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COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT VISALIA, CALIFORNIA

AUDIT REPORT

Fiscal Year Ended June 30, 2023

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
College of the Sequoias Community College District
Visalia, California

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component unit (College of the Sequoias Foundation), and the aggregate remaining fund information of College of the Sequoias Community College District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component unit, and the aggregate remaining fund information of the District as of June 30, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information section, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

CWDL, Certified Public Accountants

San Diego, California
December 15, 2023

858.565.2700
www.cwdl.com

COLLEGE OF THE SEQUOIAS

Phone (559)730-3700
Fax (559)730-3894

MANGEMENT'S DISCUSSION AND ANALYSIS

In June 1999, the Government Accounting Standards Board (GASB) issued Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments,* which established a new reporting format for annual financial statements of governmental entities. In November 1999, GASB issued Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities,* which applies these new reporting standards to public colleges and universities such as the College of the Sequoias Community College District (the District). The following discussion and analysis provides an overview of the District's financial activity. This report presents this information in a comparative format. Responsibility for the completeness and fairness of this information rests with the District.

USING THIS ANNUAL REPORT

As required by 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 focus of the Statement of Net Position is designed to be similar to bottom line results for the District. This statement combines and consolidates current financial resources (net short-term spendable resources) with capital assets and long-term obligations. 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 property taxes and by State 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.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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FINANCIAL HIGHLIGHTS

College of the Sequoias Community College District had a strong financial year in 2022-23. The District ended the fiscal year with a healthy fund balance.

- The District's primary funding source is the new California Student Center Funding Formula (SCFF) implemented in Fiscal Year 2018-2019. SCFF is comprised of three components. Base Allocation 70% which is calculated using FTES and foundation grants for mid-size college, Tulare, and Hanford education centers, Supplemental Allocation 20% which is based on socioeconomic factors such as PELL, College Promise, and AB540 recipients, and Student Success Allocation 10% which is based on eight success factors such as Degree attainment. Funding is comprised of State apportionment, Education Protection Account, local property taxes, and student enrollment fees. The primary basis of this apportionment is the calculation of Full-Time Equivalent Students (FTES). During the 2022-23 fiscal year due to the pandemic, the State will use FY20 P1 for funding purposes, the District's FY20 P1 resident FTES were comprised of 10,026.26 credit, special admit and Career Development and College Preparation (CDCP) non-credit FTES and 493.20 non-credit FTES for a total of 10,519.46 FTES. Actual total FTES for 2022-23 was 9,677.80. In the 2022-23 fiscal year, the District's actual resident FTES were comprised of 8,749.33 credit and CDCP non-credit FTES and 43.76 non-credit FTES for a total of 9,677.80 FTES.

- The Hanford Educational Center generated 1,064.73 FTES, which was part of the District's 9,677.80 total FTES for 2022-23.

- The Tulare College Center generated 3,954.27 FTES, which was part of the District's 9,677.80 total FTES for 2022-23.

- The District ended the year with an Unrestricted General Fund balance of $28.29 million and Restricted General Fund balance of $4.45 million. The State Chancellor's Office recommends reserve levels of two months average expense of General Fund expenditures be set aside for economic uncertainties. The District exceeded this requirement for the current year, closing the year with over 28.83 percent in General Fund reserve.

- The primary expenditure of the District is for the salaries and benefits of the Academic, Classified, and Administrative District employees. These costs amounted to 72.98 percent of the unrestricted general fund and 68.14 percent of the total general fund. In addition to the costs for current employees' insurance coverage, the District provides insurance benefits to retirees meeting plan eligibility requirements.

- The District provides student financial aid to qualifying students of the District in the amount of approximately $32.25 million. This aid is provided through grants, loans from the Federal government and State System's Office, and local funding.

Condensed financial information is as follows:

	2023	2022	Change
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets	$ 166,343,991	$ 137,366,629	$ 28,977,362
Noncurrent assets	204,405,036	191,782,275	12,622,761
Deferred outflows of resources	30,851,727	21,695,168	9,156,559
Total Assets and Deferred Outflows of Resources	401,600,754	350,844,072	50,756,682
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current liabilities	58,308,125	32,942,079	25,366,046
Noncurrent liabilities	200,473,096	169,180,186	31,292,910
Deferred inflows of resources	9,994,207	35,136,828	(25,142,621)
Total Liabilities and Deferred Inflows of Resources	268,775,428	237,259,093	31,516,335
NET POSITION			
Invested in capital assets, net of related debt	77,378,958	62,974,291	14,404,667
Restricted	80,827,722	77,441,706	3,386,016
Unrestricted	(25,381,354)	(26,831,018)	1,449,664
Total Net Position	$ 132,825,326	$ 113,584,979	$ 19,240,347

This schedule has been prepared from the District's Statement of Net Position (page 10), which is presented on an accrual basis of accounting whereby capital assets are capitalized and depreciated.

As of June 30, 2015, the District implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions – and amendment of GASB No. 27, which required the district to recognize its proportionate share of the unfunded pension obligation for CalSTRS and CalPERS. As of June 30, 2023, the District reported Deferred Outflows from pension activities of $26.17 million, Deferred Inflows from pension activities of $5.51 million and a Net Pension Liability of $77.98 million. We present more detailed information regarding our net pension liability in the Notes to Financial Statements.

At June 30, 2018, the District implemented GASB Statement No. 75, Accounting for Financial Reporting for Postemployment Benefits Other than Pensions. This Statement replaces the requirements of GASB Statements No. 45, Accounting and Reporting for Employers Post-Employment Benefits Other than Pensions, as amended, and GASB Statement No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. This GASB required to District to restate the financial statements and include the District's net OPEB liability (asset) as measured by the actuary. Total ending balance was a net OPEB asset of $0.39 million as of June 30, 2023.

Cash and short-term investments consist primarily of funds held in the Tulare County Treasury. The changes in the cash position are explained in the Statement of Cash Flows (pages 12 and 13).

Operating Results for the Years Ended June 30, 2023 and 2022:

	2023	2022	Change
OPERATING REVENUES			
Tuitition and fees	$ 5,307,341	$ 4,030,687	$ 1,276,654
Auxiliary enterprises	2,212,062	2,043,945	168,117
Total Operating Revenues	7,519,403	6,074,632	1,444,771
OPERATING EXPENSES			
Salaries and benefits	87,011,518	75,459,185	11,552,333
Supplies, materials, and other operating expenses	25,916,470	29,017,160	(3,100,690)
Student financial aid	34,439,611	50,319,537	(15,879,926)
Depreciation and amortization	7,546,964	7,213,401	333,563
Total Operating Expenses	154,914,563	162,009,283	(7,094,720)
Operating Loss	(147,395,160)	(155,934,651)	8,539,491
NON-OPERATING REVENUES (EXPENSES)			
State apportionments	66,011,118	56,439,966	9,571,152
Property taxes	28,317,810	24,488,044	3,829,766
Federal grants and contracts	26,294,667	62,009,154	(35,714,487)
State grants and contracts	25,762,251	21,308,231	4,454,020
State taxes and other revenues	14,190,859	5,242,263	8,948,596
Investment income	(3,033,873)	566,755	(3,600,628)
Interest expense, net	(8,271,942)	(4,873,862)	(3,398,080)
Transfer from agency fund	4,500	10,000	(5,500)
Transfer to agency fund	816,449	(401,938)	1,218,387
Other non-operating revenues	3,479,408	2,613,934	865,474
Total Non-Operating Revenues (Expenses)	153,571,247	167,402,547	(13,831,300)
OTHER REVENUES (EXPENSES)			
State and local capital income	12,771,023	5,997,664	6,773,359
Change in Net Position	18,947,110	17,465,560	1,481,550
NET POSITION, BEGINNING OF YEAR	113,584,979	95,600,323	17,984,656
PRIOR PERIOD ADJUSTMENT (SEE NOTE 19)	293,237	519,096	(225,859)
NET POSITION, END OF YEAR	$ 132,825,326	$ 113,584,979	$ 19,240,347

This schedule has been prepared from the Statement of Revenues, Expenses and Changes in Net Position presented on page 11.

The operating revenue for the District is specifically defined as revenues from users of the colleges' facilities and programs. Excluded from the operating revenues are the components of the primary source of District funding - the State apportionment process. These components include the State apportionment and local property taxes. As these sources of revenue are from the general population of the State of California, and not from the direct users of the educational services, they are considered to be nonoperating. There was an overall increase in the District's net position of $19.24 million, including the prior period adjustment.

Operating Results for the Years Ended June 30, 2023 and 2022, continued:

Auxiliary revenue consists of Farm and Food Service revenues. The Food Service operation provides meals to the students and faculty of the college. The Farm operation provides farming revenue to supplement agriculture education costs and provide educational opportunities for students in agriculture.

Grant and contract revenues relate to student financial aid, as well as 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.

The interest income is primarily the result of cash held at the Tulare County Treasurer. The interest expense relates to interest payments on the long-term obligations which are described in Note 13 of the financial statements; primarily General Obligation Bonds. The District has recorded the depreciation expense related to capital assets. The detail of the changes in capital assets for the year is included in the Notes to Financial Statements as Note 9.

