SIERRA JOINT COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENTS
June 30, 2023

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
ORGANIZATION
(Unaudited)
June 30, 2023

Sierra Joint Community College District (the "District") is comprised of areas in Placer, Nevada, El Dorado and Sacramento Counties. The District operates a central campus located on a 299-acre site in the city of Rocklin, in southwestern Placer County, California, and two small satellite campuses located in Grass Valley and Truckee in Nevada County. Classes are also taught at the Roseville site and other sites throughout the 3,200-square-mile territory of the District. The District currently serves approximately 18,000 students who are enrolled in both day and evening classes, has a full time faculty of over 230, and a part time faculty of almost 900. Many areas of study are offered as well as vocational and technical education and many courses of instruction are transferable to accredited four-year colleges and universities.

The District is governed by a seven-member Board of Trustees, each member of which is elected to a four-year term. Elections for positions to the Board are held every two years, alternating between three and four available positions. The management and policies of the District are administered by a Superintendent appointed by the Board who is responsible for day-to-day District operations as well as the supervision of the District's other key personnel.

The Board of Trustees and District Administration for the fiscal year ended June 30, 2023, were composed of the following members:

BOARD OF TRUSTEES

Members	Office	Term Expires
Paul Bancroft	President	December 2026
Bob Sinclair	Vice President/Clerk	December 2024
Cari Dawson Bartley	Trustee	December 2026
Carol Garcia	Trustee	December 2024
Scott Leslie	Trustee	December 2024
Nancy B. Palmer	Trustee	December 2026
Bob Romness	Trustee	December 2026

BOARD AUDIT COMMITTEE MEMBERS

Scott Leslie   Bob Romness   Bob Sinclair

DISTRICT ADMINISTRATION

William H. Duncan, IV
Superintendent/President

Erik Skinner
Vice President of Administrative Services

SIERRA JOINT COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023

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FINANCIAL STATEMENTS

WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023

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Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Sierra Joint Community College District
Rocklin, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities, the fiduciary activities and the discretely presented component unit of Sierra Joint Community College District (the “District”), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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.

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 13 and the Schedule of Changes in Net OPEB Liability, the Schedule of Money-Weighted Rate of Return of OPEB Plan Investments, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions on pages 62 to 67 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

(Continued)

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 schedule of expenditure of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are 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 financial statements. The information, except for the Organization, Combining Statement of Net Position by Fund and Combining Statement of Revenues, Expenses, and Change in Net Position by Fund, has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and other information as listed in the table of contents, except for the Organization, Combining Statement of Net Position by Fund and Combining Statement of Revenues, Expenses, and Change in Net Position by Fund, are fairly stated in all material respects in relation to the basic financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated December 4, 2023 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, and grant agreements and other matters. The purpose of that report is 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.

Crowe LLP

Crowe LLP

Sacramento, California
December 4, 2023

INTRODUCTION

This section of Sierra Joint Community College District's financial statements presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2023. The discussion has been prepared by management and should be read in conjunction with the financial statements and notes, which follow this section.

The Sierra Joint Community College District was established in 1936, covers over 3,200 square miles and serves Placer, Nevada and parts of El Dorado and Sacramento counties. The District includes one comprehensive community college and two centers. Students may choose from 96 associate degree majors and 98 achievement or skill certificate programs, complete courses toward the first two years of a bachelor's degree program or pursue courses for professional or other purposes.

The District attained fiscal independence from Placer County Office of Education in 2008-2009. The application process required an extensive evaluation of our accounting controls to ensure they met the standards required by the Board of Governors. The District passed this evaluation and was granted fiscal independence by the Board of Governors effective July 1, 2009.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Sierra Joint 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 following discussion and analysis provides an overview of the District's financial activities for the fiscal year ended June 30, 2023 and the intent of this discussion and analysis is to look at the District's financial performance as a whole. To provide a complete understanding of the District's financial standing, this analysis should be read in conjunction with the entire Independent Auditor's Report, particularly the District's financial statements, and the notes to the basic financial statements. The California Community College Chancellor's Office, through its Fiscal and Accountability Standards Committee, has recommended the Business Type Activity (BTA) model for financial reporting and the District has adopted the BTA reporting model for these financial statements.

As required, the annual report consists of three basic financial statements that provide information on the District as a whole:

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

(Continued)

FINANCIAL HIGHLIGHTS

- Prior to the 2018-19 fiscal year, the District was primarily funded under an FTES-based funding model. Starting in 2018-19, a new funding model, the Student Centered Funding Formula (SCFF) was introduced that shifted allocations from enrollment-based funding to one that allocates resources based on student enrollment (70%), student demographics (20%) and student success (10%). In order to ease the transition to the new SCFF, the state provided several years of a funding guarantee called the 'Hold Harmless Provision'. The Hold Harmless funding provision is equal to a district's 2017-18 Total Computational Revenue adjusted for COLA and will continue through the 2024-25 fiscal year. In addition to the above-mentioned funding options, when the amount of property tax and student enrollment fee revenue received by the district exceed the state funding guarantee, the district becomes what is known as 'Community Supported' or 'Basic Aid'. The District receives and reports funding at the highest of the three funding options.

- The 2022-23 total General Fund revenues, excluding the recording of State On-Behalf payments of $3.3M were $176.7M compared to $154.9M earned in 2021-22, an increase of $21.8M or 14.0%.

- Revenues for categorical programs and other grants in the Restricted General Fund increased to $52.2M in 2022-23 from $40.9M in 2021-22, primarily due to Covid -19 related grant programs.

- The District's unrestricted fund balance, after commitments, leaves a 2022-23 ending fund balance of $23.0M or 13.2% of general fund expenditures. The Board of Trustees has adopted a goal to increase reserves to 16.7% of General Fund expenditures by September, 2025 in accordance with the Chancellor's Office recommendations.

- State On-behalf Pension contributions were calculated in the amount of $3.3M for 2022-23, comprised of $3.3M for CalSTRS and $0 for CalPERS, a decrease of $672,511 as compared to 2021-22. Districts are required under GASB 24 to recognize the state's on-behalf contributions. These costs paid by the State of California are reflected in the benefit expenses and a corresponding amount of state revenue is also recorded resulting in no impact to fund balance.

- Health benefits expenses, for both employees and retirees increased by approximately $80,000 over the prior year. For employees hired before July 1, 1994, the District pays medical premiums upon retirement. The District has accounted for retiree benefits on a "pay-as-you-go basis." The Net OPEB Liability as of June 30, 2023, is $18.7M when considering $13.9M of assets held in a GASB 74 qualifying OPEB Trust. Accounting principles provide that the cost of retiree benefits should be accrued over employees' working lifetime. In accordance with this principle, GASB issued in June of 2015 Accounting Standards 74 and 75 for retiree health benefits. These standards apply to all public employers that pay any part of the cost of retiree health benefits for current or future retirees. The year ended June 30, 2017 marks the first year these Accounting Standards were applied to the financial statements.

- The District paid down principal of $15M in capital debt.

- The District is required to allocate 50 percent of unrestricted general fund expenses to classroom instructional costs (50 percent law). The District continues to be in compliance and has exceeded this requirement. In 2022-2023, the District expended 50.40% on classroom instructional compensation.

(Continued)

Statement of Net Position

The Statement of Net Position includes all assets and liabilities using the accrual basis of accounting. Net position – the difference between assets and liabilities, is one way to measure the financial condition of the District. A summary of the Statement of Net Position as of June 30, 2023 and June 30, 2022 is shown below:

	2022-23	2021-22	Increase (Decrease)	Percent Change
ASSETS				
Current assets				
Cash and cash equivalents	$ 208,724,644	$ 162,298,333	$ 46,426,311	28.6%
Accounts receivable and other assets, net	6,036,697	8,243,597	(2,206,900)	-26.8%
Total Current Assets	**214,761,341**	**170,541,930**	**44,219,411**	**25.9%**
Noncurrent assets				
Restricted cash and cash equivalents	150,180,034	47,194,109	102,985,925	218.2%
Notes receivable	0	0	-	#DIV/0!
Capital assets (net of depreciation)	298,034,627	241,400,818	56,633,809	23.5%
Total Noncurrent Assets	**448,214,661**	**288,594,927**	**159,619,734**	**55.3%**
TOTAL ASSETS	**662,976,002**	**459,136,857**	**203,839,145**	**44.4%**
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow of resources - loss on refunding	584,118	719,459	(135,341)	-18.8%
Deferred outflow of resources - OPEB	1,050,670	1,583,532	(532,862)	-33.7%
Deferred outflow of resources - pensions	20,483,406	16,644,618	3,838,788	23.1%
TOTAL ASSETS AND DEFERRED OUTFLOWS	**$ 685,094,196**	**$ 478,084,466**	**$ 207,009,730**	**43.3%**
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	$ 26,607,390	$ 15,604,941	$ 11,002,449	70.5%
Unearned revenue	48,542,010	35,001,771	13,540,239	38.7%
Current portion of long-term obligations	18,468,975	19,215,058	(746,083)	-3.9%
Total Current Liabilties	**93,618,375**	**69,821,770**	**23,796,605**	**34.1%**
Noncurrent liabilities				
Non-current portion of long-term obligations	359,533,280	288,941,882	70,591,398	24.4%
Other long-term obligations	18,176,287	17,436,164	740,123	4.2%
Total Noncurrent Liabilties	**377,709,567**	**306,378,046**	**71,331,521**	**23.3%**
TOTAL LIABILITIES	**471,327,942**	**376,199,816**	**95,128,126**	**25.3%**
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - pensions	22,003,000	42,124,000	(20,121,000)	-47.8%
Deferred inflows of resources - OPEB	0	0	0	#DIV/0!
Total Outflow of Resources	**22,003,000**	**42,124,000**	**(20,121,000)**	**-47.8%**
NET POSITION				
Net investment in capital assets	130,815,976	99,476,780	31,339,196	31.5%
Restricted for:				
Scholarships and loans	2,756	2,756	0	0.0%
Capital projects	230,407,047	117,070,085	113,336,962	96.8%
Debt service	29,254,016	22,893,181	6,360,835	27.8%
Student Center, Clubs, Fee	2,365,848	2,282,986	82,862	100.0%
Unrestricted	(201,082,389)	(181,965,138)	(19,117,251)	10.5%
TOTAL NET POSITION	**191,763,254**	**59,760,650**	**132,002,604**	**220.9%**
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	**$ 685,094,196**	**$ 478,084,466**	**$ 207,009,730**	**43.3%**

(Continued)

- Approximately 99% of the cash balance is cash deposited in the Placer County Treasury Pool and approximately 1% is cash deposited in local financial institutions. The Statement of Cash Flows contained within these financial statements provides greater detail regarding the sources and uses of cash and the net increase or decrease of cash during the fiscal year.

- The District receives cash unevenly throughout the year, as the main source of revenue is property taxes, which are collected and received in December and April. In the event the District has insufficient cash to meet its needs during the months immediately preceding December and April, the District arranges for Dry Period Financing through the Placer County Treasury. This form of borrowing is very efficient, flexible, and cost effective for the District given the relatively small amounts and short timeframes that an advance of cash might be needed to support operations.

- The majority of the accounts receivable balance is from student enrollment fees, federal and state grant programs and federal and state entitlement programs.

- Capital Assets, net of depreciation, are $295M, and a deferred loss on refunding of approximately $584,000. Construction commitments for all capital projects at June 30, 2023 were $59.8M. See Note 5, Capital Assets, in the Notes to Basic Financial Statements for detailed information.

- At year-end, the District had $281.4M in General Obligation Bonds and associated unamortized bond premium and accreted interest, Certificates of Participation (COP), and Lease Obligations outstanding. The District continued to pay down its debt, retiring $14.6M of the COPs, capital leases, and bonds exclusive of debt refunding. See Note 7, Long-Term Liabilities in the Notes to Basic Financial Statements for detailed information.

- The District has adopted Governmental Accounting Standards Board Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in 2016-17. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. GASB Statement 75 requires the liability of employers and non-employer contributing entities to employees, for defined benefit OPEB (net OPEB liability), to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

- The District engaged an actuarial service to calculate the Net OPEB Liability as of June 30, 2023, which was $18.7M, a decrease of $12.8M from June 30, 2022. The District has set aside funds to cover retiree health liabilities in a GASB 74 qualifying trust. The Fiduciary Net Position of this trust at June 30, 2023 was $13.9M, an increase of approximately $806,000 over June 30, 2022 when the balance was $13.1M. See Note 10 in the Financial Statements for additional detail.

- Compensated absences (accrued vacation not used at June 30), reflected as liability, totaled $2.2M.

(Continued)

- The District has three General Obligation Bonds and Ratings are based on the District's fiscal stability, and overall creditworthiness. The table below reflects the most recent rating assigned by the major rating agencies.

Credit Ratings	Standard & Poor's	Moody's
SFID #1 (Tahoe-Truckee Campus)	AA	Aaa
SFID #2 (Nevada County Campus)	AA	Aa1
SFID #4 (Rocklin Campus)	AA+	Aaa

Statement of Revenues, Expenses, and Change in Net Position

The Statement of Revenues, Expenses and Change in Net Position presents the operating results of the District, as well as the non-operating revenues and expenses.

	2022-23	2021-22	Increase (Decrease)	Percent Change
OPERATING REVENUES				
Net tuition & fees	$ 10,609,276	$ 8,350,152	$ 2,259,124	27.1%
Grants & contracts	135,871,545	35,329,027	100,542,518	284.6%
Auxiliary	284,963	268,737	16,226	6.0%
TOTAL OPERATING REVENUES	**146,765,784**	**43,947,916**	**102,817,868**	**234.0%**
OPERATING EXPENSES				
Salaries	75,833,719	72,022,680	3,811,039	5.3%
Employee benefits	31,618,117	23,162,131	8,455,986	36.5%
Supplies, materials & other	26,405,733	21,724,472	4,681,261	21.5%
Student financial aid & scholarships	29,746,356	40,871,191	(11,124,835)	-27.2%
Utilities	3,699,368	2,943,644	755,724	25.7%
Depreciation	8,198,261	6,767,838	1,430,423	21.1%
TOTAL OPERATING EXPENSES	**175,501,554**	**167,491,956**	**8,009,598**	**4.8%**
NON-OPERATING & CAPITAL ACTIVITY				
State taxes & other revenues	11,242,321	8,220,070	3,022,251	36.8%
Local property taxes & revenues	128,183,598	114,231,456	13,952,142	12.2%
Federal grants and contracts, non-capital	8,031,947	32,635,867	(24,603,920)	100.0%
Pell grants	15,538,140	14,198,944	1,339,196	9.4%
Investment income	4,297,418	544,443	3,752,975	689.3%
Interest expense	(6,796,304)	(6,818,291)	21,987	-0.3%
Other Non-Operating Revenue	570,816	447,838	122,978	27.5%
Loss on disposal of capital asset	(329,562)	(1,395,000)	1,065,438	-76.4%
TOTAL NON-OPERATING & CAPITAL ACTIVITY	**160,738,374**	**162,065,327**	**(1,326,953)**	**-0.8%**
CHANGE IN NET POSITION	132,002,604	38,521,287	93,481,317	242.7%
BEGINNING NET POSITION	59,760,650	21,239,363	38,521,287	181.4%
ENDING NET POSITION	**$ 191,763,254**	**$ 59,760,650**	**$ 132,002,604**	**220.9%**

(Continued)

The primary operating revenues are from grants and contract and local property taxes, as well as student tuition and fees. The primary operating expense of the District are salaries and benefits paid to instructional and classified support staff, and student aid.

- The major components of tuition and fees are the $46 per unit enrollment fee that is charged to all students registering for classes and the additional $332 per unit fee that is charged to all non-resident students. Net tuition and fees increased by approximately $215,000 or 2.87%. This increase is related to the return of students as we recover from the impact of COVID-19.

- Apportionment Funding: The 2022-2023 funding formula revenues for the unrestricted general fund reflect an increase over the 2021-2022 fiscal year. 2021-2022 revenues from the state funding formula totaled approximately $96.5M and increased to approximately $106.9M for 2022-2023. This represents a $10.4M or 10.8% total increase.

- The interest income is primarily the result of earnings on cash held at the Placer County Treasury.

- Expenses for employee salaries and statutory benefits increased by $4M over 2021-22 or 4%. Increases include step, column, longevity, CalPERS rate increases, 6% on schedule salary increase, a reduction of $1.25M in one-time payments to staff ($3.75M in 2021-22 and $2.5M for 2022-23), and recovery from the $17M reduction of pension expense related to GASB 68 pension costs and GASB 75 OPEB costs from 2021-22. State on behalf expenses for CalSTRS decreased by $672,511 from 2021-22. The percentage of personnel costs compared to total operating expenses is 61.2%.

- During the 2022-23 fiscal year, assets worth $4.7M were placed in service and $65.2M were added to construction in progress while $329,562 net of accumulated depreciation were retired. Depreciation expense increased to $8.2M. The District uses the straight line, mid-year convention.

