the District's outstanding General Obligation Bonds, Series 2007 maturing on August 1, 2016 and including August 1, 2018 through August 1, 2046, and to pay the cost of the issuance associated with the refunding bonds. Amounts paid to the refunded bond escrow agent in excess of outstanding debt at the time of payment are recorded as deferred charges on refunding on the Statement of Net Position and are amortized as interest expense over the life of the liability. At June 30, 2025, the principal balance outstanding was \$84,095,000. Unamortized premium received on issuance of the bonds amounted to \$6,586,854 as of June 30, 2025.

In November 2016, the District issued Election of 2006 Series 2016 General Obligation Bonds in the amount of \$20,000,000. The bonds were issued as current interest bonds. The bonds were issued to finance the acquisition, modernization, and renovation of District facilities, to refund the 2009 certificates of participation, and to pay the cost of the issuance associated with the issuance of the bonds. The bonds bear interest rates of 3.00% to 5.00%. At June 30, 2025, the principal balance outstanding was \$19,130,000. Unamortized premium received on issuance of the bonds amounted to \$1,113,506 as of June 30, 2025.

In June 2016, voters authorized a total of \$230,000,000 in general obligation bonds. In April 2017, the District issued Election of 2016 Series 2017 General Obligation Bonds in the amount of \$50,000,000. The bonds were issued as current interest bonds. The bonds were issued to finance the acquisition, modernization, and renovation of District facilities. The bonds bear interest rates of 2.00% to 5.00%. At June 30, 2025, the principal balance outstanding was \$36,835,000. Unamortized premium received on issuance of the bonds amounted to \$2,515,316 as of June 30, 2025.

In August 2019, the District issued Election of 2016 Series 2019 General Obligation Bonds in the amount of \$85,000,000. The bonds were issued as current interest bonds. The bonds were issued to finance the acquisition, modernization, and renovation of District facilities. The bonds bear interest rates of 3.00% to 5.00%. At June 30, 2025, the principal balance outstanding was \$71,455,000. Unamortized premium received on issuance of the bonds amounted to \$3,698,274 as of June 30, 2025.

In November 2019, the District issued the 2019 General Obligation Refunding Bonds in the amount of \$34,400,000. The bonds have a final maturity to occur on August 1, 2039, with interest rates from 1.787% to 3.046%. The net proceeds of \$34,400,000 from the issuance were used to advance refund a portion of the District's outstanding 2006 General Obligation Bonds, Series 2012 maturing on August 1, 2012 through and including August 1, 2042, and to pay the cost of the issuance associated with the refunding bonds. Amounts paid to the refunded bond escrow agent in excess of outstanding debt at the time of payment are recorded as deferred charges on refunding on the Statement of Net Position and are amortized to interest expense over the life of the liability. At June 30, 2025, the principal balance outstanding was \$30,235,000.

In May 2021, the District issued the 2021 General Obligation Refunding Bonds in the amount of \$41,475,000. The bonds have a final maturity to occur on August 1, 2038, with interest rates from 0.157% to 2.621%. The net proceeds of \$41,475,000 from the issuance were used to advance refund a portion of the District's outstanding 2013 General Obligation Refunding Bonds and 2014 General Obligation Bonds, and to pay the cost of the issuance associated with the refunding bonds. Amounts paid to the refunded bond escrow agent in excess of outstanding debt at the time of payment are recorded as deferred charges on refunding on the Statement of Net Position and are amortized to interest expense over the life of the liability. At June 30, 2025, the principal balance outstanding was \$34,360,000.

In October 2022, the District issued Election of 2016 Series 2022 General Obligation Bonds in the amount of \$70,000,000. The bonds were issued as current interest bonds. The bonds were issued to finance the acquisition, modernization, and renovation of District facilities. The bonds bear an interest rate of 5.00%. At June 30, 2025, the principal balance outstanding was \$69,850,000. Unamortized premium received on issuance of the bonds amounted to \$5,540,565.

**Debt Maturity**

The outstanding general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2024	Accreted Interest	Redeemed	Bonds Outstanding June 30, 2025
2003	08/01/28	1.05%-5.60%	\$ 17,498,982	\$ 10,260,088	\$ 529,218	\$ (1,890,000)	\$ 8,899,306
2005	08/01/30	3.00%-5.00%	42,981,087	10,823,131	673,931	-	11,497,062
2012	08/01/42	2.00%-5.00%	35,000,000	1,360,000	-	-	1,360,000
2014	08/01/39	2.00%-5.00%	25,000,000	5,770,000	-	(495,000)	5,275,000
2016	08/01/46	2.00%-5.00%	94,050,000	84,180,000	-	(85,000)	84,095,000
2016	08/01/46	3.00%-5.00%	20,000,000	19,225,000	-	(95,000)	19,130,000
2017	08/01/47	2.00%-5.00%	50,000,000	37,290,000	-	(455,000)	36,835,000
2019	08/01/49	3.00%-5.00%	85,000,000	75,125,000	-	(3,670,000)	71,455,000
2019	08/01/39	1.787%-3.046%	34,400,000	31,325,000	-	(1,090,000)	30,235,000
2021	08/01/38	0.157%-2.621%	41,475,000	38,970,000	-	(4,610,000)	34,360,000
2022	08/01/48	5.00%	70,000,000	70,000,000	-	(150,000)	69,850,000
				<u>\$ 384,328,219</u>	<u>\$ 1,203,149</u>	<u>\$ (12,540,000)</u>	<u>\$ 372,991,368</u>

**Debt Service Requirements to Maturity**

The bonds mature through fiscal year 2050 as follows:

Fiscal Year	Principal (Including accreted interest to date)	Accreted Interest	Current Interest to Maturity	Total
2026	\$ 10,215,871	\$ 54,129	\$ 12,979,967	\$ 23,249,967
2027	9,914,221	165,779	12,824,655	22,904,655
2028	10,475,342	374,658	12,653,600	23,503,600
2029	11,938,871	536,129	12,434,970	24,909,970
2030	12,445,901	1,564,099	12,197,464	26,207,464
2031-2035	53,111,162	2,603,838	56,623,898	112,338,898
2036-2040	79,760,000	-	45,535,899	125,295,899
2041-2045	93,225,000	-	29,145,369	122,370,369
2046-2050	91,905,000	-	7,592,106	99,497,106
<b>Total</b>	<b>\$ 372,991,368</b>	<b>\$ 5,298,632</b>	<b>\$ 201,987,928</b>	<b>\$ 580,277,928</b>

**Certificates of Participation**

In April 2017, the District issued the 2017 Refunding Certificates of Participation in the amount of \$9,580,000. The certificates have a final maturity to occur on August 1, 2031, with interest rates from 2.00% to 5.00%. The net proceeds of the certificates were used to currently refund the outstanding 2006 Certificates of Participation and to pay the cost of issuance associated with the refunding certificates. At June 30, 2025, the principal balance outstanding was \$4,055,000. Unamortized premium received on issuance of the certificates amounted to \$457,799 as of June 30, 2025.

The certificates mature through fiscal year 2032 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2026	\$ 660,000	\$ 161,456	\$ 821,456
2027	685,000	127,831	812,831
2028	710,000	92,956	802,956
2029	745,000	56,581	801,581
2030	775,000	26,331	801,331
2031-2032	480,000	15,010	495,010
<b>Total</b>	<b>\$ 4,055,000</b>	<b>\$ 480,165</b>	<b>\$ 4,535,165</b>

**Leases**

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

Leases	Balance, July 1, 2024	Additions	Deductions	Balance, June 30, 2025
Copier Lease	\$ 4,814	\$ -	\$ (4,814)	\$ -
Building Lease	146,687	733,395	(243,547)	636,535
Total	<u>\$ 151,501</u>	<u>\$ 733,395</u>	<u>\$ (248,361)</u>	<u>\$ 636,535</u>

**Copier Lease**

The District entered an agreement to lease copiers for five years, beginning June 2019. Under the terms of the lease, the District paid the monthly payments of \$4,833. The annual interest rate charged on the lease is 4.84%. At June 30, 2025, the copier lease ended and was not renewed. During the year, the District recorded \$4,481 in amortization expense and \$19 in interest expense for the right to use of the copiers.

