

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

AUDIT REPORT
JUNE 30, 2025

SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Siskiyou Joint Community College District (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the District adopted GASB Statement No. 101, *Compensated Absences*, which required a restatement of net position as of July 1, 2024. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 misstatements, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 and the Required Supplementary Information section as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

San Diego, California
February 12, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS



USING THIS ANNUAL REPORT

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

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources by \$49.0 million in 2024-25 and by \$42.3 million in 2023-24.
- At the close of the 2025 and 2024 fiscal years, the balance designated for economic uncertainties and the undesignated fund balance for the General Fund exceeded the State Chancellor's Office guideline of 5% of the General Fund expenses.
- Full-Time Equivalent Students (FTES) for 2024-25 and 2023-24 as reported on the annual CCFS-320 were 1,773 and 1,607, respectively. On June 16, 2024, the College approved the next Strategic Enrollment Management plan (SEMP). This Strategic Enrollment Management Plan provides a holistic approach that encompasses goals spanning the next 5 years. The plan addresses strategies within each of the College's major areas of: Academic Affairs, Administrative Services, and Student Services. Together, these areas and the staff and faculty located within them will work to build upon and create a College that will continue to be attractive to prospective students from all backgrounds and helps students to complete their academic goals. Based on the enrollment projections in the SEMP, the District anticipates moving out of the Hold Harmless Protection and into the Student-Centered Funding Formula for the calculation of revenue by FY 27-28.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

FINANCIAL HIGHLIGHTS, continued

- For the 2025 and 2024 fiscal years, total student financial aid offered to qualifying students throughout the District exceeded \$6.60 million and \$5.49 million, respectively, and is provided through grants and loans from the federal government, State Chancellor's Office, and local funding.
- Cost of employee benefits has stabilized for 2024-25 and 2023-24 under the contract with California Valued Trust (CVT) for health and prescription coverage. For 2024-25, the District paid the pay-as-you-go amount without any additional contribution to the trust.
- In 2021, the SJCCD applied for (and received) a Community College Student Housing grant created through SB 169. The program's intent is to provide grant to increase the current stock of affordable housing to support low-income students and facilitate their access to higher education. The SJCCD received \$32,613,000 to build a 161-bed facility and anticipates breaking ground in spring of 2026. The project is expected to take 18 months to complete. This is a fully State-funded project and the SJCCD does not anticipate having to provide any funding.
- The College of the Siskiyous is moving forward with essential upgrades to McCloud Hall and the Theater Arts building, with both projects carefully designed to stay within the available budget. McCloud Hall upgrades will include updating the Ceramics Classroom and Exterior Ceramics Lab — such as equipment, HVAC, floor drains, and enclosure enhancements — as well as ADA restroom upgrades, locker improvements, and new interior and exterior paint. The Theater Arts building will be modernized, extending the building's lifespan by roughly 25 years through seismic strengthening, fire-life safety, and accessibility improvements, hazardous materials abatement, and a full roof replacement. Aside from required seismic and HVAC upgrades, the auditorium will remain unchanged to avoid triggering cost-prohibitive modifications. Together, these improvements will enhance safety, functionality, and learning environments across both facilities. The state has funded \$30,925,000 for the project.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

STATEMENT OF NET POSITION

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

	2025	2024	Change
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets	\$ 36,463,097	\$ 31,237,466	\$ 5,225,631
Non-current assets	82,267,788	81,924,934	342,854
Deferred outflows of resources	7,074,483	6,591,247	483,236
Total Assets and Deferred Outflows of Resources	125,805,368	119,753,647	6,051,721
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current liabilities	22,749,062	22,154,230	594,832
Non-current liabilities	51,588,471	52,492,053	(903,582)
Deferred inflows of resources	2,445,293	2,775,343	(330,050)
Total Liabilities and Deferred Inflows of Resources	76,782,826	77,421,626	(638,800)
NET POSITION			
Net investment in capital assets	40,080,408	41,175,101	(1,094,693)
Restricted	11,275,643	9,359,845	1,915,798
Unrestricted	(2,333,509)	(8,202,925)	5,869,416
Total Net Position	\$ 49,022,542	\$ 42,332,021	\$ 6,690,521

This schedule has been prepared from the District's Statement of Net Position (page 13), which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated, and long-term liabilities are recorded.

Cash and short-term investments consist primarily of funds held in the Siskiyou County Treasury and U.S. Bank. The changes in the cash position are explained in the Statement of Cash Flows (pages 15 and 16).

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

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	2025	2024	Change
OPERATING REVENUES			
Tuition and fees, net	\$ 1,841,874	\$ 2,165,449	\$ (323,575)
Grants and contracts	3,516,578	5,929,097	(2,412,519)
Auxiliary enterprise sales, net	861,418	879,466	(18,048)
Total Operating Revenues	6,219,870	8,974,012	(2,754,142)
OPERATING EXPENSES			
Salaries and benefits	21,710,997	19,021,619	2,689,378
Supplies, materials, and other operating expenses	9,443,921	9,228,881	215,040
Student aid	6,598,386	5,490,850	1,107,536
Depreciation and amortization	2,651,917	2,801,432	(149,515)
Total Operating Expenses	40,405,221	36,542,782	3,862,439
Operating Loss	(34,185,351)	(27,568,770)	(6,616,581)
NON-OPERATING REVENUES/(EXPENSES)			
State apportionments, non-capital	16,026,003	14,139,033	1,886,970
Education protection account revenues, non-capital	2,738,824	1,344,710	1,394,114
Local property taxes, non-capital	5,345,307	5,262,774	82,533
State taxes and other revenues, non-capital	7,742,273	4,672,829	3,069,444
Financial aid revenues	3,400,368	3,935,214	(534,846)
Investment income/(loss)	3,692,801	3,199,991	492,810
Interest expense	(1,914,910)	(1,622,298)	(292,612)
Other non-operating revenues	963,435	915,822	47,613
Total Non-Operating Revenues/(Expenses)	37,994,101	31,848,075	6,146,026
OTHER REVENUES/(EXPENSES)			
State apportionments, capital	-	32,711	(32,711)
Local property taxes and revenues, capital	2,032,505	1,916,369	116,136
Change in Net Position	\$ 5,841,255	\$ 6,228,385	\$ (387,130)

This schedule has been prepared from the Statement of Revenues, Expenses, and Changes in Net Position (page 14).

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

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

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION, continued

For 2025 and 2024, the District is recording the depreciation expense related to capital assets. The detail of the changes in capital assets for the year is included in the notes to the financial statements as Note 4.

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

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

STATEMENT OF CASH FLOWS

The Statement of Cash Flows provides information about cash receipts and payments during the year. This statement also assists users in assessing the District’s ability to meet its obligations as they come due and any potential need for external financing. This schedule is prepared from the Statement of Cash Flows presented on pages 15 and 17.

	2025	2024	Change
CASH PROVIDED BY/(USED IN)			
Operating activities	\$ (31,512,706)	\$ (30,957,190)	\$ (555,516)
Non-capital financing activities	36,216,210	30,270,382	5,945,828
Capital financing activities	(2,150,317)	(2,187,779)	37,462
Investing activities	3,692,801	3,199,991	492,810
Net Increase/(Decrease) in Cash and Cash Equivalents	\$ 6,245,988	\$ 325,404	\$ 5,920,584

REVENUES

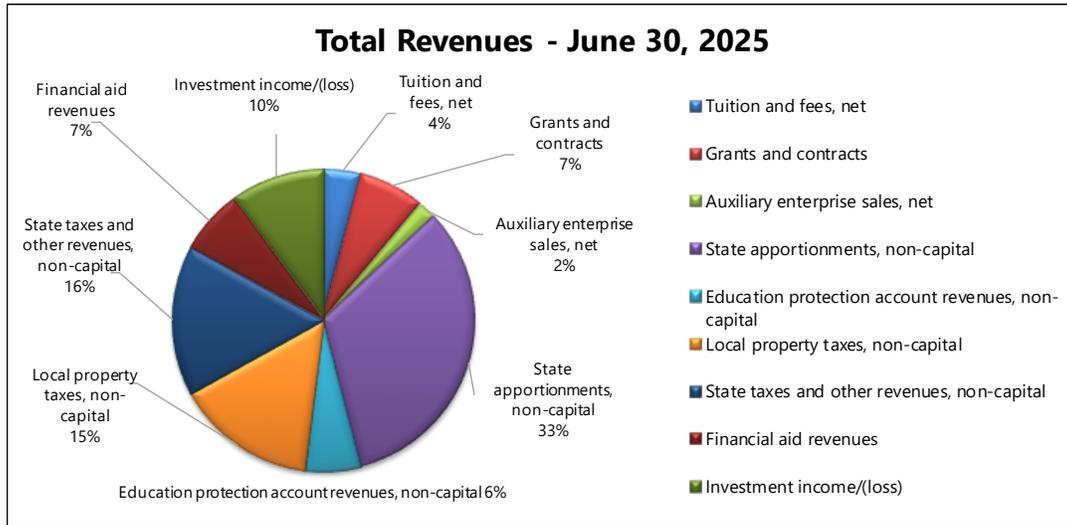
The District’s major sources of revenues include State aid, property taxes, and grants and contracts. The primary basis of the apportionment component is the calculation of full-time equivalent students (FTES).

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

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

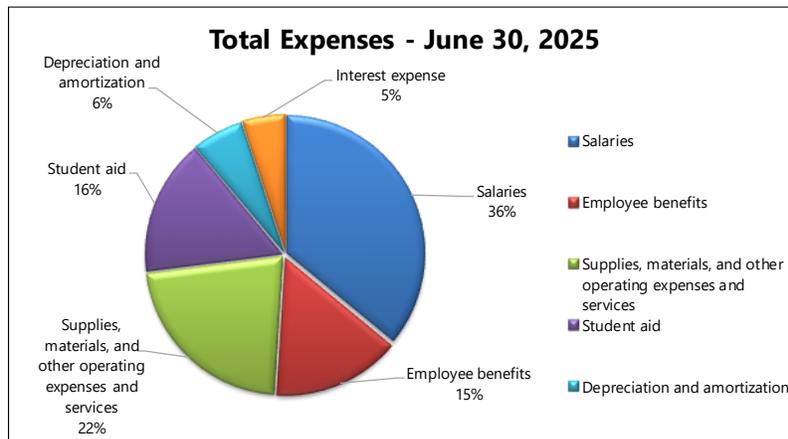
REVENUES, continued

In fiscal years 2025 and 2024, the District's total revenues totaled \$48,161,386 and \$44,393,465, respectively. Total revenues for the District by major category are as follows:



EXPENSES

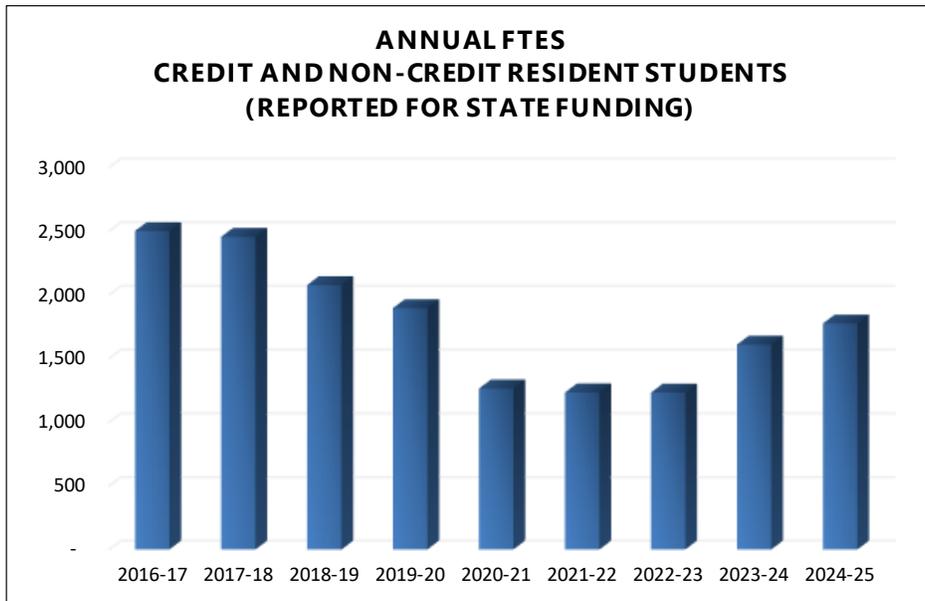
The District expenses in the unrestricted General Fund were to provide classroom instruction, counseling and student support services, physical plant related activities, administration, and general support services. For the fiscal years ended June 30, 2025 and 2024, the District’s expenses totaled \$42,320,131 and \$38,151,157, respectively. Total expenses for the District by major category are as follows:



**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

FULL-TIME EQUIVALENT STUDENTS (FTES)

The District’s primary funding source is from apportionment received from the State of California. The primary basis of this apportionment is the calculation of Full-Time Equivalent Students (FTES). See the below chart for a historical perspective on the changes in FTES over the past 9 fiscal years.



COLLEGE OF THE SISKIYOU FOUNDATION

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

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

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

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

COLLEGE OF THE SISKIYOU FOUNDATION, continued

The Foundation manages approximately 36 endowed scholarships valued at over \$1.4 million, as well as the Rural Health Sciences Institute (RHSI) Program endowment, valued at over \$2.5 million. The RHSI endowment was funded through a variety of sources: a 2006 Title III federal grant; funds contributed by local foundations; and COS Foundation fundraising activities from individuals and businesses. The endowment helps support the annual technology and maintenance needs of the RHSI and since 2013 has provided \$497,357 in total funding. The Foundation's investments have since grown and are now at a combined total of \$4.6 million (June 30, 2025).