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

June 30, 2023

	Salaries	Employee Benefits	Supplies Materials and Other Expenses and Services	Depreciation	Total
Instructional activities	$ 30,995,877	$ 9,773,586	$ 4,040,530	$ -	$ 44,809,993
Academic support	4,193,204	1,754,536	-	-	5,947,740
Student services	11,569,461	5,103,632	3,628,388	-	20,301,481
Plant operations and maintenance	2,688,351	1,591,793	4,119,694	-	8,399,838
Instructional support services	10,737,121	5,514,179	6,927,902	-	23,179,202
Community services and economic development	430,150	168,739	565,648	-	1,164,537
Ancillary services and auxiliary operations	1,811,769	679,120	2,918,960	-	5,409,849
Student aid	-	-	34,439,611	-	34,439,611
Physical property and related acquisitions	-	-	3,715,348	-	3,715,348
Depreciation and amortization expense	-	-	-	7,546,964	7,546,964
Total	$ 62,425,933	$ 24,585,585	$ 60,356,081	$ 7,546,964	$ 154,914,563

June 30, 2022

	Salaries	Employee Benefits	Supplies Materials and Other Expenses and Services	Depreciation	Total
Instructional activities	$ 28,896,754	$ 7,405,295	$ 3,886,861	$ -	$ 40,188,910
Academic support	4,980,513	2,197,456	-	-	7,177,969
Student services	10,053,333	3,808,810	1,474,057	-	15,336,200
Plant operations and maintenance	2,369,058	1,197,160	6,306,209	-	9,872,427
Instructional support services	8,687,876	3,512,084	14,128,416	-	26,328,376
Community services and economic development	374,397	87,085	245,319	-	706,801
Ancillary services and auxiliary operations	1,418,749	470,615	2,030,254	-	3,919,618
Student aid	-	-	50,319,537	-	50,319,537
Physical property and related acquisitions	-	-	946,044	-	946,044
Depreciation expense	-	-	-	7,213,401	7,213,401
Total	$ 56,780,680	$ 18,678,505	$ 79,336,697	$ 7,213,401	$ 162,009,283

Statement of Cash Flows for the Year Ended June 30, 2023 and 2022:

Cash Provided by (Used in)	2023	2022	Change
Operating activities	$ (128,807,738)	$ (150,081,570)	$ 21,273,832
Noncapital financing activities	160,004,041	180,801,984	(20,797,943)
Capital financing activities	(10,116,937)	(7,098,176)	(3,018,761)
Investing activities	(2,524,472)	846,159	(3,370,631)
Net Increase (Decrease) in Cash	$ 18,554,894	$ 24,468,397	$ (5,913,503)

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 its need for external financing.

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, as well as District administrators.

While State apportionment and property taxes are the primary source of non-capital related revenue, the new GASB accounting standards require that this source of revenue is shown as nonoperating revenue as it come from the general resources of the State and not from the primary users of the colleges' programs and services (students). The District depends upon this funding as the primary source of funds to continue the current level of operations.

ECONOMIC FACTORS AFFECTING THE FUTURE OF COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT

Fiscal year 2022-2023 was a very strong financial year for College of the Sequoias. The District received 6.56% COLA. In addition, the District budgeted for additional PERS/STRS costs two years in advance: 2023/2024 costs of $137,560, and 2024/2025 costs of $196,094.

College of the Sequoias settled negotiations with CSEA, COSTA, and COSAFA in a very timely manner, implementing a COLA + 1% (7.56%) increase for all groups and an increase to benefits cap to cover 50 percent of the Health & Welfare annual increase for fiscal year 2022/23.

There are currently no other known facts, decisions, or conditions that will have a significant effect on the financial position (net assets) or results of operations (revenues, expenses, and changes in net assets) of the District.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and 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 questions about this report or need any additional financial information, contact Ron Ballesteros-Perez, Vice President, Administration Services at the College of the Sequoias Community College District, 915 South Mooney Blvd., Visalia, California 93277, or e-mail at ronb@cos.edu.

FINANCIAL SECTION

COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
STATEMENT OF NET POSITION – PRIMARY GOVERNMENT
JUNE 30, 2023

ASSETS	
Current Assets:	
Cash and investments	$ 87,558,129
Restricted investments	56,065,825
Accounts receivable, net	21,385,816
Inventory	87,537
Prepaid expenses	1,246,684
Total Current Assets	166,343,991
Noncurrent Assets:	
Unamortized discounts	21,726
Lease receivable	1,906,520
Intangible right of use assets, net	781,839
Net OPEB asset	389,298
Capital assets, net	201,305,653
Total Noncurrent Assets	204,405,036
TOTAL ASSETS	370,749,027
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to bond refundings	2,810,673
Deferred outflows related to OPEB	1,874,249
Deferred outflows related to pensions	26,166,805
TOTAL DEFERRED OUTFLOWS OF RESOURCES	30,851,727
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 401,600,754
LIABILITIES	
Current Liabilities:	
Accounts payable	$ 25,273,275
Unearned revenue	27,979,755
Long-term debt, current portion	5,055,095
Total Current Liabilities	58,308,125
Noncurrent Liabilities:	
Compensated absences	3,624,399
Net pension liability	77,977,097
Long-term debt, non-current portion	118,871,600
Total Noncurrent Liabilities	200,473,096
TOTAL LIABILITIES	258,781,221
DEFERRED INFLOWS OF RESOURCES	
Deferred charge on refunding	113,583
Deferred inflows related to leases	1,799,236
Deferred inflows related to OPEB	2,571,356
Deferred inflows related to pensions	5,510,032
TOTAL DEFERRED INFLOWS OF RESOURCES	9,994,207
NET POSITION	
Net investment in capital assets	77,378,958
Restricted for:	
Debt service	22,747,181
Capital projects	51,976,699
Other special purposes	6,103,842
Unrestricted	(25,381,354)
TOTAL NET POSITION	132,825,326
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 401,600,754

COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PRIMARY GOVERNMENT
FOR THE YEAR ENDED JUNE 30, 2023

OPERATING REVENUES	
Tuition and fees	$ 12,573,018
Less: Scholarship discounts and allowances	(7,265,677)
Net tuition and fees	5,307,341
Auxiliary enterprise sales and charges	
Cafeteria	950,585
Farm	1,261,477
TOTAL OPERATING REVENUES	7,519,403
OPERATING EXPENSES	
Salaries	62,425,933
Employee benefits	24,585,585
Supplies, materials, and other operating expenses and services	25,916,470
Student aid	34,439,611
Depreciation and amortization	7,546,964
TOTAL OPERATING EXPENSES	154,914,563
OPERATING LOSS	(147,395,160)
NON-OPERATING REVENUES (EXPENSES)	
State apportionments, noncapital	66,011,118
Local property taxes	21,165,845
Taxes levied for other specific purposes	7,151,965
State taxes and other revenues	14,190,859
Investment income, noncapital	(3,033,873)
Interest expense on capital asset-related debt	(8,271,942)
Grants and Contracts, noncapital:	
Federal	26,294,667
State	25,762,251
Transfer from agency funds	4,500
Other transfers	816,449
Local grants and other non-operating income	3,479,408
TOTAL NON-OPERATING REVENUES (EXPENSES)	153,571,247
INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	6,176,087
State revenues, capital	12,262,245
Gain (loss) on disposal of fixed assets	(623)
Local revenues, capital	509,401
TOTAL OTHER REVENUES	12,771,023
CHANGE IN NET POSITION	18,947,110
NET POSITION, BEGINNING OF YEAR	113,584,979
PRIOR YEAR ADJUSTMENT (SEE NOTE 19)	293,237
NET POSITION, END OF YEAR	$ 132,825,326

COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS – PRIMARY GOVERNMENT
FOR THE YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	$ 5,307,341
Payments to students and vendors for financial aid, supplies and services	(48,558,487)
Payments to or on behalf of employees	(87,768,654)
Auxiliary enterprise sales and charges	2,212,062
Net Cash Provided (Used) by Operating Activities	(128,807,738)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State apportionments	57,325,273
Grants and contracts	62,347,606
Property taxes - non debt related	21,165,845
State taxes and other apportionments	14,190,859
Local grants and other non-operating revenues	4,153,509
Transfers in(out)	820,949
Net Cash Provided (Used) by Non-capital Financing Activities	160,004,041
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Purchase of capital assets	(21,838,150)
Proceeds from capital debt	(623)
State revenue, capital projects	12,262,245
Property taxes - related to capital debt	7,151,965
Principal paid on capital debt	(5,077,356)
Interest paid on capital debt	(2,615,018)
Net Cash Provided (Used) by Capital Financing Activities	(10,116,937)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received from investments	(2,524,472)
Net Cash Provided (Used) by Investing Activities	(2,524,472)
NET INCREASE IN CASH & CASH EQUIVALENTS	18,554,894
CASH & CASH EQUIVALENTS, BEGINNING OF YEAR	125,069,060
CASH & CASH EQUIVALENTS, END OF YEAR	$ 143,623,954

RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating loss	$	(147,395,160)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation and amortization expense		7,236,905
Changes in Assets and Liabilities:		
Accounts receivables, net		(2,008,071)
Inventory		25,763
Prepaid expenses		(705,996)
Accounts payable and accrued liabilities		15,383,966
Unearned revenue		(385,250)
Compensated absences		373,550
Lease liability		(815)
Deferred outflows of resources		(9,323,156)
Net pension liability		31,027,893
Net OPEB liability		1,781,571
Deferred inflows of resources		(24,818,938)
Total Adjustments		18,587,422
Net Cash Used By Operating Activities	$	(128,807,738)

CASH AND CASH EQUIVALENTS CONSIST OF THE FOLLOWING :		
Cash in banks	$	87,558,129
Cash equivalents, restricted		56,065,825
Total Cash and Cash Equivalents	$	143,623,954

The accompanying notes are an integral part of these financial statements.

COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
STATEMENT OF NET POSITION – FIDUCIARY FUNDS
JUNE 30, 2023

	Agency Funds	Trust Funds	OPEB Trust Fund
ASSETS			
Cash and cash equivalents	$ 1,277,951	$ 81,209	$ -
Investments	-	-	12,567,487
Accounts receivable, net	239,975	15,412	-
Total Assets	1,517,926	96,621	12,567,487
LIABILITIES			
Accounts payable	-	120	-
Deferred revenue	143,257	-	-
Total Liabilities	143,257	120	-
NET POSITION			
Other restricted	1,374,669	96,501	-
Restricted for OPEB	-	-	12,567,487
Total Net Position	$ 1,374,669	$ 96,501	$ 12,567,487

COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Agency Funds	Trust Funds	OPEB Trust Fund
OPERATING REVENUES:			
Local revenue	$ 346,034	$ 888	$ -
Interest and investment income (expense)	-	-	940,977
Total Operating Revenues	346,034	888	940,977
OPERATING EXPENSES:			
Supplies and materials	37,339	-	-
Other operating expenses	201,486	-	16,228
Total Operating Expenses	238,825	-	16,228
OTHER FINANCING SOURCES (USES)			
Operating transfers out	(4,500)	-	-
Total Other Financing Sources (Uses)	(4,500)	-	-
Net Change in Net Position	102,709	888	924,749
Net Position - Beginning of Year	1,271,960	95,613	11,642,738
Net Position - End of Year	$ 1,374,669	$ 96,501	$ 12,567,487

The accompanying notes are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

ASSETS		
Current Assets:		
Cash and cash equivalents	$	410,145
Investments		16,906,822
TOTAL CURRENT ASSETS		17,316,967
TOTAL ASSETS	$	17,316,967
NET ASSETS		
Net assets without donor restrictions		12,065,091
Net assets with donor restrictions		5,251,876
TOTAL NET ASSETS	$	17,316,967

COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
DISCRETELY PRESENTED COMPONENT UNIT - COLLEGE OF THE SEQUOIAS FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
SUPPORT AND REVENUES			
Contributions:			
General contributions	$ 283,261	$ 81,612	$ 364,873
Endowed scholarships	-	198,448	198,448
Outside scholarships	-	200,375	200,375
Inside scholarships	-	389,243	389,243
Revenues:			
Investment income (interest, dividends, and realized gains)	602,473	-	602,473
Fundraisers	263,424	-	263,424
Program fees	178,962	-	178,962
In-kind donations	2,500	-	2,500
Unrealized gain/(loss) on value of investments	309,809	-	309,809
Other income	32,018		32,018
Net assets released from restrictions	276,777	(276,777)	-
TOTAL SUPPORT AND REVENUES	$ 1,949,224	$ 592,901	$ 2,542,125
EXPENSES:			
Scholarships:			
Endowed scholarships	$ 128,300	$ -	$ 128,300
Outside scholarships	156,083	-	156,083
Inside scholarships	83,767	-	83,767
College enhancement	931,729	-	931,729
General administrative	292,105	-	292,105
TOTAL EXPENSES	1,591,984	-	1,591,984
CHANGE IN NET ASSETS	357,240	592,901	950,141
NET ASSETS, BEGINNING OF YEAR	11,707,851	4,658,975	16,366,826

COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
DISCRETELY PRESENTED COMPONENT UNIT - COLLEGE OF THE SEQUOIAS FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ 950,141
Net cash used by operating activities:	950,141
CASH FLOWS FROM INVESTING ACTIVITIES	
Net change in investments	(2,606,172)
Net cash provided by investing activities:	(2,606,172)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,656,031)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,066,176
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 410,145

NOTE 1 - ORGANIZATION

The College of the Sequoias Community College District (the District) was established in 1926 as a political subdivision of the State of California and is a comprehensive, public, two-year institution offering educational services to residents of Tulare and Kings Counties. The District operates under a locally elected five member-Board of Trustees form of government, which establishes the policies and procedures by which the District operates. Currently, the District operates one college with two educational centers located in the Counties of Tulare and Kings, State of California. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61. The District is classified as a Public Educational Institution under Internal Revenue Code Section 115 and is, therefore, exempt from Federal taxes.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The District has adopted GASB Statement No. 61, *Determining Whether Certain Organizations are Component Units*. This statement amends GASB Statement No. 14, *The Financial Reporting Entity,* to provide additional guidance to determine whether certain organizations, for which the District is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the District. The three components used to determine the presentation are: providing a "direct benefit", the "environment and ability to access/influence reporting", and the "significance" criterion. As defined by accounting principles generally accepted in the United States of America and established by the Governmental Accounting Standards Board, the financial reporting entity consists of the primary government, the District, and the following component units:

- **College of the Sequoias Foundation**

  The College of the Sequoias Foundation (the Foundation) is a legally separate, tax-exempt component unit of the District. The Foundation acts primarily as a fundraising organization to provide grants and scholarships to students and support to employees, programs, and departments of the District. The 38-member board of the Foundation consists of community members, alumni, and other supporters of the Foundation. Although the District does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon that the Foundation holds and invests are restricted to the activities of the District by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the District, the Foundation is considered a component unit of the District with the inclusion of the statements as a discretely presented component unit. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

  The Foundation is a not-for-profit organization under Internal Revenue Code (IRC) Section 501(c)(3) that reports its financial results in accordance with Financial Accounting Standards Codifications. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the District's financial reporting entity for these differences.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Complete financial statements for the Foundation can be obtained from the Foundation's Business Office at 915 South Mooney Blvd., Visalia, CA 93277.

Retiree Health Benefit OPEB Trust

The Retiree Health Benefit OPEB Trust (the Trust) is an irrevocable governmental trust pursuant to Section 115 of the IRC for the purpose of funding certain postemployment benefits other than pensions. The Trust is administered by the Retiree Health Benefit Funding Program Joint Powers Agency (the JPA) as directed by the investment alternative choice selected by the District. The District retains the responsibility to oversee the management of the Trust, including the requirement that investments and assets held within the Trust continually adhere to the requirements of the California Government Code Section 53600.5 which specifies that the trustee's primary role is to preserve capital, to maintain investment liquidity, and to protect investment yield. As such, the District acts as the fiduciary of the Trust. The financial activity of the Trust has been discretely presented. Separate financial statements are not prepared for the Trust.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB Statements No. 34 and No. 35 as amended by GASB Statements No. 37, No. 38, and No. 39. This presentation provides a comprehensive entity-wide perspective of the District's assets, liabilities, activities, and cash flows and replaces the fund group perspective previously required. Fiduciary activities, with the exception of the Student Financial Aid Fund, are excluded from the basic financial statements. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. The significant accounting policies followed by the District in preparing these financial statements are in accordance with accounting principles generally accepted in the United States of America as prescribed by GASB. Additionally, the District's policies comply with the California Community Colleges Chancellor's Office *Budget and Accounting Manual*. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All material intra-agency and intra-fund transactions have been eliminated.

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are classified as operating revenues. These transactions are recorded on the accrual basis when the exchange takes place. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, operating revenues consist primarily of student fees and auxiliary activities through the bookstore and cafeteria.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Operating expenses are costs incurred to provide instructional services including support costs, auxiliary services, and depreciation of capital assets. All other expenses not meeting this definition are reported as nonoperating. Expenses are recorded on the accrual basis as they are incurred, when goods are received, or services are rendered.

The financial statements are presented in accordance with the reporting model as prescribed in GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments,* and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities,* as amended by GASB Statements No. 37, No. 38, and No. 39. The business-type activities model followed by the District requires the following components of the District's financial statements:

- Management's Discussion and Analysis
- Basic Financial Statements for the District as a whole including:
  - Statement of Net Position
  - Statement of Revenues, Expenses, and Changes in Net Position
  - Statement of Cash Flows
- Notes to the Financial Statements

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be unrestricted cash on hand, demand deposits, and short-term unrestricted investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include unrestricted cash with county treasury balances for purposes of the statement of Cash Flows. Restricted cash and cash equivalents represented balances restricted by external sources such as grants and contracts or specifically restricted for the repayment of capital debt.

Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments held at June 30, 2023, are stated at fair value. Fair value is estimated based on quoted market prices at year-end. Short-term investments have an original maturity date greater than three months, but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase.

Restricted Assets

Restricted assets arise when restrictions on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets represent investments required by debt covenants to be set aside by the District for the purpose of satisfying certain requirements of the bonded debt issuance.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Accounts Receivable

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff, the majority of each residing in the State of California. The District provides for an allowance for uncollectible accounts as an estimation of amounts that may not be received. The allowance for the student related accounts receivable is $3,223,269 for the fiscal year ending June 30, 2023. This allowance is based upon management's estimates and analysis. Management has analyzed these accounts and believes the net amounts are fully collectable.

Prepaid Expenses

Prepaid expenditures (expenses) represent amounts paid in advance of receiving goods or services and that will benefit periods beyond June 30. The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditures when incurred.

Inventories

Inventories consists primarily of farm livestock and cafeteria food and supplies held for resale to the students and faculty of the colleges. Inventories are stated at cost, utilizing the weighted average method. The cost is recorded as an expense as the inventory is consumed.

Lease Receivable

The District’s lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the District may receive variable lease payments that are dependent upon the lessee’s revenue. Any variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Intangible Right of Use Assets

The District has recorded intangible right of use assets as a result of implementing GASB 87, *Leases*. The right to use 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 assets are amortized on a straight-line basis over the life of the related lease.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Capital Assets and Depreciation

Capital assets are long-lived assets of the District as a whole and include land, construction in progress, buildings, leasehold improvements, and equipment. The District maintains an initial unit cost capitalization threshold of $5,000 and an estimated useful life greater than one year. Assets are recorded at historical cost, or estimated historical cost, when purchased or constructed. The District does not possess any infrastructure. Donated capital assets are recorded at estimated fair market value at the date of donation. Improvements to buildings and land that significantly increase the value or extend the useful life of the asset are capitalized; the costs of routine maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are charged as an operating expense in the year in which the expense was incurred. Major outlays for capital improvements are capitalized as construction in progress as the projects are constructed.