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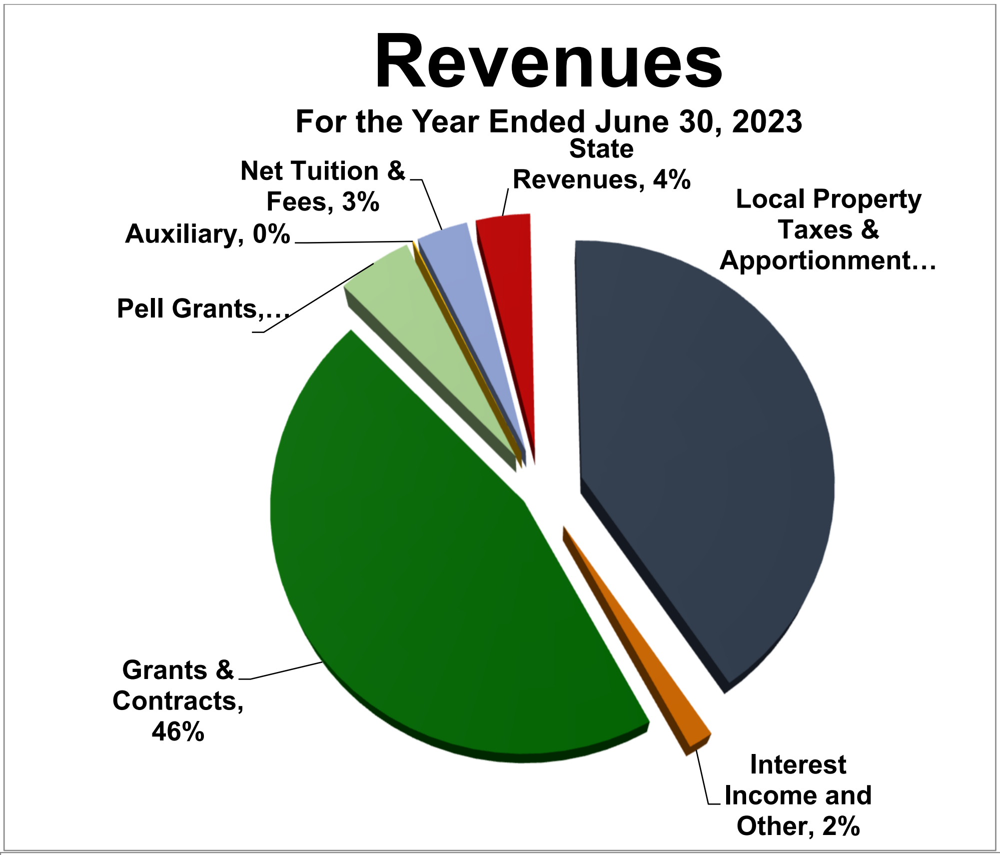
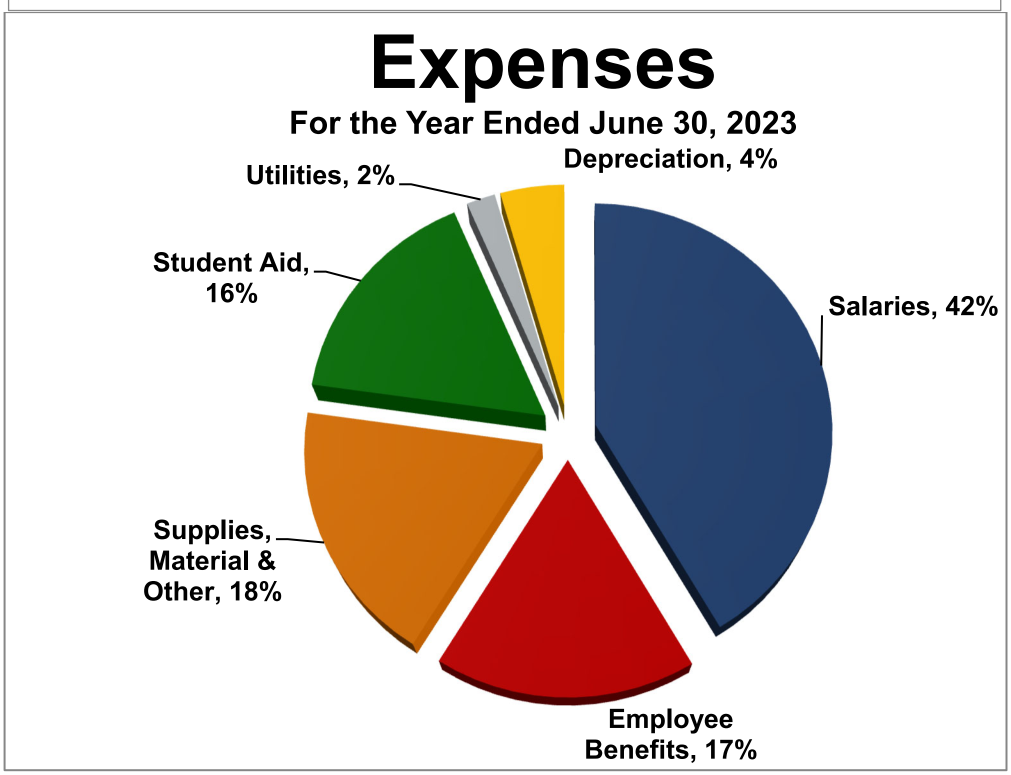

Revenues
For the Year Ended June 30, 2023
State Revenues, 4%
Net Tuition & Fees, 3%
Auxiliary, 0%
Pell Grants,…
Local Property Taxes & Apportionment…
Grants & Contracts, 46%
Interest Income and Other, 2%


Expenses
For the Year Ended June 30, 2023
Utilities, 2%
Depreciation, 4%
Student Aid, 16%
Salaries, 42%
Supplies, Material & Other, 18%
Employee Benefits, 17%

(Continued)

Statement of Cash Flows

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

A summary of the Statement of Cash Flows for the years ended June 30, 2023 and June 30, 2022 is shown below.

	2022-23	2021-22	Increase (Decrease)	Percent Change
NET CASH PROVIDED BY (USED IN)				
Operating activities	$ (4,141,006)	$ (107,462,287)	$ 103,321,281	-96.1%
Non-capital financing activities	140,329,356	152,370,587	(12,041,231)	-7.9%
Capital and related financing activites	10,698,995	(51,844,610)	62,543,605	-120.6%
Investing activities	2,524,891	433,327	2,091,564	482.7%
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**149,412,236**	**(6,502,983)**	**155,915,219**	**-2397.6%**
CASH BALANCE, BEGINNING OF YEAR	**209,492,442**	**215,995,425**	**(6,502,983)**	**-3.0%**
CASH BALANCE, END OF YEAR	**$ 358,904,678**	**$ 209,492,442**	**$ 149,412,236**	**71.3%**

- Operating activities includes tuition and fees, grants and operating payments. The net amount of cash used decreased by $103.3M to $4.1M. The sub-components were an increase in grant revenues and tuition and fees, a decrease in aid to students, with offsetting increases in payments to suppliers and to/on behalf of employees. The increase is largely due to the $80.5M grant received for the student housing building project.
- There is consistent significant cash in-flow in non-capital financing activities which includes property taxes, Pell grants, and local revenues; property taxes continue to increase and are $105M, an increase of $9.5M from 2021-22. Federal grants decreased to $8M, down $24.6M driven by reduced funding from HEERF and COVID-19 aid in returning students to classes, both in-person and remotely.

- Capital and related financing activities correlate to bond issuances and redemptions. Measure E Series C bonds were issued in June 2023 and provided $63M in funding to support the bond construction program. Construction projects and spending of capital debt are also reported in capital and related financing activities. $39.7M was invested in capital assets funded by Measure E during 2022-23.

- Cash flow is adequate for a medium size district; the District participates in the Placer County Treasury investment pool to maximize interest earnings on unspent cash and minimize risk.

A LOOK FORWARD

General Revenue Outlook: Despite increasing economic turbulence, funding levels provided from the State to California's 72 community college districts in 2023-24 remains steady. The State Budget provided a slight increase of approximately $125M in additional funding to the community colleges.

On-Schedule Salary Increase: The District negotiated with employee bargaining groups to provide an on-schedule salary increase of 8% effective July 2023 and an off-schedule, one-time payment of 2% to be paid in November 2023. The District's labor-relations climate remains generally collaborative and positive.

(Continued)

Community Supported Status: The District receives most of its revenues from local property tax and student fee revenues. Funding received from these sources exceeds the District's allocation under the state's community college funding formula, making the District what is known as "community supported" or "basic aid." Under state law, the District keeps the funding above the state's formula calculation, as these revenues are generated locally and cannot be taken by the state. Because of the relative stability of local property tax revenues compared to the more volatile capital gains-driven state revenues, the District benefits from greater fiscal stability than most other community college districts. The District became community supported in 2019-20 when local revenues exceeded its eligibility for funding under the community college funding formula (Student Centered Funding Formula or SCFF) by $1.5M ($93.4M compared with $91.9M under SCFF). Local revenues exceeded SCFF eligibility by $1.9M, $7.7M, and $6.7M in 2020-21, 2021-22, and 2022-23 respectively. For 2023-24, the District projects local revenues will exceed SCFF eligibility by $7M ($118.3M compared to $111.3M).

Major Expenditure Items: Given the District's conservative approach to allocating surplus revenues and in keeping with the District's policy of utilizing Community Support revenues for one-time purposes the 2023-24 budget includes the following increases over prior-year levels (amounts are ongoing unless otherwise noted):

- Transfer Community Support revenue to construction projects (one-time) $8.2M
- On-schedule employee salary increase $6.7M
- Additional staffing $400k
- Employee reclassifications $400k
- Health & welfare increases $320k
- CalPERS employer rate increase $267k

(Continued)

Student Enrollment: Like community colleges across the state, the District's enrollments declined by almost 20 percent during and immediately following the pandemic. There are a number of reasons for this and include increased wages for entry-level jobs as well as the negative impacts of the pandemic on family structures, housing, and health. Because of our community supported status, this enrollment decline does not reduce funding levels, but our mission calls on us to serve the educational needs of our community. Accordingly, the District is actively working to recover lost enrollments through outreach campaigns, augmenting student financial aid, and adjusting course offerings and modalities (online vs. in-person formats). We are starting to see modest increases in enrollments compared to the recent low-point, with a year-over-year increase of 4.3 percent.

Major Progress on Bond-Funded Construction Program: In June 2018, local voters approved Measure E, a $350M facilities bond to fund improvements on the Rocklin Campus. These monies, along with state facilities funding, other district funds, and proceeds from development of surplus property, will support an extensive program of new construction and modernization projects covering the entire campus. Since passage of Measure E, the District has been working intensively to implement this construction program. Highlights of progress to date include:

- Completion of a $49.9M, 1,501 car parking garage, on time and under budget
- Completion of a $5.0M renovation of the Student Union and cafeteria kitchen
- Completion of a $1.8M renovation of the N Building (career technical education)
- Completion of a $26.8M Infrastructure project to replace/upgrade all campus utilities, ahead of schedule and under budget
- Near completion of a $69.6M New Instructional Building that will house roughly three-quarters of lecture space on Rocklin Campus
- Groundbreaking for the Gym Modernization (no Measure E funds used)
- Groundbreaking for the Applied Technology Center
- Groundbreaking for the Student Housing project (no Measure E funds used)
- Award of over $150M in state funding for: the Gym Modernization project ($27.4M), New Science Building ($25.6M); Applied Technology Center ($17.3M); and Student Housing ($80.5M).

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the funds it receives. If you have any questions about this report or need any additional financial information, please contact the District:

Sierra Joint Community College District
Mr. Erik Skinner
Vice President-Administrative Services
5100 Sierra College Boulevard
Rocklin, CA 95677

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
STATEMENT OF NET POSITION
June 30, 2023

ASSETS	
Current assets	
Cash and cash equivalents	$ 208,724,644
Receivables, net	5,579,766
Inventory	42,524
Prepaid expenses	414,407
Total current assets	214,761,341
Noncurrent assets	
Restricted cash, cash equivalents and investments	150,180,034
Non-depreciable capital assets	125,596,651
Depreciable capital assets, net	168,982,664
Leased assets, net	3,455,312
Total noncurrent assets	448,214,661
Total assets	662,976,002
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - loss on refunding	$ 584,118
Deferred outflows of resources - OPEB	1,050,670
Deferred outflows of resources - pensions	20,483,406
Total deferred outflows of resources	22,118,194
Total assets and deferred outflows	$ 685,094,196
LIABILITIES	
Current liabilities	
Accounts payable	$ 18,874,386
Unearned revenue	48,542,010
Accrued payroll	4,981,063
Compensated absences payable	2,244,811
Long-term debt - current portion	15,519,366
Accrued interest on debt	2,751,941
Lease liabilities	704,798
Total current liabilities	93,618,375
Noncurrent liabilities	
Accreted interest on bonds	18,176,287
Long-term debt - noncurrent portion	359,533,280
Total noncurrent liabilities	377,709,567
Total liabilities	471,327,942
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pensions	22,003,000
Total deferred inflows of resources	22,003,000
NET POSITION	
Net investment in capital assets	130,815,976
Restricted for	
Scholarships and loans	2,756
Capital projects	230,407,047
Debt services	29,254,016
Students	2,365,848
Unrestricted	(201,082,389)
Total net position	191,763,254
Total liabilities, deferred inflows and net position	$ 685,094,196

See accompanying notes to the basic financial statements.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
DISCRETELY PRESENTED COMPONENT UNIT
SIERRA COLLEGE FOUNDATION
(A Nonprofit Organization)
STATEMENT OF FINANCIAL POSITION
June 30, 2023

ASSETS	
Cash and cash equivalents	$ 767,199
Investments	14,436,629
Prepaid expenses	15,750
Receivables	40,616
Total assets	$ 15,260,194
LIABILITIES	
Accounts payable and accrued expenses	$ 197,510
Total liabilities	197,510
NET ASSETS	
Net assets, without donor restriction	4,276,843
Net assets, with donor restriction	10,785,841
Total net assets	15,062,684
Total liabilities and net assets	$ 15,260,194

See accompanying notes to the basic financial statements.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
For the Year Ended June 30, 2023

Operating revenues	
Tuition and fees	$ 16,974,773
Less: fee waivers and allowances	(6,365,497)
Net tuition and fees	10,609,276
Grants and contracts, non-capital	
Federal	6,329,065
State	126,548,867
Local	2,993,613
Auxiliary enterprise sales and charges	284,963
Total operating revenues	146,765,784
Operating expenses	
Salaries	75,833,719
Employee benefits	31,618,117
Supplies, materials, and other operating expenses and services	26,405,733
Student financial aid and scholarships	29,746,356
Utilities	3,699,368
Depreciation and amortization	8,198,261
Total operating expenses	175,501,554
Loss from operations	(28,735,770)
Non-operating revenues (expenses)	
State apportionment, non-capital	1,381,434
Local property taxes	104,946,132
Federal grants and contracts, non-capital	8,031,947
State taxes and other revenues	9,860,887
Pell grants	15,538,140
Investment income, noncapital	2,524,891
Other non-operating revenues	570,816
Loss on disposal of capital asset	(329,562)
Total non-operating revenues (expenses)	142,524,685
Gain before capital revenues	113,788,915
Capital revenues (expense)	
Local property taxes and revenues	23,237,466
Interest expense on capital asset-related debt	(6,796,304)
Investment income, capital	1,772,527
Total capital revenues (expense)	18,213,689
Change in net position	132,002,604
Net position, July 1, 2021	59,760,650
Net position, June 30, 2022	$ 191,763,254

See accompanying notes to the basic financial statements.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
DISCRETELY PRESENTED COMPONENT -
SIERRA COLLEGE FOUNDATION
(A Nonprofit Organization)
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

	Without Donor Restriction	With Donor Restriction	Total
Revenues, gains and other support:			
Contributions and grants	$ 35,217	$ 904,481	$ 939,698
Investment income	110,658	198,003	308,661
Realized loss on sale of investments	(52,061)	(159,654)	(211,715)
Net unrealized gain on investments	576,683	810,918	1,387,601
Donated from the College District - in-kind	166,813	-	166,813
Administrative service fee	145,000	-	145,000
Special events and other revenues	550,090	160,965	711,055
Total revenues, gains and other support before assets released from restrictions	1,532,400	1,914,713	3,447,113
Net assets released from restrictions	922,184	(922,184)	-
Total revenues, gains and other support	2,454,584	992,529	3,447,113
District support and Foundation expenses:			
Scholarships	313,842	-	313,842
Academic program support	681,633	-	681,633
Administration	353,386	-	353,386
Fundraising	337,237	-	337,237
Total District support and Foundation expenses	1,686,098	-	1,686,098
Change in net assets	768,486	992,529	1,761,015
Net assets, July 1, 2022	3,508,357	9,793,312	13,301,669
Net assets, June 30, 2023	$ 4,276,843	$ 10,785,841	$ 15,062,684

See accompanying notes to the basic financial statements.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2023

Cash flows from operating activities	
Tuition and fees	$ 10,577,199
Federal, state and local grants and contracts	151,982,027
Payments to suppliers	(27,153,698)
Payments to/on behalf of employees	(110,081,333)
Payments to/on behalf of students	(29,750,164)
Auxiliary enterprises sales and charges	284,963
Net cash used in operating activities	(4,141,006)
Cash flows from noncapital financing activities	
State apportionments and receipts	1,381,434
Pell grants	15,538,140
Federal grants	8,031,947
Local property taxes	104,946,132
State taxes and other revenues	9,860,887
Gifts and grants for other than capital purposes	570,816
Net cash provided by noncapital financing activities	140,329,356
Cash flows from capital and related financing activities	
Proceeds from capital debt	63,000,000
Local property taxes and other revenues for capital purposes	23,226,966
Purchase of capital assets	(57,996,632)
Capital grants and gifts received	10,500
Principal paid on capital debt	(15,701,989)
Interest paid on capital debt, net	(3,612,377)
Interest on capital investments	1,772,527
Net cash used in capital and related financing activities	10,698,995
Cash flows provided by investing activities	
Interest income on investments	2,524,891
Net change in cash and cash equivalents	149,412,236
Cash and cash equivalents, beginning of year	209,492,442
Cash and cash equivalents, end of year	$ 358,904,678

(Continued)

Reconciliation of loss from operations to net cash used in operating activities	
Loss from operations	$ (28,735,770)
Adjustments to reconcile loss from operations to net cash used in operating activities	
Depreciation expense	8,198,261
Changes in assets and liabilities:	
Receivables, net	2,392,655
Inventory and prepaid expenses	(185,755)
Deferred outflows of resources - OPEB	(3,838,788)
Deferred outflows of resources - pensions	532,862
Accounts payable	3,278,861
Accrued payroll	666,043
Unearned revenue	13,540,239
Compensated absences	13,780
Net OPEB liability	(12,775,394)
Net pension liability	32,893,000
Deferred inflows of resources - pensions	(20,121,000)
Net cash used in operating activities	$ (4,141,006)
Supplementary disclosure of non-cash transactions	
Amortization of premiums on debt	$ 777,487
Amortization of deferred loss on refunding	135,341
Accretion of interest	1,714,176
Additions to capital assets in accounts payable	7,165,000

See accompanying notes to the basic financial statements.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
DISCRETELY PRESENTED COMPONENT UNIT - SIERRA COLLEGE FOUNDATION
(A Nonprofit Organization)
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2023

Cash flows from operating activities	
Donations received from contributions and other revenues	$ 1,792,009
Contributions and other revenue restricted for long term investments	(345,629)
Payments to suppliers for goods and services	(767,151)
Payments to/on behalf of employees	(357,384)
Payments to/on behalf of students	(313,842)
Other receipts and payments	378,879
Net cash provided by operating activities	386,882
Cash flows from investing activities	
Purchase of investments	(2,718,282)
Investment management fees	(70,217)
Proceeds from sales of investments	1,540,272
Net cash used in investing activities	(1,248,227)
Cash flows provided by financing activities	
Contributions and other revenue restricted for long term investments	345,629
Net cash provided by financing activities	345,629
Net change in cash and cash equivalents	(515,716)
Cash and cash equivalents - beginning of year	1,282,915
Cash and cash equivalents - end of year	$ 767,199
Reconciliation of change in net assets to net cash provided by operating activities:	
Change in net assets	$ 1,761,015
Realized loss on sales of investments	211,715
Investment management fees	70,217
Net change in the fair value of investments	(1,387,601)
Contributions and other revenue restricted for long term investments	(345,629)
Changes in assets and liabilities:	
Receivables	(12,943)
Prepaid expenses	9,200
Accounts payable and accrued expenses	80,908
Net cash provided by operating activities	$ 386,882

See accompanying notes to the basic financial statements.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
TRUST FUND
June 30, 2023

	OPEB Trust
ASSETS	
Cash and cash equivalents	$ 35,491
Investments	
Mutual Fund - Equities	5,501,406
Mutual Fund - Fixed Income	7,484,558
Mutual Fund - Real Estate	899,071
Total assets	13,920,526
LIABILITIES	
Accounts payable	35,491
Total liabilities	35,491
NET POSITION	
Net position restricted for OPEB	$ 13,885,035

See accompanying notes to the basic financial statements.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
TRUST FUND
For the Year Ended June 30, 2023

	OPEB Trust
Additions and return on investment	
Net investment return:	
Net change in the fair value of plan investments	$ 397,692
Net realized gains and losses on sale of investments	(70,805)
Interest and dividends	565,650
Total net investment return	892,537
Contributions	
Employer	2,939,311
Employer match	8,324
Plan member	8,324
Total additions and return on investment	3,848,495
Deductions:	
Benefits paid - employer	2,939,311
Administrative expenses	102,362
Total deductions	3,041,673
Net decrease in fiduciary net position	806,822
Net position restricted for OPEB, July 1, 2022	13,078,213
Net position restricted for OPEB, June 30, 2023	$ 13,885,035

See accompanying notes to the basic financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: Sierra Joint Community College District (the "District") is a political subdivision of the State of California and provides educational services to the local residents of the surrounding area. While the District is a political subdivision of the State, it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board ("GASB") Codification Section (Cod. Sec) 2100.101. The District is classified as a state instrumentality under Internal Revenue Code Section 115.