**Building Lease**

The District entered an agreement to lease building space for 36 months, beginning February 2022. The lease terminates January 2028. Under the terms of the lease, the District pays a monthly base fee of \$20,950, increasing 2.0% annually on the anniversary of the agreement. At June 30, 2025, the District has recognized a right to use asset of \$631,535, net of accumulated amortization and a lease liability of \$636,535 related to this agreement. During the year, the District recorded \$238,263 in amortization expense and \$10,034 in interest expense for the right to use the building space. The District used a discount rate of 3.46%, based on the agreement.

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

Fiscal Year	Principal	Interest	Total
2026	\$ 235,037	\$ 18,340	\$ 253,377
2027	249,356	9,994	259,350
2028	152,142	1,760	153,902
Total	<u>\$ 636,535</u>	<u>\$ 30,094</u>	<u>\$ 666,629</u>

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

The District entered into SBITAs for the use of various software. The District is required to make annual principal and interest payments between \$1,300 and \$98,989 through 2029. The subscriptions have an interest rate of 4.37%. At June 30, 2025, the District has recognized a right-to-use subscriptions IT asset of \$1,096,489, net of accumulated amortization and a SBITA liability of \$1,136,726 related to these agreements. During the year, the District recorded \$577,779 in amortization expense and \$1,608 in interest expense.

Santa Clarita Community College District

Notes to Financial Statements

June 30, 2025

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 500,483	\$ 47,033	\$ 547,516
2027	465,570	27,417	492,987
2028	158,924	7,276	166,200
2029	11,749	323	12,072
<b>Total</b>	<b><u><u>\$ 1,136,726</u></u></b>	<b><u><u>\$ 82,049</u></u></b>	<b><u><u>\$ 1,218,775</u></u></b>

**Early Retirement Plan**

The District has entered into two agreements to provide certain benefits to employees participating in the early retirement incentive program. The District will pay a total of \$6,100,914 on behalf of the retirees over the next five years in accordance with the following schedule:

<u>Fiscal Year</u>	
2026	\$ 2,126,482
2027	1,585,809
2028	1,241,095
2029	975,785
2030	171,743
<b>Total</b>	<b><u><u>\$ 6,100,914</u></u></b>

**Other Long Term Liability**

The District approved a memorandum of understanding related to a settlement. The liability is to be paid out in equal instalments over two years.

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

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

<u>OPEB Plan</u>	<u>Aggregate Net OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>OPEB Expense</u>
District Plan	\$ 16,970,195	\$ 1,918,849	\$ 5,926,481	\$ 412,681
Medicare Premium Payment (MPP) Program	285,424	-	-	(4,642)
<b>Total</b>	<b><u><u>\$ 17,255,619</u></u></b>	<b><u><u>\$ 1,918,849</u></u></b>	<b><u><u>\$ 5,926,481</u></u></b>	<b><u><u>\$ 408,039</u></u></b>

The details of each plan are as follows:

**District Plan**

**Plan Administration**

The District’s governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Management of the Plan is vested in the District management.

**Plan Membership**

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

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

**Benefits Provided**

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

The benefit payment requirements of the Plan members and the District are established and may be amended by the District and the District’s bargaining units. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District and the District’s bargaining units. For the measurement period of June 30, 2025, the District paid \$563,265 in benefits, of which \$478,812 was used for current premiums and \$84,453 was associated with the implicit rate subsidy.

**Total OPEB Liability of the District**

The District’s total OPEB liability of \$16,970,195 was measured as of June 30, 2025, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of June 30, 2024.

**Actuarial Assumptions**

The total OPEB liability as of June 30, 2025 was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2024 and rolling forward the total OPEB liability to June 30, 2025. The following assumptions were applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary increases	2.75 percent
Discount rate	5.20 percent
Healthcare cost trend rates	4.00 percent

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

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

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actual experience study as of June 2024.

**Changes in the Total OPEB Liability**

	<u>Total OPEB Liability</u>
Balance, June 30, 2024	<u>\$ 18,857,671</u>
Service cost	784,348
Interest	745,451
Changes of assumptions	(2,854,010)
Benefit payments	<u>(563,265)</u>
Net change in total OPEB liability	<u>(1,887,476)</u>
Balance, June 30, 2025	<u><u>\$ 16,970,195</u></u>

There were no changes in the benefit terms since the previous valuation. Changes of assumptions and other inputs reflect a change in discount rate from 3.93% to 5.20% since the previous valuation.

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

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

<u>Discount Rate</u>	<u>Total OPEB Liability</u>
1% decrease (4.20%)	\$ 19,186,197
Current discount rate (5.20%)	16,970,195
1% increase (6.20%)	15,278,478

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

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

<u>Healthcare Cost Trend Rate</u>	<u>Total OPEB Liability</u>
1% decrease (3.00%)	\$ 15,719,003
Current healthcare cost trend rate (4.00%)	16,970,195
1% increase (5.00%)	18,203,554

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 499,358	\$ 836,160
Changes of assumptions	<u>1,419,491</u>	<u>5,090,321</u>
Total	<u>\$ 1,918,849</u>	<u>\$ 5,926,481</u>

The deferred outflows/inflows of resources related to the differences between expected and actual experience in the measurement of the total OPEB liability and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits as of the beginning of the measurement period. The EARSL for the measurement period is 8.8 years and will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (553,853)
2027	(553,853)
2028	(585,171)
2029	(772,222)
2030	(730,459)
Thereafter	(812,074)
Total	<u>\$ (4,007,632)</u>

**Medicare Premium Payment (MPP) Program**

**Plan Description**

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

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

**Benefits Provided**

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

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

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

**Net OPEB Liability and OPEB Expense**

At June 30, 2025, the District reported a liability of \$285,424 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The District’s proportion of the net OPEB liability was based on a projection of the District’s long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating entities, actuarially determined. The District’s proportionate share for the measurement periods of June 30, 2024 and June 30, 2023, was 0.1071% and 0.0956%, respectively, resulting in a net increase in the proportionate share of 0.0115%.

For the year ended June 30, 2025, the District recognized OPEB expense of \$(4,642).

**Actuarial Methods and Assumptions**

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

Measurement Date	June 30, 2024	June 30, 2023
Valuation Date	June 30, 2023	June 30, 2022
Experience Study	July 1, 2007 through June 30, 2022	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.93%	3.65%
Medicare Part A Premium Cost Trend Rate	5.00%	4.50%
Medicare Part B Premium Cost Trend Rate	6.50%	5.40%

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

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

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

**Discount Rate**

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

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

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

<u>Discount Rate</u>	<u>Net OPEB Liability</u>
1% decrease (2.93%)	\$ 307,966
Current discount rate (3.93%)	285,424
1% increase (4.93%)	265,603

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

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

<u>Medicare Costs Trend Rates</u>	<u>Net OPEB Liability</u>
1% decrease (4.00% Part A and 5.50% Part B)	\$ 264,415
Current Medicare costs trend rates (5.00% Part A and 6.50% Part B)	285,424
1% increase (6.00% Part A and 7.50% Part B)	308,880

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

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

**Joint Powers Authority Risk Pools**

During fiscal year ended June 30, 2025, the District contracted with the Statewide Association of Community Colleges (SWACC)/Schools Association for Excess Risk (SAFER) Joint Powers Authority for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

**Workers' Compensation**

For fiscal year 2025, the District participated in the Protected Insurance Program for Schools (PIPS) Joint Powers Authority (JPA), an insurance purchasing pool. The intent of the JPA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the JPA. The workers' compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in the JPA. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated, and each participant's individual performance is compared to the overall saving. A participant will then either receive money from or be required to contribute to the "equity-pooling fund". This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the JPA. Participation in the JPA is limited to community college districts that can meet the JPA's selection criteria.