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

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the entity-wide financial statements.

Debt Premiums and Discounts

Debt premiums and discounts, as well as issuance costs related to prepaid insurance costs, are amortized over the life of the bonds using the straight-line method.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for pension related items.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for the pension contributions made after the measurement date of the Net Pension Obligation.

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

Pensions

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

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 yearend 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.

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 academic employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full time.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Unearned Revenue

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized. Unearned revenue includes (1) amounts received for tuition and fees prior to the end of the fiscal year that are related to the subsequent fiscal year and (2) amounts received from Federal and State grants received before the eligibility requirements are met.

Noncurrent Liabilities

Noncurrent liabilities include bonds and certificates of participation, compensated absences, capital lease obligations, pensions, and lease revenue bonds with maturities greater than one year.

Net Position

GASB Statements No. 34 and No. 35 report equity as "Net Position" and represent the difference between assets and liabilities. The net position is classified according to imposed restrictions or availability of assets for satisfaction of District obligations according to the following net asset categories:

> **Net Investment in Capital Assets** consists of capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. To the extent debt has been incurred, but not yet expended for capital assets, such accounts are not included as a component invested in capital assets – net of related debt.
>
> **Restricted:** Net position is reported as restricted when there are limitations imposed on their use, either through enabling legislation adopted by the District, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.
>
> **Unrestricted**: Net position that is not subject to externally imposed constraints. Unrestricted net position may be designated for specific purposes by action of the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first and the unrestricted resources when they are needed. The financial statements report $80,827,722 of restricted net position.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

State Apportionments

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

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The Counties of Tulare, Kings, and Fresno bill and collect the taxes on behalf of the District. Local property tax revenues are recorded when received.

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

Scholarships, Discounts, and Allowances

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

Federal Financial Assistance Programs

The District participates in federally funded Pell Grants, SEOG Grants, and Federal Work-Study programs, as well as other programs funded by the Federal government. Financial aid to students is either reported as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to students in the form of reduced tuition. These programs are audited in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Estimates

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

Interfund Activity

Interfund transfers and interfund receivables and payables are eliminated during the consolidation process in the Primary Government and Fiduciary Funds' financial statements, respectively.

Foundation Financial Statement Presentation

The accompanying financial statements are presented in accordance with Financial Accounting Standards Board (FASB) ASC 958-210-50. Under ASC 958-210-50, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets, net assets with donor restriction and net assets without donor restriction. In addition, the Foundation is required to present a statement of cash flows. The Foundation does not use fund accounting. Revenues and expenses are recorded when incurred in accordance with the accrual basis of accounting.

The College of the Sequoias Foundation and the College of the Sequoias Community College District are financial interrelated organizations as defined by Transfers of Assets to a Nonprofit or Charitable Trust That Holds Contributions for Others. The Foundation reflects contributions received for the benefit of the District as revenue in its financial statements. The expenses related to these contributions are accounted for under program and supporting services.

The financial statements report amounts separately by class of net assets 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.

Revenues and expenses are recorded when incurred in accordance with the accrual basis of accounting. Revenues are reported as increases in the unrestricted net assets classification unless use of the related assets is limited by donor-imposed restrictions. Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Contributions for in-kind gifts from outside sources are recorded at their fair market value on the date of the donation.

Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Investments are reported at fair value in accordance with FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*.

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and related California Franchise Tax Codes.

New Accounting Pronouncements

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

GASB Statement No. 91 – In May 2019, GASB issued Statement No. 91, Conduit Debt Obligations. This standard's primary objectives are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The statement was postponed by GASB Statement No. 95 and is effective for periods beginning after December 15, 2021. The District has not yet determined the impact on the financial statements.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

GASB Statement No. 100 – In June 2022, GASB issued Statement No. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement is effective for periods beginning after June 15, 2023. The District has not yet determined the impact on the financial statements.

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. This statement is effective for periods beginning after December 15, 2023. The District has not yet determined the impact on the financial statements.

NOTE 3 - DEPOSITS AND INVESTMENTS

Policies and Practices

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

Investment in County Treasury - The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section (ECS) 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

NOTE 3 - DEPOSITS AND INVESTMENTS, continued

Investment in the State Investment Pool - The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by *California Government Code* Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in the pool is reported in the accompanying financial statement at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on the amortized cost basis.

General Authorizations

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

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

NOTE 3 - DEPOSITS AND INVESTMENTS, continued

Summary of Deposits and Investments

Deposits and investments as of June 30, 2023, consist of the following:

Primary government	$	143,623,954
Fiduciary funds		13,926,647
Total Deposits and Investments	$	157,550,601
Cash on hand and in banks	$	9,598,153
Cash in revolving		50,000
Cash with fiscal agent		25,262
Investments		147,877,186
Total Deposits and Investments	$	157,550,601

Interest Rate Risk

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

Segmented Time Distribution

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

Investment Type	Fair Value	12 Months or Less	13 - 24 Months	25 - 60 Months	More Than 60 Months
County Pool	$ 135,108,232	$ -	$ 135,108,232	$ -	$ -
State Investment Pool	201,467	-	201,467	-	-
GASB 75 Trust-Balanced Portfolio	12,567,487	12,567,487	-	-	-
	$ 147,877,186	$ 12,567,487	$ 135,309,699	$ -	$ -

NOTE 3 - DEPOSITS AND INVESTMENTS, continued

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government code. Investments in any one issuer that represent five percent or more of the total investments are as follows:

Issuer	Investment Type	Reported Amount
GASB 75 Trust-Balanced Portfolio	Balanced Portfolio	$ 12,567,487

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk. However, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2023, approximately $8,923,415 of the District's bank balance was in excess of FDIC insured amounts, however, this amount was not exposed to custodial credit risk because of the pledged securities previously described.

Custodial Credit Risk - Investments

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. Of the investment in the GASB 75 Trust-balanced portfolio of $12,567,487, the District has a custodial credit risk exposure of $12,567,487 because the related securities are uninsured, unregistered, and held by the brokerage firm which is also the counterparty for these securities.

NOTE 4 - FAIR VALUE MEASUREMENTS

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized - Investments in the Tulare County Treasury Investment Pool, State Investment Pool, and the GASB 75 Trust-Balanced Portfolio are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at $1.00 net asset value per share.

NOTE 5 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2023, consisted of intergovernmental grants, entitlements, interest, and other local sources and are as follows:

	Primary Government	Fiduciary
Federal Government		
Categorical aid	$ 694,157	$ -
State Government		
Categorical aid	3,742,750	-
Apportionment	8,979,082	-
Other state sources	1,052,479	-
Local Sources	439,580	15,412
Subtotal	14,908,048	15,412
Student loans and grants receivable, net	6,477,768	239,975
Total	$ 21,385,816	$ 255,387

NOTE 6 - PREPAID EXPENDITURES

Prepaid expenditures at June 30, 2023, consist of vendor payments totaling $1,246,684.

NOTE 7 – LEASE RECEIVABLE

The District's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the District may receive variable lease payments that are dependent upon the lessee's revenue. Any variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Future deferred inflows on noncancellable leases at June 30, 2023 are as follows:

Fiscal year	Principal	Interest	Total
2024	$ 296,439	$ 61,414	$ 357,853
2025	246,912	50,759	297,671
2026	238,027	41,822	279,849
2027	169,592	34,259	203,851
2028	310,769	30,249	341,018
2029-2033	312,234	74,973	387,207
2034-2037	332,547	21,170	353,717
Total	$ 1,906,520	$ 314,646	$ 2,221,166

The District leases space on its campuses to cellular companies, in addition to, office space to external parties. In accordance with GASB 87, the District records lease receivables and deferred inflows of resources based on the present value of expected receipts over the term of the respective lease. The expected receipts are discounted using the District's incremental borrowing rate. Any variable payments are excluded unless fixed in substance. During the year ended June 30, 2023, the District recognized revenues related to these lease agreements totaling $356,070. During the year ended June 30, 2023, the District does not have any lease revenue related to variable receipts that were not previously included in the measurement of the lease receivable.

The general terms of the lease agreements are as follows:

Lease Type	Number of Contracts	Average Rate	Lease Terms	Average Annual Lease Payment
Cell Tower	1	3.00%	7/1/2021 - 6/30/2037	$ 59,445
Buildings	4	4.00%	6/15/19 - 10/31/2024	$ 296,625

NOTE 8 – INTANGIBLE RIGHT OF USE ASSETS

The amount of lease assets by major class of underlying assets as of June 30, 2023, was as follows:

	Balance July 01, 2022	Additions	Deductions	Balance June 30, 2023
Intangible Right of Use Assets:				
Leased equipment	$ 1,454,769	$ 399,989	$ -	$ 1,854,758
Total Intangible Right of Use Assets	1,454,769	399,989	-	1,854,758
Less Accumulated Amortization				
Leased equipment	762,860	310,059	-	1,072,919
Total Accumulated Amortization	762,860	310,059	-	1,072,919
Intangible Right of Use Assets, net	$ 691,909	$ 89,930	$ -	$ 781,839

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2023, are as follows:

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023
Capital Assets Not Being Depreciated				
Land	$ 15,963,042	$ -	$ -	$ 15,963,042
Construction in progress	11,656,188	20,759,608	5,600,839	26,814,957
Total Capital Assets Not Being Depreciated	27,619,230	20,759,608	5,600,839	42,777,999
Capital Assets Being Depreciated				
Land improvements	18,622,398	2,304,243	-	20,926,641
Buildings and improvements	211,347,884	-	-	211,347,884
Furniture and equipment	15,147,840	4,379,889	215,451	19,312,278
Total Capital Assets Being Depreciated	245,118,122	6,684,132	215,451	251,586,803
Total Capital Assets	272,737,352	27,443,740	5,816,290	294,364,802
Less Accumulated Depreciation				
Land improvements	9,063,645	859,978	-	9,923,623
Buildings and improvements	65,873,244	5,169,400	-	71,042,644
Furniture and equipment	11,096,055	1,207,527	210,700	12,092,882
Total Accumulated Depreciation	86,032,944	7,236,905	210,700	93,059,149
Net Capital Assets	$ 186,704,408	$ 20,206,835	$ 5,605,590	$ 201,305,653

Depreciation expense for the year was $7,236,905.