The decision to include potential component units in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America (GAAP) and GASB Cod. Sec. 2100.101. The three criteria for requiring a legally separate, tax-exempt organization to be presented as a component unit are the "direct benefit" criterion, the "entitlement/ability to access" criterion, and the "significance" criterion. The District identified the Sierra Community College Financing Corporation (the "Financing Corporation") and the Sierra College Foundation (the "Foundation") as its potential component units.

The Financing Corporation is an organization whose activities to date have been limited to the issuance of Certificates of Participation and entering into lease arrangements with the District as discussed in Note 7. The District and the Financing Corporation have financial and operational relationships which met the reporting entity definition of GASB Cod. Sec. 2100.101 for inclusion of the Financing Corporation as a component unit of the District. Accordingly, the financial activities of the Financing Corporation have been blended with the financial statements of the District. The Financing Corporation had no activity for the year ended June 30, 2023.

The Foundation is a nonprofit, tax-exempt organization dedicated to providing financial benefits generated from fundraising efforts and investment earnings to the District. The funds contributed by the Foundation to the benefit of the District are significant to the District's financial statements. The District applied the criteria for identifying component units in accordance with GASB Cod. Sec. 2100.138 and therefore, the District has classified the Foundation as a component unit that will be discretely presented in the District's financial statements. Copies of the Foundation's annual financial report may be obtained from the District Business Office, 5100 Sierra College Blvd., Rocklin, California 95677.

Basis of Presentation and Accounting: For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB. Under this model, the District's financial statements provide a comprehensive entity-wide perspective of the District's financial position and activities. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when the obligation has been incurred. All significant intra-agency transactions have been eliminated.

Fiduciary funds for which the District acts only as an agent or trust are not included in the business-type activities of the District. These funds are reported in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position at the fund financial statement level.

The Foundation's financial statements are prepared on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recognized when they are incurred in accordance with accounting principles generally accepted in the United States of America. Recognition of contributions is dependent upon whether the contribution is restricted or unrestricted. Net assets are classified on the Statement of Financial Position as net assets without donor restriction or net assets with donor restriction based on the absence or existence of donor-imposed restrictions. The Foundation’s statements were prepared in accordance with the pronouncements of the Financial Accounting Standards Board ("FASB"). As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation’s financial information in the District’s report for these differences.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents: For the purposes of the financial statements, cash equivalents are defined as financial instruments with an original maturity of three months or less. Funds invested in the Placer County Treasury are considered cash equivalents.

Restricted Cash, Cash Equivalents and Investments: Cash that is externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets, is classified as non-current assets in the statement of net position.

Fair Value of Investments and Investment Pools: The District records its investment in Placer County Treasury at fair value. Changes in fair value are reported as revenue in the Statement of Revenues, Expenses and Change in Net Position. The fair value of investments, including the Placer County Treasury external investment pool, at June 30, 2023 approximated their carrying value. Foundation investments in debt and equity securities are carried at fair value. Realized gains and losses and unrealized appreciation (depreciation) of those investments are reflected in the Statement of Activities. Fair values of investments in county and State investment pools are determined by the pool sponsor.

Receivables: Receivables consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff, the majority of each residing in the State of California. Receivable also include amounts due from the Federal Government, State and Local Governments, or private sources, in connection with reimbursements of allowable expenditures made pursuant to the District's grants and contracts. The District provides an allowance for doubtful accounts as an estimation of amounts that may not be received. The allowance is based on management's estimates and historical analysis.

Foundation receivables consist of unconditional promises to give. Unconditional promises to give are expected to be collected within one year and are recorded at net realizable value. The Foundation utilizes the allowance method for accounting for uncollectible receivables. No allowance was necessary at June 30, 2023.

Inventory: Inventories are determined on the first-in, first-out (FIFO) method and are stated at the lower of cost or market.

Capital Assets: Capital assets are recorded at cost at the date of acquisition or, if donated, at acquisition value for the contributed assets, except for intangible right-to-use lease assets, the measurement of which is discussed in the ‘Leases” note below. For equipment, the District's capitalization policy includes all items with a unit cost of $5,000 or more, and estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings, 25 years for portable buildings, 20 years for site and building improvements, 5-20 years for equipment and vehicles, and 5 years for technology equipment, such as computers.

Leases: The District is a lessee for leases of property and equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of $500,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Amortization is computed using the straight-line method over the estimated useful life or remaining lease term. Buildings are amortized over 5.5 years which represents the years remaining on the lease upon adoption of GASB Statement No. 87 on July 1, 2021. Site improvements are amortized over 15 years which represents the useful life of the improvements upon initial capitalization as a capitalized lease, which was reclassified to a financing lease upon adoption of GASB Statement No. 87.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

Compensated Absences: Compensated absences costs are accrued when earned by employees. Accumulated unpaid employee vacation benefits are recognized at year-end as liabilities of the District.

Accumulated Sick Leave: Normal sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expenditure or expense in the period taken since such benefits do not vest nor is payment probable.

Unearned Revenue: Revenue from Federal, State and local special projects and programs is recognized when qualified expenditures have been incurred. Tuition, fees and other support received but not earned are recorded as unearned revenue until earned.

Postemployment Benefits Other Than Pensions (OPEB): For purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Sierra Joint Community College District's Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and interest-earning investment contracts that are reported at cost. There is not a separately issued report of the plan.

Deferred Outflows/Inflows of Resources: In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The District has recognized a deferred loss on refunding reported in the Statement of Net Position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt. Additionally, the District has recognized a deferred outflow of resources related to the recognition of the pension liability and OPEB liability reported in the Statement of Net Position.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time. The District has recognized a deferred inflow of resources related to the recognition of the pension liability and OPEB liability reported which is in the Statement of Net Position.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State Teachers' Retirement Plan (STRP) and Public Employers Retirement Fund B (PERF B) and additions to/deductions from STRP's and PERF B's fiduciary net position have been determined on the same basis as they are reported by STRP and PERF B. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Certain investments are reported at fair value.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following is a summary of pension amounts in aggregate:

	CalSTRS	CalPERS	Total
Deferred outflows of resources	$ 9,756,987	$ 10,726,419	$ 20,483,406
Deferred inflows of resources	$ 9,080,000	$ 12,923,000	$ 22,003,000
Net pension liability	$ 36,633,000	$ 52,137,000	$ 88,770,000
Pension expense	$ 4,847,602	$ 20,609,110	$ 25,456,712

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

Net investment in capital assets: This represents the District's total investment in capital assets and leased assets, net of associated outstanding debt obligations and lease liabilities related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted net position: Restricted expendable net position includes resources in which the District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. Nonexpendable restricted net position consist of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. At June 30, 2023, there is no balance of nonexpendable restricted net position.

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

When an expense is incurred that can be paid using either restricted or unrestricted resources, the District typically first applies the expense toward restricted resources, then to unrestricted resources. This practice ensures fully utilizing restricted funding each fiscal year.

Net Assets: The Foundation's net assets are classified as follows:

Net assets without donor restriction - Net assets not subject to donor-imposed stipulations.

Net assets with donor restriction - Net assets consisting of cash and other assets received with donor stipulations that limit the use of the donated assets or that are nonexpendable and consist of endowment and similar type funds in which the donor has stipulated as condition of the gift, that the principal be maintained in perpetuity. When a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the Statement of Activities as net assets released from restrictions.

The Foundation's endowment currently consists of 46 individual funds established for the purpose of supporting education at the District. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard prudence prescribed by UPMIFA.

The Foundation follows its adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specific period(s) as well as board-designated funds.

The investment objective is to optimize earnings on all invested funds, while maintaining the preservation of capital. Risk will be minimized by investing in high quality fixed income instruments. To the extent that corporate obligations are purchased, those purchases will be diversified in terms of issuer and industry sector.

<u>State Apportionments</u>: Certain current year apportionments from the State are based on various financial and statistical information of the previous year. Any prior year corrections due to a recalculation will be recorded in the year computed by the State.

<u>Classification of Revenue</u>: The District has classified its revenues as either operating or nonoperating revenues. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenues, as defined by GASB Cod. Sec. Co5.101 including State appropriations, local property taxes, and investment income. Nearly all the District's expenses are from exchange transactions. Revenues and expenses are classified according to the following criteria:

Operating revenues and expenses: Operating revenues and expenses include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of fee waivers and allowances, (2) sales and services of auxiliary enterprises, and (3) most Federal, State and local grants and contracts and Federal appropriations. All expenses are considered operating expenses except for interest expense on capital asset related debt.

Nonoperating revenues and expenses: Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as Pell grants, gifts and contributions, and other revenue sources described in GASB Cod. Sec. Co5.101, such as State appropriations and investment income. Interest expense on capital related debt is the only non-operating expense.

<u>Contributions</u>: Contributions are recognized as revenues in the period received. Unconditional promises to give (pledges) are recognized as revenue when the commitment is communicated to the Foundation. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are met. Contributions of assets other than cash are recorded at their estimated fair value at the date of donation. Contributions are considered available for unrestricted use unless specifically restricted by the donor. Event revenues received in advance are unearned and recognized in the period as the events occur.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fee Waivers: Student tuition and fee revenue are reported net of the Board of Governors fee waivers in the Statement of Revenues, Expenses and Change in Net Position. Certain governmental grants, and other federal, state and nongovernmental programs are recorded as operating revenues, while Federal Pell Grants are classified as non-operating revenues in the District's financial statements.

Property Taxes: Secured property taxes attach as an enforceable lien on property as of March 1, and are payable in two installments on December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. The Placer, Nevada, Sacramento, Yuba and El Dorado Counties each bill and collect taxes for the District. Tax revenues are recognized by the District when received.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results may differ from those estimates.

Tax Status of the Foundation: The Foundation is a nonprofit public benefit corporation exempt from federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. The Foundation has been classified as an organization that is not a private foundation and has been designated as a "publicly supported" organization. Contributions to the Foundation are deductible under Section 170(c)(2). The Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Foundation does not expect the total amount of unrecognized total benefits to significantly change in the next 12 months. Interest and penalties on tax assessments are classified as an expense when incurred. For the year ended June 30, 2023, the Foundation did not incur any interest or penalties.

The Foundation would recognize interest and penalties related to unrecognized tax benefits in tax expense. During the year ended June 30, 2023, the Foundation did not recognize any interest or penalties. The Foundation files exempt organization returns in the U.S. Federal and California jurisdictions. The returns remain subject to examination by the U.S. Federal jurisdiction for three years after the return is filed and for four years by the California jurisdiction. There are currently no tax years under examination.

New Accounting Pronouncements: In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. GASB 96 defines a subscription-based information technology arrangement and requires the recognition of a right to use subscription asset and corresponding subscription liability. This statement was effective for fiscal years beginning after June 15, 2022. There was no impact to the District's July 1, 2022 net position as a result of the implementation of GASB Statement No. 96.

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets.* The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statements of activities and changes in net assets, apart from contributions of cash or other financial assets. It also requires a not-for-profit to disclose contributed nonfinancial assets recognized within the statements of activities and changes in net assets disaggregated by category that depicts the type of contributed nonfinancial assets and includes additional disclosure requirements for each category of contributed nonfinancial assets recognized. The Foundation adopted the new guidance effective July 1, 2021. There was no significant impact as a result of the implementation.

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NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments at June 30, 2023, consisted of the following:

	District	Foundation	Trust Fund
Pooled funds			
Cash in County Treasury	$ 328,489,410	$ -	$ -
Deposits			
Cash on hand and in banks	1,217,489	767,199	35,491
Funds invested by Fiscal Agents	29,197,779	-	-
Investments	-	14,436,629	13,885,035
Total cash, cash equivalents and investments	358,904,678	15,203,828	13,920,526
Less: restricted cash, cash equivalents and investments	150,180,034	-	-
Net cash, cash equivalents and investments	$ 208,724,644	$ 15,203,828	$ 13,920,526

Pooled Funds: In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the interest-bearing Placer County Treasurer's Pooled Investment Fund. 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 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).

During the fiscal year ended June 30, 2023, the District earned $4,194,484 in investment income from its cash in the Placer County Treasury.

Cash and Investments with Fiscal Agents: Cash and investments with Fiscal Agents totaling $29,197,779 represents cash and investments held by third party custodians relating to SFID debt service. These funds are maintained in the interest-bearing Placer County Treasurer's Pooled Investment Fund and are carried at fair value. The fair value of the District's investment in the pool is reported in the financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio).

Foundation Investments: At June 30, 2023, the Foundation's investments consisted of the following:

Cash and cash equivalents	$ 653,976
Mutual funds	12,187,023
Real estate investment trusts	824,627
Investment in Foundation for California Community Colleges Scholarship Endowment (FCCC/Osher)	679,508
Equity security	91,495
Total investments	$ 14,436,629

Included in total investments at June 30, 2023 is an equity investment in a closely-held company in the amount of $91,495. This investment without readily determinable fair value is carried at cost because of the Foundation's inability to exercise significant influence over the company.

(Continued)

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

The Foundation invests in a pooled scholarship endowment fund, FCCC/Osher, managed by the Foundation for California Community Colleges ("FCCC"). The objective of the Foundation's investment in FCCC/Osher is to grow the Foundation's investments through the Bernard Osher Foundation pledge to match funds contributed to FCCC/Osher. The investment managers engaged by FCCC are required to follow specific guidelines set forth by FCCC with respect to the various types of allowable investments purchased and held by the pool. Accordingly, the estimated fair value of these investments is based on information provided by external investment managers engaged by FCCC. At June 30, 2023, the Foundation investment in pool consisted of 5% cash and short term investments, 29% fixed income securities, and 69% equity securities.

Trust Investments: The Trust agreement authorizes the use of a broad range of investment choices that have distinctly different risks and return characteristics. In general, investments held in the Trust Fund are for the primary purpose of meeting present and future OPEB liability obligations and may be invested in accordance with California Government Code Sections 53600 through 53622 that, subject to applicable legal requirements, may provide greater latitude to increase purchasing power and capital growth potential if deemed prudent to do so.

The Trust Fund's investment portfolio is invested with the objective of achieving a target net annual rate of return of 5.5% as well as an additional 1% to cover the costs of trust administration. At June 30, 2023, 40% of the Trust's investment value is held in equities, 54% is held in fixed income and 6% in real estate securities.

As stated in the Investment Policy, the Trust will invest predominantly in equities and fixed income securities. The fair value of the Trust's individual investments at June 30, 2023 are as follows:

Mutual funds - equities	$ 5,501,406
Mutual funds - fixed income	7,484,558
Mutual funds - real estate	899,071
	$ 13,885,035

Custodial Credit Risk: The District limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to $250,000 by the Federal Deposit Insurance Corporation ("FDIC") and are collateralized by the respective financial institution. At June 30, 2023, the carrying amount of the District's cash on hand and in banks for the primary governmental entity was $1,217,489 and the bank balance was $917,953. The bank balance amount insured was $250,000.

Cash balances held in banks at the Foundation are also insured up to $250,000 by the FDIC. Cash equivalents held by a broker are insured up to $500,000 by the Securities Investor Protection Corporation ("SIPC"). At June 30, 2023, the carrying amount of the Foundation's cash on hand and in banks and cash equivalents was $1,421,175 and the bank balance was $1,443,345. The bank balance amount insured by the Federal Deposit Insurance Corporation or Securities Investor Protection Corporation was $1,010,231.

The California Government Code requires California banks and savings and loan associations to secure the District's deposits by pledging government securities as collateral. The market value of pledged securities must equal 110 percent of an agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of 150 percent of an agency's total deposits and collateral is considered to be held in the name of the District. All cash held by the financial institutions that is not insured is collateralized.

(Continued)

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Credit Risk: Generally, 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. Presented below is the minimum rating required by (where applicable) the California Government Code, the Placer County Treasury Investment Policy based on California Government Code Section 53635, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type. This table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentrations of credit risk.