ECONOMIC FACTORS AFFECTING THE SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT

The economic position of the District continues to be closely linked to the state of California, as State apportionments and property taxes allocated to the District represent approximately 88% of the total unrestricted resources of revenues received by the District. For 2024-25, the Chancellor's Office maintained the Student-Centered Funding Formula (SCFF), which distributes resources based on full-time equivalent students (FTES), supplemental allocations for student equity factors, and student success outcomes. The hold-harmless provision under the SCFF remains in effect through 2024-25, ensuring districts receive no less than their 2017-18 total funding levels, adjusted for cost-of-living increases, while enrollment and outcome metrics continue to stabilize following the COVID-19 pandemic. The 2024-25 enacted State Budget provided a 1.07 percent COLA for community college apportionments and included stability funding to support districts still recovering from enrollment declines. According to the District's Second Principal Apportionment, College of the Siskiyous received a Total Computational Revenue of \$23.57 million, funded under hold-harmless protection, with a deficit factor of 0.00%, indicating full funding at the formula level.

The District has continued to experience a recovery in student enrollment following the pandemic-related declines that affected community colleges statewide. For fiscal year 2022-23, the College reported 1,114.21 FTES. Enrollment increased significantly in 2023-24 to 1,607.84 FTES, a 44.3% increase in one year, and continued upward in 2024-25 to 1,772.56 FTES, reflecting an additional 10.2% gain. While total enrollment remains below pre-pandemic levels, the College's focused efforts in outreach, online and flexible course delivery, and enhanced student support services have contributed to steady growth. Continued monitoring of enrollment patterns will remain essential as statewide funding under the Student-Centered Funding Formula becomes increasingly linked to both access and student success measures.

Siskiyou County's economy continues to face structural challenges that influence the District's financial environment. The unemployment rate in the county was approximately 7% in early 2024 and remained relatively stable through 2025. The region remains heavily reliant on agriculture, tourism and natural-resource sectors, making it sensitive to changes in those industries. Although no major wildfires occurred during the year, persistent drought conditions and increased operating costs for local farms and small businesses continue to create economic pressures. Despite these challenges, gradual recovery in retail activity and tourism has provided modest improvement in overall economic stability within the county.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

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

The District ended fiscal year 2024-25 in a strong financial position, with revenues exceeding expenditures and no deficit spending. A portion of this positive outcome was attributed to the receipt of Employee Retention Credit (ERC) funds from the U.S. Treasury, which provided one-time fiscal relief following several years of pandemic-related cost pressures. These funds strengthened the District's reserves and supported continued operational stability. Although costs for insurance, utilities, and contracted services increased, prudent budgeting and conservative fiscal management allowed the District to maintain balanced operations and remain well-positioned for future economic challenges.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

FINANCIAL SECTION

SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	District	Foundation
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 30,227,849	\$ 999,384
Accounts receivable	6,055,023	35,717
Inventory	120,436	-
Due from other funds	6,048	-
Prepaid expenditures and other assets	53,741	1,596
Total Current Assets	<u>36,463,097</u>	<u>1,036,697</u>
Non-current Assets:		
Restricted cash and cash equivalents	44,066,960	-
Investments	-	4,679,328
Right-to-use leased assets, net	1,006,827	-
Capital assets, net	37,194,001	-
Total Non-current Assets	<u>82,267,788</u>	<u>4,679,328</u>
TOTAL ASSETS	<u>118,730,885</u>	<u>5,716,025</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on refunding	240,547	-
Deferred outflows related to OPEB	557,923	-
Deferred outflows related to pensions	6,276,013	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>7,074,483</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 125,805,368</u>	<u>\$ 5,716,025</u>
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 7,672,286	\$ 90,086
Interest payable	217,287	-
Unearned revenue	12,823,762	(2,358)
Due to other funds	-	6,112
Compensated absences, current portion	149,645	-
Long-term debt, current portion	1,886,082	-
Total Current Liabilities	<u>22,749,062</u>	<u>93,840</u>
Non-current Liabilities:		
Compensated absences, non-current portion	448,933	-
Net OPEB liability	3,500,701	-
Net pension liability	16,608,624	-
Long-term debt, non-current portion	31,030,213	-
Total Non-current Liabilities	<u>51,588,471</u>	<u>-</u>
TOTAL LIABILITIES	<u>74,337,533</u>	<u>93,840</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	2,436,295	-
Deferred inflows related to OPEB	8,998	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,445,293</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	40,080,408	-
Restricted for:		
Debt service	9,201,086	-
Capital projects	2,074,557	-
With donor restrictions	-	4,503,350
Unrestricted	(2,333,509)	1,118,835
TOTAL NET POSITION	<u>49,022,542</u>	<u>5,622,185</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 125,805,368</u>	<u>\$ 5,716,025</u>

See accompanying notes to financial statements.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

	District	Foundation
OPERATING REVENUES		
Tuition and fees, gross	\$ 2,427,937	\$ 297,221
Less: Scholarship discounts and allowances	(586,063)	-
Tuition and fees, net	1,841,874	297,221
Grants and contracts, non-capital:		
Federal	2,654,503	-
State	587,301	-
Local	274,774	668,943
Auxiliary enterprise sales, net	861,418	-
TOTAL OPERATING REVENUES	6,219,870	966,164
OPERATING EXPENSES		
Salaries	15,334,879	160,246
Employee benefits	6,376,118	52,493
Supplies, materials, and other operating expenses and services	9,443,921	945,378
Student aid	6,598,386	-
Depreciation and amortization	2,651,917	-
TOTAL OPERATING EXPENSES	40,405,221	1,158,117
OPERATING LOSS	(34,185,351)	(191,953)
NON-OPERATING REVENUES/(EXPENSES)		
State apportionments, non-capital	16,026,003	-
Education protection account revenues, non-capital	2,738,824	-
Local property taxes, non-capital	5,345,307	-
State taxes and other revenues, non-capital	7,742,273	-
Financial aid revenues	3,400,368	-
Investment income/(loss)	3,692,801	540,543
Interest expense	(1,914,910)	-
Other non-operating revenues	963,435	8,069
TOTAL NON-OPERATING REVENUES/(EXPENSES)	37,994,101	548,612
INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	3,808,750	356,659
OTHER REVENUES/(EXPENSES) AND GAINS/(LOSSES)		
Local property taxes and revenues, capital	2,032,505	-
TOTAL OTHER REVENUES/(EXPENSES) AND GAINS/(LOSSES)	2,032,505	-
CHANGE IN NET POSITION	5,841,255	356,659
NET POSITION -- BEGINNING OF YEAR	42,332,021	5,265,526
PRIOR PERIOD ADJUSTMENTS (SEE NOTE 18)	849,266	-
NET POSITION -- END OF YEAR	\$ 49,022,542	\$ 5,622,185

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025**

	District	Foundation
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 1,841,874	\$ 297,221
Grants and contracts	6,931,583	665,389
Payments to or on behalf of employees	(24,268,007)	(212,739)
Payments to vendors for supplies and services	(6,901,343)	(897,021)
Payment to students	(9,974,026)	-
Other receipts	857,213	-
Net Cash Provided by/(Used in) Operating Activities	<u>(31,512,706)</u>	<u>(147,150)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
State apportionments	16,026,003	-
Education protection account revenue	2,738,824	-
Financial aid revenues	3,400,368	-
Property taxes	5,345,307	-
State taxes and other revenues	7,742,273	-
Other non-operating	963,435	8,069
Net Cash Provided by/(Used in) Non-capital Financing Activities	<u>36,216,210</u>	<u>8,069</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(2,597,640)	-
Local revenue, capital	2,032,505	-
Principal paid on capital debt	(1,707,119)	-
Unmatured interest on capital debt	121,937	-
Net Cash Provided by/(Used in) Capital Financing Activities	<u>(2,150,317)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	3,692,801	234,896
Net Cash Provided by/(Used in) Investing Activities	<u>3,692,801</u>	<u>234,896</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	6,245,988	95,815
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	68,048,821	903,569
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 74,294,809</u>	<u>\$ 999,384</u>

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>District</u>	<u>Foundation</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES		
Operating loss	\$ (34,185,351)	\$ (191,953)
Adjustments to Reconcile Operating Loss to Net Cash Provided by/(Used in) Operating Activities:		
Depreciation and amortization expense	2,651,917	-
Changes in Assets and Liabilities:		
Accounts receivable	253,950	(2,145)
Prepaid expenditures and other assets	12,243	-
Due from other funds	357,033	-
Deferred outflows of resources	(530,556)	-
Accounts payable and accrued expenses	1,465,545	50,502
Unearned revenue	(575,823)	(3,554)
Compensated absences	39,265	-
Net OPEB liability	(435,496)	-
Net pension liability	(235,383)	-
Deferred inflows of resources	(330,050)	-
Total Adjustments	<u>2,672,645</u>	<u>44,803</u>
Net Cash Flows From Operating Activities	<u>\$ (31,512,706)</u>	<u>\$ (147,150)</u>

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Definition of the Reporting Entity

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

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

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

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

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

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

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

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

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

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Presentation and Accounting, continued

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

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

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

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

Accounts Receivable – Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff, the majority of each residing in the state of California. Accounts receivable also include amounts due from the federal, state, and local governments, or private sources, in connection with reimbursement of allowable expenses made pursuant to the District's grants and contracts. The District utilizes the allowance method with respect to its accounts receivable based on all accounts receivable with an age greater than four years old in combination with historical collection information. There was no allowance estimated for the year ended June 30, 2025.

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

Prepaid expenses represent payments made to vendors and others for services that will benefit periods beyond June 30.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

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

Right-to-Use Leased Assets – The District has recorded right-to-use leased assets as a result of implementing GASB Statements No. 87 and No 96. The right-to-use leased assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use leased assets are amortized on a straight-line basis over the life of the related lease.

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

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

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

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

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

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Accounts Payable, Accrued Expenses, and Interest Payable – All payables, accrued expenses, interest payable and long-term liabilities are reported in the District financial statements. In general, accounts payable and accrued expenses that, once incurred, are paid in a timely manner and in full, from current financial resources are reported as liabilities of the District.

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.

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

GASB Statement No. 101 requires that liabilities for compensated absences be recognized for [1] leave that has not been used and [2] leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if [a] the leave is attributable to services already rendered, [b] the leave accumulates, and [c] the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Flow Assumption: When determining the amounts due within one year for sick leave, accumulated sick leave as of June 30, 2025 is assumed to be used before future sick leave accruals (i.e. First In, First Out). The amount due within one year for vacation leave is based on the expected accumulated vacation leave to be cashed out upon the end of employment in the following year.

Sick leave is accumulated without limit for each employee based upon negotiated contracts. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, retirement credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Retirement credit for unused sick leave is applicable to all employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full time.

Long-Term Liabilities – Bond premiums are deferred and amortized over the life of the bonds using the straight-line method, which does not differ materially from the effective interest method. Bonds payable are reported net of the applicable bond premium. Bond issuance costs are expensed in the year incurred. Amortization of bond premiums was \$63,322 for the year ended June 30, 2025.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Postemployment Benefits Other Than Pensions (OPEB) – For purposes of measuring the net OPEB liability/(asset), deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District OPEB Plan and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the District OPEB Plan. For this purpose, the District OPEB 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 participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

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

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

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

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

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

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

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

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

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

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

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

Operating expenses: Operating expenses are necessary costs to provide the services of the District and include employee salaries and benefits, supplies, operating expenses, and financial aid.

Non-operating expenses: Non-operating expenses include interest expense and other expenses not directly related to the services of the District

Scholarship Discounts and Allowances – Student tuition and fee revenue are reported net of scholarship discounts and allowances in the statement of revenues, expenses, and changes in net position. Scholarship discounts and allowances represent the difference between stated charges for goods and services provided by the District and the amount that is paid by students and/or third parties making payments on the students’ behalf.

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

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

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

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

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

On-Behalf Payments – GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, requires that direct on-behalf payments for fringe benefits and salaries made by an entity to a third-party recipient for the employees of another legally separate entity be recognized as revenue and expenses by the employer government. The state of California makes direct on-behalf payments for retirement benefits to the California State Teachers’ Retirement System (CalSTRS) and the California Public Employees’ Retirement System (CalPERS) on behalf of all community college districts in California. The amount reported in the basic financial statements as of June 30, 2025, was \$556,783.

DISCRETELY PRESENTED COMPONENT UNIT – FOUNDATION

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

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

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

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

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

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

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

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

DISCRETELY PRESENTED COMPONENT UNIT – FOUNDATION, continued

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

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

Valuations within the hierarchy levels are based upon the following:

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

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

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

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

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

DISCRETELY PRESENTED COMPONENT UNIT – FOUNDATION, continued

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

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

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

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

DISCRETELY PRESENTED COMPONENT UNIT – FOUNDATION, continued

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

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

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

The Foundation receives donated administrative services from the District. The value of these services was estimated at \$163,475 for the year ended June 30, 2025.

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

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

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

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

DISCRETELY PRESENTED COMPONENT UNIT – FOUNDATION, continued

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

The Foundation did not have unrecognized tax benefits as of June 30, 2025, and does not expect this to change significantly over the next 12 months. In connection with the adoption of FASB ASC 740-10, the Foundation will recognize interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense. As of June 30, 2025, the Foundation did not accrue interest or penalties related to uncertain tax positions.

Adoption of New Accounting Standards

The following GASB Pronouncements were adopted by the District during the year ended June 30, 2025:

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Management has determined that the adoption of this statement did not have any material impact on District’s financial statements.

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with information about risks related to a government’s vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. A government should disclose in notes to financial statements the information if the following criteria have been met; (a) a concentration or constraint is known to the government prior to the issuance of the financial statements and makes the reporting unit vulnerable to the risk of a substantial impact, (b) an event or events associated with the concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Management has determined that the adoption of this statement did not have any material impact on District’s financial statements.

Upcoming GASB Pronouncements

The GASB has issued several pronouncements that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the District.