NOTE 10 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2023, consist of the following:

	Primary Government	Fiduciary Fund	Total
Vendor invoices	$ 22,128,366	$ 120	$ 22,128,486
Payroll and benefits	357,206	-	357,206
Deferred payroll	1,293,601	-	1,293,601
Interest	1,353,139	-	1,353,139
Food services	140,963	-	140,963
Total	$ 25,273,275	$ 120	$ 25,273,395

NOTE 11 - UNEARNED REVENUE

Unearned revenue at June 30, 2023, consists of the following:

	Primary Government	Fiduciary Funds	Total
Federal financial assistance	$ 43,409	$ -	$ 43,409
State categorical aid	22,889,941	-	22,889,941
Student fees	3,444,711	143,257	3,587,968
Other local	1,601,694	-	1,601,694
Total	$ 27,979,755	$ 143,257	$ 28,123,012

NOTE 12 - INTERFUND TRANSACTIONS

Interfund Receivables and Payable (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund activity within the governmental funds and fiduciary funds has been eliminated respectively in the consolidation process of the basic financial statements, except for the net amounts between them.

Interfund Operating Transfers

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

NOTE 13 - LONG-TERM OBLIGATIONS

The changes in the District's long-term obligations during the year consisted of the following:

	Restated Balance July 01, 2022	Additions	Deductions	Balance June 30, 2023	Due Within One Year
General Obligation Bonds					
2008 Series B, General obligation bonds (Hanford)					
Current interest	$ 1,105,000	$ -	$ 535,000	$ 570,000	$ 570,000
Capital appreciation	6,400,683	652,683	-	7,053,366	-
2008 Series C, General obligation bonds (Hanford)					
Current interest - refunding	11,810,000	-	500,000	11,310,000	590,000
2008 Series A, General obligation bonds (Tulare)					
Capital appreciation	4,230,905	1,380,070	1,120,000	4,490,975	1,195,000
2008 Series B, General obligation bonds (Tulare)					
Capital appreciation	7,810,092	1,260,346	-	9,070,438	-
2008 Series C, General obligation bonds (Tulare)					
Current interest	105,000	-	55,000	50,000	50,000
Capital appreciation	3,605,724	249,718	-	3,855,442	-
2008 Series D, General obligation bonds (Tulare)					
Current interest	3,360,000	-	80,000	3,280,000	85,000
2008 Series E, General obligation bonds (Tulare)					
Current interest - refunding	13,545,000	-	45,000	13,500,000	45,000
Current interest	22,885,000	-	670,000	22,215,000	600,000
2021 Series A, General obligation refunding bonds (Tulare)					
Current interest - refunding	2,245,000	-	40,000	2,205,000	80,000
2021 Series B, General obligation refunding bonds (Tulare)					
Current interest - refunding	8,575,000	-	195,000	8,380,000	195,000
2008 Series A, General obligation bonds (Visalia)					
Capital appreciation	3,059,229	1,228,463	1,065,000	3,222,692	1,140,000
2008 Series B, General obligation bonds (Visalia)					
Capital appreciation	1,360,392	160,933	-	1,521,325	-
2008 Series C, General obligation bonds (Visalia)					
Capital appreciation	1,515,887	252,606	110,000	1,658,493	125,000
2008 Series D, General obligation bonds (Visalia)					
Current interest - refunding	19,100,000	-	60,000	19,040,000	60,000
2020 General obligation refunding bonds (Visalia)					
Current interest - refunding	4,170,000	-	-	4,170,000	-
Unamortized premium	8,127,653	-	602,356	7,525,297	-
Total general obligation bonds	123,010,565	5,184,819	5,077,356	123,118,028	4,735,000
Other Long-Term Liabilities					
Lease liability	719,552	399,989	310,874	808,667	320,095
Compensated absences	3,250,849	373,550	-	3,624,399	-
Net OPEB liability (asset)	(2,170,869)	1,781,571	-	(389,298)	-
Net pension liability	46,949,204	31,027,893	-	77,977,097	-
Total Other Long-Term Liabilities	48,748,736	33,583,003	310,874	82,020,865	320,095
Total Long-Term Obligations	$ 171,759,301	$ 38,767,822	$ 5,388,230	$ 205,138,893	$ 5,055,095

Payments on the Certificates of Participation are paid by the General Fund and the Student Center Trust. Payments on the General Obligation Bonds are made by the Bond Interest and Redemption Fund with local property tax revenues. Payments on the Lease Revenue Bonds, Bond Anticipation Note, and capital leases are made by the General Fund. The accumulated vacation, banked leave, and the early retirement incentive will be paid by the fund for which the employee worked.

NOTE 13 - LONG-TERM OBLIGATIONS, continued

Certificates of Participation

In January 2005, the College of the Sequoias Community College District, through the California School Board Association Financing Corporation, issued certificates of participation in the amount of $3,945,000 with interest rates ranging from 2.00 percent to 4.35 percent. The proceeds of the sale were used to finance the renovation of the bookstore and student center facility. During fiscal year 2020-21, the district made a one-time payment in the amount of $2,410,000 to pay the outstanding balance of the 2004 COPs.

Bonded Debt

The District's bonded debt is summarized as follows:

Year Issued	Campus	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 01, 2022	Accreted/ Issued	Redeemed	Bonds Outstanding June 30, 2023
General obligation bonds								
2008	Hanford	2/1/2034	1.85-6.99	$ 6,995,778	$ 7,505,683	$ 652,683	$ 535,000	$ 7,623,366
2017	Hanford	8/1/2032	2.00-5.00	$ 12,175,000	11,810,000	-	500,000	11,310,000
2008	Tulare	8/1/2033	2.40-6.36	$ 19,998,219	4,230,905	1,380,070	1,120,000	4,490,975
2011	Tulare	8/1/2040	3.28-7.62	$ 10,004,927	7,810,092	1,260,346	-	9,070,438
2013	Tulare	8/1/2042	2.09-5.20	$ 3,401,460	3,710,724	249,718	55,000	3,905,442
2016	Tulare	8/1/2040	3.00-5.00	$ 3,710,000	3,360,000	-	80,000	3,280,000
2017	Tulare	8/1/2032	3.00-5.00	$ 14,015,000	13,545,000	-	45,000	13,500,000
2021	Tulare	8/1/2051	3.00-4.00	$ 22,885,000	22,885,000	-	670,000	22,215,000
2021	Tulare	8/1/2031	4.00	$ 2,245,000	2,245,000	-	40,000	2,205,000
2021	Tulare	8/1/2042	0.31-2.30	$ 8,575,000	8,575,000	-	195,000	8,380,000
2008	Visalia	8/1/2033	2.40-6.22	$ 17,997,404	3,059,229	1,228,463	1,065,000	3,222,692
2010	Visalia	8/1/2039	5.10-6.61	$ 4,999,652	1,360,392	160,933	-	1,521,325
2011	Visalia	8/1/2036	4.12-7.74	$ 4,995,439	1,515,887	252,606	110,000	1,658,493
2017	Visalia	8/1/2036	3.00-5.00	$ 19,695,000	19,100,000	-	60,000	19,040,000
2020	Visalia	8/1/1939	2.20-4.00	$ 4,260,000	4,170,000	-	-	4,170,000
					$ 114,882,912	$ 5,184,819	$ 4,475,000	$ 115,592,731

NOTE 13 - LONG-TERM OBLIGATIONS, continued

2008 Hanford Series B, General Obligation Bonds:

Fiscal Year	Principal	Interest	Accreted Interest	Total
2024	$ 570,000	$ 28,500	$ -	$ 598,500
2025	217,890	-	397,105	614,995
2026	206,488	-	416,750	623,238
2027	196,354	-	437,402	633,756
2028	187,487	-	459,621	647,108
2029-2033	790,661	-	2,591,408	3,382,069
2034-2035	851,898	-	5,003,102	5,855,000
Accretion	4,602,588	-	(4,602,588)	-
Total	$ 7,623,366	$ 28,500	$ 4,702,800	$ 12,354,666

2008 Hanford Series C, General Obligation Bonds:

Fiscal Year	Principal	Interest	Total
2024	$ 590,000	$ 497,500	$ 1,087,500
2025	680,000	468,000	1,148,000
2026	790,000	434,000	1,224,000
2027	905,000	394,500	1,299,500
2028	1,025,000	349,250	1,374,250
2029-2033	7,320,000	868,250	8,188,250
Total	$ 11,310,000	$ 3,011,500	$ 14,321,500

2008 Tulare Series A, General Obligation Bonds:

Fiscal Year	Principal	Accreted Interest	Total
2024	$ 272,113	$ 922,887	$ 1,195,000
2025	261,087	1,008,913	1,270,000
2026	251,488	1,103,512	1,355,000
Accretion	3,706,287	(3,706,287)	-
Total	$ 4,490,975	$ (670,975)	$ 3,820,000