Authorized Investment Type	Maximum Maximum Maturity	Maximum Percentage of Portfolio	Investment in One Issuer
Local Agency Bonds or Notes	5 years	None	None
U.S. Treasury Obligations	5 years	None	100%
U.S. Agency Securities	5 years	None	75%
Bankers Acceptance	180 days	40%	30%
Commercial Paper	270 days	40%	40%
Negotiable Certificates of Deposit	5 years	30%	30%
Collateralized Certificates of Deposit	N/A	None	20%
Repurchase Agreements	1 year	25%	20%
Corporate Notes	5 years	30%	30%
Local Agency Investment Funds (LAIF)	N/A	40MM	40MM
CDARS Certificates of Deposit	N/A	30%	30%

The District's Trust investment policy requires all fixed income investments to be of investment grade quality or higher at purchase; that is, at the time of purchases, rated no lower than "BBB" by Standard and Poor's. At June 30, 2023, the Trust investments consisted of open and closed-end mutual funds, therefore there are no credit ratings to disclose.

Investments Authorized by Debt Agreements: Investment 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 or the District's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maximum Maturity	Maximum Percentage of Portfolio	Investment in One Issuer
Placer County Investment Pool	Five years	None	None

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. As of year-end, the maximum average maturity of the investments contained in the County investment pool is five years.

(Continued)

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the maturity date of each investment:

Investment Type	Weighted Average Maturity (in Years)
Placer County Investment Pool	1.23

The District's OPEB Trust (the "Trust") investments consisted of open and closed-end mutual funds, therefore, there are no significant interest rate risk related to the investments held, as there are no maturities related to the mutual funds held.

Concentration of Credit Risk: The District's investment policy places limits on the amount it may invest in any one issuer. At June 30, 2023, the District had no concentration of credit risk.

The District's Trust investment policy requires that not more than 5 percent of the Trust assets be invested in any single equity security or debt security. However, the limitation does not apply to the percentage of Trust assets invested in a single diversified mutual fund, nor does the limitation apply to obligations of the U.S. Government and its agencies or U.S. agency mortgage-backed pass-through securities. At June 30, 2023, the Trust investment had no holdings that exceeded 5% of the Trust assets.

NOTE 3 - FAIR VALUE MEASUREMENTS - INVESTMENTS

The following presents information about the Trust's and Foundation's assets and liabilities measured at fair value on a recurring basis as of June 30, 2023, and indicates the fair value hierarchy of the valuation techniques utilized by the Foundation to determine such fair value based on the hierarchy:

Level 1 - Quoted market prices or identical instruments traded in active exchange markets. Level 1 investments include mutual funds, corporate stocks, and real estate investment trusts.

Level 2 - Significant other observable inputs such as quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable or can be corroborated by observable market data. Level 2 investments include corporate bonds and U.S. Treasury notes.

Level 3 - Significant unobservable inputs that reflect a reporting entity's own assumptions about the methods that market participants would use in pricing an asset or liability. Level 3 investments include the investment in FCCC/Osher.

Valuation Approach: The District's mutual fund investments are generally classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices or broker or dealer quotations.

There were no changes in the valuation techniques used during the year ended June 30, 2023. There were no transfers of assets between the fair value levels for the year ended June 30, 2023.

(Continued)

NOTE 3 - FAIR VALUE MEASUREMENTS - INVESTMENTS (Continued)

The Trust is required or permitted to record the following assets at fair value on a recurring basis:

Description	Level 1	Level 2	Level 3	Total
Investment securities				
Mutual fund - equities	$ 5,501,406	$ -	$ -	$ 5,501,406
Mutual fund - fixed income	7,484,558	-	-	7,484,558
Mutual fund - real estate	899,071	-	-	899,071
Total investment securities	$ 13,885,035	$ -	$ -	$ 13,885,035

The Foundation is required or permitted to record the following assets at fair value on a recurring basis:

Description	Level 1	Level 2	Level 3	Total
Investment securities				
Cash and cash equivalents	$ 653,976	$ -	$ -	$ 653,976
Mutual funds - equities	8,987,868	-	-	8,987,868
Mutual funds - fixed income	3,199,155	-	-	3,199,155
Real estate investment trusts	824,627	-	-	824,627
Bonds - corporate	-	-	-	-
Investment in FCCC/Osher	-	-	679,508	679,508
Total investment securities	13,665,626	-	679,508	14,345,134
Investments held at cost				91,495
Total investments	$ 13,665,626	$ -	$ 679,508	$ 14,436,629

Included in total investments at June 30, 2023 is an equity investment in a closely-held company in the amount of $91,495. This investment without readily determinable fair value is carried at cost because of the Foundation's inability to exercise significant influence over the company.

The fair value of the funds held by FCCC is based upon the Foundation’s proportionate share of the FCCC/Osher pooled investment portfolio (Level 3 inputs). Foundation management reviews the valuations and returns in comparison to industry benchmarks and other information provided by FCCC, but there is currently no visibility provided by FCCC to the specific listing of underlying investment holdings.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Foundation had no non-recurring assets and no liabilities at June 30, 2023, which were required to be disclosed using the fair value hierarchy.

NOTE 4 - RECEIVABLES

Receivables at June 30, 2023 are summarized as follows:

	District	Foundation
Federal	$ 3,785,170	$ -
State	290,433	-
Local and other	2,217,193	40,616
	6,292,796	40,616
Less allowance for doubtful accounts	(713,030)	-
	$ 5,579,766	$ 40,616

NOTE 5 - CAPITAL ASSETS AND LEASED ASSETS

Capital asset and leased asset activity consists of the following:

	Balance July 1, 2022	Additions	Deductions	Transfers	Balance June 30, 2023
Capital assets					
Non-depreciable					
Land	$ 8,595,603	$ -	$ -	$ -	$ 8,595,603
Construction in progress	63,934,131	57,999,167	(255,862)	(4,676,388)	117,001,048
Depreciable					
Buildings	178,270,118	172,091	(101,108)	1,299,203	179,640,304
Building & site improvements	63,140,436	3,501,689	-	3,377,185	70,019,310
Machinery and equipment	22,632,825	3,488,685	(39,002)	-	26,082,508
Total	336,573,113	65,161,632	(395,972)	-	401,338,773
Less accumulated depreciation					
Buildings	47,278,505	3,584,531	(32,355)	-	50,830,681
Building & site improvements	37,433,591	2,508,572	-	-	39,942,163
Machinery and equipment	14,578,552	1,442,117	(34,055)	-	15,986,614
Total	99,290,648	7,535,220	(66,410)	-	106,759,458
Capital assets, net	$ 237,282,465	$ 57,626,412	$ (329,562)	$ -	$ 294,579,315
Leased assets					
Buildings	$ 2,972,778	-	-	-	$ 2,972,778
Site improvements	2,836,667	-	-	-	2,836,667
Total	5,809,445	-	-	-	5,809,445
Less amortization					
Buildings	627,342	521,208	-	-	$ 1,148,550
Site improvements	1,063,750	141,833	-	-	1,205,583
Total	1,691,092	663,041	-	-	2,354,133
Leased asset, net	$ 4,118,353	$ (663,041)	$ -	$ -	$ 3,455,312

(Continued)

NOTE 6 - UNEARNED REVENUE

Unearned revenue for the District consisted of the following:

Unearned tuition and other student fees	$ 2,876,407
Unearned local revenue	4,464,991
Unearned Federal and State revenue	41,200,612
Total unearned revenue	$ 48,542,010

NOTE 7 - LONG-TERM LIABILITIES

General Obligation Bonds: On June 21, 2007, the District issued Measure G, Series B SFID No. 1 bonds to fund the acquisition, construction and development of a new campus. Capital appreciation bonds of $4,535,973 bear interest at rates ranging from 4.96% to 5.01%. Interest on such capital appreciation bonds is compounded semiannually each year. The capital appreciation bonds mature June 1, 2032 and are payable only at maturity. In 2015, the District issued refunding bonds which defeased serial bonds of the Series B SFID No. 1 General Obligation Bonds. For financial reporting purposes, the debt has been considered defeased and therefore removed from the District's financial statements.

Accreted interest on the capital appreciation bonds was $5,285,816 at June 30, 2023.

The following is a schedule of the future payments for the Series B SFID No. 1 General Obligation Bonds:

Year Ending June 30,	Principal	Interest	Total
2024	$ -	$ -	$ -
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	537,566	902,434	1,440,000
2029-2032	3,998,406	8,711,594	12,710,000
Subtotal	4,535,972	9,614,028	14,150,000
Plus: Unamortized premium	105,426	-	105,426
Total	$ 4,641,398	$ 9,614,028	$ 14,255,426

On June 21, 2007, the District issued Measure G, Series B SFID No. 2 bonds to fund the acquisition, construction and development of a new campus. Serial Bonds of $4,260,000 matured August 1, 2012. Capital appreciation bonds of $22,136,517 bear interest at rates ranging from 4.15% to 6.32%. Bonds maturing August 1, 2013 to August 1, 2031 are payable only at maturity on August 1 of each year. Final capital appreciation bonds mature June 1, 2032 and are payable only at maturity. Interest on such capital appreciation bonds is compounded semiannually each year.

Accreted interest on the capital appreciation bonds was $13,367,266 at June 30, 2023.

(Continued)

NOTE 7 - LONG-TERM LIABILITIES (Continued)

The following is a schedule of the future payments for the Series B SFID No. 2 General Obligation Bonds:

Year Ending June 30,	Principal	Interest	Total
2024	$ 1,029,175	$ 1,215,825	$ 2,245,000
2025	1,027,332	1,332,668	2,360,000
2026	1,022,670	1,452,330	2,475,000
2027	1,021,228	1,578,772	2,600,000
2028	1,017,270	1,707,730	2,725,000
2029-2032	6,444,148	15,385,852	21,830,000
Subtotal	11,561,823	22,673,177	34,235,000
Plus: Unamortized premium	168,853	-	168,853
Total	$ 11,730,676	$ 22,673,177	$ 34,403,853

During the year ended June 30 2013, the Financing Corporation issued $16,820,000 of 2013 General Obligation Refunding Bonds, Series A, with an effective interest rate of 2.37%, maturing August 1, 2029. Proceeds were used to advance refund a portion of the outstanding 2004 Series A SFID No. 1 General Obligation Bonds and to pay the costs of issuing the Series A Refunding Bonds. The Series A Refunding Bonds are general obligations of the District payable solely from *ad valorem taxes* upon all property within the Sierra Joint Community College District School Facilities Improvement District No. 1. During the year ended June 30, 2021, 2013 Series A Refunding Bonds totaling $10,080,000 were refunded through the issuance of 2021 General Obligation Refunding Bonds. For financial reporting purposes, the debt has been considered defeased and therefore removed from the District's financial statements. The remaining 2013 Series A Refunding Bonds mature through August 1, 2023.

The following is a schedule of the future payments for the Series A Refunding Bonds:

Year Ending June 30,	Principal	Interest	Total
2024	$ 1,130,000	$ 22,600	$ 1,152,600
Subtotal	1,130,000	22,600	1,152,600
Plus: Unamortized premium	128,923	-	128,923
Total	$ 1,258,923	$ 22,600	$ 1,281,523

(Continued)

NOTE 7 - LONG-TERM LIABILITIES (Continued)

During the year ended June 30, 2013, the Financing Corporation issued $13,555,000 of 2013 General Obligation Refunding Bonds, Series B, with an effective interest rate of 2.40%, maturing August 1, 2029. Proceeds were used to advance refund a portion of the outstanding 2004 Series A SFID No. 2 General Obligation Bonds and to pay the costs of issuing the Series B Refunding Bonds. The Series B Refunding Bonds are general obligations of the District payable solely from *ad valorem taxes* within the Sierra Joint Community College District School Facilities Improvement District No. 2. During the year ended June 30, 2021, 2013 Series B Refunding Bonds totaling $8,120,000 were refunded through the issuance of 2021 General Obligation Refunding Bonds. For financial reporting purposes, the debt has been considered defeased and therefore removed from the District's financial statements. The remaining 2013 Series B Refunding Bonds mature thorough August 1, 2023.

The following is a schedule of the future payments for the Series B Refunding Bonds:

Year Ending June 30,	Principal	Interest	Total
2024	$ 905,000	$ 18,100	$ 923,100
Plus: Unamortized premium	95,394	-	95,394
Total	$ 1,000,394	$ 18,100	$ 1,018,494

During the year ended June 30, 2015, the District issued $7,585,000 of 2015 General Obligation Refunding Bonds. The current interest bonds bear interest at rates of 3.00% to 5.00%, maturing August 1, 2026. Proceeds were used to advance refund a portion of the outstanding 2004 Series B SFID No. 1 General Obligation Bonds and to pay the costs of issuing the 2015 Refunding Bonds. For financial reporting purposes, the refunded debt has been considered defeased and therefore removed from the District's financial statements.

The following is a schedule of the future payments for the 2015 Refunding Bonds:

Year Ending June 30,	Principal	Interest	Total
2024	$ 895,000	$ 188,875	$ 1,083,875
2025	995,000	141,625	1,136,625
2026	1,105,000	89,125	1,194,125
2027	1,230,000	30,750	1,260,750
Subtotal	4,225,000	450,375	4,675,375
Plus: Unamortized premium	467,129	-	467,129
Total	$ 4,692,129	$ 450,375	$ 5,142,504

During the year ended June 30, 2019, the District issued $80,000,000 of 2018 General Obligation Bonds, Series A. The current interest bonds bear interest at rates of 3.59% to 4.00%, maturing August 1, 2053. Proceeds are to be used to finance the acquisition, construction, modernization and equipping of District sites and facilities.

(Continued)

NOTE 7 - LONG-TERM LIABILITIES (Continued)

The following is a schedule of the future payments for the 2018 GO Bonds, Series A:

Year Ending June 30,	Principal	Interest	Total
2024	$ -	$ 2,460,400	$ 2,460,400
2025	-	2,460,400	2,460,400
2026	-	2,460,400	2,460,400
2027	-	2,460,400	2,460,400
2028	-	2,460,400	2,460,400
2029-2033	910,000	12,283,800	13,193,800
2034-2038	6,520,000	11,523,600	18,043,600
2039-2043	10,515,000	9,837,100	20,352,100
2044-2048	15,705,000	7,236,900	22,941,900
2049-2053	22,415,000	3,452,100	25,867,100
2054	5,445,000	108,900	5,553,900
Subtotal	61,510,000	56,744,400	118,254,400
Plus: Unamortized premium	2,760,060	-	2,760,060
Total	$ 64,270,060	$ 56,744,400	$ 121,014,460

On February 18, 2021, the District issued $97,000,000 of 2018 General Obligation Bonds, Series B. The current bonds bear interest at rates of 2.00% to 4.00%, maturing August 1, 2053. The Series B Bonds are being issued to finance the acquisition, construction, modernization and equipping of District sites and facilities within the Improvement District No. 4, and pay the costs of issuing the Series B Bonds.

The following is a schedule of the future payments for the 2018 GO Bonds, Series B:

Year Ending June 30,	Principal	Interest	Total
2024	$ 9,540,000	$ 2,063,419	$ 11,603,419
2025	795,000	1,856,719	2,651,719
2026	980,000	1,821,219	2,801,219
2027	1,155,000	1,778,519	2,933,519
2028	1,335,000	1,728,719	3,063,719
2029-2033	8,875,000	7,638,394	16,513,394
2034-2038	9,390,000	6,155,319	15,545,319
2039-2043	12,560,000	5,026,047	17,586,047
2044-2048	16,300,000	3,586,100	19,886,100
2049-2053	20,805,000	1,655,109	22,460,109
2054	4,780,000	50,788	4,830,788
Subtotal	86,515,000	33,360,351	119,875,351
Plus: Unamortized premium	4,097,624	-	4,097,624
Total	$ 90,612,624	$ 33,360,351	$ 123,972,975

(Continued)

NOTE 7 - LONG-TERM LIABILITIES (Continued)

On February 18, 2021, the District issued $11,450,000 of 2021 General Obligation Refunding Bonds, Series A. The current bonds bear interest at rates of 0.149% to 1.445%, maturing August 1, 2029. Proceeds are being issued by the District to advance refund a portion of the District's outstanding 2013 General Obligation Refunding Bonds, Series A, and pay the costs of issuing the Series A Refunding Bonds. For financial reporting purposes, the refunded debt has been considered defeased and removed from the District's financial statements.

The following is a schedule of the future payments for the 2021 Refunding Bonds, Series A:

Year Ending June 30,	Principal	Interest	Total
2024	$ 260,000	$ 105,511	$ 365,511
2025	1,520,000	102,599	1,622,599
2026	1,615,000	94,752	1,709,752
2027	1,720,000	82,656	1,802,656
2028	1,830,000	65,463	1,895,463
2029-2030	4,040,000	57,695	4,097,695
Subtotal	10,985,000	508,675	11,493,675
Plus: Unamortized premium	-	-	-
Total	$ 10,985,000	$ 508,675	$ 11,493,675

On February 18, 2021, the District issued $9,195,000 of 2021 General Obligation Refunding Bonds, Series B. The current bonds bear interest at rates of 0.149% to 1.485%, maturing August 1, 2029. Proceeds are being issued by the District to advance refund a portion of the District's outstanding 2013 General Obligation Refunding Bonds, Series B, and pay the costs of issuing the Series B Refunding Bonds. For financial reporting purposes, the refunded debt has been considered defeased and removed from the District's financial statements.

The following is a schedule of the future payments for the 2021 Refunding Bonds, Series B:

Year Ending June 30,	Principal	Interest	Total
2024	$ 205,000	$ 85,801	$ 290,801
2025	1,220,000	83,407	1,303,407
2026	1,290,000	77,068	1,367,068
2027	1,375,000	67,402	1,442,402
2028	1,460,000	53,674	1,513,674
2029-2030	3,280,000	47,813	3,327,813
Subtotal	8,830,000	415,166	9,245,166
Plus: Unamortized premium	-	-	-
Total	$ 8,830,000	$ 415,166	$ 9,245,166

NOTE 7 - LONG-TERM LIABILITIES (Continued)

On June 8, 2023, the District issued $63,000,000 of 2018 General Obligation Bonds, Series C. The current bonds bear interest at rates of 5.00% to 4.00%, maturing August 1, 2053. The Series C Bonds are being issued to finance the acquisition, construction, modernization and equipping of District sites and facilities within the Improvement District No. 4, and pay the costs of issuing the Series C Bonds.