GASB Statement No. 103 – In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This statement also addresses certain application issues. This statement is effective for periods beginning after June 15, 2025.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Upcoming GASB Pronouncements, continued

GASB Statement No. 104 – In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*. This statement also requires additional disclosures for capital assets held for sale. This statement is effective for periods beginning after June 15, 2025.

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS

The following is a summary of cash, cash equivalents and investments:

	District	Foundation
Cash and cash equivalents - current	\$ 30,227,849	\$ 999,384
Restricted cash and cash equivalents - non-current	44,066,960	-
Investments	-	4,679,328
Total	<u>\$ 74,294,809</u>	<u>\$ 5,678,712</u>

Cash and Cash Equivalents

The carrying amount of the Primary Government and Foundation’s cash and cash equivalents is summarized as follows:

	District	Foundation
Cash in county treasury	\$ 73,244,724	\$ 999,184
Cash in banks	1,046,089	-
Cash on hand	3,996	200
Total	<u>\$ 74,294,809</u>	<u>\$ 999,384</u>

As provided for by *California Education Code*, Section 41001, a significant portion of the District's cash balances of most funds is deposited with the Siskiyou County Treasurer for the purpose of increasing interest earned through County investment activities. The County Treasury’s Pooled Money Investment account’s weighted average maturity was 1.39 years at June 30, 2025. As of June 30, 2025, the fair value of the County pool was 99.58% of the carrying value and is deemed to not represent a material difference. The pooled treasury has regulatory oversight by the Siskiyou County Treasury Oversight Committee in accordance with *California Government Code* requirements. The District is considered to be an involuntary participant in the external investment pool. Copies of the County’s audited financial statements can be obtained from the Siskiyou County Auditor-Controller’s Office, 311 Fourth Street, Yreka, California 96097.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025**

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS, continued

Investments

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

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

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

Investments consisted of the following:

	District		Foundation
Mutual funds and debt securities	\$	-	\$ 4,646,793
Art and gems		-	32,535
Total	\$	-	\$ 4,679,328

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025**

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS, continued

Custodial Credit Risk

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

All cash held by financial institutions is collateralized by securities that are held by the broker or dealer, or by its trust department or agent, but not in the District's name. In addition, \$250,000 of the bank balances (per institution) at June 30, 2025, are insured.

Fair Value Measurements

The District's investment in the County treasurer's investment pool is measured at fair value. At June 30, 2025, the County treasurer's pool of \$73,244,724 is valued using quoted prices for similar instruments in active market and quoted prices for identical or similar instruments in markets that are not active (level 2 inputs).

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following:

	District	Foundation
Federal	\$ 446,185	\$ -
State	1,900,671	-
Local	1,426,177	35,717
Auxiliary enterprise sales and charges - net	68,381	-
Student receivables	2,213,609	-
Total	\$ 6,055,023	\$ 35,717

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 – CAPITAL ASSETS AND RIGHT-TO-USE LEASED ASSETS

Capital and right-to-use leased assets activities consist of the following:

	Reclassified Balance July 1, 2024	Adjustments (Note 18)	Additions	Deductions	Balance June 30, 2025
Capital assets not being depreciated					
Land	\$ 199,350	\$ -	\$ -	\$ -	199,350
Construction in progress	-	-	311,783	-	311,783
Total capital assets not being depreciated	199,350	-	311,783	-	511,133
Capital assets being depreciated					
Land improvements	4,020,053	-	40,785	-	4,060,838
Buildings and improvements	54,102,854	(115,176)	965,344	-	54,953,022
Equipment and vehicles	13,327,388	361,502	459,096	-	14,147,986
Total capital assets being depreciated	71,450,295	246,326	1,465,225	-	73,161,846
Total capital assets	71,649,645	246,326	1,777,008	-	73,672,979
Less: accumulated depreciation	34,468,791	(294,656)	2,304,843	-	36,478,978
Capital Assets, net	37,180,854	540,982	(527,835)	-	37,194,001
Right-to-use lease assets being amortized					
Subscription lease	1,342,814	-	279,650	-	1,622,464
Total right-to-use leased assets being amortized	1,342,814	-	279,650	-	1,622,464
Less: accumulated amortization	268,563	-	347,074	-	615,637
Right-to-Use Leased Assets, net	1,074,251	-	(67,424)	-	1,006,827
Total Capital Assets and Right-to-Use Leased Assets, net	\$ 38,255,105	\$ 540,982	\$ (595,259)	\$ -	\$ 38,200,828

Depreciation and amortization expense for the year was \$2,651,917.

NOTE 5 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following:

	District	Foundation
Accrued payroll and related liabilities	\$ 2,089,558	\$ 6,125
Interest payable	217,287	-
Other	5,365,441	83,961
Total	\$ 7,672,286	\$ 90,086

SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 - LONG TERM LIABILITIES

The long-term liabilities activity is as follows:

	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025	Due Within One Year
Long-Term Debt					
General obligation bonds:					
Measure A:					
Series B and C	\$ 19,071,166	\$ 1,555,913	\$ 75,000	\$ 20,552,079	\$ 70,000
Series A Refunding	9,555,000	-	1,020,000	8,535,000	1,120,000
Premiums on general obligation bonds	635,939	-	63,323	572,616	63,322
Lease purchase agreement	2,500,895	-	278,897	2,221,998	287,922
Total long-term debt	31,763,000	1,555,913	1,437,220	31,881,693	1,541,244
Other long-term liabilities:					
Compensated absences	559,313	39,265	-	598,578	149,645
Subscription liability	1,088,174	279,650	333,222	1,034,602	344,838
Net pension liability	16,844,007	-	235,383	16,608,624	-
Net OPEB liability	3,936,197	-	435,496	3,500,701	-
Total other long-term liabilities	22,427,691	318,915	1,004,101	21,742,505	494,483
Total long-term liabilities	\$ 54,190,691	\$ 1,874,828	\$ 2,441,321	\$ 53,624,198	\$ 2,035,727

2005 General Obligation Bonds, Series B and C

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

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

Year Ending June 30,	Principal	Interest	Accreted Interest	Total
2026	\$ 70,000	\$ 135,125	\$ -	\$ 205,125
2027	65,000	132,125	-	197,125
2028	55,000	128,625	-	183,625
2029	50,000	128,250	-	178,250
2030	35,000	126,500	-	161,500
2031-2035	1,211,638	632,500	7,123,363	8,967,501
2036-2040	4,274,648	316,250	8,070,352	12,661,250
2041-2045	1,949,535	-	13,235,465	15,185,000
2046-2048	1,042,867	-	9,367,132	10,409,999
Accreted Interest	11,798,391	-	(11,798,391)	-
Total	\$ 20,552,079	\$ 1,599,375	\$ 25,997,921	\$ 48,149,375

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 6 - LONG TERM LIABILITIES, continued

2014 General Obligation Refunding Bonds

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

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

Year Ending June 30,	Principal	Interest	Total
2026	\$ 1,120,000	\$ 269,175	\$ 1,389,175
2027	1,240,000	216,375	1,456,375
2028	1,365,000	171,100	1,536,100
2029	1,480,000	128,425	1,608,425
2030	1,600,000	81,225	1,681,225
2031	1,730,000	28,113	1,758,113
Total	<u>\$ 8,535,000</u>	<u>\$ 894,413</u>	<u>\$ 9,429,413</u>

Lease Purchase Agreement

The District leases equipment and other capital assets at a cost of \$4,000,000 under agreements which provide for title to pass upon expiration of the lease period. The amount of interest costs incurred during the year ended June 30, 2025, was \$75,058 all of which was charged to interest expenses. Amortization under capital leases has been included with depreciation expense in the statement of revenue, expenses, and changes in net position.

Future minimum lease payments for capital leases are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 287,922	\$ 69,034	\$ 356,956
2027	297,238	59,717	356,955
2028	306,856	50,100	356,956
2029	316,786	40,170	356,956
2030	327,036	29,920	356,956
2031-2032	686,160	27,751	713,911
Total	<u>\$ 2,221,998</u>	<u>\$ 276,692</u>	<u>\$ 2,498,690</u>

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 6 - LONG TERM LIABILITIES, continued

Subscription Liability

The District entered into Subscriptions-based Information Technology Arrangements (SBITAs) for the use of various software. At June 30, 2025, the District has recognized a right-to-use subscriptions IT asset, net of accumulated amortization of \$1,006,827 and a SBITA liability of \$1,034,602 related to these agreements. During the fiscal year, the District recorded \$347,074 in amortization expense and \$31,940 in interest expense for the SBITAs. The District used discount rates between 2.63% and 3.16% based on the estimated incremental borrowing rate for financing over a similar time period.

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

Year Ending June 30,	Principal	Interest	Total
2026	\$ 344,838	\$ 22,612	\$ 367,450
2027	356,914	12,946	369,860
2028	332,850	3,550	336,400
Total	\$ 1,034,602	\$ 39,108	\$ 1,073,710

Compensated Absences

The liability for compensated absences consists of unused vacation and sick leave that is expected to be used in future periods or paid upon termination, in accordance with employee collective bargaining agreements and District policy.

At June 30, 2025, the liability recorded for compensated absences was \$598,578.

NOTE 7 - NET PENSION LIABILITY

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

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

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	\$ 6,010,043	\$ 2,877,024	\$ 1,092,602	\$ 533,235
CalPERS	10,598,581	3,398,989	1,343,693	1,271,413
Total	\$ 16,608,624	\$ 6,276,013	\$ 2,436,295	\$ 1,804,648

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 - NET PENSION LIABILITY, continued

The details of each plan are as follows:

California State Teachers’ Retirement System (CalSTRS)

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

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

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

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

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

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

	STRP Defined Benefit Plan	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.21%
Required employer contribution rate	19.10%	19.10%
Required state contribution rate	10.83%	10.83%

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 - NET PENSION LIABILITY, continued

California State Teachers' Retirement System (CalSTRS), continued

Contributions – The parameters for employer and state contribution rates for the DB Program are set by the California Legislature and the Governor and detailed in the 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 established a schedule of contribution rate increases shared among members, employers and the state to bring CalSTRS toward full funding by 2046. The contribution rates for each plan for the year ended June 30, 2025, are presented above, and the District's total contributions were \$1,121,134.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2025, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	6,010,043
State's proportionate share of the net pension liability associated with the District		<u>2,757,471</u>
Total	\$	<u>8,767,514</u>

The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2024 and June 30, 2023, respectively was 0.009 percent and 0.007 percent, resulting in a increase of 0.002 percent in the proportionate share.

For the year ended June 30, 2025, the District recognized pension expense of \$533,235. In addition, the District recognized pension expense and revenue of \$251,657 for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ -	\$ 24,554
Differences between expected and actual experience	679,891	262,982
Changes in assumptions	26,308	410,424
Net changes in proportionate share of net pension liability	1,049,691	394,642
District contributions subsequent to the measurement date	<u>1,121,134</u>	<u>-</u>
Total	<u>\$ 2,877,024</u>	<u>\$ 1,092,602</u>

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025**

NOTE 7 - NET PENSION LIABILITY, continued

California State Teachers’ Retirement System (CalSTRS), continued

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, continued – The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (415,434)
2027	649,483
2028	244,673
2029	154,255
2030	59,789
Thereafter	(29,478)
Total	<u>\$ 663,288</u>

Actuarial Methods and Assumptions – Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023, and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2023, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 2007, through June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return / discount rate	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%
Payroll growth	3.25%
Postretirement benefit increases	2.00%

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

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025**

NOTE 7 - NET PENSION LIABILITY, continued

California State Teachers’ Retirement System (CalSTRS), continued

Actuarial Methods and Assumptions, continued – The long-term investment rate of return assumption was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class/strategy. Expected real rates of return are net of a 2.75% inflation assumption and are derived from best-estimate ranges of 20- to 30-year geometrically linked expected returns. These best-estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process.

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

Asset Class	Assumed Asset Allocation	Long-term Expected Rate of Return*	Long-term Expected Real Rate of Return**
Public Equity	38%	8.00%	5.25%
Real Estate	15%	6.80%	4.05%
Private Equity	14%	9.50%	6.75%
Fixed Income	14%	5.20%	2.45%
Risk Mitigating Strategies	10%	5.00%	2.25%
Inflation Sensitive	7%	6.40%	3.65%
Cash/Liquidity	2%	2.80%	0.05%
Total	<u>100%</u>		

*20 to 30 year geometric average.
 **Real rates of return are net of assumed 2.75% inflation.

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

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025**

NOTE 7 - NET PENSION LIABILITY, continued

California State Teachers’ Retirement System (CalSTRS), continued

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

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Plan's net pension liability	\$ 10,689,901	\$ 6,010,043	\$ 2,102,168

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in CalSTRS’ separately issued Annual Comprehensive Financial Report (ACFR).

California Public Employees Retirement System (CalPERS)

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

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

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor and the member’s final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 55 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 62 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member’s beneficiary if the member dies while actively employed. An employee’s eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost-of-living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 - NET PENSION LIABILITY, continued

California Public Employees Retirement System (CalPERS), continued

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

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

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2025, are presented above and the total District contributions were \$1,864,495.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – As of June 30, 2025, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$10,598,581. The net pension liability was measured as of June 30, 2024. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District’s proportionate share for the measurement period June 30, 2024 and June 30, 2023, respectively was 0.030 percent and 0.031 percent, resulting in a net decrease in the proportionate share of 0.001 percent.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 - NET PENSION LIABILITY, continued

California Public Employees Retirement System (CalPERS), continued

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions, continued – For the year ended June 30, 2025, the District recognized pension expense of \$1,271,413. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ 411,694	\$ -
Differences between expected and actual experience	888,536	75,854
Changes in assumptions	234,264	-
Net changes in proportionate share of net pension liability	-	1,267,839
District contributions subsequent to the measurement date	1,864,495	-
Total	<u>\$ 3,398,989</u>	<u>\$ 1,343,693</u>

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ 39,102
2027	590,138
2028	(262,798)
2029	(175,641)
Total	<u>\$ 190,801</u>

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

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

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 - NET PENSION LIABILITY, continued

California Public Employees Retirement System (CalPERS), continued

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

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

Asset Class*	Assumed Asset Allocation	Real Return Years 1 - 10**
Global Equity - Cap-weighted	30%	4.54%
Global Equity - Non-cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%
Total	100%	

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

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

Discount rate – The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025**

NOTE 7 - NET PENSION LIABILITY, continued

California Public Employees Retirement System (CalPERS), continued

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

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Plan’s net pension liability	\$ 15,744,281	\$ 10,598,581	\$ 6,347,824

Pension plan fiduciary net position – Detailed information about the pension plan’s fiduciary net position is available in CalPERS’ separately issued ACFR.