**Note 10 - Employee Retirement Systems**

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

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

Pension Plan	Aggregate Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	\$ 49,300,180	\$ 23,460,964	\$ 7,613,391	\$ 6,078,159
CalPERS	77,024,299	23,065,706	2,149,746	12,058,470
Total	<u>\$ 126,324,479</u>	<u>\$ 46,526,670</u>	<u>\$ 9,763,137</u>	<u>\$ 18,136,629</u>

The details of each plan are as follows:

**California State Teachers’ Retirement System (CalSTRS)**

**Plan Description**

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023, 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/forms-publications>.

**Benefits Provided**

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

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

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

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

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

**Contributions**

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and are detailed in Teachers’ Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with California Assembly Bill 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2025, are presented above and the District’s total contributions were \$9,686,710.

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

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

Total net pension liability, including State share:

District's proportionate share of net pension liability	\$ 49,300,180
State's proportionate share of net pension liability associated with the District	<u>22,619,092</u>
<b>Total</b>	<b><u><u>\$ 71,919,272</u></u></b>

The net pension liability was measured as of June 30, 2024. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating member districts and the State, actuarially determined. The District’s proportionate share for the measurement periods of June 30, 2024 and June 30, 2023, was 0.0734% and 0.0646%, respectively, resulting in a net increase in the proportionate share of 0.0088%.

Santa Clarita Community College District

Notes to Financial Statements

June 30, 2025

For the year ended June 30, 2025, the District recognized pension expense of \$6,078,159. In addition, the District recognized pension expense and revenue of \$2,059,204 for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 9,686,710	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	7,981,962	1,891,567
Differences between projected and actual earnings on pension plan investments	-	198,924
Differences between expected and actual experience in the measurement of the total pension liability	5,576,485	2,155,869
Changes of assumptions	215,807	3,367,031
Total	\$ 23,460,964	\$ 7,613,391

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources	
2026	\$ (3,304,944)	
2027	3,980,380	
2028	(324,750)	
2029	(549,610)	
Total	\$ (198,924)	-

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

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2026	\$ 895,746
2027	1,106,059
2028	1,003,855
2029	959,006
2030	1,603,017
Thereafter	<u>792,104</u>
Total	<u>\$ 6,359,787</u>

**Actuarial Methods and Assumptions**

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2024 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. The assumed asset allocation and best estimates of the expected rates of return for each major asset class for the year ended June 30, 2024, are summarized in the following table:

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

**Discount Rate**

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

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	\$ 87,688,889
Current discount rate (7.10%)	49,300,180
1% increase (8.10%)	17,244,016

**California Public Employees’ Retirement System (CalPERS)**

**Plan Description**

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

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

**Benefits Provided**

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

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

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

**Contributions**

Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2025, are presented above, and the total District contributions were \$11,814,825.

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

As of June 30, 2025, the District reported a net pension liability for its proportionate share of the CalPERS net pension liability totaling \$77,024,299. The net pension liability was measured as of June 30, 2024. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating member districts, actuarially determined. The District’s proportionate share for the measurement periods of June 30, 2024 and June 30, 2023, was 0.2155% and 0.2163%, respectively, resulting in a net decrease in the proportionate share of 0.0008%.

For the year ended June 30, 2025, the District recognized pension expense of \$12,058,470. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 11,814,825	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	99,072	1,598,486
Differences between projected and actual earnings on pension plan investments	2,991,950	-
Differences between expected and actual experience in the measurement of the total pension liability	6,457,362	551,260
Changes of assumptions	<u>1,702,497</u>	<u>-</u>
Total	<u>\$ 23,065,706</u>	<u>\$ 2,149,746</u>

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

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

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2026	\$ (25,792)
2027	4,651,801
2028	(687,360)
2029	<u>(946,699)</u>
Total	<u>\$ 2,991,950</u>

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

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2026	\$ 2,770,216
2027	1,867,471
2028	<u>1,471,498</u>
Total	<u>\$ 6,109,185</u>

**Actuarial Methods and Assumptions**

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

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

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

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

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

**Discount Rate**

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

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

<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease (5.90%)	\$ 114,420,239
Current discount rate (6.90%)	77,024,299
1% increase (7.90%)	46,132,276

**On Behalf Payments**

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$4,567,271 (10.828% of annual payroll). Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

**Deferred Compensation**

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

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

**Social Security**

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

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

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

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

During the year ended June 30, 2025, the District made payments of \$2,421,244, \$970,865, \$177,034, \$24,862, and \$200,582 to PIPS, SWACC/SAFER, ACSIG/Edge, ACSIG, and SISC JPAs, respectively.

**Note 12 - Commitments and Contingencies**

**Grants**

The District receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2025.

**Litigation**

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

**Construction Commitments**

As of June 30, 2025, the District had the following commitments with respect to the unfinished capital projects:

Capital Project	Remaining Construction Commitment	Expected Date of Completion
ATC - Valencia	\$ 4,245,750	June 30, 2027
CCC - Health and Natural Sciences	583,050	To Be Determined
Allied Health SIM Lab	132,650	January 31, 2026
ADA Transition Plan - Phase 3	5,000	To Be Determined
Boykin Hall Modernization Phase 2	5,479	November 30, 2025
Valencia Student Center Remodel	1,444,924	June 30, 2028
Lot 6 Water Line Project	214,559	March 31, 2026
<b>Total</b>	<b>\$ 6,631,412</b>	

**Note 13 - Restatement**

**Change in Accounting Principle**

As of June 30, 2025, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provide guidance for a consistent recognition and measurement of the compensated absence liability. Therefore, the current and noncurrent portions of compensated absences were increased by \$6,214,458 and \$24,362,551, respectively, as of July 1, 2024. The effect of this change in accounting principle is described in the following table below:

Primary Government	
Net Position - Beginning, as previously reported on July 1, 2024	\$ (14,907,220)
Change in accounting principle - adoption of GASB Statement No. 101	<u>(30,577,009)</u>
Net Position - Beginning, as restated on July 1, 2024	<u><u>\$ (45,484,229)</u></u>

Required Supplementary Information  
June 30, 2025

**Santa Clarita  
Community College District**

Santa Clarita Community College District  
Schedule of Changes in the District's Total OPEB Liability and Related Ratios  
Year Ended June 30, 2025

	2025	2024	2023	2022
Total OPEB Liability				
Service cost	\$ 784,348	\$ 814,515	\$ 871,560	\$ 1,056,868
Interest	745,451	640,130	600,810	405,066
Changes of benefit terms	-	-	-	2,294,686
Difference between expected and actual experience	-	533,008	-	(1,476,057)
Changes of assumptions	(2,854,010)	49,238	(253,756)	(3,402,204)
Benefit payments	(563,265)	(619,524)	(629,147)	(504,245)
Net change in total OPEB liability	(1,887,476)	1,417,367	589,467	(1,625,886)
Total OPEB Liability - Beginning	18,857,671	17,440,304	16,850,837	18,476,723
Total OPEB Liability - Ending	<u>\$ 16,970,195</u>	<u>\$ 18,857,671</u>	<u>\$ 17,440,304</u>	<u>\$ 16,850,837</u>
Covered Payroll	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
Total OPEB Liability as a Percentage of Covered Payroll	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
Measurement Date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022

<sup>1</sup> The OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay; therefore, no measure of payroll is presented.