The following is a schedule of the future payments for the 2018 General Obligation Bonds, Series C:

Year Ending June 30,	Principal	Interest	Total
2024	$ -	$ 1,708,219	$ 1,708,219
2025	9,750,000	2,657,000	12,407,000
2026	7,350,000	2,229,500	9,579,500
2027	455,000	2,034,375	2,489,375
2028	580,000	2,008,500	2,588,500
2029-2033	4,100,000	9,492,000	13,592,000
2034-2038	5,885,000	8,247,875	14,132,875
2039-2043	8,045,000	6,516,375	14,561,375
2044-2048	10,580,000	4,359,150	14,939,150
2049-2053	13,250,000	1,971,400	15,221,400
2054	3,005,000	60,100	3,065,100
Subtotal	63,000,000	41,284,494	104,284,494
Plus: Unamortized premium	3,117,253	-	3,117,253
Total	$ 66,117,253	$ 41,284,494	$ 107,401,747

Certificates of Participation: During 2012, the Financing Corporation issued $11,962,000 of Certificates of Participation (COPs) with an average interest rate of 2.29%. Proceeds were used to advance refund outstanding 1998, 2004 and 2007 COPs. The net proceeds related to the advance refunding issuance and fund balances from prior issuances totaling $12,889,141 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments and the 1998, 2004 and 2007 COPs were defeased. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. The remaining balance of the defeased bonds at June 30, 2023 is $802,000.

Following is a schedule of the future payments for the 2012 Certificates of Participation:

Year Ending June 30,	Principal	Interest	Total
2024	$ 396,000	$ 17,869	$ 413,869
2025	406,000	5,156	411,156
Total	$ 802,000	$ 23,025	$ 825,025

Lease liability: The District leases equipment and a building under long-term, material lease agreements which are scheduled to mature through 2028.

(Continued)

NOTE 7 - LONG-TERM LIABILITIES (Continued)

The annual requirements to amortize the leases outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 704,798	$ 21,906	$ 726,704
2025	708,984	17,720	726,704
2026	713,265	13,439	726,704
2027	457,040	9,060	466,100
2028	200,916	4,581	205,497
Total	$ 2,785,003	$ 66,706	$ 2,851,709

Changes in Long-Term Debt: A schedule of changes in long-term debt for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023	Amounts Due Within One Year
Debt					
General Obligation Bonds	$ 204,812,078	$ 63,000,000	$ 14,614,283	$ 253,197,795	$ 13,964,175
Accreted interest	18,044,623	1,714,176	1,105,717	18,653,082	476,795
Unamortized Bond Premium	8,496,988	3,221,161	777,487	10,940,662	682,396
Other long-term liabilities					
Certificates of Participation	1,189,000	-	387,000	802,000	396,000
Lease liability	3,485,709	-	700,706	2,785,003	704,798
Compensated absences	2,231,031	13,780	-	2,244,811	2,244,811
Net pension liability	55,877,000	32,893,000	-	88,770,000	-
Net OPEB Liability	31,456,674	-	12,775,395	18,681,279	-
	$ 325,593,103	$ 100,842,117	$ 30,360,588	$ 396,074,632	$ 18,468,975

NOTE 8 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLANS

General Information about the State Teachers' Retirement Plan

Plan Description: Teaching-certificated employees of the District are provided with pensions through the State Teachers' Retirement Plan (STRP) - a cost-sharing multiple-employer defined benefit pension plan administered by the California State Teachers' Retirement System (CalSTRS). The Teachers' Retirement Law (California Education Code Section 22000 et seq.), as enacted and amended by the California Legislature, established this plan and CalSTRS as the administrator. The benefit terms of the plans may be amended through legislation. CalSTRS issues a publicly available financial report that can be obtained at http://www.calstrs.com/comprehensive-annual-financial-report.com.

Benefits Provided: The STRP Defined Benefit Program has two benefit formulas:

- CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS.
- CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS.

NOTE 8 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLANS (Continued)

The Defined Benefit (DB) Program provides retirement benefits based on members' final compensation, age and years of service credit. In addition, the retirement program provides benefits to members upon disability and to survivors/beneficiaries upon the death of eligible members. There are several differences between the two benefit formulas which are noted below.

CalSTRS 2% at 60 - CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor, known as the career factor. The maximum benefit with the career factor, up to the 2.4 percent maximum.

CalSTRS calculates retirement benefits based on a one-year final compensation for members who retired on or after January 1, 2001, with 25 or more years of credited service, or for classroom teachers with less than 25 years of credited service if the employer elected to pay the additional benefit cost prior to January 1, 2014. One-year final compensation means a member's highest average annual compensation earnable for 12 consecutive months calculated by taking the creditable compensation that a member could earn in a school year while employed on a fulltime basis, for a position in which the person worked. For members with less than 25 years of credited service, final compensation is the highest average annual compensation earnable for any three consecutive years of credited service.

CalSTRS 2% at 62 - CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

All CalSTRS 2% at 62 members have their final compensation based on their highest average annual compensation earnable for three consecutive years of credited service.

Contributions: Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Current contribution rates were established by California Assembly Bill 1469 (CalSTRS Funding Plan), which was passed into law in June 2014, and various subsequent legislation.

The CalSTRS Funding Plan established a schedule of contribution rate increases shared among members, employers, and the State of California to bring CalSTRS toward full funding by fiscal year 2046. California Senate Bill 90 and California Assembly Bill 84 (collectively the "Special Legislation") were signed into law in June 2019 and June 2020, respectively, and provided supplemental contributions to the DB Program along with supplemental contribution rate relief to employers through fiscal year 2021–22.

A summary of statutory contribution rates and other sources of contributions to the DB Program pursuant to the CalSTRS Funding Plan and the Special Legislation, are as follows:

Members - Under CalSTRS 2% at 60, the member contribution rate was 10.250 percent of applicable member earnings for fiscal year 2021-22. Under CalSTRS 2% at 62, members contribute 50 percent of the normal cost of their retirement plan, which resulted in a contribution rate of 10.205 percent of applicable member earnings for fiscal year 2021-22.

NOTE 8 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLANS (Continued)

Under CalSTRS 2% at 62, members pay 9% toward the normal cost and an additional 1.205 percent as per the CalSTRS Funding Plan for a total member contribution rate of 10.205 percent. The contribution rate for CalSTRS 2% at 62 members is adjusted if the normal cost increases or decreases by more than 1% since the last time the member contribution rate was set. Based on the June 30, 2021, valuation adopted by the CalSTRS board in May 2022, the increase in normal cost was less than 1 percent. Therefore, the contribution rate for CalSTRS 2% at 62 members did not change effective July 1, 2022.

Employers – Employers are required to contribute a base contribution rate set in statute at 8.25%. Pursuant to the CalSTRS Funding Plan, employers also have a supplemental contribution rate to eliminate their share of the CalSTRS unfunded actuarial obligation by 2046.

Beginning in fiscal year 2021–22, the CalSTRS Funding Plan authorized the CalSTRS board to adjust the employer supplemental contribution rate up or down by a maximum of 1% for a total rate of no higher than 20.25% and no lower than 8.25%. In May 2022, the CalSTRS board voted to keep the employer supplemental contribution rate at 10.85% for fiscal year 2022–23 for a total employer contribution rate of 19.10%.

The CalSTRS employer contribution rates effective for fiscal year 2022-2023 through fiscal year 2046-47 are summarized in the table below:

Effective Date	Base Rate	Supplemental Rate Per CalSTRS Funding Plan	Total
July 1, 2022	8.250%	10.850%	19.100%
July 1, 2023 to June 30, 2046	8.250%	(1)	(1)
July 1, 2046	8.250%	Increase from AB 1469 rate ends in 2046-47	

(1) The CalSTRS Funding Plan authorizes the board to adjust the employer contribution rate up or down by up to 1% each year, but no higher than 20.250% total and no lower than 8.250%.

The District contributed $7,671,987 to the plan for the fiscal year ended June 30, 2023.

State – 10.828 percent of the members' calculated based on creditable compensation from two fiscal years prior.

The state is required to contribute a base contribution rate set in statute at 2.017%. Pursuant to the CalSTRS Funding Plan, the state also has a supplemental contribution rate, which the board can increase by up to 0.5% each fiscal year to help eliminate the state's share of the CalSTRS unfunded actuarial obligation by 2046. In May 2022, the CalSTRS board voted to keep the state supplemental contribution rate at 6.311% for fiscal year 2022–23 for a total contribution rate of 10.828%.

Special legislation appropriated supplemental state contributions to reduce the state's portion of the unfunded actuarial obligation of the DB Program in fiscal years 2019-20 through 2022-23. These contributions are funded from future excess General Fund revenues, pursuant to the requirements of California Proposition 2, the "Rainy-Day Budget Stabilization Fund Act", which passed in 2014. Accordingly, the contribution amounts are subject to change each year based on the availability of funding. For fiscal year 2021–22, CalSTRS received $410.0 million in supplemental state contributions from Proposition 2 funds. Additionally, CalSTRS received a one-time supplemental payment of $173.7 million from the General Fund in fiscal year 2021–22 to offset forgone contributions due to the suspension of the 0.5% increase to the state supplemental contribution rate in fiscal year 2020–21.

NOTE 8 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLANS (Continued)

The CalSTRS state contribution rates effective for fiscal year 2022-2023 and beyond are summarized in the table below.

Effective Date	Base Rate	Supplemental Rate Per CalSTRS Funding Plan	SBMA Funding(1)	Total
July 01, 2022	2.017%	6.311%	2.50%	10.828%
July 01, 2023 to June 30, 2046	2.017%	(2)	2.50%	(2)
July 01, 2046	2.017%	(3)	2.50%	(3)

(1) The SBMA contribution rate excludes the $72 million that is reduced from the required contribution in accordance with Education Code section 22954.
(2) The CalSTRS board has limited authority to adjust the state contribution rate annually through June 2046 in order to eliminate the remaining unfunded actuarial obligation. The board cannot increase the supplemental rate by more than 0.5% in a fiscal year, and if there is no unfunded actuarial obligation, the supplemental contribution rate imposed would be reduced to 0%.
(3) From July 1, 2046, and thereafter, the rates in effect prior to July 1, 2014, are reinstated, if necessary, to address any remaining unfunded actuarial obligation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2023, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	$ 36,633,000
State's proportionate share of the net pension liability associated with the District	20,706,000
Total	$ 57,339,000

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school Districts and the State. At June 30, 2022, the District's proportion was 0.053 percent, which was no change from its proportion measured as of June 30, 2021.

(Continued)

NOTE 8 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLANS (Continued)

For the year ended June 30, 2023, the District recognized pension expense of $4,847,602 and revenue of $6,644,188 for support provided by the State. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 30,000	$ 2,747,000
Changes of assumptions	1,817,000	-
Net differences between projected and actual earnings on investments	-	1,791,000
Changes in proportion and differences between District contributions and proportionate share of contributions	238,000	4,542,000
Contributions made subsequent to measurement date	7,671,987	-
Total	$ 9,756,987	$ 9,080,000

$7,671,987 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2024	$ (1,468,250)
2025	(2,836,250)
2026	(3,476,250)
2027	2,005,750
2028	(1,117,000)
2029	(103,000)

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 7 years as of the June 30, 2022 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

(Continued)

NOTE 8 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLANS (Continued)

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

Valuation Date	June 30, 2021
Experience Study	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%
Post-retirement Benefit Increases	2.00% simple for DB, maintain 85% purchasing power level for DB, not applicable for DBS/CBB

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process.

(Continued)

NOTE 8 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLANS (Continued)

The actuarial investment rate of return assumption was adopted by the CalSTRS board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS consulting actuary reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term* Expected Real Rate of Return
Public Equity	42%	4.8%
Real Estate	15	3.6
Private Equity	13	6.3
Fixed Income	12	1.3
Risk Mitigating Strategies	10	1.8
Inflation Sensitive	6	3.3
Cash / Liquidity	2	(0.4)

* 20-year geometric average

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District’s proportionate share of the net pension liability	$ 62,216,000	$ 36,633,000	$ 15,391,000

Pension Plan Fiduciary Net Position: Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalSTRS financial report.

NOTE 9 - NET PENSION LIABILITY - PUBLIC EMPLOYER’S RETIREMENT FUND B

General Information about the Public Employer’s Retirement Fund B

Plan Description: The schools cost-sharing multiple-employer defined benefit pension plan Public Employer’s Retirement Fund B (PERF B) is administered by the California Public Employees’ Retirement System (CalPERS). Plan membership consists of non-teaching and non-certified employees of public schools (K-12), community college districts, offices of education, charter and private schools (elective) in the State of California.

The Plan was established to provide retirement, death and disability benefits to non-teaching and non- certified employees in schools. The benefit provisions for Plan employees are established by statute. CalPERS issues a publicly available financial report that can be obtained at: https://www.calpers.ca.gov/docs/forms-publications/acfr- 2022.pdf.

(Continued)

NOTE 9 - NET PENSION LIABILITY - PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

Benefits Provided: The benefits for the defined benefit plans are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years (10 years for State Second Tier members) of credited service.

Contributions: The benefits for the defined benefit pension plans are funded by contributions from members and employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer's benefit formulas. Employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Employer contributions, including lump sum contributions made when district's first join the PERF B, are credited with a market value adjustment in determining contribution rates.

The required contribution rates of most active plan members are based on a percentage of salary in excess of a base compensation amount ranging from zero dollars to $863 monthly.

Required contribution rates for active plan members and employers as a percentage of payroll for the year ended June 30, 2023 were as follows:

Members - The member contribution rate was 7.0 percent of applicable member earnings for fiscal year 2022-2023.

Employers - The employer contribution rate was 25.37 percent of applicable member earnings.

The District contributed $6,443,419 to the plan for the fiscal year ended June 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2023, the District reported a liability of $52,137,000 or its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school districts. At June 30, 2022 the District's proportion was 0.152 percent, which was a decrease of 0.005 percent from its proportion measured as of June 30, 2021.

(Continued)

NOTE 9 - NET PENSION LIABILITY - PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

For the year ended June 30, 2023, the District recognized pension expense of $20,609,110. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 236,000	$ 1,297,000
	-	-
Changes of assumptions	3,857,000	-
Net differences between projected and actual earnings on investments	-	9,866,000
	-	-
Changes in proportion and differences between District contributions and proportionate share of contributions	190,000	1,760,000
	-	-
Contributions made subsequent to measurement date	6,443,419	-
Total	$ 10,726,419	$ 12,923,000

$6,443,419 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2024	$ (3,126,417)
2025	(3,237,416)
2026	(2,545,417)
2027	269,250

Differences between expected and actual experience, changes in assumptions and changes in proportion and differences between District contributions and proportionate share of contributions are amortized over a closed period equal to the average remaining service life of plan members, which is 3.9 years as of the June 30, 2022 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

NOTE 9 - NET PENSION LIABILITY - PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

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

Valuation Date	June 30, 2021
Experience Study	June 30, 2000 through June 30, 2019
Actuarial Cost Method	Entry age normal
Investment Rate of Return	6.90%
Consumer Price Inflation	2.30%
Wage Growth	Varies by entry age and service
Post-retirement Benefit Increases	2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power Applies, 2.30% thereafter

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries 80% of scale MP2020. For more details on this table, please refer to the 2021 experience study report.

All other actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from 2000 to 2019, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found at CalPERS' website.

During the 2021-22 measurement period, the financial reporting discount rate for PERF B was lowered from 7.15 percent to 6.90 percent. In addition, the inflation assumption was reduced from 2.50 percent to 2.30 percent. Lastly, demographic assumptions for mortality rates were updated.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class	Assumed Asset Allocation	Expected Real Rates of Return Years 1-10 (1, 2)
Global Equity – cap-weighted	30.00%	4.45%
Global Equity non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	.27%
Mortgage-backed Securities	5.00%	.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

(1) An expected inflation rate of 2.30% used for this period
(2) Figures are based on the 2021-22 CalPERS Asset Liability Management Study

(Continued)

NOTE 9 - NET PENSION LIABILITY - PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, 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.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability	$ 75,315,000	$ 52,137,000	$ 32,982,000

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS

Plan Description: The District provides lifetime post-employment healthcare benefits (OPEB) under the Sierra Joint Community College District Futuris Substantive Plan for certain groups of employees who retire from the District. The benefits provide retired employees and eligible dependents with health insurance coverage. When the retiree is eligible for Medicare, the District provides insurance coverage supplemental to Medicare. Eligible requirements and benefits may vary according to hire date. The District provides the OPEB benefits through a single employer defined benefit OPEB plan that is administered by Benefit Trust Company. OPEB provisions are established and amended per contractual agreement with employee groups. The plan does not issue separate financial statements. The following is a description of the current retiree benefit plan:

Academic Employees

- Employees hired before November 27, 1984 receive 100% paid benefits upon retirement from the District.

- Employees hired after November 27, 1984, but before July 2, 1988, must have completed five years of service to receive 100% paid benefits.

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

- Employees hired after July 1, 1988, but before July 2, 1994, must have completed twelve years of service to receive 100% paid benefits.

- Employees hired after July 1, 1994 may purchase benefits at their own expense.

Classified Employees

- Employees hired before December 10, 1985 receive 100% paid benefits upon retirement from the District.

- Employees hired after December 10, 1985, but before July 2, 1986, must have completed five years of service to receive 100% paid benefits.

- Employees hired after July 1, 1986, but before July 2, 1994, must have completed 15 years of service to receive 100% paid benefits.

- Employees hired after July 1, 1994 may purchase benefits at their own expense.

During the year ended June 30, 2008 the District signed an irrevocable trust (the Trust) agreement. The District appointed a Board of Authority with authority to make decisions on behalf of the District with respect to the *Futuris Public Entity Investment Trust Program*. Benefit Trust Company was appointed as the custodian and trustee to administer the *Futuris Public Entity Investment Trust*

The Board of Authority is comprised of the following six positions: Vice President, Administrative Services, Director, Human Resources, Vice President of Student Services, 1 Federation of United School Employees Member, 1 Sierra College Faculty Association Member, 1 Sierra College Management Association Member and 1 retiree.