On Behalf Payments – The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$556,783. Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements

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

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

NOTE 9 – RISK MANAGEMENT

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

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

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

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS

The District provides postemployment health care benefits for retired employees in accordance with negotiated contracts with the various bargaining units of the District.

For the fiscal year ended June 30, 2025 the District reported net OPEB liability/(asset), deferred outflows of resources, deferred inflows of resources, and OPEB expense/(benefit) for the following plans:

OPEB Plan	Net OPEB Liability/(Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense/(Benefit)
District Plan	\$ 3,500,701	\$ 557,923	\$ 8,998	\$ (350,504)

Plan Description

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

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

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

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

Benefits Provided

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

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

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

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS, continued

Funding Policy

The contribution requirements are established and may be amended by the District and the District’s bargaining units. The required contribution is based on projected pay-as-you-go financing requirements with an additional amount to prefund benefits as determined annually. Additionally, the District has established an irrevocable trust (the “Trust”) with U.S. Bank through the Retiree Health Benefit Program Joint Powers Authority to prefund a portion of the retiree health benefit costs. For the year ended June 30, 2025, the District made no contributions to the Plan.

Employees Covered by Benefit Term

The following is a table of plan participants at the June 30, 2025 measurement date:

	Number of Participants
Inactive Employees/Dependents Receiving Benefits	73
Active Employees	2
Total	75

Contributions to Trust

Eligible employees are not permitted to make contributions to the Trust. The Plan administrator (CalPERS) shall, on behalf of the employer (District), make all contribution to the Trustee. All contributions shall be paid to the Trustee for investment and reinvestment pursuant to the terms of the trust agreement. The District does not have contractually required contributions rates, but contributes in an amount sufficient to fully fund the total OPEB obligation over a period not to exceed 30 years. The District has a net OPEB liability/(asset) of \$3,500,701 as of June 30, 2025.

OPEB Plan Investments

The plan discount rate of 6.00% was determined using the following asset allocation and assumed rate of return:

Asset Class	Percentage of Portfolio	Assumed Gross Return
U.S. Large Cap	29%	7.25%
U.S. Small Cap	13%	7.25%
All Foreign Stock	9%	7.25%
Other Fixed Income	49%	3.00%
Total	100%	

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

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS, continued

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	June 30, 2023
Measurement date	June 30, 2024
Fiscal year	July 1st to June 30th
Actuarial cost methods	Entry age normal cost method
Inflation rate	2.50%
Investment rate of return	6.00%
Discount rate	6.00%
Healthcare cost trend rate	4.00%
Payroll increase	2.75%
Mortality	For certificated employees the 2020 CalSTRS mortality tables were used. For classified employees the 2021 CalPERS active mortality for miscellaneous and schools employees were used.

Changes in the Net OPEB Liability/(Asset)

	Increase/(Decrease)		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(a) - (b)
Balance July 1, 2023 (Measurement Date)	\$ 6,243,696	\$ 2,307,499	\$ 3,936,197
Changes for the year:			
Service cost	3,426	-	3,426
Interest	358,688	-	358,688
Employer contributions	-	512,207	(512,207)
Expected investment income	-	138,450	(138,450)
Investment gains/(losses)	-	124,614	(124,614)
Expected benefit payments	(534,546)	(512,207)	(22,339)
Net change	(172,432)	263,064	(435,496)
Balance June 30, 2024 (Measurement Date)	\$ 6,071,264	\$ 2,570,563	\$ 3,500,701

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS, continued

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate

The following presents the net OPEB liability/(asset) calculated using the discount rate of 6.00 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 (5.00 percent) and 1 percent higher (7.00 percent):

	1% Lower (5.00%)	Current Discount Rate (6.00%)	1% Higher (7.00%)
Net OPEB liability/(asset)	\$ 4,012,597	\$ 3,500,701	\$ 3,058,565

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Healthcare Cost Trend Rate

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

	1% Lower (3.00%)	Healthcare Cost Trend Rate (4.00%)	1% Higher (5.00%)
Net OPEB liability/(asset)	\$ 2,987,737	\$ 3,500,701	\$ 4,087,373

OPEB Expense/(Benefit) and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the District recognized OPEB expense/(benefit) of \$(350,504). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings on plan investments	\$ -	\$ 8,998
District contributions subsequent to the measurement date	557,923	-
Total	\$ 557,923	\$ 8,998

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS, continued

OPEB Expense/(Benefit) and Deferred Outflows and Deferred Inflows of Resources Related to OPEB, continued

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

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (149)
2027	50,906
2028	(34,833)
2029	(24,922)
Total	<u>\$ (8,998)</u>

NOTE 11 – BENEFICIAL INTEREST IN CHARITABLE REMAINDER TRUSTS – FOUNDATION

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

The Foundation has been named as the irrevocable remainder beneficiary of one charitable remainder trusts (the trust is administered by a third party). At June 30, 2025, the trust has been dissolved.

NOTE 12 – INVESTMENT INCOME – FOUNDATION

A summary of return of investments consisted of the following:

Dividends and capital gains	\$ 417,890
Change in value of charitable remainder trusts	(7,524)
Net realized and unrealized gain/(losses)	<u>130,177</u>
Total Investment Income/(Loss)	<u>\$ 540,543</u>

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 13 – SPECIAL EVENTS – FOUNDATION

For the year ended June 30, 2025, the Foundation held the following special events:

	Craft Fair	Flea Market	Scholarship Dinner	Total
Gross revenue	\$ 9,062	\$ 846	\$ 10,700	\$ 20,608
Less: Expenses	1,196	28	3,998	5,222
Total	<u>\$ 7,866</u>	<u>\$ 818</u>	<u>\$ 6,702</u>	<u>\$ 15,386</u>

NOTE 14 – NET ASSETS WITH DONOR RESTRICTIONS – FOUNDATION

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

Scholarships	\$ 1,499,687
Title III	2,592,318
Mercy medical	214,153
Forster CRT	125,584
Goodman	67,823
California Community Colleges Scholarships Endowment (FCCC/Osher)	3,785
Total	<u>\$ 4,503,350</u>

NOTE 15 – ENDOWMENTS – FOUNDATION

Endowment composition by type of fund is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Asset
Donor Restricted Endowment Funds			
Scholarships	\$ 24,074	\$ 1,475,613	\$ 1,499,687
Title III	-	2,592,318	2,592,318
Mercy medical	-	214,153	214,153
Forster CRT	-	125,584	125,584
Goodman	-	67,823	67,823
California Community Colleges Scholarships Endowment (FCCC/Osher)	-	3,785	3,785
Total Endowment Funds	<u>\$ 24,074</u>	<u>\$ 4,479,276</u>	<u>\$ 4,503,350</u>
Endowment Assets- Beginning of Year	\$ 137,152	\$ 4,043,334	4,180,486
Adjustment	(113,078)	113,078	-
Investment income	-	339,580	339,580
Net unrealized gain/(loss)	-	130,177	130,177
Amounts appropriated for expenditures	-	(146,893)	(146,893)
Endowment Assets - End of Year	<u>\$ 24,074</u>	<u>\$ 4,479,276</u>	<u>\$ 4,503,350</u>

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 15 – ENDOWMENTS – FOUNDATION, continued

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

NOTE 16 – FAIR VALUE MEASUREMENTS – FOUNDATION

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

	Level 1	Level 2	Level 3	Total
Fixed Income Securities:				
Cash reserves	\$ 60,916	\$ -	\$ -	\$ 60,916
Mutual Funds:				
Stock funds	262,150	-	-	262,150
Bond Funds	821,150	-	-	821,150
Total Mutual Funds	1,083,300	-	-	1,083,300
Exchange Traded Products:				
Equity	2,790,454	-	-	2,790,454
Fixed income	708,338	-	-	708,338
Other	-	-	-	-
Total Exchange Traded Products	3,498,792	-	-	3,498,792
California Community Colleges Scholarships Endowment (FCCC/Osher)	-	-	3,785	3,785
Total	\$ 4,643,008	\$ -	\$ 3,785	\$ 4,646,793

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

Beginning of Year - July 1, 2024	\$ 11,309
Total gains/losses (realized/unrealized)	(7,524)
End of Year - June 30, 2025	<u>\$ 3,785</u>

NOTE 17 - 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.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025**

NOTE 18 – PRIOD PERIOD ADJUSTMENTS

Prior year adjustments amounting to \$849,266 were identified and adjusted against the beginning net position. The impact to beginning net position on the Primary Government is as follows:

Net Position - Beginning Balance, as previously reported at June 30, 2024	\$ 42,332,021
Capital asset adjustments	540,982
District identified adjustments	<u>308,284</u>
Net Position - Beginning Balance, as restated at June 30, 2024	<u>\$ 43,181,287</u>

NOTE 19 – SUBSEQUENT EVENTS

The District evaluated subsequent events from June 30, 2025 through February 12, 2026, the date the financial statements were issued. The District concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024	2023	2022
Total OPEB liability				
Service cost	\$ 3,426	\$ 7,048	\$ 7,402	\$ 29,521
Interest	358,688	378,846	381,316	366,787
Experience (gains)/losses	-	(301,485)	-	12,192
Changes of assumptions	-	(140,117)	(155,118)	162,993
Benefit payments	(534,546)	(571,405)	(584,226)	(511,629)
Net change in total OPEB liability	(172,432)	(627,113)	(350,626)	59,864
Total OPEB liability, beginning of year	6,243,696	6,870,809	7,221,435	7,161,571
Total OPEB liability, end of year (a)	\$ 6,071,264	\$ 6,243,696	\$ 6,870,809	\$ 7,221,435
Plan fiduciary net position				
Employer contributions	\$ 512,207	\$ 571,405	\$ 584,226	\$ 511,629
Investment income	138,450	122,854	133,895	365,146
Investment gains/(losses)	124,614	49,554	(428,712)	-
Administrative expense	-	(2,995)	(3,121)	(3,158)
Expected benefit payments	(512,207)	(571,405)	(584,226)	(511,629)
Other	-	-	-	-
Change in plan fiduciary net position	263,064	169,413	(297,938)	361,988
Fiduciary trust net position, beginning of year	2,307,499	2,138,086	2,436,024	2,074,036
Fiduciary trust net position, end of year (b)	\$ 2,570,563	\$ 2,307,499	\$ 2,138,086	\$ 2,436,024
Net OPEB liability/(asset), ending (a) - (b)	\$ 3,500,701	\$ 3,936,197	\$ 4,732,723	\$ 4,785,411
Covered payroll	\$ 219,181	\$ 210,751	\$ 313,383	\$ 689,439
Plan fiduciary net position as a percentage of the total OPEB liability	42%	37%	31%	34%
Net OPEB liability/(asset) as a percentage of covered payroll	1597%	1868%	1510%	694%

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

SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2025

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 28,731	\$ 48,529	\$ 47,230	\$ 45,966
Interest	372,296	415,502	416,249	416,229
Experience (gains)/losses	6,342	(302,293)	-	-
Changes of assumptions	-	437,603	-	-
Benefit payments	(505,429)	(480,941)	(472,217)	(454,055)
Net change in total OPEB liability	(98,060)	118,400	(8,738)	8,140
Total OPEB liability, beginning of year	7,259,631	7,141,231	7,149,969	7,141,829
Total OPEB liability, end of year (a)	\$ 7,161,571	\$ 7,259,631	\$ 7,141,231	\$ 7,149,969
Plan fiduciary net position				
Employer contributions	\$ 505,429	\$ 480,941	\$ 542,217	\$ 699,055
Investment income	74,809	113,357	104,260	129,539
Investment gains/(losses)	-	1,303	15,826	-
Administrative expense	(3,342)	(2,758)	(499)	(500)
Expected benefit payments	(505,429)	(480,941)	(472,217)	(454,055)
Other	-	-	(1,032)	-
Change in plan fiduciary net position	71,467	111,902	188,555	374,039
Fiduciary trust net position, beginning of year	2,002,569	1,890,667	1,702,112	1,328,073
Fiduciary trust net position, end of year (b)	\$ 2,074,036	\$ 2,002,569	\$ 1,890,667	\$ 1,702,112
Net OPEB liability/(asset), ending (a) - (b)	\$ 5,087,535	\$ 5,257,062	\$ 5,250,564	\$ 5,447,857
Covered payroll	\$ 689,439	\$ 671,057	\$ 900,940	\$ 1,285,309
Plan fiduciary net position as a percentage of the total OPEB liability	29%	28%	26%	24%
Net OPEB liability/(asset) as a percentage of covered payroll	738%	783%	583%	424%

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

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CONTRIBUTIONS - OPEB
FOR THE YEAR ENDED JUNE 30, 2025**

	2025	2024	2023	2022
Actuarially determined contribution	\$ 518,647	\$ 534,546	\$ 571,405	\$ 584,226
Contributions in relations to the actuarially determined contribution	557,923	512,207	573,196	427,507
Contribution deficiency/(excess)	<u>\$ (39,276)</u>	<u>\$ 22,339</u>	<u>\$ (1,791)</u>	<u>\$ 156,719</u>
Covered-employee payroll	\$ 219,181	\$ 210,751	\$ 313,383	\$ 689,439
Contribution as a percentage of covered-employee payroll	254.55%	243.04%	182.91%	62.01%
	2021	2020	2019	2018
Actuarially determined contribution	\$ 499,087	\$ 499,087	\$ 480,941	\$ 472,217
Contributions in relations to the actuarially determined contribution	507,106	468,529	466,021	525,763
Contribution deficiency/(excess)	<u>\$ (8,019)</u>	<u>\$ 30,558</u>	<u>\$ 14,920</u>	<u>\$ (53,546)</u>
Covered-employee payroll	\$ 689,439	\$ 671,057	\$ 900,940	\$ 1,285,309
Contribution as a percentage of covered-employee payroll	73.55%	69.82%	51.73%	40.91%