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

Santa Clarita Community College District  
Schedule of Changes in the District's Total OPEB Liability and Related Ratios  
Year Ended June 30, 2025

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 872,725	\$ 597,864	\$ 436,238	\$ 413,136
Interest	421,223	326,477	492,562	471,671
Changes of benefit terms	-	-	747,173	-
Difference between expected and actual experience	209,005	(20,174)	(93,026)	-
Changes of assumptions	(1,284,364)	3,407,347	583,618	-
Benefit payments	(424,617)	(359,582)	(359,582)	(346,593)
Net change in total OPEB liability	(206,028)	3,951,932	1,806,983	538,214
Total OPEB Liability - Beginning	18,682,751	14,730,819	12,923,836	12,385,622
Total OPEB Liability - Ending	<u>\$ 18,476,723</u>	<u>\$ 18,682,751</u>	<u>\$ 14,730,819</u>	<u>\$ 12,923,836</u>
Covered Payroll	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
Total OPEB Liability as a Percentage of Covered Payroll	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018

<sup>1</sup> The OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay; therefore, no measure of payroll is presented.

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

Santa Clarita Community College District  
Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program  
Year Ended June 30, 2025

	2025	2024	2023	2022
Year ended June 30,				
Proportion of the net OPEB liability	0.1071%	0.0956%	0.0980%	0.1036%
Proportionate share of the net OPEB liability	\$ 285,424	\$ 290,066	\$ 322,828	\$ 413,298
Covered payroll	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
Plan fiduciary net position as a percentage of the total OPEB liability	(1.02%)	(0.96%)	(0.94%)	(0.80%)
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
	2021	2020	2019	2018
Year ended June 30,				
Proportion of the net OPEB liability	0.1135%	0.1146%	0.1115%	0.1049%
Proportionate share of the net OPEB liability	\$ 480,893	\$ 426,830	\$ 426,876	\$ 441,354
Covered payroll	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
Plan fiduciary net position as a percentage of the total OPEB liability	(0.71%)	(0.81%)	(0.40%)	0.01%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

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

Santa Clarita Community College District  
Schedule of the District's Proportionate Share of the Net Pension Liability  
Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>CalSTRS</b>					
Proportion of the net pension liability	<u>0.0734%</u>	<u>0.0646%</u>	<u>0.0653%</u>	<u>0.0689%</u>	<u>0.0651%</u>
Proportionate share of the net pension liability	<u>\$ 49,300,180</u>	<u>\$ 49,221,601</u>	<u>\$ 45,374,105</u>	<u>\$ 31,370,447</u>	<u>\$ 63,110,962</u>
State's proportionate share of the net pension liability associated with the District	<u>22,619,092</u>	<u>23,583,453</u>	<u>22,723,174</u>	<u>15,784,392</u>	<u>32,533,709</u>
Total	<u>\$ 71,919,272</u>	<u>\$ 72,805,054</u>	<u>\$ 68,097,279</u>	<u>\$ 47,154,839</u>	<u>\$ 95,644,671</u>
Covered payroll	<u>\$ 52,350,387</u>	<u>\$ 44,365,937</u>	<u>\$ 40,502,258</u>	<u>\$ 40,361,901</u>	<u>\$ 39,503,526</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>94.17%</u>	<u>110.94%</u>	<u>112.03%</u>	<u>77.72%</u>	<u>159.76%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>84%</u>	<u>81%</u>	<u>81%</u>	<u>87%</u>	<u>72%</u>
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
<b>CalPERS</b>					
Proportion of the net pension liability	<u>0.2155%</u>	<u>0.2163%</u>	<u>0.2266%</u>	<u>0.2310%</u>	<u>0.2346%</u>
Proportionate share of the net pension liability	<u>\$ 77,024,299</u>	<u>\$ 78,314,319</u>	<u>\$ 77,965,414</u>	<u>\$ 46,967,637</u>	<u>\$ 71,990,579</u>
Covered payroll	<u>\$ 43,932,001</u>	<u>\$ 38,205,112</u>	<u>\$ 34,775,740</u>	<u>\$ 33,204,618</u>	<u>\$ 33,798,403</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>175.33%</u>	<u>204.98%</u>	<u>224.19%</u>	<u>141.45%</u>	<u>213.00%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>72%</u>	<u>70%</u>	<u>70%</u>	<u>81%</u>	<u>70%</u>
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020

Santa Clarita Community College District  
Schedule of the District's Proportionate Share of the Net Pension Liability  
Year Ended June 30, 2025

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>CalSTRS</b>					
Proportion of the net pension liability	0.0648%	0.0657%	0.0616%	0.0643%	0.0644%
Proportionate share of the net pension liability	\$ 58,517,112	\$ 60,375,178	\$ 56,994,059	\$ 52,007,869	\$ 43,356,157
State's proportionate share of the net pension liability associated with the District	31,924,991	34,567,613	33,717,204	29,607,152	22,930,627
Total	<u>\$ 90,442,103</u>	<u>\$ 94,942,791</u>	<u>\$ 90,711,263</u>	<u>\$ 81,615,021</u>	<u>\$ 66,286,784</u>
Covered payroll	<u>\$ 38,629,263</u>	<u>\$ 36,652,349</u>	<u>\$ 32,921,367</u>	<u>\$ 31,151,911</u>	<u>\$ 25,442,973</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>151.48%</u>	<u>164.72%</u>	<u>173.12%</u>	<u>166.95%</u>	<u>170.41%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>73%</u>	<u>71%</u>	<u>69%</u>	<u>70%</u>	<u>74%</u>
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
<b>CalPERS</b>					
Proportion of the net pension liability	0.2297%	0.2153%	0.2153%	0.2101%	0.2102%
Proportionate share of the net pension liability	<u>\$ 66,955,435</u>	<u>\$ 57,407,934</u>	<u>\$ 51,396,096</u>	<u>\$ 41,487,302</u>	<u>\$ 30,976,787</u>
Covered payroll	<u>\$ 31,869,068</u>	<u>\$ 29,121,280</u>	<u>\$ 28,198,934</u>	<u>\$ 24,896,193</u>	<u>\$ 21,783,893</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>210.10%</u>	<u>197.13%</u>	<u>182.26%</u>	<u>166.64%</u>	<u>142.20%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>70%</u>	<u>71%</u>	<u>72%</u>	<u>74%</u>	<u>79%</u>
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015

Santa Clarita Community College District  
Schedule of the District's Contributions for Pensions  
Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>CalSTRS</b>					
Contractually required contribution	\$ 9,686,710	\$ 9,998,924	\$ 8,473,894	\$ 6,852,982	\$ 6,518,447
Contributions in relation to the contractually required contribution	<u>(9,686,710)</u>	<u>(9,998,924)</u>	<u>(8,473,894)</u>	<u>(6,852,982)</u>	<u>(6,518,447)</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered payroll	<u>\$ 50,715,759</u>	<u>\$ 52,350,387</u>	<u>\$ 44,365,937</u>	<u>\$ 40,502,258</u>	<u>\$ 40,361,901</u>
Contributions as a percentage of covered payroll	<u>19.10%</u>	<u>19.10%</u>	<u>19.10%</u>	<u>16.92%</u>	<u>16.15%</u>
<b>CalPERS</b>					
Contractually required contribution	\$ 11,814,825	\$ 11,721,058	\$ 9,692,637	\$ 7,967,122	\$ 6,873,356
Contributions in relation to the contractually required contribution	<u>(11,814,825)</u>	<u>(11,721,058)</u>	<u>(9,692,637)</u>	<u>(7,967,122)</u>	<u>(6,873,356)</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered payroll	<u>\$ 43,677,726</u>	<u>\$ 43,932,001</u>	<u>\$ 38,205,112</u>	<u>\$ 34,775,740</u>	<u>\$ 33,204,618</u>
Contributions as a percentage of covered payroll	<u>27.050%</u>	<u>26.680%</u>	<u>25.370%</u>	<u>22.910%</u>	<u>20.700%</u>