NOTE 13 - LONG-TERM OBLIGATIONS, continued

2008 Tulare Series B, General Obligation Bonds:

Fiscal Year	Principal	Interest	Accreted Interest	Total
2024	$ -	$ 398,750	$ -	$ 398,750
2025	-	398,750	-	398,750
2026	-	398,750	-	398,750
2027	-	398,750	-	398,750
2028	-	398,750	-	398,750
2029-2033	54,483	1,993,750	590,517	2,638,750
2034-2038	2,009,058	1,993,750	12,469,284	16,472,092
2039-2042	1,134,420	1,094,025	8,359,677	10,588,122
Accretion	5,872,477	-	(5,872,477)	-
Total	$ 9,070,438	$ 7,075,275	$ 15,547,001	$ 31,692,714

2008 Tulare Series C, General Obligation Bonds:

Fiscal Year	Principal	Interest	Accreted Interest	Total
2024	$ 50,000	$ 54,700	$ -	$ 104,700
2025	-	-	-	-
2026	-	-	-	-
2027	-	-	-	-
2028	-	-	-	-
2029-2033	78,086	480,795	196,914	755,795
2034-2038	526,728	2,095,838	1,328,272	3,950,838
2039-2042	1,371,647	1,105,932	3,548,353	6,025,932
Accretion	1,878,981	-	(1,878,981)	-
Total	$ 3,905,442	$ 3,737,265	$ 3,194,558	$ 10,837,265

2008 Tulare Series D, General Obligation Bonds:

Fiscal Year	Principal	Interest	Total
2024	$ 85,000	$ 112,900	$ 197,900
2025	95,000	108,650	203,650
2026	110,000	103,900	213,900
2027	115,000	98,400	213,400
2028	130,000	92,650	222,650
2029-2033	875,000	372,150	1,247,150
2034-2038	1,005,000	232,500	1,237,500
2039-2041	865,000	55,138	920,138
Total	$ 3,280,000	$ 1,176,288	$ 4,456,288

NOTE 13 - LONG-TERM OBLIGATIONS, continued

2008 Tulare Series E, General Obligation Refunding Bonds:

Fiscal Year	Principal	Interest	Total
2024	$ 45,000	$ 563,350	$ 608,350
2025	45,000	561,100	606,100
2026	45,000	558,850	603,850
2027	1,490,000	556,600	2,046,600
2028	1,600,000	482,100	2,082,100
2029-2033	10,275,000	1,140,300	11,415,300
Total	$ 13,500,000	$ 3,862,300	$ 17,362,300

2008 Tulane Series E, General Obligation Bonds:

Fiscal Year	Principal	Interest	Total
2024	$ 600,000	$ 755,250	$ 1,355,250
2025	400,000	737,250	1,137,250
2026	-	721,250	721,250
2027	-	721,250	721,250
2028	-	721,250	721,250
2029-2033	815,000	3,545,050	4,360,050
2034-2038	180,000	3,414,450	3,594,450
2039-2043	-	3,407,250	3,407,250
2044-2048	9,725,000	2,684,650	12,409,650
2049-2052	10,495,000	811,350	11,306,350
Total	$ 22,215,000	$ 17,519,000	$ 39,734,000

2021 Tulare Series A, General Obligation Refunding Bonds:

Fiscal Year	Principal	Interest	Total
2024	$ 80,000	$ 88,200	$ 168,200
2025	110,000	85,000	195,000
2026	150,000	80,600	230,600
2027	185,000	74,600	259,600
2028	235,000	67,200	302,200
2029-2032	1,445,000	155,800	1,600,800
Total	$ 2,205,000	$ 551,400	$ 2,756,400

NOTE 13 - LONG-TERM OBLIGATIONS, continued

2021 Tulare Series B, General Obligation Refunding Bonds:

Fiscal Year	Principal	Interest	Total
2024	$ 195,000	$ 221,816	$ 416,816
2025	240,000	220,977	460,977
2026	235,000	219,523	454,523
2027	235,000	216,985	451,985
2028	235,000	213,789	448,789
2029-2033	1,095,000	1,006,199	2,101,199
2034-2038	565,000	885,977	1,450,977
2039-2043	5,580,000	649,179	6,229,179
Total	$ 8,380,000	$ 3,634,443	$ 12,014,445

2008 Visalia Series A, General Obligation Bonds:

Fiscal Year	Principal	Accreted Interest	Total
2024	$ 229,744	$ 910,256	$ 1,140,000
2025	219,198	995,802	1,215,000
Accretion	2,773,750	(2,773,750)	-
Total	$ 3,222,692	$ (867,692)	$ 2,355,000

2008 Visalia Series B, General Obligation Bonds:

Fiscal Year	Principal	Interest	Accreted Interest	Total
2024	$ -	$ -	$ -	$ -
2025	-	-	-	-
2026	-	-	-	-
2027	-	-	-	-
2028	-	-	-	-
2029-2033	75,200	-	924,800	1,000,000
2034-2037	274,452	-	4,545,548	4,820,000
Accretion	1,171,673	-	(1,171,673)	-
Total	$ 1,521,325	$ -	$ 4,298,675	$ 5,820,000

NOTE 13 - LONG-TERM OBLIGATIONS, continued

2008 Visalia Series C, Capital Appreciation General Obligation Bonds:

Fiscal Year	Principal	Accreted Interest	Total
2024	$ 29,561	$ 95,439	$ 125,000
2025	30,518	114,482	145,000
2026	52,450	227,550	280,000
2027	50,847	254,153	305,000
2028	48,962	281,038	330,000
2029-2031	137,307	1,032,693	1,170,000
Accretion	1,308,848	(1,308,848)	-
Total	$ 1,658,493	$ 696,507	$ 2,355,000

2008 Visalia Series D, Current Interest General Obligation Refunding Bonds:

Fiscal Year	Principal	Interest	Total
2024	$ 60,000	$ 738,418	$ 798,418
2025	65,000	735,418	800,418
2026	1,090,000	732,169	1,822,169
2027	1,215,000	677,669	1,892,669
2028	1,355,000	616,919	1,971,919
2029-2033	9,420,000	1,984,994	11,404,994
2034-2037	5,835,000	491,151	6,326,151
Total	$ 19,040,000	$ 5,976,738	$ 25,016,738

2020 Visalia, Current Interest General Obligation Refunding Bonds:

Fiscal Year	Principal	Interest	Total
2024	$ -	$ 166,800	$ 166,800
2025	-	166,800	166,800
2026	-	166,800	166,800
2027	-	166,800	166,800
2028	-	166,800	166,800
2029-2033	-	834,000	834,000
2034-2038	-	834,000	834,000
2039-2040	4,170,000	256,000	4,426,000
Total	$ 4,170,000	$ 2,758,000	$ 6,928,000

NOTE 13 - LONG-TERM OBLIGATIONS, continued

Premiums on Issuances

The following premiums on the District' bonds will be amortized over the life of the obligation:

Issuance	Campus	Unamortized Premium
2008 Series B	Hanford	$ 172,338
2008 Series C	Hanford	1,211,672
2008 Series A	Tulare	56,121
2008 Series B	Tulare	416,740
2008 Series D	Tulare	169,534
2008 Series E	Tulare	2,057,176
2021 Refunding	Tulare	374,243
2008 E Refunding	Tulare	1,183,710
2008 Series A	Visalia	46,972
2008 Series B	Visalia	68,494
2008 Series C	Visalia	(26,589)
2008 Series D	Visalia	1,258,496
2020 Refunding	Visalia	536,390
Total unamortized premium		$ 7,525,297

Accumulated Unpaid Employee Compensation

The long-term portion of accumulated unpaid employee compensation and banked leave for the District at June 30, 2023, amounted to $3,624,399.

Leases

The District has entered into agreements to lease certain equipment and office spaces. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The general terms are as follows:

Lease Type	Number of Contracts	Average Rate	Lease Terms	Average Annual Lease Payment
Equipment	1	3.00%	6/22/2020 - 6/21/2025	$ 112,449
Building	2	4.00%	7/6/2018 - 6/30/2032	$ 40,455

Future minimum lease payments on noncancellable leases at June 30, 2023 are as follows:

Fiscal year	Principal	Interest	Total
2024	$ 320,095	$ 19,985	$ 340,080
2025	198,843	13,837	212,680
2026	38,521	10,919	49,440
2027	39,440	11,488	50,928
2028	40,381	10,547	50,928
2029-2032	171,387	41,564	212,951
Total	$ 808,667	$ 108,340	$ 917,007

NOTE 14 - POSTEMPLOYMENT HEALTH CARE PLAN AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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, 2023, the District reported net OPEB liability (asset), deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Net OPEB Liability (asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ (389,298)	$ 1,874,249	$ 2,571,356	$ (53,266)

Plan Description

The Retiree Health Benefits Joint Powers Agency administers the District's Postemployment Benefits Plan – a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for all permanent full-time employees of the District. Financial information for the Retiree Health Benefits Joint Powers Agency can be obtained through the JPA at the Community College League of California at 2017 O Street, Sacramento, CA 95811.

The Retiree Health Benefits Funding Program Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the Retiree Health Benefits Joint Powers Agency. The Plan provides medical and dental insurance benefits to eligible retirees and their spouses.

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

	Faculty	Classified	Management
Benefit types provided	Medical, dental, and vision	Medical, dental, and vision	Medical, dental, and vision
Duration of Benefits	To age 65*	To age 65	To age 65*
Required Service	10 years*	10 years	10 years*
Minimum Age	55	55	55
Dependent Coverage	Yes	Yes	Yes
College Contribution %	100% up to cap**	100% up to cap**	100% up to cap**
College Cap	Same as active*	Same as active	Same as active*

*Employees with at least 20 years of service received either $1,500 toward the cost of retiree coverage (if not Medicare eligible) or an annual incentive payment that increases by 2% per year. These cash benefits are outside the scope of this report.