Employees covered by benefit term: The following is a table of plan participants at June 30, 2023:

	Number of Participants
Inactive employees/dependents receiving benefits	288
Inactive employees/dependents entitled to but not yet receiving benefits	-
Active employees	8
	296

Contributions: The contribution requirements of plan members and the District are established and may be amended by the Board of Authority and by contractual agreement with employee groups. The District's plan members contribute 1% of base pay to the plan with a matching 1% from the employer. For the year ended June 30, 2023, employer contributions consist of $2,947,634 paid from the General Fund. Additionally, the trustee may amend or modify the benefits if the contributions to the trust and reserves of the trust are insufficient to maintain the benefits of participants and dependents.

(Continued)

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

OPEB Plan Investments: The plan discount rate of 7.6 percent was determined using the following asset allocation and assumed rate of return:

Asset Class	Percentage of Portfolio	Rate of Return*
Equities	40%	4.0%
Fixed income	54%	3.2%
Alternatives	6%	0.4%

* Geometric average

Rolling periods of time for all asset classes in combination we used to appropriately reflect correlation between asset classes. This means that the average returns for any asset class do not necessarily reflect the averages over time individually, but reflect the return for the asset class for the portfolio average. Additionally, the historic 30-year real rates of return for each asset class along with the assumed long-term inflation assumption was used to set the discount rate. The investment return was offset by assumed investment expenses of 25 basis points. It was further assumed that contributions to the plan would be sufficient to fully fund the obligation over a period not to exceed 30 years.

Money-weighted rate of return on OPEB plan investments	6.85%

The money-weighted rate of return expresses investment performance, net of OPEB plan investment expenses, adjusted for the changing amounts actually invested.

Actuarial Assumptions: The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Valuation date	July 1, 2023
Measurement date	June 30, 2023
Census data	The census was provided by the District as of July 1, 2023
Actuarial cost method	Entry age normal
Amortization methods	Flat dollar amount allocation with 18 year closed amortization
Inflation rate	2.70%
Investment rate of return	7.60%
Discount rate	7.60%; assuming contributions would be sufficient to fully fund the obligation over a period not to exceed 30 years.
Health care cost trend rate	7.00%
Payroll increase	2.75%

(Continued)

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Participation rates	It is assumed that new retirees select coverage, consistent with their active election, and participate in Medicare.
Mortality	For certificated employees the 2020 CalSTRS mortality tables were used.
	For classified employees the 2021 CalPERS active mortality for miscellaneous employees were used.
Spouse prevalence	Spouses were assumed where current benefit elections indicated spousal coverage.
Spouse ages	To the extent spouse dates of birth are not provided and when needed to calculate benefit liabilities, males were assumed to be the same age as their female counterparts.
Turnover	For certificated employees the 2020 CalSTRS termination rates were used.
	For classified employees the 2021 CalPERS termination rates for school employees were used.
Service requirement	For certificated employees 100% at 12 years of service.
	For classified employees 100% at 15 years of service.
	For management 100% at 12 years of service. Retirement rates For certificated employees the 2020 CalSTRS retirement rates were used.
	For classified employees the 2021 CalPERS retirement rates for school employees were used.

(Continued)

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in the Net OPEB Liability:

	Total OPEB Liability (a)	Total Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance, June 30, 2022	$ 44,534,886	$ 13,078,213	$ 31,456,673
Changes for the year			
Service cost	67,277	-	67,277
Interest	1,932,675	-	1,932,675
Plan member contributions	-	8,323	(8,323)
Employer contributions	-	2,947,634	(2,947,634)
Expected interest income	-	-	-
Investment gains	-	892,538	(892,538)
Administrative expense	-	(102,362)	102,362
Estimated benefit payments	(3,344,456)	(2,939,311)	(405,145)
Change in assumptions	(9,672,115)	-	(9,672,115)
Experience Gains/Losses	(951,953)	-	(951,953)
Net change	(11,968,572)	806,822	(12,775,394)
Balance, June 30, 2023	$ 32,566,314	$ 13,885,035	$ 18,681,279

Fiduciary Net Position as a % of the Total OPEB Liability, at June 30, 2023: 42.64%

Sensitivity of the Net Pension Liability to Assumptions: The following presents the net OPEB liability calculated using the discount rate of 7.6 percent. The schedule also shows what the net OPEB liability would be if it were calculated using a discount rate that is 1 percent lower (6.6 percent) and 1 percent higher (8.6):

	Discount Rate 1% Lower (6.60%)	Valuation Discount Rate (7.60%)	Discount Rate 1% Higher (8.60%)
Net OPEB liability	$ 21,335,967	$ 18,681,279	$ 16,372,143

The following table presents the net OPEB liability calculated using the heath care cost trend rate of 7.0 percent. The schedule also shows what the net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percent lower (6.0 percent) and 1 percent higher (8.0 percent):

	Health Care Trend Rate 1% Lower (6.0%)	Valuation Health Care Trend Rate (7.0%)	Health Care Trend Rate 1% Higher (8.0%)
Net OPEB liability	$ 16,506,757	$ 18,681,279	$ 21,145,445

(Continued)

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2023, the District recognized OPEB expense of $8,983,791. At June 30, 2023, the District reported deferred outflows or resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings of OPEB plan investments	$ 1,050,670	$ -

Amounts reported as deferred outflows of resources related to the net difference between projected and actual earnings of OPEB plan investments will be amortized over five years and recognized in OPEB expense as follows:

2024	$ 226,703
2025	234,087
2026	650,565
2027	(60,685)
	$ 1,050,670

Differences between expected and actual experience and changes in assumptions are amortized over the average remaining service life of plan members, which is one year as of the June 30, 2023 measurement date. At June 30, 2023, the District recognized a decrease to the net OPEB liability in the amount of $9,672,115 related to changes in assumptions and a decrease to the net OPEB liability in the amount of $951,953 related to differences between expected and actual experience.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

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

The District has received Federal and State funds for specific purposes that are subject to review or audit by the grantor agencies. Although such audits could result in expenditure disallowances under terms of the grants, it is management's opinion that any required reimbursements or future revenue offsets subsequently determined will not have a material effect on the District's financial statements.

(Continued)

NOTE 11 - COMMITMENTS AND CONTINGENCIES (Continued)

Operating Leases: Future minimum rental payments under all noncancelable operating leases not meeting the District's threshold for capitalizing as a 'right of use asset', with initial or remaining lease terms in excess of one year as of June 30, 2023, are as follows:

Year Ending June 30,	
2024	$ 371,676
2025	164,012
2026	139,457
2027	46,018
	$ 721,163

At June 30, 2023, the District's operating lease expenses totaled $972,188.

Construction Commitments: As of June 30, 2023, the District had approximately $59,829,000 in outstanding commitments on construction contracts.

NOTE 12 - JOINT POWERS AGREEMENTS

Sierra Joint Community College District participates in Joint Power Agreements ("JPAs"), with Alliance of Schools for Cooperative Insurance Programs ("ASCIP") for property, liability and workers' compensation insurance, Self-Insured Schools of California (SISC III) for health and welfare benefits and Schools Excess Liability Fund ("SELF") for excess liability insurance for the operation of common risk management and insurance programs. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years. There have been no significant reductions in insurance coverage from coverage in the prior year. The relationship between the District and the JPAs is such that the JPAs are not component units of the District for financial reporting purposes.

The JPAs are governed by boards consisting of representatives from member district. The boards control the operations of the JPAs, including the selection of management and approval of operating budgets, independent of any influence by the member district beyond their representation on the governing board. The District pays a premium commensurate with the level of coverage requested.

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

(Continued)

NOTE 12 - JOINT POWERS AGREEMENTS (Continued)

Condensed financial information of the JPAs for the most recent year available is as follows:

	ASCIP June 30, 2022	SISC III September 30, 2022	SELF June 30, 2022
Total assets	$ 524,110,395	$ 972,650,846	$ 289,680,806
Deferred outflows of resources	1,355,136	-	246,406
Total liabilities	306,251,157	272,859,018	218,707,290
Deferred inflows of resources	772,534	-	178,227
Net position	218,441,840	699,791,828	71,041,695
Total revenues	262,403,327	2,881,328,800	141,145,379
Total expenses	270,681,932	2,971,121,829	110,272,506
Change in net position	(8,278,605)	(89,793,029)	30,872,873

(Continued)

NOTE 13 - OPERATING EXPENSES

The following schedule details the functional classifications of the District's operating expenses reported in the statement of revenues, expenses and changes in net position for the year ended June 30, 2023.

Functional Classifications	Salaries	Employee Benefits	Supplies Materials and Other Operating Expenses and Services	Student Aid	Utilities	Depreciation	Total
Instruction	$ 38,808,939	$ 15,242,431	$ 6,149,910	$ -	$ -	$ -	$ 60,201,280
Academic support	5,763,326	2,304,052	995,057	-	-	-	9,062,435
Student services	13,859,930	5,657,026	2,006,345	480	-	-	21,523,781
Operations and maintenance of plant	2,903,064	1,323,268	5,370,399	-	3,699,368	-	13,296,099
Institution support	10,118,708	5,353,274	11,859,917	-	-	-	27,331,899
Community services & economic development	960,857	396,422	1,455,865	-	-	-	2,813,144
Ancillary services & auxiliary operations	2,254,639	834,053	2,902,272	-	-	-	5,990,964
Physical property and related acquisitions	1,164,256	507,591	(4,469,373)	-	-	8,198,261	5,400,735
Long-term debt and other financing	-	-	135,341	-	-	-	135,341
Student aid	-	-	-	29,745,876	-	-	29,745,876
	$ 75,833,719	$ 31,618,117	$ 26,405,733	$ 29,746,356	$ 3,699,368	$ 8,198,261	$ 175,501,554

(Continued)

NOTE 14 – RELATED PARTY TRANSACTIONS

Administrative Service Fee: The Foundation earned revenues of $145,000 during the year ended June 30, 2023, for services provided to the District in assisting in the administration of scholarships to individual students in accordance with the terms and conditions specified in the individual scholarship fund.

In-kind Donation from the District: The Foundation received in-kind donations from the District totaling $166,813 for the year ended June 30, 2023. This consisted of accounting and management support, comprehensive insurance, office space, and other miscellaneous internal services as provided by the District. The valuation of such services and facilities is determined based upon various factors including employee salaries and benefits, office rent, and certain other operating expenses.

These items are recorded as contributions in net assets without donor restrictions on the statement of activities at their estimated fair value for the year ended June 30, 2023. A breakdown of the amounts is as follows:

Salaries and benefits	$ 149,363
Audit and professional fees	5,000
Office space	12,450
	$ 166,813

NOTE 15 - ENDOWMENT NET ASSETS - FOUNDATION

Changes in endowment net assets for the fiscal year ended June 30, 2023, consisted of the following:

	Net Assets Without Donor Restriction	Net Assets With Donor Restriction	Total
Endowment net assets, beginning of year	$ 1,181,327	$ 7,941,665	$ 9,122,992
Change in fair value of investment and investment income	240,611	645,763	886,374
Contributions	-	345,629	345,629
Other transfers	153,759	181,975	335,734
Appropriation of endowment assets for expenditure	(88,276)	(290,765)	(379,041)
Endowment net assets, end of year	$ 1,487,421	$ 8,824,267	$ 10,311,688

(Continued)

NOTE 15 - ENDOWMENT NET ASSETS - FOUNDATION (Continued)

Endowment net asset composition by type of fund for the fiscal year ended June 30, 2023, consisted of the following:

	Net Assets Without Donor Restriction	Net Assets With Donor Restriction	Total
Donor-restricted endowment funds	$ -	$ 8,824,267	$ 8,824,267
Board-designated endowment funds	1,487,421	-	1,487,421
Total	$ 1,487,421	$ 8,824,267	$ 10,311,688

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. For the year ended June 30, 2023, there were seven donor-restricted funds with deficiencies totaling approximately $96,000. The original value of these funds was approximately $1,560,000.

REQUIRED SUPPLEMENTARY INFORMATION

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY
For the Year Ended June 30, 2023

Last 10 Fiscal Years

	2017	2018	2019	2020	2021	2022	2023
Total OPEB liability							
Service Cost	$ 171,433	$ 176,146	$ 164,087	$ 91,218	$ 87,460	$ 79,825	$ 67,277
Interest	2,734,468	2,730,149	2,489,550	2,345,725	2,247,880	2,039,148	1,932,675
Benefit payments	(2,893,674)	(3,055,708)	(3,096,245)	(3,339,120)	(3,145,426)	(3,372,915)	(3,344,456)
Change in assumptions	-	3,787,175	850,956	985,955	6,487,721	(1,221,881)	(9,672,115)
Experience Gains/Losses	-	(451,989)	(2,830,654)	(7,436)	(3,057,058)	108,243	(951,953)
Net change in total OPEB liability	12,227	3,185,773	(2,422,306)	76,342	2,620,577	(2,367,580)	(11,968,572)
Total OPEB liability, beginning of year	43,429,853	43,442,080	46,627,853	44,205,547	44,281,889	46,902,466	44,534,886
Total OPEB liability, end of year (a)	$ 43,442,080	$ 46,627,853	$ 44,205,547	$ 44,281,889	$ 46,902,466	$ 44,534,886	$ 32,566,314
Plan fiduciary net position							
Plan member contributions	34,991	31,878	25,583	22,176	22,815	12,708	8,323
Employer contributions	2,985,545	3,087,586	3,124,975	2,987,950	2,795,262	2,793,624	2,947,634
Investment gains (losses)	1,055,157	647,858	648,655	732,407	2,781,597	(2,835,399)	892,538
Administrative expense	(88,860)	(94,651)	(95,706)	(99,783)	(110,321)	(114,985)	(102,362)
Benefits payment	(2,950,555)	(3,055,708)	(3,096,245)	(2,965,774)	(2,780,916)	(2,780,916)	(2,939,311)
Change in plan fiduciary net position	1,036,278	616,963	607,262	676,976	2,708,437	(2,924,968)	806,822
Fiduciary trust net position, beginning of year	10,357,265	11,393,543	12,010,506	12,617,768	13,294,744	16,003,181	13,078,213
Fiduciary trust net position, end of year (b)	$ 11,393,543	$ 12,010,506	$ 12,617,768	$ 13,294,744	$ 16,003,181	$ 13,078,213	$ 13,885,035
Net OPEB liability, ending (a) - (b)	$ 32,048,537	$ 34,617,347	$ 31,587,779	$ 30,987,145	$ 30,899,285	$ 31,456,673	$ 18,681,279
Covered-employee payroll	$ 3,865,671	$ 3,187,814	$ 2,638,169	$ 2,358,441	$ 1,574,904	$ 1,298,071	$ 886,763
Plan fiduciary net position as a percentage of the of the total OPEB liability	26%	26%	29%	30%	34%	29%	43%
Net OPEB liability as a percentage of covered-employee payroll	829%	1086%	1197%	1314%	1962%	2423%	2107%

This is a 10 year schedule, however the information in this schedule is not required to be presented retrospectively.

See Note to Required Supplementary Information.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT

SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN OF OPEB PLAN INVESTMENTS

For the Year Ended June 30, 2023

Last 10 Fiscal Years

	2017	2018	2019	2020	2021	2022	2023
Money-weighted rate of return on OPEB plan investments	6.50%	5.50%	5.50%	5.82%	20.98%	-17.77%	6.85%

This is a 10 year schedule, however the information in this schedule is not required to be presented retrospectively.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2023

State Teacher's Retirement Plan
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023
District's proportion of the net pension's liability	0.066%	0.067%	0.065%	0.060%	0.059%	0.058%	0.059%	0.053%	0.053%
District's proportionate share of the net pension liability	$ 39,292,000	$ 44,841,000	$ 52,561,000	$ 55,412,000	$ 54,511,000	$ 52,729,000	$ 56,774,000	$ 23,900,000	$ 36,633,000
State's proportionate share of the net pension liability associated with the District	23,726,000	23,716,000	29,925,000	32,782,000	31,210,000	28,767,000	31,026,000	14,220,000	20,706,000
Total net pension liability	$ 63,018,000	$ 68,557,000	$ 82,486,000	$ 88,194,000	$ 85,721,000	$ 81,496,000	$ 87,800,000	$ 38,120,000	$ 57,339,000
District's covered payroll	$ 29,948,000	$ 30,914,000	$ 32,387,000	$ 33,520,000	$ 33,906,000	$ 33,933,000	$ 35,136,000	$ 28,207,000	$ 33,615,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	131.20%	145.05%	162.29%	165.31%	160.77%	168.03%	161.58%	84.73%	108.98%
Plan fiduciary net position as a percentage of the total pension liability	76.52%	74.02%	70.04%	69.46%	70.99%	72.56%	71.82%	87.21%	81.20%

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

All years prior to 2015 are not available.

(Continued)

SIERRA JOINT COMMUNITY COLLEGE DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

For the Year Ended June 30, 2023

Public Employers Retirement Fund B
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023
District's proportion of the net pension liability	0.171%	0.165%	0.165%	0.161%	0.159%	0.158%	0.161%	0.157%	0.152%
District's proportionate share of the net pension liability	$ 19,391,000	$ 24,389,000	$ 32,575,000	$ 38,545,000	$ 42,272,000	$ 46,157,000	$ 49,491,000	$ 31,977,000	$ 52,137,000
District's covered payroll	$ 17,930,000	$ 18,318,000	$ 19,788,000	$ 20,590,000	$ 20,997,000	$ 21,937,000	$ 23,310,000	$ 22,561,000	$ 23,226,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	108.15%	133.14%	164.62%	187.20%	201.32%	210.42%	212.32%	141.74%	224.48%
Plan fiduciary net position as a percentage of the total pension liability	83.38%	79.43%	73.89%	71.87%	70.85%	70.05%	70.00%	80.97%	69.76%

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

All years prior to 2015 are not available.

See Note to Required Supplementary Information.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the Year Ended June 30, 2023

State Teachers' Retirement Plan
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023
NET POSITION	$ 2,745,182	$ 3,475,108	$ 4,216,794	$ 4,892,621	$ 5,534,068	$ 6,370,228	$ 5,882,565	$ 6,420,508	$ 7,671,987
Contributions in relation to the contractually required contribution	(2,745,182)	(3,475,108)	(4,216,794)	(4,892,621)	(5,534,068)	(6,370,228)	(5,882,565)	(6,420,508)	(7,671,987)
District's covered payroll	$ 30,914,000	$ 32,387,000	$ 33,520,000	$ 33,906,000	$ 33,993,000	$ 35,136,000	$ 28,207,000	$ 33,615,000	$ 40,167,000
Contributions as a percentage of covered payroll	8.88%	10.73%	12.58%	14.43%	16.28%	17.10%*	20.85%**	16.92%***	19.10%

* This rate reflects the original employer contribution rate of 18.13 percent under AB 1469, reduced for the 1.03 percentage points to be paid on behalf of employers pursuant to SB90.