Santa Clarita Community College District  
Schedule of the District's Contributions for Pensions  
Year Ended June 30, 2025

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>CalSTRS</b>					
Contractually required contribution	\$ 6,755,103	\$ 6,288,844	\$ 5,288,934	\$ 4,141,508	\$ 3,342,600
Contributions in relation to the contractually required contribution	<u>(6,755,103)</u>	<u>(6,288,844)</u>	<u>(5,288,934)</u>	<u>(4,141,508)</u>	<u>(3,342,600)</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered payroll	<u>\$ 39,503,526</u>	<u>\$ 38,629,263</u>	<u>\$ 36,652,349</u>	<u>\$ 32,921,367</u>	<u>\$ 31,151,911</u>
Contributions as a percentage of covered payroll	<u>17.10%</u>	<u>16.28%</u>	<u>14.43%</u>	<u>12.58%</u>	<u>10.73%</u>
<b>CalPERS</b>					
Contractually required contribution	\$ 6,665,383	\$ 5,756,191	\$ 4,522,826	\$ 3,916,268	\$ 2,949,452
Contributions in relation to the contractually required contribution	<u>(6,665,383)</u>	<u>(5,756,191)</u>	<u>(4,522,826)</u>	<u>(3,916,268)</u>	<u>(2,949,452)</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered payroll	<u>\$ 33,798,403</u>	<u>\$ 31,869,068</u>	<u>\$ 29,121,280</u>	<u>\$ 28,198,934</u>	<u>\$ 24,896,193</u>
Contributions as a percentage of covered payroll	<u>19.721%</u>	<u>18.062%</u>	<u>15.531%</u>	<u>13.888%</u>	<u>11.847%</u>

**Note 1 - Purpose of Schedules****Schedule of Changes in the District's Total OPEB Liability and Related Ratios**

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

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

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

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

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

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

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

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

**Schedule of District Contributions for Pensions**

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

Supplementary Information  
June 30, 2025

**Santa Clarita  
Community College District**

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

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

Member	Office	Term Expires
Sharlene Johnson	President	2028
Fred Arnold	Vice President	2028
Darlene Trevino	Clerk	2026
Edel Alonso	Member	2028
Dr. Carlos Guerrero	Member	2026

**Administration as of June 30, 2025**

David Andrus	Interim Superintendent/President
Jasmine Ruys	Assistant Superintendent/Vice President, Student Services
Omar Torres	Assistant Superintendent/Vice President, Instruction
Jason Hinkle	Interim Assistant Superintendent/Vice President, Business Services
Rian Medlin	Assistant Superintendent/Vice President, Human Resources
Erin Tague	Assistant Superintendent/Vice President, Facilities Planning, Operations, and Construction
Eric Harnish	Vice President, Public Information, Advocacy, and External Relations

**Auxiliary Organizations in Good Standing**

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

Santa Clarita Community College District  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Passed through California Department of Social Services Child and Adult Care Food Program	10.558	[1]	\$ 17,221
Passed through Los Angeles County Office of Education Schools and Roads Cluster Forest Reserve	10.665	[1]	<u>21,766</u>
Subtotal Schools and Roads Cluster			<u>21,766</u>
Supplemental Nutrition Assistance Program (SNAP) Cluster			
Passed through Chico State Enterprises State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	A-22-0055-S038	<u>17,132</u>
Subtotal SNAP Cluster			<u>17,132</u>
Total U.S. Department of Agriculture			<u>56,119</u>
Research and Development Cluster			
National Science Foundation			
Welding Education Smart Technology Program	47.076		107,420
RCN-UBE: The BUZZ: Engaging Community College Students in Native Bee Biodiversity Research	47.076		111,860
Improving Educational Outcomes at Two-year Colleges through Mentorships, Support Services, and Equitable Classroom Practices	47.076		256,051
Passed through Madison Area Technical College CREATE: Energy National Center	47.076	2201631	382,212
Passed through from Lorain County Community College Enhancing Welding Technician Education through the Continuation of the National Center of Welding Education as a Resource Center	47.076	2000539	11,000
The National Welding Hub for Advanced Welding Process and Training	47.076	2436592	8,622
Passed through Tunxis Community College Advanced Technology Education Grant for the National Center for Next Generations Manufacturing	47.076	COT-JB2359-2	<u>22,724</u>
Subtotal National Science Foundation			<u>899,889</u>
National Aeronautics and Space Administration (NASA)			
DEIA In Action: Engaging Under-Represented Populations through Community College Participation in NASA's Student-Oriented Sub-Orbital Flight Programs	43.001		35,531
NASA Next Level	43.001		<u>130,459</u>
Subtotal National Aeronautics and Space Administration (NASA)			<u>165,990</u>
Total Research and Development Cluster			<u>1,065,879</u>
Small Business Administration			
Passed through Long Beach City Community College District			
Small Business Development Centers	59.037	CN 99881.5	185,344
Small Business Development Centers	59.037	CN 99280	<u>76,833</u>
Total Small Business Administration			<u>262,177</u>

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

Santa Clarita Community College District  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of the Treasury			
Passed through Long Beach City Community College District COVID-19: State Small Business Credit Initiative Technical Assistance Grant Program	21.031	CN 990123	\$ 14,715
Passed through County of Los Angeles Department of Economic Opportunity COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	ARP-EMI-05	<u>287,726</u>
Total U.S. Department of the Treasury			<u>302,441</u>
U.S. Department of Education			
Student Financial Assistance Cluster			
Federal Pell Grant Program	84.063		18,870,734
Federal Pell Grant Program Administrative Allowance	84.063		22,135
Federal Direct Student Loans	84.268		1,628,326
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		499,992
Federal Work-Study Program	84.033		407,850
Federal Work-Study Program Administrative Allowance	84.033		<u>60,523</u>
Subtotal Student Financial Assistance Cluster			<u>21,489,560</u>
TRIO Cluster			
Upward Bound - Veterans	84.047V		<u>266,577</u>
Subtotal TRIO Cluster			<u>266,577</u>
A Comprehensive Approach to Improving Latinx Student Access, Engagement and Success	84.031S		538,904
Passed through The University Corporation - CSUN Strengthening Equitable Culturally Responsive Environments (SECURE) for Student Success: Using a Servingness Model to Support Hispanic and Underrepresented Students	84.031S	A24-0022-S001	<u>26,979</u>
Subtotal			<u>565,883</u>
Child Care Access Means Parents in School (CCAMPIS)	84.335A		313,949
Passed through California Community Colleges Chancellor's Office Career and Technical Education Act (CTEA), Title I, Part C Perkins V Reserve Innovation Grant	84.048A 84.048	24-C01-660 G0330	556,708 <u>12,973</u>
Subtotal			<u>569,681</u>
College of the Canyons Application for Congressionally Directed Awards - Advanced Technology Center	84.116Z		43,892
Santa Clarita Community College District Application for Congressionally Directed Awards (1 of 2) - Robotic Automation Production Lab and Simulation Center	84.116Z		353,605
Congressionally Directed Awards (2 of 2) - Equipment for Regional Fire Academy	84.116Z		881,593
College of the Canyons: Centers of Excellence for Veterans Student Success (CEVSS) Program	84.116G		<u>153,688</u>
Subtotal			<u>1,432,778</u>
Total U.S. Department of Education			<u>24,638,428</u>