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

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2025**

	Reporting Fiscal Year (Measurement Date)				
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
CalSTRS					
District's proportion of the net pension liability	0.009%	0.007%	0.007%	0.007%	0.008%
District's proportionate share of the net pension liability	\$ 6,010,043	\$ 5,620,011	\$ 4,616,805	\$ 3,402,827	\$ 7,966,675
State's proportionate share of the net pension liability associated with the District	2,757,471	2,692,754	2,312,109	1,712,206	4,106,788
Total	\$ 8,767,514	\$ 8,312,765	\$ 6,928,914	\$ 5,115,033	\$ 12,073,463
District's covered-employee payroll	\$ 4,628,209	\$ 4,345,110	\$ 4,711,442	\$ 4,049,759	\$ 4,657,936
District's proportionate share of the net pension liability as percentage of covered-employee payroll	130%	129%	98%	84%	171%
Plan fiduciary net position as a percentage of the total pension liability	84%	81%	81%	87%	72%

	Reporting Fiscal Year (Measurement Date)				
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
CalPERS					
District's proportion of the net pension liability	0.030%	0.031%	0.037%	0.037%	0.039%
District's proportionate share of the net pension liability	\$ 10,598,581	\$ 11,223,996	\$ 12,612,828	\$ 7,499,961	\$ 11,825,720
District's covered-employee payroll	\$ 6,512,665	\$ 5,385,826	\$ 5,569,908	\$ 5,307,961	\$ 5,547,310
District's proportionate share of the net pension liability as percentage of covered-employee payroll	163%	208%	226%	141%	213%
Plan fiduciary net position as a percentage of the total pension liability	72%	70%	70%	81%	70%

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2025**

	Reporting Fiscal Year (Measurement Date)				
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
CalSTRS					
District's proportion of the net pension liability	0.008%	0.010%	0.010%	0.009%	0.010%
District's proportionate share of the net pension liability	\$ 7,611,945	\$ 8,813,307	\$ 8,797,789	\$ 7,333,140	\$ 6,014,982
State's proportionate share of the net pension liability associated with the District	4,152,858	5,046,274	5,204,740	4,175,241	2,328,939
Total	\$ 11,764,803	\$ 13,859,581	\$ 14,002,529	\$ 11,508,381	\$ 8,343,921
District's covered-employee payroll	\$ 4,393,309	\$ 4,764,115	\$ 5,022,613	\$ 5,052,496	\$ 4,619,680
District's proportionate share of the net pension liability as percentage of covered-employee payroll	173%	185%	175%	145%	130%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	77%

	Reporting Fiscal Year (Measurement Date)				
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
CalPERS					
District's proportion of the net pension liability	0.040%	0.042%	0.039%	0.034%	0.032%
District's proportionate share of the net pension liability	\$ 11,723,135	\$ 11,077,227	\$ 9,246,076	\$ 6,711,837	\$ 5,141,432
District's covered-employee payroll	\$ 5,547,310	\$ 5,508,925	\$ 5,433,967	\$ 4,920,598	\$ 4,075,007
District's proportionate share of the net pension liability as percentage of covered-employee payroll	211%	201%	170%	136%	126%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	84%

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CONTRIBUTIONS - PENSIONS
FOR THE YEAR ENDED JUNE 30, 2025**

CalSTRS	Reporting Fiscal Year				
	2025	2024	2023	2022	2021
Statutorily required contribution	\$ 1,121,134	\$ 883,988	\$ 829,916	\$ 797,176	\$ 654,036
District's contributions in relation to the statutorily required contribution	1,121,134	883,988	829,916	797,176	654,036
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 5,869,812	\$ 4,628,209	\$ 4,345,110	\$ 4,711,442	\$ 4,049,759
District's contributions as a percentage of covered-employee payroll	19.10%	19.10%	19.10%	16.92%	16.15%

CalPERS	Reporting Fiscal Year				
	2025	2024	2023	2022	2021
Statutorily required contribution	\$ 1,864,495	\$ 1,737,579	\$ 1,366,384	\$ 1,276,066	\$ 1,098,748
District's contributions in relation to the statutorily required contribution	1,864,495	1,737,579	1,366,384	1,276,066	1,098,748
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 6,892,773	\$ 6,512,665	\$ 5,385,826	\$ 5,569,908	\$ 5,307,961
District's contributions as a percentage of covered-employee payroll	27.05%	26.68%	25.37%	22.91%	20.70%

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CONTRIBUTIONS - PENSIONS
FOR THE YEAR ENDED JUNE 30, 2025**

CalSTRS	Reporting Fiscal Year				
	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 796,507	\$ 775,598	\$ 724,763	\$ 635,604	\$ 494,082
District's contributions in relation to the statutorily required contribution	796,507	775,598	724,763	635,604	494,082
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 4,657,936	\$ 4,764,115	\$ 5,022,613	\$ 5,052,496	\$ 4,619,680
District's contributions as a percentage of covered-employee payroll	17.10%	16.28%	14.43%	12.58%	10.70%

CalPERS	Reporting Fiscal Year				
	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 1,093,985	\$ 995,022	\$ 843,895	\$ 683,471	\$ 482,754
District's contributions in relation to the statutorily required contribution	1,093,985	995,022	843,895	683,471	482,754
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 5,547,310	\$ 5,508,925	\$ 5,433,967	\$ 4,920,598	\$ 4,075,007
District's contributions as a percentage of covered-employee payroll	19.72%	18.06%	15.53%	13.89%	11.85%

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Changes in the Net OPEB Liability/(Asset) and Related Ratios

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

Change in Benefit Terms: There were no changes in benefit terms since the previous valuations.

Changes in Assumptions: There were no changes in assumptions since the previous valuations.

Schedule of Contributions - OPEB

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

Schedule of Proportionate Share of the Net Pension Liability

The Schedule of the District's Proportionate Share of the Net Pension Liability is presented to illustrate the elements of the District's Net Pension Liability.

Change in Benefit Terms: There were no changes in benefit terms since the previous valuation for CalSTRS. The required employer contribution rate changed from 26.68% to 27.05% since previous valuation for CalPERS.

Changes in Assumptions: Additional factors were considered in the actuarial valuation for CalSTRS namely the payroll growth rate and long-term expected rate of return based on 20 to 30 years geometric average. There were no changes in assumptions since previous valuation for CalPERS.

Schedule of Contributions - Pensions

The Schedule of the District's Contributions is presented to illustrate the District's required contributions relating to the pensions.

SUPPLEMENTARY INFORMATION

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
DISTRICT ORGANIZATIONAL STRUCTURE
JUNE 30, 2025**

The District, a political subdivision of the state of California, was established on May 17, 1957. Its territories encompass portions of Siskiyou and Shasta Counties. There were no changes in boundaries during the fiscal year ended June 30, 2025.

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

GOVERNING BOARD

NAME	OFFICE	Area	TERM EXPIRES
Mrs. Debbie Derby	President	II	December 2026
Ms. Erica Mitchell	Vice President	VII	December 2026
Ms. Carol Cupp	Member	III	December 2026
Mr. Gregory Hanna	Member	VI	December 2028
Ms. Kathy Koon	Member	V	December 2028
Mr. Barry Ohlund	Member	IV	December 2028
Mr. Kevin Dalton	Member	I	December 2026

DISTRICT ADMINISTRATION

Dr. Charlene Perlas
Superintendent/President

Dr. Mark Fields
Vice President, Academic Affairs

Patrick Walton
Vice President, Student Services

Melissa Ericsson
Vice President, Administrative Services

AUXILIARY ORGANIZATIONS IN GOOD STANDING

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

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Program Expenditures
U.S. DEPARTMENT OF EDUCATION			
TRIO Cluster			
TRIO - Student Support Services	84.042	*	\$ 454,311
TRIO - Upward Bound Program	84.047	*	573,398
Total TRIO Cluster			<u>1,027,709</u>
STUDENT FINANCIAL ASSISTANCE CLUSTER			
Federal Pell Grants (PELL)	84.063	*	2,435,363
Federal Supplement Education Opportunity Grant (FSEOG)	84.007	*	41,713
Federal Direct Student Loans	84.268	*	832,799
Federal Work Study Program (FWS)	84.033	*	90,493
Total Student Financial Assistance Cluster			<u>3,400,368</u>
CAREER AND TECHNICAL EDUCATION ACT			
<i>Passed through State Department of Education</i>			
Basic Grants to States	84.048	13-112-110	
Career and Technical Education-Basic Grants to States (Perkins V)	84.048A	*	49,919
Total U.S. Department of Education			<u>4,477,996</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through from California Community Colleges Chancellor's Office			
Temporary Assistance to Needy Families (TANF)	93.558	*	48,207
Total U.S. Department of Health and Human Services			<u>48,207</u>
Total Federal Expenditures			<u>\$ 4,526,203</u>

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

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Program Name	Cash Received	Accounts Receivable	Deferred Income	Total Revenues	Program Expenditures
General - STRS On Behalf	\$ 24,169	\$ -	\$ -	\$ 24,169	\$ 24,169
Baseball - General	1,268	-	1,268	-	-
Student Services - General	1,383	-	1,383	-	-
Prop-20 Lottery Funds	389,492	48,798	262,827	175,463	175,463
DFG - Other Contract Services	10,902	-	10,902	-	-
CCC Equipment Placement & Complete Grant	228,392	-	218,541	9,851	9,851
Cal Works	557,325	-	471,494	85,831	85,831
Strong Workforce Marketing	140,838	-	128,288	12,550	12,550
Strong Workforce Program (21-22)	595,181	-	595,181	-	-
Strong Workforce Regional (22-23)	14,806	-	-	14,806	14,806
Strong Workforce (23-24)	424,473	-	-	424,473	424,473
Strong Workforce Regional (23-24)	397,749	-	66,698	331,051	331,051
SWF - PIC Accelerated Workforce	12,399	-	12,399	-	-
Strong Workforce PIC Multi Contract Y8	38,898	-	38,898	-	-
Strong Workforce (24-25) Regional	337,769	-	337,769	-	-
CEC Mentor Grant	1,470	-	1,470	-	-
CTN Model eHealth Community Grant	1,318	-	1,318	-	-
SB 1070 Mini-Grant Siskiyou Pathway	121	-	121	-	-
Nursing-College Specific (21-22)	344,905	-	305,924	38,981	38,981
Enrollment Growth and Retention Grant (20-21)	439	-	439	-	-
CA Conservation Corps (Butte CCD)	20,051	-	10,051	10,000	10,000
Rupe Foundation CNA Nursing Grant	8,274	-	3,079	5,195	5,195
Rupe Foundation CNA Grant - 18-19□	577	-	577	-	-
Rupe Foundation CNA Grant - 19-20	3,194	-	3,194	-	-
Song Brown 2010/2011	14,862	-	14,862	-	-
Common Course Numbering	913,043	-	853,493	59,550	59,550
CTE - Adult Education 22-23	117,775	10,618	16,011	112,382	112,382
IEPI - Inst Effectiveness 20-21	5,726	-	5,726	-	-
IEPI - Inst Effectiveness 24-25	200,000	-	200,000	-	-
Child Develop Training Consortium	1,246	-	1,246	-	-
Foster Parent	13,952	-	13,952	-	-
125511 Foster Kinship Care - CSEC Program	10,000	-	5,000	5,000	5,000
EOPS	1,198,896	-	671,363	527,533	527,533
NextUp	648,996	-	574,423	74,573	74,573
CARE	199,729	-	116,801	82,928	82,928
SFAA	357,671	-	209,075	148,596	148,596
Fin Aid Technology Grant	189,945	-	130,575	59,370	59,370
COVID-19 Recovery Grant (State)□	819,718	-	901	818,817	818,817
SB 85 - CalFresh Outreach	14,673	-	14,448	225	225
SB 85 - Early Action Emergency FA	136,107	-	136,107	-	-
SB 85 - Retention/Enroll Outreach	670,535	-	452,500	218,035	218,035
Basic Needs Centers (21-22)	295,032	-	132,128	162,904	162,904
Wellness Vending Machine	15,000	-	15,000	-	-
Student Food/Housing Support (21-22)	487,897	-	370,893	117,004	117,004
LGBTQ+ (2021-22)	111,029	-	108,266	2,763	2,763
Zero Textbook Cost Program (ZTC)	496,946	-	464,398	32,548	32,548
Veterans Resource Center	117,015	-	84,451	32,564	32,564
Campus Safety/Sexual Assault	8,814	-	8,814	-	-
Student Equity& Achievement SEA	1,744,899	-	862,341	882,558	882,558
Rural IT Assistance Project (17-18)	5,376	-	5,376	-	-
Guided Pathways	281,321	-	55,067	226,254	226,254
Program Mapper-Guided Pathways	30,000	-	30,000	-	-
Student Transfer Achievement Reform	565,217	-	536,979	28,238	28,238
CA College Promise (AB19)	450,221	-	383,403	66,818	66,818
Student Health	313,752	-	248,568	65,184	65,184
Mental Health Support	383,218	-	303,753	79,465	79,465
Gear Up	15,220	-	15,220	-	-
Undocumented Resources Liaison	270,928	-	270,928	-	-
Common Cloud Data Platform	50,000	-	5,000	45,000	45,000
North/Far North - 3-D Virtual World	267	-	267	-	-
Ford Family Foundation Grant - Construction	40	-	40	-	-
Staff Diversity	453,679	-	422,533	31,146	31,146
EEO Best Practices	190,925	-	161,792	29,133	29,133
Classified Professional Development	18,226	-	18,226	-	-
DSPS	838,283	-	576,057	262,226	262,226
District Support for Categoricals	211,720	-	1,091	210,629	210,629
Total	\$ 16,423,292	\$ 59,416	\$ 10,968,895	\$ 5,513,813	\$ 5,513,813