**Cap amount is subject to negotiation

NOTE 14 - POSTEMPLOYMENT HEALTH CARE PLAN AND OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued

Employees Covered by Benefit Term

The following is a table of plan participants at June 30, 2023, the most current actuarial study measurement date:

	Number of Participants
Inactive Employees/Dependents Receiving Benefits	62
Active Employees	440
Total number of participants	502

Contribution Information

The contribution requirements of plan members and the District 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 through agreements between the District and the bargaining units. For fiscal year 2022-2023, the District did not make any contributions to the irrevocable OPEB Trust. The District had a net OPEB asset of $389,298 as of June 30, 2023, the most current actuarial study measurement date.

OPEB Plan Investments

The plan discount rate of 6% was determined using the following asset allocation and assumed rate of return:

Asset Class	Target Allocation	Rate of Long-Term Expected Real Rate of Return
U.S. Large Cap	29%	7.55%
U.S. Small Cap	13%	7.55%
All foreign stock	9%	7.55%
Other fixed income	49%	3.00%
Total	100%	

Rolling periods of time for all asset classes in combination we used to appropriately reflect correlation between asset classes. This means that the average returns for any asset class do not necessarily reflect the averages over time individually but reflect the return for the asset class for the portfolio average.

NOTE 14 - POSTEMPLOYMENT HEALTH CARE PLAN AND OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued

Actuarial Assumptions

The total OPEB liability (asset) as of June 30, 2023 was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

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

Changes in the Net OPEB Liability (Asset)

	Increase/(Decrease)		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balance July 1, 2022	$ 11,087,040	$ 13,257,909	$ (2,170,869)
Changes for the year:			
Service cost	690,812	-	690,812
Interest on TOL	637,129	-	637,129
Employer contributions	-	703,886	(703,886)
Assumption changes	-	-	-
Change in benefit terms	33,491	-	33,491
Expected investment income	-	761,841	(761,841)
Experience gains/losses	(495,235)	-	(495,235)
Investment gains/losses	-	(2,364,115)	2,364,115
Administrative expense	-	(16,986)	16,986
Expected benefit payments	(703,886)	(703,886)	-
Net change	162,311	(1,619,260)	1,781,571
Balance June 30, 2023	$ 11,249,351	$ 11,638,649	$ (389,298)

NOTE 14 - POSTEMPLOYMENT HEALTH CARE PLAN AND OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued

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

For the year ended June 30, 2023, the District recognized OPEB expense of $53,266. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings on plan investments	$ 998,045	$ -
Differences between expected and actual experience	566,964	1,930,238
Change in assumptions	309,240	641,118
Total	$ 1,874,249	$ 2,571,356

The deferred outflow of resources 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 inflows of resources resulting from a change in assumption will be amortized to OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ 38,935
2025	46,012
2026	14,767
2027	330,987
2028	(141,836)
Thereafter	(985,972)
Total	$ (697,107)

Sensitivity of the net pension liability to assumptions

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

	Discount Rate 1% Lower (4.75%)	Current Discount Rate (5.75%)	Discount Rate 1% Higher (6.75%)
Net OPEB liability (asset)	$ 439,237	$ (389,298)	$ (1,155,478)

NOTE 14 - POSTEMPLOYMENT HEALTH CARE PLAN AND OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued

The following table presents the net OPEB liability (asset) calculated using the heath care 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 health care cost trend rate that is 1 percent lower (3.0 percent) and 1 percent higher (5.0 percent):

	Trend Rate 1% Lower (3.0%)	Trend Rate Current Rate (4.0%)	Trend Rate 1% Higher (5.0%)
Net OPEB liability (asset)	$ (1,502,214)	$ (389,298)	$ 912,866

NOTE 15 - RISK MANAGEMENT

Health and Welfare

Employee health coverage benefits are covered by the Self-Insured Schools of California joint powers agency through contribution made by the District. The District provides health insurance benefits to District employees, their families, and retired employees of the District.

Property and Liability

During fiscal year ending June 30, 2023, the District contracted with the Statewide Association of Community Colleges joint powers agency for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

During fiscal year ending June 30, 2023, the District participated in the Tulare County Schools Insurance Group, an insurance purchasing pool. The intent of the JPA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the JPA. The workers' compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in the JPA. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated, and each participant's individual performance is compared to the overall saving. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the JPA. Participation in the JPA is limited to K-12 and community college districts that can meet the JPA's selection criteria.

NOTE 16 - EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of CalSTRS and classified employees are members of CalPERS.

For the fiscal year ended June 30, 2023, the District reported the 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	$ 34,464,014	$ 10,854,498	$ 4,427,372	$ 4,397,888
CalPERS	43,513,083	15,312,307	1,082,660	6,231,848
Total	$ 77,977,097	$ 26,166,805	$ 5,510,032	$ 10,629,736

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, 2021, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

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

NOTE 16 - EMPLOYEE RETIREMENT SYSTEMS, continued

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

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

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

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

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

Contributions

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. The contribution rates for each plan for the year ended June 30, 2023, are presented above, and the District's total contributions were $6,398,303.

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

At June 30, 2023, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	$ 34,464,014
State's proportionate share of the net pension liability associated with the District	17,259,679
Total	$ 51,723,693

NOTE 16 - EMPLOYEE RETIREMENT SYSTEMS, continued

The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2022 and June 30, 2021, was 0.0496 percent and 0.0471 percent, respectively, resulting in a net decrease in the proportionate share of 0.0025 percent.

For the year ended June 30, 2023, the District recognized pension expense of $4,397,888. In addition, the District recognized pension expense and revenue of ($1,290,887) for support provided by the State. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	$ -	$ 1,686,450
Differences between expected and actual experience	28,271	2,583,656
Changes in assumptions	1,707,890	-
Net changes in proportionate share of net pension liability	2,720,034	157,266
District contributions subsequent to the measurement date	6,398,303	-
Total	$ 10,854,498	$ 4,427,372

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 of resources related to the difference between projected and actual earning on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ 906,550
2025	(1,105,068)
2026	(2,175,591)
2027	2,878,723
2028	(357,251)
Thereafter	(118,540)
	$ 28,823

NOTE 16 - EMPLOYEE RETIREMENT SYSTEMS, continued

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Experience study	July 1, 2015, through June 30, 2018
Actuarial cost method	Entry Age Normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant and adopted by the CalSTRS Board in January 2020 in conjunction with the most recent experience study. Best estimates of 20-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized herein.

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

*20-year geometric average

NOTE 16 - EMPLOYEE RETIREMENT SYSTEMS, continued

Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed 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.

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	$ 58,532,678	$ 34,464,014	$ 14,479,786

NOTE 16 - EMPLOYEE RETIREMENT SYSTEMS, continued

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, 2022, annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/forms-publications.

Benefits Provided

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

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

	School Employer Pool (CalPERS)	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.000%	7.000%
Required employer contribution rate	25.37%	25.37%

NOTE 16 - EMPLOYEE RETIREMENT SYSTEMS, continued

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2023, are presented above and the total District contributions were $5,510,797.

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

As of June 30, 2023, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $43,513,083. The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2022 and June 30, 2021, was 0.1265 percent and 0.1252 percent, respectively, resulting in a net increase in the proportionate share of 0.0013 percent.

For the year ended June 30, 2023, the District recognized pension expense of $6,231,848. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	$ 5,137,709	$ -
Differences between expected and actual experience	196,653	1,082,660
Changes in assumptions	3,218,850	-
Net changes in proportionate share of net pension liability	1,248,298	-
District contributions subsequent to the measurement date	5,510,797	-
Total	$ 15,312,307	$ 1,082,660

NOTE 16 - EMPLOYEE RETIREMENT SYSTEMS, continued

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ 2,424,509
2025	1,955,906
2026	1,134,659
2027	3,203,776
	$ 8,718,850

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Experience study	July 1, 1997, through June 30, 2015
Actuarial cost method	Entry Age Normal
Discount rate	6.90%
Investment rate of return	6.90%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS experience study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include five years of projected ongoing mortality improvement using Scale AA published by the Society of Actuaries.

NOTE 16 - EMPLOYEE RETIREMENT SYSTEMS, continued

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long- term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. 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%	4.45%
Global Equity non-cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%
	100%	

*An expected inflation of 2.30% used for this period.
**Figures are based on the 2021-22 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. 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.

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	$ 62,856,852	$ 43,513,083	$ 27,526,169

NOTE 16 - EMPLOYEE RETIREMENT SYSTEMS, continued

On Behalf Payments

The State of California makes contributions to CalSTRS and CalPERS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS for the fiscal year ended June 30, 2023, which amounted to $2,768,773. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. These amounts have been reflected in the basic financial statements as a component of nonoperating revenue and employee benefit expense.

Accumulation Program for Part-Time and Limited-Service Employees Plan (APPLE) Plan Description

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by social security or an alternative plan. The District has elected to use the Accumulation Program for Part-time and Limited-service Employees (APPLE) Plan as its alternative plan.

Active plan members are required to contribute 5.2 percent of their salary and the College of the Sequoias Community College District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the APPLE Board of Administration. The required employer contribution rate for fiscal year 2022-2023 was 2.3 percent of annual payroll. The contribution requirements of the plan members are established by State statute.