Santa Clarita Community College District  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services			
Passed through California Community Colleges Chancellor's Office Foster and Kinship Care Education	93.658	[1]	\$ 28,578
Child Care and Development Fund (CCDF) Cluster			
Passed through Yosemite Community College District Child Development Training Consortium	93.575	24-25-2888COC	16,100
Passed through California Department of Education Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	13609	2,680
Child Care and Development Block Grant	93.575	15136, 14551, 15557	30,818
Passed through California Department of Social Services			
COVID-19: CA State Preschool Program Reimbursement Rate Supplement AB185	93.575	[1]	5,778
COVID-19: CA State Preschool Program Rate Supplement AB110	93.575	[1]	12,387
COVID-19: CA State Preschool Program ARPA One Time Licensed Site Stipend (Valencia)	93.575	[1]	2,948
COVID-19: CA State Preschool Program ARPA One Time Licensed Site Stipend (CCC)	93.575	[1]	2,578
COVID-19: CA State Preschool Program One Time Stipend	93.575	[1]	<u>58</u>
Subtotal Child Care and Development Fund (CCDF) Cluster			<u>73,347</u>
Passed through California Community Colleges Chancellor's Office			
Temporary Assistance for Needy Families (TANF)	93.558	[1]	53,855
Passed through Los Angeles County Department of Public Social Services			
Temporary Assistance for Needy Families (TANF)	93.558	CCCP21-011	<u>56,802</u>
Subtotal			<u>110,657</u>
Total U.S. Department of Health and Human Services			<u>212,582</u>
U.S. Department of Energy			
Passed through Kern Community College District Central California Industrial Assessment Center (IAC)	81.117	DE-MS0000047	<u>28,930</u>
Total U.S. Department of Energy			<u>28,930</u>
U.S. Department of State			
Passed through Universidad Nacional Autonoma de Honduras (UNAH) English UP UNAH-Pilot Program Project	19.040	SHO80023FR0045	<u>2,150</u>
Total U.S. Department of State			<u>2,150</u>
Total Federal Financial Assistance			<u>\$ 26,568,706</u>

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

Santa Clarita Community College District  
Schedule of Expenditures of State Awards  
Year Ended June 30, 2025

Program	Program Revenues				Total Revenue	Program Expenditures
	Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue		
A2MEND	\$ 13,554	\$ -	\$ -	\$ 7,214	\$ 6,340	\$ 6,340
AANHPI Student Achievement Program	121,222	-	-	120,448	774	774
AANHPI Student Achievement Program prior years	280,297	-	-	276,445	3,852	3,852
AANHPI Student Achievement 1X funds	10,000	-	-	10,000	-	-
ADN Enrollment Growth	96,066	-	-	21,499	74,567	74,567
ADN Enrollment Growth	42,374	-	-	-	42,374	42,374
Allied Health Simulation Lab (College Specific Allocation)	1,000,000	-	-	982,718	17,282	17,282
Apprenticeship Demonstration Pathways	73,256	-	-	63,862	9,394	9,393
Basic Needs Center	484,132	-	-	-	484,132	382,886
Board Financial Assistance Program (BFAP)	836,387	-	-	-	836,387	779,887
CA College Promise AB19	1,687,932	-	-	-	1,687,932	1,706,568
CA Work Opportunities and Responsibilities	371,951	-	-	-	371,951	390,090
Cal Chaffee Grant	165,000	2,500	-	-	167,500	167,500
Cal Grant	2,829,911	68,273	-	-	2,898,184	2,898,184
California Adult Education Plan (CAEP) 23-24	148,323	254	-	-	148,577	148,577
California Adult Education Plan (CAEP) 24-25	400,957	-	-	-	400,957	400,957
California Apprenticeship Initiative New and Innovative Program ECE	-	71,351	-	-	71,351	71,351
Car and Innovative Program ECE	19,416	-	-	17,520	1,896	1,896
CCC eTranscript Mini Grant	1,244	-	-	1,244	-	-
Child Development - Child Nutrition	484	82	-	-	566	567
Child Development - Foster Parent	55,905	-	-	-	55,905	55,905
Child Development - General Childcare & Dev Programs	104,817	-	30,657	-	74,160	74,160
Child Development - State Preschool Contract	265,051	100,722	-	-	365,773	365,773
Closed Caption Grant - Distance Ed - Butte	119,853	-	-	119,853	-	-
Common Course Numbering	913,043	-	-	885,850	27,193	27,193
Cooperative Agency Res for Education (CARE)	169,894	-	-	-	169,894	200,638
COVID-19 Recovery Block Grant	3,699,433	-	-	576,859	3,122,574	3,122,574
Currently & Formerly Incarcerated Student Reentry Program	2,893	-	-	307	2,586	2,586
Culturally Responsive Pedagogy and Practices	153,307	-	-	28,064	125,243	125,242
Disabled Student Programs and Services	1,455,742	-	-	-	1,455,742	1,542,908
Dreamer Resource Liaison 24-25	140,902	-	-	-	140,902	178,613

Santa Clarita Community College District  
Schedule of Expenditures of State Awards  
Year Ended June 30, 2025

Program	Program Revenues				Total Revenue	Program Expenditures
	Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue		
EOO Best Practices	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,471
Employer Engagement	203,233	-	-	174,638	28,595	28,595
Ethnic Studies	48,695	-	-	-	48,695	48,695
Extended Opportunity Program and Services	892,876	-	-	-	892,876	974,822
Financial Aid Technology	64,116	-	-	-	64,116	58,611
Generative AI Professional Development	-	174,512	-	-	174,512	174,512
Guided Pathways	13,405	-	-	8,246	5,159	5,159
Highroad Training Partnership	111,375	108,628	-	-	220,003	220,003
Information Technology & Security	12,823	-	-	4,917	7,906	7,906
Information Technology & Security	175,000	-	-	149,130	25,870	25,870
Information Technology & Security CF	136,229	-	-	-	136,229	136,229
Common Cloud Data Platform	50,000	-	-	50,000	-	-
Information Technology & Security #2	509,594	-	-	450,359	59,235	59,235
Institutional Effectiveness and Technical Assistance (Year 11)	3,000,000	-	-	1,387,131	1,612,869	1,612,869
Institutional Effectiveness and Technical Assistance Carry Forward (Year 10)	1,178,130	2,051,768	-	-	3,229,898	3,229,898
Institutional Effectiveness and Technical Assistance Carry Forward (Year 9)	1,586,940	-	-	-	1,586,940	1,586,940
Institutional Equipment Support Block Grant	-	-	-	-	-	332,970
Institutional Support Services	574,969	-	-	-	574,969	574,969
Institutional Support Services	11,294	-	-	-	11,294	11,294
K-14 TAP Yr 5	54,773	-	-	-	54,773	54,772
K-14 TAP Yr 6	157,500	62,024	-	-	219,524	219,524
LGBTQ+	138,276	-	-	-	138,276	136,836
Library Services Platform	17,861	-	-	17,861	-	-
Mental Health Support	394,515	-	-	188,679	205,836	205,836
Mental Health Support #2	340,386	-	-	-	340,386	340,386
National Associate of Higher Education Systems (NASH)	5,000	-	-	-	5,000	5,000
Native American Student Success and Support Program	1,315,704	-	-	1,071,051	244,653	244,652
NextUp Program	362,960	-	-	-	362,960	547,747
OER Textbook Affordability AB798 #2	18,756	-	-	16,370	2,386	2,386
Pathway to Law	26,996	-	-	-	26,996	26,996
Placement and Completion AB1705	490,679	-	-	332,329	158,350	158,350

See Note to Supplementary Information

Santa Clarita Community College District  
Schedule of Expenditures of State Awards  
Year Ended June 30, 2025