See accompanying notes to supplementary information.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT –
ANNUAL/ACTUAL ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2025**

CATEGORIES	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2024 only)			
1. Noncredit	30.62	-	30.62
2. Credit	70.65	-	70.65
B. Summer Intersession (Summer 2025 - Prior to July 1, 2025)			
1. Noncredit	2.91	-	2.91
2. Credit	199.33	-	199.33
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	350.27	-	350.27
(b) Daily Census Contact Hours	203.26	-	203.26
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	44.97	-	44.97
(b) Credit	102.84	-	102.84
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Contact Hours	417.37	-	417.37
(b) Daily Census Contact Hours	277.97	-	277.97
(c) Noncredit Independent Study/Distance Education Courses	72.37	-	72.37
D. Total FTES	1,772.56	-	1,772.56
Supplemental Information (subset of above information)			
E. In-service Training Courses	28.94	-	28.94
F. Basic Skills Courses and Immigrant Education			
1. Credit	1.86	-	1.86
2. Noncredit	73.16	-	73.16
Total Basic Skills FTES	75.02	-	75.02

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF ECS 84362 (50 PERCENT LAW) CALCULATION
FOR THE YEAR ENDED JUNE 30, 2025**

	Object/ TOP Codes	Activity (ESCA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6100			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Academic Salaries</u>							
Instructional Salaries							
Contract or Regular	1100	\$ 3,352,633	\$ -	\$ 3,352,633	\$ 3,352,633	\$ -	\$ 3,352,633
Other	1300	1,896,909	-	1,896,909	1,899,809	-	1,899,809
Total Instructional Salaries		5,249,542	-	5,249,542	5,252,442	-	5,252,442
Non-Instructional Salaries							
Contract or Regular	1200	-	-	-	1,190,504	-	1,190,504
Other	1400	-	-	-	92,298	-	92,298
Total Non-Instructional Salaries		-	-	-	1,282,802	-	1,282,802
Total Academic Salaries		5,249,542	-	5,249,542	6,535,244	-	6,535,244
<u>Classified Salaries</u>							
Non-Instructional Salaries							
Regular Status	2100	-	-	-	3,056,244	-	3,056,244
Other	2300	-	-	-	118,836	-	118,836
Total Non-Instructional Salaries		-	-	-	3,175,080	-	3,175,080
Instructional Aides							
Regular Status	2200	429,420	-	429,420	429,420	-	429,420
Other	2400	993,141	-	993,141	1,013,539	-	1,013,539
Total Instructional Aides		1,422,561	-	1,422,561	1,442,959	-	1,442,959
Total Classified Salaries		1,422,561	-	1,422,561	4,618,039	-	4,618,039
Employee Benefits	3000	2,699,702	-	2,699,702	5,654,690	-	5,654,690
Supplies and Materials	4000	-	-	-	203,641	-	203,641
Other Operating Expenses	5000	214,947	-	214,947	2,952,622	-	2,952,622
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures Prior to Exclusions		9,586,752	-	9,586,752	19,964,236	-	19,964,236
<u>Exclusions</u>							
Activities to Exclude							
Inst. Staff-Retirees' Benefits and Incentives	5900	256,234	-	256,234	256,234	-	256,234
Std. Health Svcs. Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	-	-	-
Non-inst.Staff-Retirees' Benefits and Incentives	6740	-	-	-	301,689	-	301,689
Object to Exclude							
Rents and Leases	5060	-	-	-	671,378	-	671,378
Lottery Expenditures							
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines & Periodicals	4200	-	-	-	-	-	-
Instructional Supplies & Materials	4300	-	-	-	-	-	-
Non-inst. Supplies & Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	-	-	-
Other Operating Expenses and Services	5000	-	-	-	220,357	-	220,357
Capital Outlay	6000	-	-	-	-	-	-
Library Books	6300	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay		-	-	-	-	-	-
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		\$ 256,234	\$ -	\$ 256,234	\$ 1,449,658	\$ -	\$ 1,449,658
Total for ECS 84362, 50% Law		\$ 9,330,518	\$ -	\$ 9,330,518	\$ 18,514,578	\$ -	\$ 18,514,578
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		\$ -	\$ -	\$ -	\$ 9,257,289	\$ -	\$ 9,257,289

See accompanying notes to supplementary information.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
 DETAILS OF THE EDUCATION PROTECTION ACCOUNT
 FOR THE YEAR ENDED JUNE 30, 2025**

EPA Revenue	\$ 2,738,824
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Activity Classification	Activity Code	Salaries and Benefits	Operating Expenses	Capital Outlay	Total
		(Obj 1000-3000)	(Obj 4000-5000)	(Obj 6000)	
Instructional Activities	0100-5900	\$ 2,738,824	\$ -	\$ -	\$ 2,738,824
Total		\$ 2,738,824	\$ -	\$ -	\$ 2,738,824

SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
COMBINING BALANCE SHEET – DISTRICT FUNDS INCLUDED IN THE REPORTING ENTITY
JUNE 30, 2025

	General Fund	Bond Interest and Redemption Fund	Measure A Interest and Redemption Fund	Cafeteria Fund	Dormitory Revenue Fund	Dormitory Repair and Replacement Fund	Capital Outlay Fund	Balance Forward
ASSETS								
Cash and cash equivalents	\$ 30,407,982	\$ (15,726)	\$ 9,555,133	\$ (635,837)	\$ 1,315,893	\$ 174,630	\$ 34,089,287	\$ 74,891,362
Accounts receivable	4,052,553	13,389	1,755	281,333	244,822	61	1,007,416	5,601,329
Inventory	-	-	-	15,452	-	-	-	15,452
Prepaid expenditures and other assets	53,685	-	-	-	-	-	-	53,685
Due from other funds	(21,053)	-	-	463,103	37,134	17,196	335,894	832,274
Total Assets	\$ 34,493,167	\$ (2,337)	\$ 9,556,888	\$ 124,051	\$ 1,597,849	\$ 191,887	\$ 35,432,597	\$ 81,394,102
LIABILITIES								
Accounts payable and accrued expenses	\$ 7,531,843	\$ (11,528)	\$ 356,047	\$ 9,141	\$ 9,043	\$ -	\$ 35,580	\$ 7,930,126
Unearned revenue	13,058,716	-	-	296,025	-	-	(777,748)	12,576,993
Amounts held for others	-	-	-	-	-	-	-	-
Due to other funds	(179,407)	8,946	-	477,933	862,117	-	-	1,169,589
Total Liabilities	20,411,152	(2,582)	356,047	783,099	871,160	-	(742,168)	21,676,708
FUND EQUITY								
Fund balance	14,082,015	245	9,200,841	(659,048)	726,689	191,887	36,174,765	59,717,394
Total Fund Equity	14,082,015	245	9,200,841	(659,048)	726,689	191,887	36,174,765	59,717,394
Total Liabilities and Fund Equity	\$ 34,493,167	\$ (2,337)	\$ 9,556,888	\$ 124,051	\$ 1,597,849	\$ 191,887	\$ 35,432,597	\$ 81,394,102

SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
COMBINING BALANCE SHEET – DISTRICT FUNDS INCLUDED IN THE REPORTING ENTITY
JUNE 30, 2025

	Balance Brought Forward	Revenue Bond Construction Fund	Bookstore Fund	Self-Insurance Fund	Student Financial Aid Trust Fund	Associated Students Trust Fund	Scholarship and Loan Trust Fund	Other Agency Funds	Total
ASSETS									
Cash and cash equivalents	\$ 74,891,362	\$ 438,266	\$ (795,512)	\$ (231,991)	\$ (443,157)	\$ 175,225	\$ 22,323	\$ 238,293	\$ 74,294,809
Accounts receivable	5,601,329	(370)	30,992	-	359,244	47,961	2,993	12,874	6,055,023
Inventory	15,452	-	104,984	-	-	-	-	-	120,436
Prepaid expenditures and other assets	53,685	-	-	-	-	-	-	56	53,741
Due from other funds	832,274	-	225,776	233,177	37,248	108	-	-	1,328,583
Total Assets	\$ 81,394,102	\$ 437,896	\$ (433,760)	\$ 1,186	\$ (46,665)	\$ 223,294	\$ 25,316	\$ 251,223	\$ 81,852,592
LIABILITIES									
Accounts payable and accrued expenses	\$ 7,930,126	\$ 10,551	\$ (486,487)	\$ 1,186	\$ 216,255	\$ 1,905	\$ -	\$ (1,250)	\$ 7,672,286
Unearned revenue	12,576,993	-	2	-	228,256	1,411	-	17,100	12,823,762
Amounts held for others	-	-	-	-	-	-	25,316	-	25,316
Due to other funds	1,169,589	-	150,532	-	-	-	-	2,414	1,322,535
Total Liabilities	21,676,708	10,551	(335,953)	1,186	444,511	3,316	25,316	18,264	21,843,899
FUND EQUITY									
Fund balance	59,717,394	427,345	(97,807)	-	(491,176)	219,978	-	232,959	60,008,693
Total Fund Equity	59,717,394	427,345	(97,807)	-	(491,176)	219,978	-	232,959	60,008,693
Total Liabilities and Fund Equity	\$ 81,394,102	\$ 437,896	\$ (433,760)	\$ 1,186	\$ (46,665)	\$ 223,294	\$ 25,316	\$ 251,223	\$ 81,852,592

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY – DISTRICT
FUNDS INCLUDED IN THE REPORTING ENTITY
FOR THE YEAR ENDED JUNE 30, 2025**

	General Fund	Bond Interest and Redemption Fund	Measure A Interest and Redemption Fund	Cafeteria Fund	Dormitory Revenue Fund	Dormitory Repair and Replacement Fund	Capital Outlay Fund	Balance Forward
OPERATING REVENUES								
Tuition and fees, net	\$ 1,111,673	\$ -	\$ -	\$ -	\$ 655,718	\$ -	\$ -	\$ 1,767,391
Grants and Contracts, non-capital								
Federal	2,654,583	-	-	-	-	-	-	2,654,583
State	558,395	-	-	-	-	-	-	558,395
Local	5,195	-	-	-	36,400	-	6,275	47,870
Auxiliary enterprise sales, net	2,600	-	-	659,922	-	-	-	662,522
Total Operating Revenues	4,332,446	-	-	659,922	692,118	-	6,275	5,690,761
OPERATING EXPENDITURES								
Salaries	14,632,394	-	-	307,680	189,433	-	-	15,129,507
Employee benefits	7,344,631	-	-	170,243	87,349	-	-	7,602,223
Supplies, materials, and other operating expenses and services	9,117,924	-	-	640,269	80,403	-	2,205,220	12,043,816
Financial aid expenses	-	-	-	-	-	-	-	-
Total Operating Expenses	31,094,949	-	-	1,118,192	357,185	-	2,205,220	34,775,546
Operating Loss	(26,762,503)	-	-	(458,270)	334,933	-	(2,198,945)	(29,084,785)
NON-OPERATING REVENUES/(EXPENSES)								
State apportionments, non-capital	16,026,003	-	-	-	-	-	-	16,026,003
Education protection account revenues, non-capital	2,738,824	-	-	-	-	-	-	2,738,824
Local property taxes, non-capital	5,345,307	-	-	-	-	-	-	5,345,307
State taxes and other revenues, non-capital	6,119,577	-	18,858	-	-	-	97,600	6,236,035
Financial aid revenues	-	-	-	-	-	-	-	-
Investment income	652,803	2,432	286,496	136	2,495	857	1,169,201	2,114,420
Interest expense	-	(78,363)	(238,450)	-	-	-	-	(316,813)
Other non-operating revenues	37,727	-	-	(3)	21,600	-	840,788	900,112
Local property taxes and revenues, capital	-	-	2,032,505	-	-	-	-	2,032,505
Total Non-operating Revenues/(Expenses)	30,920,241	(75,931)	2,099,409	133	24,095	857	2,107,589	35,076,393
OTHER FINANCING SOURCES/(USES)								
Operating transfer in	-	366,166	-	150,000	-	250	-	516,416
Operating transfer out	(599,343)	-	-	-	(150,250)	-	-	(749,593)
Debt service	-	(278,897)	(1,095,000)	-	-	-	-	(1,373,897)
Total Other Financing Sources/(Uses)	(599,343)	87,269	(1,095,000)	150,000	(150,250)	250	-	(1,607,074)
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures/Expenses and Other Financing Uses	3,558,395	11,338	1,004,409	(308,137)	208,778	1,107	(91,356)	4,384,534
FUND EQUITY -- BEGINNING OF YEAR	10,215,336	(11,093)	8,196,432	(350,911)	517,911	190,780	36,266,121	55,024,576
PRIOR PERIOD ADJUSTMENTS (NOTE 18)	308,284	-	-	-	-	-	-	308,284
FUND EQUITY -- END OF YEAR	\$ 14,082,015	\$ 245	\$ 9,200,841	\$ (659,048)	\$ 726,689	\$ 191,887	\$ 36,174,765	\$ 59,717,394

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY – DISTRICT
FUNDS INCLUDED IN THE REPORTING ENTITY
FOR THE YEAR ENDED JUNE 30, 2025**