** This rate reflects the original employer contribution rate of 19.10 percent under AB 1469, reduced for the 2.95 percentage points to be paid on behalf of employers pursuant to SB90.

*** This rate reflects the original employer contribution rate of 19.10 percent under AB 1469, reduced for the 2.18 percentage points to be paid on behalf of employers pursuant to SB90.

All years prior to 2015 are not available.

(Continued)

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the Year Ended June 30, 2023

Public Employers Retirement Fund B
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	$ 2,156,206	$ 2,344,237	$ 2,859,575	$ 3,260,974	$ 3,962,220	$ 4,596,942	$ 4,670,951	$ 5,321,110	$ 6,443,419
Contributions in relation to the contractually required contribution	(2,156,206)	(2,344,237)	(2,859,575)	(3,260,974)	(3,962,220)	(4,596,942)	(4,670,951)	(5,321,110)	(6,443,419)
District's covered payroll	$ 18,318,000	$ 19,788,000	$ 20,590,000	$ 20,997,000	$ 21,937,000	$ 23,310,000	$ 22,561,000	$ 23,226,000	$ 25,398,000
Contributions as a percentage of covered payroll	11.77%	11.85%	13.89%	15.53%	18.06%	19.72%	20.70%	22.91%	25.37%

All years prior to 2015 are not available.

See Note to Required Supplementary Information.

NOTE 1 - PURPOSE OF SCHEDULE

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

Schedule of Money-Weighted Rate of Return of OPEB Plan Investments: The Schedule of Money-Weighted Rate of Return of OPEB Plan Investments presents the weighted average rate of return for the District's OPEB Plan investments.

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

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

Changes of Benefit Terms: There are no changes in benefit terms reported in the Required Supplementary Information.

Changes of Assumptions: The discount rate used to calculate the District's OPEB liability was 6.50, 5.50, 5.50, 5.25, and 4.50 percent in the June 30, 2017, 2018, 2019, 2020, 2021, and 2022 actuarial reports, respectively.

The discount rate used for the Public Employer's Retirement Fund B (PERF B) plan was 7.50, 7.65, 7.65, 7.15, 7.15, 7.15, 7.15, 7.15 and 6.90 percent in the June 30, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021 actuarial reports, respectively.

The inflation rate used for the PERF B plan was 2.50, 2.50, 2.50, 2.50, 2.50, 2.50, 2.50, 2.50, and 2.30 percent in the June 30, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021 actuarial reports, respectively.

The following are the assumptions for State Teachers' Retirement Plan:

	Measurement Period							
Assumption	As of June 30 2022	As of June 30, 2021	As of June 30, 2020	As of June 30 2019	As of June 30 2018	As of June 30, 2017	As of June 30, 2016	As of June 30, 2015
Consumer price inflation	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	3.00%	3.00%
Investment rate of return	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.60%	7.60%
Wage growth	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.75%	3.75%

SUPPLEMENTARY INFORMATION

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
COMBINING STATEMENT OF NET POSITION BY FUND
(Unaudited)
June 30, 2023

	General	Bond Interest & Redemption Fund	SFID #1 Bond Interest & Redemption	SFID #2 Bond Interest & Redemption	SFID #4 Bond Interest & Redemption	SFID #4 Capital Projects Fund
ASSETS						
Current assets						
Cash and cash equivalents	$ 77,290,475	$ -	$ 7,777,083	$ 3,517,800	$ 17,902,896	$ 96,984,938
Receivables, net	5,085,436	-	17,049	7,828	31,359	88,010
Inventory	42,524	-	-	-	-	-
Prepaid expenses	414,407	-	-	-	-	-
Total current assets	82,832,842	-	7,794,132	3,525,628	17,934,255	97,072,948
Noncurrent assets:						
Restricted cash, cash equivalents and investments	-	-	-	-	-	-
Non-depreciable capital assets	-	-	-	-	-	-
Depreciable capital assets, net	-	-	-	-	-	-
Leased assets, net	-	-	-	-	-	-
Total noncurrent assets	-	-	-	-	-	-
Total assets	82,832,842	-	7,794,132	3,525,628	17,934,255	97,072,948
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows of resources - loss on refunding	-	-	-	-	-	-
Deferred outflows of resources - OPEB	-	-	-	-	-	-
Deferred outflows of resources - pensions	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	$ 82,832,842	$ -	$ 7,794,132	$ 3,525,628	$ 17,934,255	$ 97,072,948
LIABILITIES						
Current liabilities						
Accounts payable	$ 4,791,924	$ -	$ -	$ -	$ -	$ 2,056,937
Unearned revenue	45,225,980	-	-	-	-	-
Accrued payroll	4,981,063	-	-	-	-	-
Compensated absences payable	-	-	-	-	-	-
Long-term debt - current portion	-	-	-	-	-	-
Accrued interest on debt	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-
Total current liabilities	54,998,967	-	-	-	-	2,056,937
Noncurrent liabilities:						
Accreted interest on bonds	-	-	-	-	-	-
Long-term debt - noncurrent portion	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-	-
Total liabilities	54,998,967	-	-	-	-	2,056,937
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows of resources - pension	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
NET POSITION						
Net investment in capital assets	-	-	-	-	-	-
Restricted for:						
Scholarships and loans	-	-	-	-	-	-
Capital projects	-	-	-	-	-	95,016,011
Debt service	-	-	7,794,132	3,525,628	17,934,255	-
Students	-	-	-	-	-	-
Unrestricted	27,833,875	-	-	-	-	-
Total net position	27,833,875	-	7,794,132	3,525,628	17,934,255	95,016,011
Total liabilities, deferred inflows of resources and net position	$ 82,832,842	$ -	$ 7,794,132	$ 3,525,628	$ 17,934,255	$ 97,072,948

(Continued)

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
COMBINING STATEMENT OF NET POSITION BY FUND
(Unaudited)
June 30, 2023

	Capital Projects	Financial Aid	Student Funds	Dormitory	Totals	Reconciling Adjustments/ Eliminations	Statement of Net Position
ASSETS							
Current assets							
Cash and cash equivalents	$ -	$ 3,134,685	$ 2,507,266	$ 2,744,186	$ 211,859,329	$ (3,134,685)	$ 208,724,644
Receivables, net	285,442	17,366	20,643	26,633	5,579,766	-	5,579,766
Inventory	-	-	-	-	42,524	-	42,524
Prepaid expenses	-	-	-	-	414,407	-	414,407
Total current assets	285,442	3,152,051	2,527,909	2,770,819	217,896,026	(3,134,685)	214,761,341
Noncurrent assets							
Restricted cash, cash equivalents and investments	147,045,349	-	-	-	147,045,349	3,134,685	150,180,034
Non-depreciable capital assets	-	-	-	-	-	125,596,651	125,596,651
Depreciable capital assets, net	-	-	-	-	-	168,982,664	168,982,664
Leased assets, net	-	-	-	-	-	3,455,312	3,455,312
Total noncurrent assets	147,045,349	-	-	-	147,045,349	301,169,312	448,214,661
Total assets	147,330,791	3,152,051	2,527,909	2,770,819	364,941,375	298,034,627	662,976,002
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows of resources - loss on refunding	-	-	-	-	-	584,118	584,118
Deferred outflows of resources - OPEB	-	-	-	-	-	1,050,670	1,050,670
Deferred outflows of resources - pensions	-	-	-	-	-	20,483,406	20,483,406
Total deferred outflows of resources	-	-	-	-	-	22,118,194	22,118,194
Total assets and deferred outflows of resources	$ 147,330,791	$ 3,152,051	$ 2,527,909	$ 2,770,819	$ 364,941,375	$ 320,152,821	$ 685,094,196
LIABILITIES							
Current liabilities							
Accounts payable	$ 11,923,082	$ 9,145	$ 64,263	$ 29,035	$ 18,874,386	$ -	$ 18,874,386
Unearned revenue	16,673	3,140,150	97,798	61,409	48,542,010	-	48,542,010
Accrued payroll	-	-	-	-	4,981,063	-	4,981,063
Compensated absences payable	-	-	-	-	-	2,244,811	2,244,811
Long-term debt - current portion	-	-	-	-	-	15,519,366	15,519,366
Accrued interest on debt	-	-	-	-	-	2,751,941	2,751,941
Lease liabilities	-	-	-	-	-	704,798	704,798
Total current liabilities	11,939,755	3,149,295	162,061	90,444	72,397,459	21,220,916	93,618,375
Noncurrent liabilities							
Accreted interest on bonds	-	-	-	-	-	18,176,287	18,176,287
Long-term debt - noncurrent portion	-	-	-	-	-	359,533,280	359,533,280
Total noncurrent liabilities	-	-	-	-	-	377,709,567	377,709,567
Total liabilities	11,939,755	3,149,295	162,061	90,444	72,397,459	398,930,483	471,327,942
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows of resources - pension	-	-	-	-	-	22,003,000	22,003,000
Total deferred inflows of resources	-	-	-	-	-	22,003,000	22,003,000
NET POSITION							
Net investment in capital assets	-	-	-	-	-	130,815,976	130,815,976
Restricted for							
Scholarships and loans	-	2,756	-	-	2,756	-	2,756
Capital projects	135,391,036	-	-	-	230,407,047	-	230,407,047
Debt service	-	-	-	-	29,254,015	1	29,254,016
Students	-	-	2,365,848	-	2,365,848	-	2,365,848
Unrestricted	-	-	-	2,680,375	30,514,250	(231,596,639)	(201,082,389)
Total net position	135,391,036	2,756	2,365,848	2,680,375	292,543,916	(100,780,662)	191,763,254
Total liabilities, deferred inflows of resources and net position	$ 147,330,791	$ 3,152,051	$ 2,527,909	$ 2,770,819	$ 364,941,375	$ 320,152,821	$ 685,094,196

See accompanying note to supplemental information.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION BY FUND
(Unaudited)
Year Ended June 30, 2023

	General	Bond Interest & Redemption Fund	SFID #1 Bond Interest & Redemption	SFID #2 Bond Interest & Redemption	SFID #4 Bond Interest & Redemption	SFID #4 Capital Projects Fund
Operating revenues						
Tuition and fees	$ 16,025,192	$ -	$ -	$ -	$ -	$ -
Less: fee waivers and allowance	(6,365,112)	-	-	-	-	-
Net tuition and fees	9,660,080	-	-	-	-	-
Grants and contracts, non-capital						
Federal	11,092,452	-	-	-	-	-
State	41,629,567	-	-	-	-	-
Local	1,174,658	-	-	-	-	-
Auxiliary enterprise sales and charges	283,453	-	-	-	-	-
Total operating revenues	63,840,210	-	-	-	-	-
Operating expenses						
Salaries	75,068,903	-	-	-	-	213,491
Employee benefits	32,164,693	-	-	-	-	105,213
Supplies, materials and other operating expenses and services	34,362,916	-	-	-	255,000	39,740,969
Student financial aid and scholarships	7,875,341	-	-	-	-	-
Utilities	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Total operating expenses	149,471,853	-	-	-	255,000	40,059,673
Operating (loss) income	(85,631,643)	-	-	-	(255,000)	(40,059,673)
Non-operating revenues (expenses)						
State apportionment, non-capital	1,381,434	-	-	-	-	-
Local property taxes	104,209,324	-	96,266	-	640,542	-
Federal grants and contracts, non-capital	-	-	-	-	-	-
State taxes and other revenues	7,350,070	-	1,920	-	100,803	-
Pell grants	-	-	-	-	-	-
Investment income - non-capital	1,307,768	-	112,903	33,608	146,408	878,507
Other non-operating revenues	529,317	-	-	-	-	-
Proceeds from debt (debt reduction)	-	(566,498)	(2,080,000)	(2,049,283)	(7,008,839)	62,524,500
Loss on disposal of capital asset	-	-	-	-	-	-
Interfund transfers out	(27,932,367)	-	-	-	-	(40,059,673)
Interfund transfers in	1,396,456	620,258	-	-	-	40,059,673
Total non-operating revenues (expenses)	88,242,002	53,760	(1,868,911)	(2,015,675)	(6,121,086)	63,403,007
Income (loss) before capital revenues	2,610,359	53,760	(1,868,911)	(2,015,675)	(6,376,086)	23,343,334
Capital revenues (expense)						
Local property taxes and other revenues	(996)	-	3,394,712	3,448,650	16,293,266	-
Interest expense	-	(53,760)	(398,891)	(1,244,336)	(4,871,894)	-
Investment income - capital	-	-	-	-	-	-
Total capital revenues (expense)	(996)	(53,760)	2,995,821	2,204,314	11,421,372	-
Change in net position	2,609,363	-	1,126,910	188,639	5,045,286	23,343,334
Net position, July 1, 2022	25,224,512	-	6,667,222	3,336,989	12,888,969	71,672,677
Net position, June 30, 2023	$ 27,833,875	$ -	$ 7,794,132	$ 3,525,628	$ 17,934,255	$ 95,016,011

(Continued)

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION BY FUND
(Unaudited)
Year Ended June 30, 2023

	Capital Projects	Financial Aid	Student Funds	Dormitory	Totals	Statement of Revenues, Expenses and Adjustments/ Eliminations	Change in Net Position
Operating revenues							
Tuition and fees	$ (11,305)	$ -	$ 166,180	$ 794,706	$ 16,974,773	$ -	$ 16,974,773
Less: fee waivers and allowance	-	-	(385)	-	(6,365,497)	-	(6,365,497)
Net tuition and fees	(11,305)	-	165,795	794,706	10,609,276	-	10,609,276
Grants and contracts, non-capital							
Federal	-	3,268,561	-	-	14,361,013	(8,031,948)	6,329,065
State	82,362,225	2,557,075	-	-	126,548,867	-	126,548,867
Local	1,281,532	279,525	255,797	2,100	2,993,612	1	2,993,613
Auxiliary enterprise sales and charges	-	-	-	1,510	0 284,963	-	284,963
Total operating revenues	83,632,452	6,105,161	421,592	798,316	154,797,731	(8,031,947)	146,765,784
Operating expenses:							
Salaries	213,492	-	60,106	263,945	75,819,937	13,782	75,833,719
Employee benefits	105,694	-	21,838	121,907	32,519,345	(901,228)	31,618,117
Supplies, materials and other operating expenses and services	20,838,076	-	338,430	296,707	95,832,098	(69,426,365)	26,405,733
Student financial aid and scholarships	-	21,865,462	5,553	-	29,746,356	-	29,746,356
Utilities	-	-	-	-	-	3,699,368	3,699,368
Depreciation	-	-	-	-	-	8,198,261	8,198,261
Total operating expenses	21,157,262	21,865,462	425,927	682,559	233,917,736	(58,416,182)	175,501,554
Operating (loss) income	62,475,190	(15,760,301)	(4,335)	115,757	(79,120,005)	50,384,235	(28,735,770)
Non-operating revenues (expenses)							
State apportionment, non-capital	-	-	-	-	1,381,434	-	1,381,434
Local property taxes	-	-	-	-	104,946,132	-	104,946,132
Federal grants and contracts, non-capital	-	-	-	-	-	8,031,947	8,031,947
State taxes and other revenues	-	-	-	-	7,452,793	2,408,094	9,860,887
Pell grants	-	15,538,140	-	-	15,538,140	-	15,538,140
Investment income - non-capital	1,723,113	-	45,697	49,414	4,297,418	(1,772,527)	2,524,891
Other non-operating revenues	10,499	-	41,500	-	581,316	(10,500)	570,816
Proceeds from debt (debt reduction)	-	-	-	-	50,819,880	(50,819,880)	-
Loss on disposal of capital asset	-	-	-	-	-	(329,562)	(329,562)
Interfund transfers out	(6,917,639)	(19,327)	(3,580)	-	(74,932,586)	74,932,586	-
Interfund transfers in	32,611,131	241,488	3,580	-	74,932,586	(74,932,586)	-
Total non-operating revenues (expenses)	27,427,104	15,760,301	87,197	49,414	185,017,113	(42,492,428)	142,524,685
Income (loss) before capital revenues	89,902,294	-	82,862	165,171	105,897,108	7,891,807	113,788,915
Capital revenues (expense)							
Local property taxes and other revenues	91,334	-	-	-	23,226,966	10,500	23,237,466
Interest expense	-	-	-	-	(6,568,881)	(227,423)	(6,796,304)
Investment income - capital	-	-	-	-	-	1,772,527	1,772,527
Total capital revenues (expense)	91,334	-	-	-	16,658,085	1,555,604	18,213,689
Change in net position	89,993,628	-	82,862	165,171	122,555,193	9,447,411	132,002,604
Net position, July 1, 2022	45,397,408	2,756	2,282,986	2,515,204	169,988,723	(110,228,073)	59,760,650
Net position, June 30, 2023	$ 135,391,036	$ 2,756	$ 2,365,848	$ 2,680,375	$ 292,543,916	$ (100,780,662)	$ 191,763,254

See accompanying note to supplemental information.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal AL Number	Contract Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Direct Programs:			
Student Financial Assistance Cluster:			
Pell Grant Program	84.063	P063P221180	$ 15,538,140
Administrative Allowance	84.063	P063Q221180	5,413
Federal Direct Student Loans	84.268	P268K231180	2,573,375
College Work Study Program	84.033	P033A220600	304,016
Federal Supplemental Educational Opportunity Grants	84.007	P007A220600	468,866
Subtotal Student Financial Assistance Cluster			18,889,810
Education Stabilization Fund:			
COVID-19 HEERF II Institutional Portion	84.425F	P425F204355	4,764,636
COVID-19 HEERF II Student Portion	84.425E	P425E204093	188,971
COVID-19 HEERF III Institutional Portion	84.425F	P425F204355	2,931,168
Subtotal Education Stabilization Fund			7,884,775
TRIO Cluster			
Student Support Services (SSS) Program	84.042A	P042A100546	286,334
Subtotal TRIO Cluster Program			286,334
Career Technical Education Program:			
Title I - Part C - Basic Grant VTEA	84.048	21-C01-270	859,569
Subtotal Career Technical Education Program			859,569
AANAPISI Collaborative Grant	84.031	-	43,951
Total U.S. Department of Education			27,964,439