Program	Program Revenues				Total Revenue	Program Expenditures
	Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue		
Program Pathways Mapper	\$ 20,000	\$ -	\$ -	\$ 20,000	\$ -	\$ -
Quality Start (QRIS)	23,774	-	-	-	23,774	23,774
Quality Start (QRIS) Infant Toddler #2	1,000	-	-	-	1,000	1,000
Quality Start (QRIS) Infant Toddler	600	-	-	-	600	600
Quality Start (QRIS) Preschool	3,767	-	-	-	3,767	3,767
Regional Center of Excellence	1,585,824	-	-	1,301,261	284,563	284,563
Rising Scholars	177,480	12,400	-	-	189,880	189,880
SB140 Preschool	83,106	-	-	83,106	-	-
SB140 Preschool One Time	3,000	-	-	3,000	-	-
SB140 Infant Toddler	28,644	-	-	28,644	-	-
SB140 Infant Toddler One Time	3,000	-	-	3,000	-	-
SBDC - GO Biz (CN 99878.6)	26,076	-	-	-	26,076	26,076
SBDC - GO Biz (CN 99875.8)	83,932	-	-	-	83,932	83,932
SBDC - GO Biz (CN 990203)	65,886	208,786	-	-	274,672	274,671
SBDC - GO Biz (CN 990223)	25,337	53,822	-	-	79,159	79,159
Staff Development	-	-	-	-	-	8,635
Staff Diversity	136,986	-	-	-	136,986	127,032
Strong Workforce Carry Forward	397,220	-	-	-	397,220	397,220
Strong Workforce Local Share	1,810,896	-	-	302,668	1,508,228	1,508,228
Strong Workforce Regional Share Round 6 & 9	784,130	-	-	627,020	157,110	157,110
Strong Workforce Regional Share Round 7	124,522	354,250	-	-	478,772	478,772
Strong Workforce Regional Share Rounds 8	691,998	-	-	10,978	681,020	680,947
Student Equity and Achievement Plan 2024-25	5,838,638	-	-	-	5,838,638	5,852,705
Student Food and Housing Support	-	-	-	-	-	362,151
Student Retention and Outreach	846,669	-	-	79,598	767,071	767,071
Student Success - Mesa Grant	419,393	-	-	145,243	274,150	274,150
Student Success - Mesa Grant CR	142,865	-	-	-	142,865	142,865
Student Success - Middle College HS (AOC)	264,368	-	-	178,678	85,690	85,690
Student Success Completion Grant	4,794,007	-	-	-	4,794,007	4,794,007
Student Transfer and Achievement	565,217	-	-	100,628	464,589	464,589
Veterans' Resource Center	135,763	-	-	-	135,763	185,542

See Note to Supplementary Information

Santa Clarita Community College District  
 Schedule of Expenditures of State Awards  
 Year Ended June 30, 2025

Program	Program Revenues				Total Revenue	Program Expenditures
	Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue		
Zero Textbook Cost Program	\$ 18,194	\$ -	\$ -	\$ 18,174	\$ 20	\$ 20
Zero Textbook Cost Program #2	163,313	-	-	152,492	10,821	10,820
Zero Textbook Cost Program Sustainable Design	167,307	-	-	113,217	54,090	54,090
Zero Textbook Cost Program-Land Survey	182,987	-	-	156,468	26,519	26,519
Zero Textbook Cost Program-water System Technology	197,106	-	-	148,720	48,386	48,386
Zero Textbook Cost Program - Impact Path 1	160,000	-	-	160,000	-	-
Zero Textbook Cost Program - Impact Path 2	160,000	-	-	160,000	-	-
Zero Textbook Cost Technical Assistance Provider	939,463	-	-	255,536	683,927	683,927
<b>Total state programs</b>	<b>\$ 48,627,899</b>	<b>\$ 3,269,372</b>	<b>\$ 30,657</b>	<b>\$ 11,011,025</b>	<b>\$ 40,855,589</b>	<b>\$ 41,933,068</b>

Santa Clarita Community College District  
Schedule of Workload Measures for State General Apportionment Annual (Actual) Attendance  
Year Ended June 30, 2025

CATEGORIES	Revised Reported Data**	Audit Adjustments	Audited Data
<b>A. Summer Intersession (Summer 2024 only)</b>			
1. Noncredit*	410.15	-	410.15
2. Credit	467.90	-	467.90
<b>B. Summer Intersession (Summer 2025 - Prior to July 1, 2025)</b>			
1. Noncredit*	34.78	-	34.78
2. Credit	17.92	-	17.92
<b>C. Primary Terms (Exclusive of Summer Intersession)</b>			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	3,956.47	-	3,956.47
(b) Daily Census Contact Hours	1,339.25	-	1,339.25
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit*	677.23	-	677.23
(b) Credit	840.79	-	840.79
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Procedure Courses	2,389.66	-	2,389.66
(b) Daily Census Procedure Courses	3,213.32	-	3,213.32
(c) Noncredit Independent Study/Distance Education Courses	351.62	-	351.62
<b>D. Total FTES</b>	<u>13,699.09</u>	<u>-</u>	<u>13,699.09</u>
<b>SUPPLEMENTAL INFORMATION (Subset of Above Information)</b>			
<b>E. In-Service Training Courses (FTES)</b>	2,056.34	-	2,056.34
<b>F. Basic Skills Courses and Immigrant Education</b>			
1. Noncredit*	218.77	-	218.77
2. Credit	-	-	-
<b>CCFS-320 Addendum</b>			
CDCP Noncredit FTES	420.93	-	420.93
<b>Centers FTES</b>			
1. Noncredit*	23.98	-	23.98
2. Credit	1,093.62	-	1,093.62

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

\*\*Annual report revised as of September 24, 2025.

Santa Clarita Community College District  
Reconciliation of *Education Code* Section 84362 (50% Law) Calculation  
Year Ended June 30, 2025

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Academic Salaries</u>							
Instructional Salaries							
Contract or Regular	1100	\$ 22,907,912	\$ -	\$ 22,907,912	\$ 23,042,453	\$ -	\$ 23,042,453
Other	1300	21,292,805	-	21,292,805	21,318,988	-	21,318,988
Total Instructional Salaries		44,200,717	-	44,200,717	44,361,441	-	44,361,441
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	8,346,287	-	8,346,287
Other	1400	-	-	-	2,001,496	-	2,001,496
Total Noninstructional Salaries		-	-	-	10,347,783	-	10,347,783
Total Academic Salaries		44,200,717	-	44,200,717	54,709,224	-	54,709,224
<u>Classified Salaries</u>							
Noninstructional Salaries							
Regular Status	2100	-	-	-	23,021,858	-	23,021,858
Other	2300	-	-	-	1,142,670	-	1,142,670
Total Noninstructional Salaries		-	-	-	24,164,528	-	24,164,528
Instructional Aides							
Regular Status	2200	2,484,099	-	2,484,099	2,484,099	-	2,484,099
Other	2400	670,671	-	670,671	701,473	-	701,473
Total Instructional Aides		3,154,770	-	3,154,770	3,185,572	-	3,185,572
Total Classified Salaries		3,154,770	-	3,154,770	27,350,100	-	27,350,100
Employee Benefits	3000	17,465,516	-	17,465,516	34,050,654	-	34,050,654
Supplies and Material	4000	-	-	-	581,258	-	581,258
Other Operating Expenses	5000	1,957,277	-	1,957,277	13,782,509	-	13,782,509
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures							
Prior to Exclusions		66,778,280	-	66,778,280	130,473,745	-	130,473,745

Santa Clarita Community College District  
Reconciliation of *Education Code* Section 84362 (50% Law) Calculation  
Year Ended June 30, 2025

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Exclusions</u>							
Activities to Exclude							
Instructional Staff - Retirees' Benefits and Retirement Incentives	5900	\$ 1,534,111	\$ -	\$ 1,534,111	\$ 1,534,111	\$ -	\$ 1,534,111
Student Health Services Above Amount Collected	6441	-	-	-	13,914	-	13,914
Student Transportation	6491	-	-	-	-	-	-
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	6740	-	-	-	1,062,094	-	1,062,094
Objects to Exclude							
Rents and Leases	5060	-	-	-	91,856	-	91,856
Lottery Expenditures							
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines, and Periodicals	4200	-	-	-	-	-	-
Instructional Supplies and Materials	4300	-	-	-	-	-	-
Noninstructional Supplies and Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	-	-	-