	Balance Brought Forward	Revenue Bond Construction Fund	Bookstore Fund	Self-Insurance Fund	Student Financial Aid Trust Fund	Associated Students Trust Fund	Scholarship and Loan Trust Fund	Other Agency Funds	Total
OPERATING REVENUES									
Tuition and fees, net	\$ 1,767,391	\$ -	\$ -	\$ -	\$ -	\$ 44,333	\$ -	\$ 30,150	\$ 1,841,874
Grants and Contracts, non-capital									
Federal	2,654,583	-	-	-	(80)	-	-	-	2,654,503
State	558,395	-	-	-	28,906	-	-	-	587,301
Local	47,870	-	-	-	-	-	-	226,904	274,774
Auxiliary enterprise sales and charges	662,522	-	196,856	-	-	139	-	1,901	861,418
Total Operating Revenues	5,690,761	-	196,856	-	28,826	44,472	-	258,955	6,219,870
OPERATING EXPENDITURES									
Salaries	15,129,507	-	103,154	7,476	55,477	-	-	-	15,295,614
Employee benefits	7,602,223	-	47,378	4,103	2,242	-	-	-	7,655,946
Supplies, materials, and other operating expenses and services	12,043,816	400,191	209,363	221,598	-	6,456	-	238,418	13,119,842
Financial aid expenses	-	-	-	-	5,032,695	-	-	-	5,032,695
Total Operating Expenses	34,775,546	400,191	359,895	233,177	5,090,414	6,456	-	238,418	41,104,097
Operating Loss	(29,084,785)	(400,191)	(163,039)	(233,177)	(5,061,588)	38,016	-	20,537	(34,884,227)
NON-OPERATING REVENUES/(EXPENSES)									
State apportionments, non-capital	16,026,003	-	-	-	-	-	-	-	16,026,003
Education protection account revenues, non-capital	2,738,824	-	-	-	-	-	-	-	2,738,824
Local property taxes, non-capital	5,345,307	-	-	-	-	-	-	-	5,345,307
State taxes and other revenues, non-capital	6,236,035	429,418	-	-	825,163	-	-	-	7,490,616
Financial aid revenues	-	-	-	-	3,400,368	-	-	-	3,400,368
Investment income	2,114,420	20,353	302	-	42	92	-	62	2,135,271
Interest expense	(316,813)	-	-	-	-	-	-	-	(316,813)
Other non-operating revenues	900,112	-	-	-	-	-	-	-	900,112
Local property taxes and revenues, capital	2,032,505	-	-	-	-	-	-	-	2,032,505
Total Non-operating Revenues/(Expenses)	35,076,393	449,771	302	-	4,225,573	92	-	62	39,752,193
OTHER FINANCING SOURCES/(USES)									
Operating transfer in	516,416	-	-	233,177	-	-	-	-	749,593
Operating transfer out	(749,593)	-	-	-	-	-	-	-	(749,593)
Debt service	(1,373,897)	-	-	-	-	-	-	-	(1,373,897)
Total Other Financing Sources/(Uses)	(1,607,074)	-	-	233,177	-	-	-	-	(1,373,897)
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures/Expenses and Other Financing Uses	4,384,534	49,580	(162,737)	-	(836,015)	38,108	-	20,599	3,494,069
FUND EQUITY -- BEGINNING OF YEAR	55,024,576	377,765	64,930	-	344,839	181,870	-	212,360	56,206,340
PRIOR PERIOD ADJUSTMENTS (NOTE 18)	308,284	-	-	-	-	-	-	-	308,284
FUND EQUITY -- END OF YEAR	\$ 59,717,394	\$ 427,345	\$ (97,807)	\$ -	\$ (491,176)	\$ 219,978	\$ -	\$ 232,959	\$ 60,008,693

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF DISTRICT FUNDS TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

Total Governmental Fund - District Funds Included in the Reporting Entity

General Fund	\$ 14,082,015	
Debt Service Fund	9,201,086	
Special Revenue Funds	259,528	
Capital Outlay Project Funds	36,602,110	
Proprietary Fund	(97,807)	
Student Financial Aid Fund	(491,176)	
Other Funds	<u>478,253</u>	\$ 60,034,009
Assets recorded within the statements of net position not included in the District fund financial statements:		
Capital assets not being depreciated	\$ 511,133	
Capital assets being depreciated	73,161,846	
Accumulated depreciation	(36,478,978)	
Right-to-use leased assets	1,622,464	
Accumulated amortization	<u>(615,637)</u>	38,200,828
Unmatured Interest		(217,287)
Deferred outflows recorded within the statement of net position not included in the District fund financial statements:		
Deferred loss on refunding	240,547	
Deferred outflows related to OPEB	557,923	
Deferred outflows related to pensions	<u>6,276,013</u>	7,074,483
Liabilities recorded within the statements of net position not recorded in the District fund financial statements:		
Compensated absences	\$ 598,578	
Subscription liability	1,034,602	
Net pension liability	16,608,624	
Net OPEB liability	3,500,701	
Long-term debt	<u>31,881,693</u>	(53,624,198)
Deferred inflows recorded within the statement of net position not included in the District fund financial statements:		
Deferred inflows related to OPEB	(8,998)	
Deferred inflows related to Pensions	<u>(2,436,295)</u>	(2,445,293)
Total Net Position Reported Within the Statements of Net Position		<u>\$ 49,022,542</u>

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF CHANGE IN DISTRICT FUNDS TO CHANGE IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

Change in Fund Equity - District Funds Included in the Reporting Entity	\$ 3,494,069
Compensated absence expense not reported within the GASB 35 Statements	(39,265)
Depreciation expense reported within the GASB 35 Statements	(2,304,843)
Amortization expense for leased assets reported within the GASB 35 Statements.	(347,074)
Accretion of general obligation bonds reported within the GASB 35 Statements	(1,555,913)
Accrued interest reported within the GASB 35 Statements	5,136
Amortization of bond premiums reported within the GASB 35 Statements	63,323
Amortization of deferred loss on refunding reported within the GASB 35 Statements	(47,320)
Capital outlay expense not reported within the GASB 35 Statements	1,777,008
Fair market value adjustment to cash in county not reported within the GASB 35 Statements	1,557,530
Pension expense reported within the GASB 35 Statements	1,180,981
Other postemployment benefits expense reported within the GASB 35 Statements	350,504
Principal payments on debt not reported within the GASB 35 Statements	<u>1,707,119</u>
 Change in Net Position Reported Within the Statement of Revenues, Expenses, and Changes in Net Position	 <u>\$ 5,841,255</u>

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO THE SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 - PURPOSE OF SCHEDULES

District Organizational Structure

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

Schedule of Expenditures of Federal Awards

This schedule includes the federal activity of the District under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance).

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

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

Schedule of Revenues and Expenditures of State Awards

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

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

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

Reconciliation of the ECS 84362 (50 Percent Law) Calculation

ECS 84362 requires the District to expend a minimum of 50 percent of the unrestricted General Fund monies on salaries of classroom instructors. This is reported annually to the State Chancellor's Office. This schedule provides a reconciliation of the amount reported to the State Chancellor's Office and the impact of any audit adjustments and/or corrections noted during the audit.

Details of the Education Protection Account

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

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO THE SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 - PURPOSE OF SCHEDULES, continued

Combining Balance Sheet – District Funds Included in the Reporting Entity

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

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

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

Reconciliation of District Funds to the Statement Net Position and Reconciliation of Change in District Funds to Change in Net Position

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

NOTE 2 - COMBINING FINANCIAL STATEMENT SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

OTHER INDEPENDENT AUDITORS' REPORTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Siskiyou Joint Community College District (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon February 12, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

San Diego, California
February 12, 2026

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Siskiyou Joint Community College District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item #2025-001. Our opinion is not modified with respect to this matter.

The District's response to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The District's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

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

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

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

Purpose of this Report

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.

San Diego, California
February 12, 2026

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE FOR STATE PROGRAMS

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

Report on State Compliance

Opinion

We have audited Siskiyou Joint Community College District's compliance with the types of compliance requirements as identified in the *2024-25 California Community Colleges Chancellor's Office Contracted District Audit Manual* for the year ended June 30, 2025. The applicable State compliance requirements are identified below.

In our opinion, the District complied, in all material respects, with the laws and regulations of the State programs noted below that were audited for the year ended June 30, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the compliance requirements described in the *2024-25 California Community Colleges Chancellor's Office Contracted District Audit Manual*. Our responsibilities under those standards and the compliance requirements are further described in the Auditors' 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 State compliance with the compliance requirements subject to audit in the *2024-25 California Community Colleges Chancellor's Office Contracted District Audit Manual*. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's compliance with the requirements described in the *2024-25 California Community Colleges Chancellor's Office Contracted District Audit Manual*.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements listed in the table below has occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2024-25 California Community Colleges Chancellor's Office Contracted District Audit Manual* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the State programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2024-25 California Community Colleges Chancellor's Office Contracted District Audit Manual*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed. We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any material noncompliance with the requirements listed in the table below that we identified during the audit.

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

Procedures Performed

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

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

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 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 a material noncompliance with a compliance requirement 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing over state laws and regulations based on the requirements described in *2024-25 California Community Colleges Chancellor's Office Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

San Diego, California
February 12, 2026

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2025**

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None reported</u>
Non-compliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>Yes</u>
Type of auditors' report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards	<u>No</u>
Identification of major programs:	

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program of Cluster</u>
<u>84.007, 84.033, 84.063, 84.268</u>	<u>Student Financial Assistance Cluster</u>
<u>84.042, 84.047A</u>	<u>TRIO Cluster</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>No</u>

STATE AWARDS

Internal control over State programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None reported</u>
Type of auditors' report issued on compliance for State programs:	<u>Unmodified</u>

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
FINANCIAL STATEMENTS FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

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

There were no financial statement findings or questioned costs identified during 2024-25.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

This section identifies the audit findings required to be reported by the Uniform Guidance (e.g., deficiencies, significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).

FINDING #2025 – 001 – FEDERAL COMPLIANCE (STUDENT FINANCIAL ASSISTANCE CLUSTER – FEDERAL SUPPLEMENTAL EDUCATION OPPORTUNITY GRANT (FSEOG))

Type of Finding: Significant Deficiency in Internal Control Over Federal Compliance

Federal Agency: U.S. Department of Education

Federal Program: Federal Supplement Education Opportunity Grant (FSEOG)

Assistance Listing Number: 84.007

Award Year: 2024-25

Criteria

Federal regulations require institutions to award FSEOG funds to eligible students based on financial need, with priority given to Pell Grant recipients with the lowest Expected Family Contribution (EFC) or Student Aid Index (SAI), as applicable.

Condition

The District did not award FSEOG funds to eligible students in accordance with federal requirements. During audit testing, we identified that although students met FSEOG eligibility criteria—including financial need and Pell Grant eligibility—the District did not disburse FSEOG awards to these eligible students. Instead, FSEOG funds remained unapplied or were not fully allocated during the award year.

Cause

The District lacked adequate internal controls and documented procedures to ensure timely identification and awarding of FSEOG funds to eligible students. Specifically:

- FSEOG awarding was not incorporated into the District’s standard financial aid awarding workflow.
- Management did not perform periodic monitoring to ensure available FSEOG funds were awarded prior to year-end.
- Staffing or system limitations resulted in FSEOG awards being deprioritized relative to other Title IV programs.

Effect

As a result of these deficiencies:

- Eligible students did not receive FSEOG assistance for which they qualified.
- The District did not comply with federal awarding requirements.
- There is an increased risk of questioned costs, program noncompliance, and potential future funding reductions.

Questioned Costs

No questioned were identified, as the issue relates to failure to award funds rather than improper disbursement. However, unawarded FSEOG funds may be subject to federal return or reduced future allocations.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

FINDING #2025 – 001 – FEDERAL COMPLIANCE (STUDENT FINANCIAL ASSISTANCE CLUSTER – FEDERAL SUPPLEMENTAL EDUCATION OPPORTUNITY GRANT (FSEOG)), continued

Recommendation

We recommend that the District establish and document formal FSEOG awarding procedures aligned with federal eligibility requirements, including the following:

- Integrate FSEOG awarding into its financial aid system and annual awarding cycle.
- Implement periodic monitoring and reconciliation of FSEOG funds to ensure full and timely allocation.
- Provide training to financial aid staff on FSEOG eligibility and prioritization requirements.

Management Response

The Financial Aid Office has updated its Policies and Procedures and engaged Blue Icon, a third-party consulting firm, to assist with this project. The College of the Siskiyous is now in the final stages of this comprehensive review and is awaiting feedback from NASFAA's Quality Assurance team.

As part of this revision process, the College has established a new Packaging and Awarding Procedure that prioritizes a need-based and equity-focused framework.

FSEOG Awarding Criteria

- Awards are granted to students with the lowest Student Aid Index (SAI), specifically those between **-1500 and 0**.
- Students who fall within this range receive a **\$400 annual award** (\$200 per semester).
- Due to limited funding, **FSEOG is typically not available during the summer term**.

The Financial Aid Office collaborates closely with the Business Office to ensure accurate and timely disbursement of funds. Both offices also coordinate ongoing reconciliation efforts to maintain compliance and financial accuracy.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

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

There were no state award findings or questioned costs identified during 2024-25.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

This section identifies the audit findings and questioned related to the basic financial statements, Federal awards or State awards for prior year.

FINDING #2024 – 001 – FINANCIAL REPORTING CLOSING PROCESS

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Criteria

Internal Controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP. Management is responsible for the design, implementation, and maintenance of internal controls to ensure that the financial statements are free from material misstatement, whether due to error or fraud. Such internal controls should include a review of all adjusting journal entries, reclassifying journal entries, and conversion entries used in the preparation of the District's financial statements. Additionally, the District should ensure that all applicable accounting principles are adhered to when preparing the financial statements.

Condition / Context

We noted errors were made within the reconciliation processes of the District's financial records. As of year-end, material adjustments were required to conform to the Budget and Accounting Manual (BAM) and GAAP. Adjustments were made to various revenue, expense and balance sheet accounts. Additionally, there are large Accounts receivable and accounts payable balances that we recommend the District to review and reconcile.