(Continued)

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal AL Number	Contract Entity Identifying Number	Federal Expenditures
U.S. Department of Treasury			
Passed through California Community College Chancellor's Office:			
SFRF Emergency Financial Assistance	21.027	None	$ 103,221
Total U.S. Department of Treasury			103,221
U.S. Department of Agriculture			
Passed through El Dorado and Nevada Counties:			
Forest Reserve - Forest Service Schools and Roads Cluster	10.665	None	34,337
Total U.S. Department of Agriculture			34,337
U.S. Department of Veterans Affairs			
Direct Program:			
Veterans Reserve Funds	64.115	None	5,264
Total U.S. Department of Veterans Affairs			5,264
U.S. Department of Health and Human Services			
Passed through California Department of Education:			
Foster Parent Training	93.658	1262100	132,415
Passed through California Community College Chancellor's Office:			
Temporary Assistance for Needy Families - TANF Cluster	93.558	None	31,337
Total U.S. Department of Health and Human Services			163,752
Total Federal Programs			$ 28,271,013

See accompanying note to supplemental information.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF STATE FINANCIAL AWARDS
For the Year Ended June 30, 2023

	Program Revenues				Total
	Cash Received	Accounts Receivable	Unearned Income/ Accounts Payable	Total	Program Expenditures
AB540 Dreamer Funding	$ 6,453	$ -	$ 6,453	$ -	$ -
AWS Pilot Skills	100,000	-	93,650	6,350	6,350
Learning Aligned Employment Program (LAEP)	3,452,754	7,786	3,506,384	(45,844)	651
Life Project DDS Employment	82,160	-	15,000	67,160	67,160
Adult Education Block Grant	64,195	-	15,863	48,332	48,332
BFAP	668,969	-	48,524	620,445	620,445
CA College Promise AB19	2,046,551	-	671,523	1,375,028	1,375,028
CA Early Childhood Mentor	644	-	644	-	-
CA Textbook Affordability Act	1,293	-	317	976	976
Cal Grant A	117,750	-	-	117,750	117,750
Cal Grant B	2,384,634	2,260	-	2,386,894	2,384,634
Cal Grant C	27,191	-	-	27,191	27,191
CALFRESH Outreach SB85	39,274	-	15,592	23,682	23,682
CalWORKS	679,277	-	377,393	301,884	301,884
Campus Safety & Sexual Assault	2,543	-	-	2,543	2,543
CARE	428,169	-	4,345	423,824	423,824
Chafee Grant	27,500	-	-	27,500	27,500
Classified Professional Development	50,561	-	43,111	7,450	7,450
COVID 19 Response Block Grant COAS	8,284,999	-	40,959	8,244,040	8,244,040
Critical Care Specialized Nursing	14,870	-	14,870	-	-
Culturally Responsive Pedagogy & Practices	149,875	-	149,875	-	-
Dream Resource Liason Support	176,865	-	102,181	74,684	74,684
Physical Plant Instructional Support	9,752,172	-	3,186,290	6,565,882	6,565,882
DSPS (includes DHH and ATP)	2,580,805	-	1,118,833	1,461,972	1,461,972
Early Action Emergency Fin Aid	1,377,448	-	253,424	1,124,024	-
EOPS	1,787,582	-	102,996	1,684,586	1,684,586
Equal Employment Opportunity	185,504	-	152,466	33,038	33,038
LGBTQ+ Support	109,214	-	98,254	10,960	10,960
Basic Needa Center	731,020	-	727,950	3,070	3,070
Financial Aid Technology	61,223	-	97	61,126	61,126
Guided Pathway	822,997	-	703,767	119,230	119,230

(Continued)

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF STATE FINANCIAL AWARDS
For the Year Ended June 30, 2023

	Program Revenues				Total
	Cash Received	Accounts Receivable	Unearned Income/ Accounts Payable	Total	Program Expenditures
Hunger Free Campus	$ 1,504	$ -	$ 1,504	$ -	$ -
GSETGP Admin Allowance	500	-	500	-	-
Culturally Competent Faculty	50,195	-	6,419	43,776	43,776
Strong Workforce Local 21-22 new	2,195,722	-	677,035	1,518,687	1,518,687
CCAP Instrctional Materials For Dual Enrollment	83,185	-	43,741	39,444	39,444
SW Regional 20-21	851,055	-	-	851,055	851,055
Strong Workforce Local 22-23	2,696,531	-	2,613,206	83,325	83,325
SW Regional 21-22	1,160,444	-	48,072	1,112,372	1,112,372
SW Regional 22-23	1,421,937	-	1,292,040	129,897	129,897
Innovation in Higher Education	1,178,661	-	1,148,359	30,302	30,302
Invention and Innovation	50,488	(20,000)	50,488	(20,000)	-
Invention and Innovation Round 2	75,000	30,598	-	105,598	105,598
Mental Health Support	630,713	-	375,833	254,880	254,880
Modernize CCC Technology	532,000	-	425,499	106,501	106,501
Native American Student Support and Success Program	600,000	-	600,000	-	-
NextUp (CAFYES)	761,571	-	91,229	670,342	670,342
Nursing Enrollment Growth	81,806	-	4,663	77,143	77,143
Puente Project	47,422	-	41,134	6,288	6,288
Retention Enrollment Outreach	2,794,650	-	1,535,444	1,259,206	1,259,206
SJCCD Y2 CCC Maker Implementation	2,788	-	2,788	-	-
Student Food and Housing Support	601,698	-	172,583	429,115	429,115
Library Services Platform	15,031	-	15,031	-	-
Student Success Completion Grant	5,820,831	-	1,537,535	4,283,296	4,283,296
EEO Best Practices	208,333	-	141,885	66,448	66,448
EEO Innovative Best Practices	150,000	-	150,000	-	-
Strong Workforce Local 20-21	181,459	-	-	181,459	181,459
Student Equity & Achievment (SEA)	9,018,963	-	3,679,194	5,339,769	5,339,769
SWI Regional Marketing	40,000	-	15,000	25,000	25,000
TANF	37,879	21,584	-	59,463	31,338
Zero Textbook Cost Program	200,000	-	186,570	13,430	13,430
Veteran Resource Center	393,934	-	228,102	165,832	165,832
Total	$ 68,098,792	$ 42,228	$ 26,534,615	$ 41,606,405	$ 40,518,491

See accompanying note to supplemental information.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT

SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT

Annual Attendance as of June 30, 2023

Categories	Reported Data	Audit Adjustments	Revised Data
A. Summer Intersession (Summer 2022 only)			
1. Noncredit	11	-	11
2. Credit	1,300	-	1,300
B. Summer Intersession (Summer 2023 - Prior to July 1, 2023)			
1. Noncredit	1	-	1
2. Credit	6	-	6
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
a. Weekly Census Contact Hours	2,888	-	2,888
b. Daily Census Contact Hours	507	-	507
2. Actual Hours of Attendance Procedure Courses			
a. Noncredit	138	-	138
b. Credit	483	-	483
3. Alternative Attendance Accounting Procedure Courses			
a. Weekly Census Contact Hours	5,334	-	5,334
b. Daily Census Contact Hours	1,395	-	1,395
c. Noncredit Independent Study/Distance Education Courses	51	-	51
D. Total FTES	12,114	-	12,114
Supplementary Information:			
E. In-Service Training Courses (FTES)	-	-	-
F. Basic Skills Courses and Immigrant Education			
a. Noncredit	120	-	120
b. Credit	13	-	13
CCFS 320 Addendum			
CDCP	106	-	106
Centers FTES			
a. Noncredit	11	-	11
b. Credit	372	-	372

See accompanying note to supplemental information.

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (CCFS-311) WITH AUDITED FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

There were no adjustments proposed to any funds of the District.

See accompanying note to supplemental information.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2023

General fund	$ 27,833,875	
Bond interest and redemption funds	29,254,015	
Capital projects funds	230,407,047	
Financial aid fund	2,756	
Student funds	5,046,223	
Total fund balances - business-type activity funds		$ 292,543,916
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used for governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. However, capital assets, net of accumulated depreciation are added to total net assets.		294,579,315
Leased assets used for governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. However, leased assets, net of accumulated amortization are added to total net assets.		3,455,312
Losses on refundings of debt are categorized as deferred outflows and are amortized over the shortened life of the refunded or refunding of the debt.		584,118
In government funds, deferred outflows and inflows of resources relating to OPEB and pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported:		
Deferred outflows of resources relating to OPEB	1,050,670	
Deferred outflows of resources relating to pensions	20,483,406	
Deferred inflows of resources relating to pensions	(22,003,000)	
		(468,924)
Unmatured interest on long-term liabilities is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred.		(2,751,941)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at June 30, 2023 consisted of		
General Obligation Bonds	(253,197,795)	
Accreted interest	(18,653,082)	
Bond premiums	(10,940,662)	
Certificates of participation	(802,000)	
Lease liabilities	(2,785,003)	
Compensated absences	(2,244,811)	
Net pension liability	(88,770,000)	
OPEB liability	(18,681,279)	
		(396,074,632)
Total net position - business-type activities		$ 191,867,164

See accompanying note to supplemental information.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF ECS 84362 (50 PERCENT LAW) CALCULATION
For the Year Ended June 30, 2023

		Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6110			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Academic Salaries							
Instructional salaries							
Contract or regular	1100	$ 18,565,937	$ -	$ 18,565,937	$ 18,565,937	$ -	$ 18,565,937
Other	1300	14,614,703	-	14,614,703	15,343,918	-	15,343,918
Total instructional salaries		33,180,640	-	33,180,640	33,909,855	-	33,909,855
Non-instructional salaries							
Contract or regular	1200	-	-	-	7,686,576	-	7,686,576
Other	1400	-	-	-	1,798,026	-	1,798,026
Total non-instructional salaries		-	-	-	9,484,602	-	9,484,602
Total academic salaries		33,180,640	-	33,180,640	43,394,457	-	43,394,457
Classified Salaries							
Non-instructional salaries							
Regular status	2100	-	-	-	15,688,990	-	15,688,990
Other	2300	-	-	-	2,248,854	-	2,248,854
Total non-instructional salaries		-	-	-	17,937,844	-	17,937,844
Instructional aides							
Regular status	2200	2,158,880	-	2,158,880	2,158,880	-	2,158,880
Other	2400	131,328	-	131,328	137,957	-	137,957
Total instructional aides		2,290,208	-	2,290,208	2,296,837	-	2,296,837
Total classified salaries		2,290,208	-	2,290,208	20,234,681	-	20,234,681
Employee benefits	3000	14,572,583	-	14,572,583	27,721,609	-	27,721,609
Supplies and materials	4000	-	-	-	1,025,252	-	1,025,252
Other operating expenses	5000	558,000	-	558,000	11,569,134	-	11,569,134
Equipment replacement	6420	-	-	-	-	-	-
Total expenditures prior to exclusions		$ 50,601,431	$ -	$ 50,601,431	$ 103,945,133	$ -	$ 103,945,133

(Continued)

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF ECS 84362 (50 PERCENT LAW) CALCULATION
For the Year Ended June 30, 2023

		Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6110			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Exclusions							
Activities to exclude							
Instructional staff-retirees' benefits and retirement incentives	5900	$ 1,426,218	$ -	$ 1,426,218	$ 1,426,218	$ -	$ 1,426,218
Net position	6441	-	-	-	-	-	-
Student transportation	6491	-	-	-	-	-	-
Noninstructional staff-retirees' benefits and retirement incentives	6740	-	-	-	1,513,093	-	1,513,093
Objects to exclude							
Rents and leases	5060	-	-	-	684,701	-	684,701
Lottery expenditures		-	-	-	-	-	-
Academic salaries	1000	-	-	-	-	-	-
Classified salaries	2000	-	-	-	-	-	-
Employee benefits	3000	-	-	-	-	-	-
Supplies and materials	4000						
Software	4100	-	-	-	447	-	447
Books, magazines and periodicals	4200	-	-	-	4,692	-	4,692
Instructional supplies and materials	4300	-	-	-	139,131	-	139,131
Noninstructional supplies and materials	4400	-	-	-	233,512	-	233,512
Total supplies and materials		-	-	-	377,782	-	377,782
Other operating expenses and services	5000	-	-	-	2,366,246	-	2,366,246
Capital outlay	6000	-	-	-	-	-	-
Library books	6300	-	-	-	-	-	-
Equipment							
Equipment - additional	6410	-	-	-	-	-	-
Equipment - replacement	6420	-	-	-	-	-	-
Total equipment		-	-	-	-	-	-
Total capital outlay		-	-	-	-	-	-
Other outgo	7000	-	-	-	-	-	-
Total exclusions		1,426,218	-	1,426,218	6,368,040	-	6,368,040
Total for ECS 84362, 50% Law		$ 49,175,213	$ -	$ 49,175,213	$ 97,577,093	$ -	$ 97,577,093
Percent of CEE (Instructional salary cost / Total CEE)		50.40%	0.00%	50.40%	100.00%	0.00%	100.00%
50% of current expense of education		$ -	$ -	$ -	$ 48,788,547	$ -	$ 48,788,547

See accompanying note to supplemental information.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
PROP 55 EPA EXPENDITURE REPORT
For the Year Ended June 30, 2023

EPA Proceeds: $ 1,381,434

Activity Classification	Activity Code (0100-5900)	Salaries and Benefits (1000-3000)	Operating Expenses (4000-5000)	Capital Outlay (6000)	Total
Instructional Activities	$ -	$ 1,381,434	$ -	$ -	$ 1,381,434

NOTE 1 - PURPOSE OF SCHEDULES

Combining Statement of Net Position by Fund and Statement of Revenues, Expenses and Change in Net Position by Fund: These statements report the financial position and operational results of the individual funds of the District and the reconciling adjusting entries under GASB Cod. Sec. Co5.101.

Schedule of Expenditure of Federal Awards: The Schedule of Expenditure of Federal Awards includes the federal award activity of Sierra Joint Community College District, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. 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. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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

Schedule of Workload Measures for State General Apportionment: Full-time equivalent students is a measurement of the number of students attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to community college districts. This schedule provides information regarding the attendance of students based on various methods of accumulating attendance data.

Reconciliation of Annual Financial and Budget Report (CCFS-311) with Audited Financial Statements: This schedule provides the information necessary to reconcile the fund balance of all funds reported on the CCFS-311 to the audited financial statements.

Reconciliation of Governmental funds to the Statement of Net Position: This schedule provides the information necessary to reconcile the fund balances to the audited financial statements.

Reconciliation of ECS 84362 (50 Percent Law) Calculation: This schedule provides the information necessary to reconcile the 50 Percent Law Calculation reported on the CCFS-311 to the audited data.

Prop 55 EPA Expenditure Report: This schedule provides information about the District's EPA proceeds and summarizes how the EPA proceeds were spent.

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Trustees
Sierra Joint Community College District
Rocklin, California

Report on Compliance with State Laws and Regulations

Opinion on Compliance with State Laws and Regulations

We have audited Sierra Joint Community College District's compliance with the types of compliance requirements described in Section 400 of the *California State Chancellor's Office's California Community College Contracted District Audit Manual (CDAM)* applicable to community colleges in the State of California for the year ended June 30, 2023:

Description

SCFF Data Management Control Environment
SCFF Supplemental Allocation Metrics
SCFF Success Allocation Metrics
Salaries of Classroom Instructors (50 Percent Law)
Apportionment for Activities Funded From Other Sources
Student Centered Funding Formula Base Allocations: FTES
Residency Determination for Credit Courses
Students Actively Enrolled
Dual Enrollment (CCAP)
Scheduled Maintenance Program
Gann Limit Calculation
Apprenticeship Related and Supplemental Instruction (RSI) Funds
Disabled Student Programs and Services (DSPS)
Proposition 1D and 51 State Bond Funded Projects
Education Protection Account Funds
Student Representation Fee
COVID-19 Response Block Grant Expenditures

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the state laws and regulations referred to above for the year ended June 30, 2023.

Basis for Opinion on Compliance with State Laws and Regulations

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 the *Contracted District Audit Manual*. Our responsibilities under those standards and the *Contracted District Audit Manual* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

(Continued)

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. 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 government 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 *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 of the government program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *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 and to test and report on internal control over compliance in accordance with the *Contracted District Audit Manual*, 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.

Purpose of this Report

The purpose of this report on compliance is solely to describe the scope of our testing of compliance and the results of that testing based on the requirements of the *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Sacramento, California
December 4, 2023

Crowe LLP
Independent Member Crowe Global

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*

Board of Trustees
Sierra Joint Community College District
Rocklin, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the business-type activities, the fiduciary activities and the discretely presented component unit of Sierra Joint Community College District (the "District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 4, 2023. The financial statements of Sierra Foundation were not audited in accordance with *Government Auditing Standards,* and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Sierra Foundation.

Report on Internal Control over Financial Reporting

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

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

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 have not been identified.

(Continued)

Report on Compliance and Other Matters

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

Purpose of this Report

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

Crowe LLP

Crowe LLP

Sacramento, California
December 4, 2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Board of Trustees
Sierra Joint Community College District
Rocklin, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Sierra Joint 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 Sierra Joint Community College District's major federal programs for the year ended June 30, 2023. Sierra Joint Community College District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Sierra Joint Community College District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

(Continued)

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 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.

(Continued)

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

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

Crowe LLP

Crowe LLP

Sacramento, California
December 4, 2023

FINDINGS AND RECOMMENDATIONS

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	____ Yes	X No
Significant deficiency(ies) identified not considered to be material weakness(es)?	____ Yes	X None reported
Noncompliance material to financial statements noted?	____ Yes	X No

FEDERAL AWARDS

Internal control over major programs:		
Material weakness(es) identified?	____ Yes	X No
Significant deficiency(ies) identified not considered to be material weakness(es)?	____ Yes	X None reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ Yes	X No

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.063, 84.268, 84.033, 84.007	Student Financial Assistance Cluster
84.425E, 84.425F	COVID-19: Higher Education Emergency Relief Fund
84.048	Career and Technical Education - Basic Grants to States (Perkins V)

Dollar threshold used to distinguish between Type A and Type B programs:	$ 848,130	
Auditee qualified as low-risk auditee?	X Yes	____ No

STATE AWARDS

Type of auditor's report issued on compliance for state programs:	Unmodified

(Continued)

SECTION II - FINANCIAL STATEMENT FINDINGS

None noted.

(Continued)

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.

(Continued)

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

None noted.