Santa Clarita Community College District  
 Reconciliation of *Education Code* Section 84362 (50% Law) Calculation  
 Year Ended June 30, 2025

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Other Operating Expenses and Services	5000	\$ -	\$ -	\$ -	\$ 2,777,239	\$ -	\$ 2,777,239
Capital Outlay	6000						
Library Books	6300	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay		-	-	-	-	-	-
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		1,534,111	-	1,534,111	5,479,214	-	5,479,214
Total for ECS 84362, 50% Law		\$ 65,244,169	\$ -	\$ 65,244,169	\$ 124,994,531	\$ -	\$ 124,994,531
% of CEE (Instructional Salary Cost/Total CEE)		52.20%		52.20%	100.00%		100.00%
50% of Current Expense of Education					\$ 62,497,266		\$ 62,497,266

Santa Clarita Community College District  
 Proposition 30 Education Protection Account (EPA) Expenditure Report  
 Year Ended June 30, 2025

Activity Classification	Object Code				Unrestricted
EPA Revenues:	8630				\$ 26,977,550
Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	1000-5900	\$ 26,977,550	\$ -	\$ -	\$ 26,977,550
Total Expenditures for EPA		\$ 26,977,550	\$ -	\$ -	\$ 26,977,550
Revenues Less Expenditures					\$ -

Santa Clarita Community College District  
Reconciliation of Governmental Funds to the Statement of Net Position  
June 30, 2025

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

Total fund balance and retained earnings		
General Funds	\$ 23,524,725	
Special Revenue Funds	9,652,603	
Capital Project Funds	74,568,470	
Debt Service Funds	18,570,460	
Internal Service Funds	<u>5,017,499</u>	
Total fund balance and retained earnings - all District funds		\$ 131,333,757
Lease receivables and deferred inflows of resources related to leases are reported in the Statement of Net Position, but were not reported in District's CCFS-311 report.		
Lease receivables	529,902	
Deferred inflows of resources related to leases	<u>(488,038)</u>	
		41,864
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	531,651,550	
Accumulated depreciation and amortization is	<u>(154,940,080)</u>	
Total capital assets, net		376,711,470
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the District's funds.		
Deferred outflows of resources at year-end consist of:		
Deferred outflows of resources related to debt refunding	9,548,199	
Deferred outflows of resources related to OPEB	1,918,849	
Deferred outflows of resources related to pensions	<u>46,526,670</u>	
Total deferred outflows of resources		57,993,718
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide statements, unmatured interest on long-term liabilities is recognized when it is incurred.		
		(5,514,897)

Santa Clarita Community College District  
 Reconciliation of Governmental Funds to the Statement of Net Position  
 June 30, 2025

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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.

Long-term liabilities at year end consist of:

General obligation bonds and associated premiums	\$(378,910,261)	
Certificates of participation and associated premiums	(4,512,799)	
Leases	(636,535)	
Subscription-based IT arrangements	(1,136,726)	
Compensated absences	(34,307,474)	
Early retirement plan	(6,100,914)	
Other long term liability	(2,000,000)	
Aggregate net other postemployment benefits (OPEB) liability	(17,255,619)	
Aggregate net pension liability	(126,324,479)	
In addition, the District has issued 'capital appreciation' general obligation bonds. The accretion of interest unmatured on the general obligation bonds to date is	(14,008,136)	
Total long-term liabilities		\$(585,192,943)

Deferred inflows of resources represent an acquisition of net position in a future period and is not reported in the District's funds.

Deferred inflows of resources amount to and related to

Deferred inflows of resources related to OPEB	(5,926,481)	
Deferred inflows of resources related to pensions	(9,763,137)	
Total deferred inflows of resources		(15,689,618)
Total net position (deficit)		\$ (40,316,649)

## **Note 1 - Purpose of Schedules**

### **District Organization**

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

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

#### Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the SEFA) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2025. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

#### Summary of Significant Accounting Policies

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

#### Indirect Cost Rate

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

### **Schedule of Expenditures of State Awards**

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

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

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

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

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

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

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

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

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

Independent Auditor's Reports  
June 30, 2025

**Santa Clarita  
Community College District**



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities of Santa Clarita Community College District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements and have issued our report thereon dated February 11, 2026.

***Adoption of New Accounting Standard***

As discussed in Note 2 and 13 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. Accordingly, a restatement has been made to the business-type activities net position as of July 1, 2024 to restate beginning net position. Our opinion is not modified with respect to this matter.

**Report on Internal Control over Financial Reporting**

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

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

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

### **Report on Compliance and Other Matters**

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

We noted certain matters that we reported to management of the District in a separate letter dated February 11, 2026.

### **Purpose of this Report**

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

Handwritten signature in black ink that reads "Erik Sully LLP". The signature is written in a cursive, flowing style.

Ontario, California  
February 11, 2026



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

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

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

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

We have audited Santa Clarita Community College District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2025. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

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

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

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

### ***Responsibilities of Management for Compliance***

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

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

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

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

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

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

## Report on Internal Control over Compliance

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

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

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

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

*Eide Bailly LLP*

Ontario, California  
February 11, 2026



## Independent Auditor's Report on State Compliance

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

### Report on State Compliance

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

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

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

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

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

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

#### ***Responsibilities of Management for Compliance***

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

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

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the 2024-2025 California Community Colleges Chancellor’s Office *Contracted District Audit Manual*, we:

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

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

***Compliance Requirements Tested***

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

- Section 411 SCFF Data Management Control Environment
- Section 412 SCFF Supplemental Allocation Metrics
- Section 413 SCFF Success Allocation Metrics
- Section 421 Salaries of Classroom Instructors (50 Percent Law)
- Section 423 Apportionment for Activities Funded From Other Sources
- Section 424 Student Centered Funding Formula Base Allocation: FTES
- Section 425 Residency Determination for Credit Courses
- Section 426 Students Actively Enrolled
- Section 427 Dual Enrollment (CCAP)
- Section 430 Scheduled Maintenance Program
- Section 431 Gann Limit Calculation

Section 444 Apprenticeship Related and Supplemental Instruction (RSI) Funds  
Section 475 Disabled Student Programs and Services (DSPS)  
Section 490 Propositions 1D and 51 State Bond Funded Projects  
Section 491 Education Protection Account Funds  
Section 492 Student Representation Fee  
Section 494 State Fiscal Recovery Fund  
Section 498 COVID-19 Recovery Block Grant Expenditures

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

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

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

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

Ontario, California  
February 11, 2026

Schedule of Findings and Questioned Costs  
June 30, 2025

**Santa Clarita  
Community College District**

**FINANCIAL STATEMENTS**

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

**FEDERAL AWARDS**

Internal control over major program	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major program	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)	No

**Identification of major program**

Name of Federal Program or Cluster	Federal Financial Assistance Listing
Student Financial Assistance Cluster	84.007, 84.033, 84.063, 84.268
Dollar threshold used to distinguish between type A and type B programs	\$797,061
Auditee qualified as low-risk auditee?	Yes

**STATE COMPLIANCE**

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

None reported.

None reported.

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



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

In planning and performing our audit of the financial statements of Santa Clarita Community College District (the District) for the year ended June 30, 2025, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted matters that are opportunities for strengthening internal controls and operating efficiency. The following items represent conditions noted by our audit that we consider important enough to bring to your attention. This letter does not affect our report dated February 11, 2026, on the financial statements of the District.

#### **Journal Entry Process**

##### Observation

When reviewing a sample of journal entries, it was noted that reviews were not consistently occurring.

##### Recommendation

It is our recommendation that the District review and update its journal entry procedures to ensure that all journal entries undergo a consistent review process.

We will review the status of the current year comments during our next audit engagement.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Ontario, California  
February 11, 2026