Effect

The errors resulted in significant misstatements that were corrected by the auditors and booked by management. This situation reflects a material weakness in internal control and increases the risk of financial reporting errors and misstatements in the future.

Cause

Turnover in the business office has caused a breakdown in internal controls. The controls did not detect the necessary adjustments. As a result, the adjustments were made as part of the audit to ensure accurate financial reporting.

Recommendation

It is recommended for the District to establish a regular reconciliation and review process to detect and correct misstatements prior to the audit; develop and implement procedures to ensure all significant adjustments are recorded during the financial reporting process, with appropriate review by qualified personnel; enhance training for staff involved in financial reporting to improve understanding of GAAP requirements, particularly related to accruals; and establish a regular reconciliation and review process to detect and correct misstatements prior to the audit. Documentation may include policy manuals, process models, flowcharts, job descriptions, documents, and forms, and can be in paper form, electronic files, or other media. In addition, the documentation can be used in reinforcing established policies and procedures, evaluating performance, or training a new employee to perform the process.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

FINDING #2024 – 001 – FINANCIAL REPORTING CLOSING PROCESS, continued

Management Response

The District acknowledges the recommendation to enhance its financial reporting processes and agrees to implement the following corrective actions:

1. Enhanced Reconciliation and Review Process: The District will establish a formal, regular reconciliation and review process to identify and correct potential misstatements before the annual audit. This process will include:

- **Frequency:** Monthly reconciliations of key accounts.
- **Review:** Independent review of reconciliations by qualified personnel, separate from those preparing the reconciliations. This review will focus on the completeness and accuracy of the reconciliations and the appropriateness of any adjustments made.
- **Documentation:** All reconciliations and reviews will be documented, including the date, preparer, reviewer, and any findings or corrective actions taken.

2. Procedures for Recording Significant Adjustments: The District will develop and implement formal procedures to ensure all significant adjustments are recorded during the financial reporting process. These procedures will include:

- **Identification:** Clear criteria for identifying significant adjustments.
- **Approval:** A formal approval process for all adjustments, requiring review and authorization by qualified personnel.
- **Documentation:** Detailed documentation of each adjustment, including the nature of the adjustment, the supporting rationale, and the impact on the financial statements. This documentation will be retained as part of the financial records.

3. Enhanced Staff Training: The District will enhance training for staff involved in financial reporting to improve their understanding of Generally Accepted Accounting Principles (GAAP), with a particular focus on accruals. This training will:

- **Content:** Cover relevant GAAP pronouncements, practical application of accrual accounting principles, and the District's specific accounting policies and procedures.
- **Delivery:** Be delivered through workshops, online courses and on-the-job training.
- **Frequency:** Be conducted annually and upon significant changes in GAAP or District policies.
- **Documentation:** Training attendance and completion will be documented.

4. Documentation: The District recognizes the importance of documenting these processes and will develop and maintain appropriate documentation, including:

- **Policy Manuals:** Updated accounting policies and procedures manuals.
- **Process Models and Flowcharts:** Visual representations of key financial reporting processes.
- **Job Descriptions:** Updated job descriptions outlining responsibilities for financial reporting.
- **Forms and Templates:** Standardized forms for reconciliations, adjustments, and other financial reporting activities.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

FINDING #2024 – 001 – FINANCIAL REPORTING CLOSING PROCESS, continued

Management Response, continued

This documentation will be maintained in electronic format stored in the shared drive and will be used for training, performance evaluation, and ongoing process improvement.

Implementation Timeline:

The District will implement these corrective actions according to the following timeline:

- Develop reconciliation procedures: no later than March 31, 2025
- Conduct staff training: no later than June 30, 2025
- Complete and implement documentation updates: no later than July 31, 2025

The District is committed to improving its financial reporting processes and ensuring the accuracy and reliability of its financial statements. We believe these actions will address the recommendations and enhance the District's financial management.

Current Status

Implemented.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

FINDING #2024 – 002 – INTERNAL CONTROLS OVER DISBURSEMENTS

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

Criteria

Internal Controls should be in place to ensure that all disbursements are properly approved prior to purchases. Purchase Orders (PO) should be created and dated before the invoice date which illustrates preapproval procedures for goods/services. Purchase orders (POs) play a crucial role in facilitating and streamlining procurement processes. A purchase order is a formal document issued by a buyer to a seller, indicating the type, quantity, and agreed price for products or services the seller will provide. Moreover, They provide legal protection, facilitate accurate record-keeping, enhance inventory management, establish internal controls, streamline communication, aid in audit processes, and support budgeting and cost control. By incorporating purchase orders into their procurement processes, businesses can ensure smoother operations, reduce risks, and maintain financial integrity.

Condition / Context

We noted that 7 out of 25 expenditures tested did not contain a purchase order to provide evidence of pre-approval. We noted the District used direct pay apps, which are not pre-approved.

Effect

The potential to make unapproved purchases or purchase that exceed budgets.

Cause

Inadequate controls to ensure that all purchases made are preapproved prior to any purchase.

Recommendation

It is recommended for the district to implement a purchase order system as a strategic move that can greatly enhance the efficiency and accuracy of the District's procurement process. By following a structured implementation plan and continuously refining the system, the District can enjoy numerous operational and financial benefits. Ultimately, a well-managed PO system contributes to more transparent, efficient, and cost-effective business operations. Furthermore, District files shall be organized in a way that can easily be accessible by individual invoice. Individual invoices should be pulled in a timely manner rather than providing vendor files over for the auditors to search and find selected invoices for review.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

FINDING #2024 – 002 – INTERNAL CONTROLS OVER DISBURSEMENTS, continued

Management Response

The District acknowledges the recommendation to implement a purchase order (PO) system and enhance invoice retrieval processes. We agree that these improvements will significantly enhance procurement efficiency, accuracy, and transparency. The District will implement the following actions:

- 1. Purchase Order System Implementation:** The District will implement a comprehensive purchase order system according to a structured plan that includes the following phases:
 - **Needs Assessment and Requirements Gathering:** This phase will involve gathering input from relevant departments to identify specific needs and requirements for the PO system. This will include determining necessary features, integration with existing systems (e.g., accounting software), and reporting capabilities.
 - **System Selection/Development:** Based on the needs assessment, the District will evaluate available PO systems compatible to the District's ERP, Banner, and select the most suitable solution.
 - **Implementation and Testing:** This phase will involve configuring the selected system, migrating relevant data, and conducting thorough testing to ensure proper functionality and integration.
 - **Training:** Comprehensive training will be provided to all staff involved in the procurement process, including how to create, approve, and track purchase orders.
 - **Go-Live and Monitoring:** The PO system will be launched, and its performance will be closely monitored to identify any issues and make necessary adjustments.
 - **Continuous Improvement:** The District will regularly review and evaluate the PO system to identify areas for improvement and ensure it continues to meet the District's evolving needs.

The implemented PO system will include, at a minimum, the following functionalities:

- **Automated PO Generation:** Streamlined creation of purchase orders based on approved requisitions.
- **Approval Workflow:** Automated routing of POs for approval based on pre-defined authorization levels.
- **Tracking and Reporting:** Real-time tracking of PO status and comprehensive reporting capabilities to monitor spending and identify trends.
- **Integration with Accounting System:** Seamless integration with the District's accounting system to ensure accurate and timely recording of transactions.
- **Budget Control:** Integration with budget management to ensure purchases are within allocated funds.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

FINDING #2024 – 002 – INTERNAL CONTROLS OVER DISBURSEMENTS, continued

Management Response, continued

- 2. Invoice Organization and Retrieval:** The District will implement the following improvements to invoice organization and retrieval:
- **Electronic Filing System:** The District will establish a centralized electronic filing system for all invoices. This system will be organized in a manner that allows for easy retrieval of individual invoices using various search criteria (e.g., vendor name, invoice number, date, PO number).
 - **Indexing and Metadata:** All invoices will be properly indexed with relevant metadata to facilitate efficient searching and retrieval.
 - **Timely Retrieval Process:** The District will establish a process for the timely retrieval of individual invoices upon request, ensuring that auditors and other authorized personnel can quickly access the necessary documentation. This will involve designated personnel responsible for responding to invoice requests within a defined timeframe.
 - **Elimination of Vendor File Submissions:** The practice of providing entire vendor files to auditors will be discontinued. Instead, the District will provide only the specific invoices requested, retrieved through the improved electronic filing system.

Implementation Timeline:

The District will implement these corrective actions according to the following timeline:

- Needs Assessment and System Selection (PO System): Completion Date – April 30, 2025
- PO System Implementation and Training: Completion Date – December 31, 2025
- Electronic Invoice Filing System Implementation: Completion Date – December 31, 2025
- Staff Training on Invoice Retrieval: Completion Date – December 31, 2025

The District is confident that implementing a robust purchase order system and improving invoice retrieval processes will significantly enhance its procurement operations, leading to greater efficiency, accuracy, transparency, and cost-effectiveness. We are committed to providing the necessary resources and training to ensure the successful implementation and ongoing maintenance of these improvements.

Current Status

Implemented.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

FINDING #2024 – 003 – FEDERAL COMPLIANCE (STUDENT FINANCIAL ASSISTANCE CLUSTER – SPECIAL TESTS - DIRECT LOANS)

Type of Finding: Significant Deficiency in Internal Control Over Federal Compliance

Federal Agency: U.S. Department of Education

Federal Program: Federal Direct Student Loans

Assistance Listing Number: 84.268

Award Year: 2023-24

Criteria

The institution must notify the student, or parent, in writing of (1) the date and the amount of the disbursement; (2) the student's right, or the parent's right, to cancel all or a portion of that loan or loan disbursement and have the loan proceeds returned to the holder of that loan or returned to the Department of Education; and (3) the procedure and time by which the student or parent must notify the institution that he or she wishes to cancel the loan (34 CFR section 668.165(a)(6)(i)). The institution must make this notification to the student or parent no earlier than 30 days before, and no later than 30 days after, crediting the student's account at the institution.

Condition

Seven out of seven Direct Loan student files selected for testing did not contain evidence that the borrower's right to cancel letter was completed.

Cause

Turnover in the financial aid office during the fiscal year.

Effect

If the District does not provide the student or parent with the borrower's right to cancel letter, the student or parent are not given the chance to cancel the loans.

Recommendation

We recommend that the District to create a standard operating procedures manual for staff to reference in the event that there is turnover in a particular department. This will ensure that the District can continue operations and meet all financial and compliance requirements as established by law.

Management Response

The District acknowledges the recommendation to create a standard operating procedures (SOP) manual. We agree that this manual will be a valuable resource for maintaining operational continuity and ensuring compliance with financial and legal requirements, especially during staff turnover. The District will undertake the following actions to develop and implement a comprehensive SOP manual:

1. **Scope and Content:** The SOP manual will encompass key processes and procedures across all departments, with a particular focus on those critical to financial operations and compliance. The manual will include, but not be limited to, the following:

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

FINDING #2024 – 003 – FEDERAL COMPLIANCE (STUDENT FINANCIAL ASSISTANCE CLUSTER – SPECIAL TESTS - DIRECT LOANS), continued

Management Response, continued

Financial Procedures:

- Accounts payable and receivable processes
- Budgeting and forecasting procedures
- Cash management and reconciliation procedures
- Procurement and purchasing procedures (including the use of the PO system as previously discussed)
- Payroll processing
- Financial reporting and audit preparation

Compliance Procedures:

- Record retention policies and procedures
- Data security and privacy procedures
- Compliance with relevant laws and regulations

General Administrative Procedures:

- Human resources procedures (e.g., onboarding, offboarding)
- IT procedures (e.g., system access, data backups)
- Communication protocols

For each procedure, the SOP manual will provide clear and concise instructions, including:

- **Purpose and Objective:** A brief explanation of the procedure's purpose.
- **Step-by-Step Instructions:** Detailed steps on how to perform the procedure.
- **Roles and Responsibilities:** Identification of the individuals or departments responsible for each step.
- **Required Documentation:** Listing of any forms, documents, or records required for the procedure.
- **Relevant Policies and Regulations:** References to applicable policies, laws, and regulations.
- **Troubleshooting and FAQs:** Guidance on common issues and frequently asked questions.

**SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

FINDING #2024 – 003 – FEDERAL COMPLIANCE (STUDENT FINANCIAL ASSISTANCE CLUSTER – SPECIAL TESTS - DIRECT LOANS), continued

Management Response, continued

2. Development and Implementation: The development and implementation of the SOP manual will follow these steps:

- **Formation of a Working Group:** A cross-functional team will be formed to oversee the development and implementation of the manual. This team will include representatives from key departments, including the business office, financial aid, and IT.
- **Process Mapping:** Key processes will be documented using flowcharts and process maps to ensure clarity and completeness.
- **Documentation and Review:** The working group will draft the SOPs, and these drafts will be reviewed by relevant stakeholders for accuracy and completeness.
- **Approval and Publication:** Once finalized, the SOP manual will be formally approved by Executive Cabinet and published in a readily accessible format (e.g., electronic document on the District shared drive).
- **Training:** All staff will receive training on the SOP manual and its use.
- **Maintenance and Updates:** The SOP manual will be regularly reviewed and updated to reflect changes in processes, regulations, or best practices. A designated individual or team will be responsible for maintaining the manual.

Implementation Timeline:

The District will implement these actions according to the following timeline:

- Formation of Working Group: No later than March 31, 2025
- Process Mapping and Documentation: No later than June 30, 2025
- Review and Approval: No later than Sept. 30, 2025
- Publication and Training: No later than Dec. 31, 2025
- Ongoing Maintenance and Updates: Ongoing

By creating and maintaining a comprehensive SOP manual, the District will mitigate the risks associated with staff turnover, ensure consistent application of procedures, and maintain compliance with applicable regulations. This will contribute to greater operational efficiency, accountability, and organizational resilience.

Current Status

Implemented.