NOTE 17 - PARTICIPATION IN PUBLIC ENTITY RISK POOLS AND JOINT POWERS AUTHORITIES

The District is a member of the Tulare County Schools Insurance Group, Statewide Association of Community Colleges, and the Self-Insured Schools of California public entity risk pools. The District pays an annual premium to each entity for its health, property and liability and workers' compensation coverage. The relationships between the District and the pools are such that they are not component units of the District for financial reporting purposes.

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

The District has appointed no Board members to the Governing Board of the Tulare County Schools Insurance Group or Self-Insured Schools of California. The Vice President of Administrative Services has been appointed to the Governing Board of the Statewide Association of Community Colleges.

NOTE 17 - PARTICIPATION IN PUBLIC ENTITY RISK POOLS AND JOINT POWERS AUTHORITIES, continued

The District's share of year-end assets, liabilities, or fund equity has not been calculated.

During the year ended June 30, 2023, the District made payments of $1,246,447, $579,971, and $9,016,403, to the Tulare County Schools Insurance Group, Statewide Association of Community Colleges, and the Self-Insured Schools of California, respectively.

NOTE 18 - COMMITMENTS AND CONTINGENCIES

Grants

The District receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2023.

Litigation

The District is not currently a party to any legal proceedings.

Operating Leases

The District has entered into various operating leases for equipment with lease terms in excess of one year. None of these agreements contain purchase options. All agreements contain a termination clause providing for cancellation after a specified number of days written notice to lessors, but it is unlikely that the District will cancel any of the agreements prior to the expiration date.

NOTE 19 – PRIOR PERIOD ADJUSTMENT

Beginning net position increased by $293,237 due to District’s identified adjustments in the fund financial statements.

NOTE 20 – SUBSEQUENT EVENTS

The District evaluated subsequent events from June 30, 2023 through December 15, 2023, 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

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

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	$ 690,812	$ 646,270	$ 817,204	$ 795,332	$ 564,631	$ 549,519
Interest	637,129	613,889	731,696	691,061	619,786	596,811
Experience gains/losses	(495,235)	-	(1,916,617)	-	950,054	-
Assumption changes	-	203,487	(831,552)	-	229,271	-
Change in benefit terms	33,491	-	-	-	-	-
Benefit payments	(703,886)	(569,924)	(787,474)	(852,710)	(745,835)	(832,595)
Net change in total OPEB liability	162,311	893,722	(1,986,743)	633,683	1,617,907	313,735
Total OPEB liability, beginning of year	11,087,040	10,193,318	12,180,061	11,546,378	9,928,471	9,614,736
Total OPEB liability, end of year (a)	$ 11,249,351	$ 11,087,040	$ 10,193,318	$ 12,180,061	$ 11,546,378	$ 9,928,471
Plan fiduciary net position						
Employer contributions	$ 703,886	$ 569,924	$ 787,474	$ 1,192,710	$ 1,778,888	$ 1,385,595
Expected investment income	761,841	661,425	633,803	587,196	538,869	634,458
Investment gains/losses	(2,364,115)	1,581,108	(156,251)	35,421	24,440	-
Administrative expense	(16,986)	(16,736)	(17,642)	(14,039)	(487)	(500)
Expected benefit payments	(703,886)	(569,924)	(787,474)	(852,710)	(745,835)	(832,595)
Other	-	-	-	-	(9,445)	-
Change in plan fiduciary net position	(1,619,260)	2,225,797	459,910	948,578	1,586,430	1,186,958
Fiduciary trust net position, beginning of year	13,257,909	11,032,112	10,572,202	9,623,624	8,037,194	6,850,236
Fiduciary trust net position, end of year (b)	$ 11,638,649	$ 13,257,909	$ 11,032,112	$ 10,572,202	$ 9,623,624	$ 8,037,194
Net OPEB liability (asset), ending (a) - (b)	$ (389,298)	$ (2,170,869)	$ (838,794)	$ 1,607,859	$ 1,922,754	$ 1,891,277
Covered payroll	$ 46,000,000	$ 42,000,000	$ 38,000,000	$ 41,000,000	$ 37,000,000	$ 36,000,000
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	103%	120%	108%	87%	83%	81%
Net OPEB liability (asset) as a percentage of covered payroll	-1%	-5%	-2%	4%	5%	5%

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

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

	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	$ 726,726	$ 703,886	$ 569,924	$ 787,474	$ 852,710	$ 832,595
Contributions in relations to the actuarially determined contribution	726,726	703,886	569,924	592,700	1,778,888	1,385,595
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ (926,178)	$ (553,000)
Covered-employee payroll	$ 46,000,000	$ 42,000,000	$ 38,000,000	$ 41,000,000	$ 37,000,000	$ 36,000,000
Contribution as a percentage of covered-employee payroll	1.58%	1.68%	1.50%	1.45%	4.81%	3.85%

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

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

	Reporting Fiscal Year (Measurement Date)				
	2023	2022	2021	2020	2019
CalSTRS	(2022)	(2021)	(2020)	(2019)	(2018)
District's proportion of the net pension liability	0.0496%	0.0470%	0.0480%	0.0460%	0.0430%
District's proportionate share of the net pension liability	$ 34,464,014	$ 21,485,271	$ 46,712,132	$ 41,347,775	$ 39,840,555
State's proportionate share of the net pension liability associated with the District	17,259,679	10,810,780	24,079,915	22,558,153	22,811,678
Total	$ 51,723,693	$ 32,296,051	$ 70,792,047	$ 63,905,928	$ 62,652,233
District's covered - employee payroll	$ 37,815,030	$ 30,768,132	$ 29,855,189	$ 27,049,807	$ 26,580,627
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	91%	79%	156%	153%	150%
Plan fiduciary net position as a percentage of the total pension liability	81%	87%	72%	73%	71%

	Reporting Fiscal Year (Measurement Date)				
	2023	2022	2021	2020	2019
CalPERS	(2022)	(2021)	(2020)	(2019)	(2018)
District's proportion of the net pension liability	0.1265%	0.1250%	0.1240%	0.1180%	0.1140%
District's proportionate share of the net pension liability	$ 43,513,083	$ 25,463,933	$ 38,002,876	$ 34,457,145	$ 30,295,642
District's covered - employee payroll	$ 24,054,112	$ 19,447,333	$ 18,238,647	$ 17,841,504	$ 16,376,055
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	181%	143%	208%	193%	185%
Plan fiduciary net position as a percentage of the total pension liability	70%	81%	70%	70%	71%

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

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

	Reporting Fiscal Year (Measurement Date)			
	2018	2017	2016	2015
CalSTRS	(2017)	(2016)	(2015)	(2014)
District's proportion of the net pension liability	0.041%	0.039%	0.042%	0.042%
District's proportionate share of the net pension liability	$ 37,888,080	$ 31,812,928	$ 28,201,515	$ 24,273,400
State's proportionate share of the net pension liability associated with the District	22,414,450	18,110,532	14,915,493	14,657,327
Total	$ 60,302,530	$ 49,923,460	$ 43,117,008	$ 38,930,727
District's covered - employee payroll	$ 24,630,970	$ 20,511,705	$ 19,211,633	$ 18,895,418
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	154%	155%	147%	128%
Plan fiduciary net position as a percentage of the total pension liability	69%	70%	74%	77%

	Reporting Fiscal Year (Measurement Date)			
	2018	2017	2016	2015
CalPERS	(2017)	(2016)	(2015)	(2014)
District's proportion of the net pension liability	0.111%	0.100%	0.102%	0.100%
District's proportionate share of the net pension liability	$ 26,460,479	$ 19,815,017	$ 15,021,316	$ 11,321,616
District's covered - employee payroll	$ 16,757,883	$ 9,706,431	$ 9,687,325	$ 9,094,691
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	158%	204%	155%	124%
Plan fiduciary net position as a percentage of the total pension liability	72%	74%	79%	84%

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

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

	Reporting Fiscal Year				
CalSTRS	2023	2022	2021	2020	2019
Statutorily required contribution	$ 6,398,303	$ 5,205,968	$ 4,821,613	$ 4,904,130	$ 4,327,326
District's contributions in relation to the statutorily required contribution	6,398,303	5,205,968	4,821,613	4,904,130	4,327,326
District's contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 33,498,969	$ 30,768,132	$ 29,855,189	$ 27,049,807	$ 26,580,627
District's contributions as a percentage of covered-employee payroll	19.10%	16.92%	16.15%	18.13%	16.28%

	Reporting Fiscal Year				
CalPERS	2023	2022	2021	2020	2019
Statutorily required contribution	$ 5,510,797	$ 4,455,384	$ 3,775,400	$ 3,518,523	$ 2,957,843
District's contributions in relation to the statutorily required contribution	5,510,797	4,455,384	3,775,400	3,518,523	2,957,843
District's contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 21,721,707	$ 19,447,333	$ 18,238,647	$ 17,841,504	$ 16,376,055
District's contributions as a percentage of covered-employee payroll	25.37%	22.91%	20.70%	19.72%	18.06%

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

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

	Reporting Fiscal Year			
CalSTRS	2018	2017	2016	2015
Statutorily required contribution	$ 3,554,249	$ 2,858,226	$ 2,200,906	$ 1,705,993
District's contributions in relation to the statutorily required contribution	3,554,249	2,858,226	2,200,906	1,705,993
District's contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 24,630,970	$ 22,720,397	$ 20,511,705	$ 19,211,633
District's contributions as a percentage of covered-employee payroll	14.43%	12.58%	10.73%	8.88%

	Reporting Fiscal Year			
CalPERS	2018	2017	2016	2015
Statutorily required contribution	$ 2,327,670	$ 1,962,936	$ 1,149,921	$ 1,140,295
District's contributions in relation to the statutorily required contribution	2,327,670	1,962,936	1,149,921	1,140,295
District's contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 16,757,883	$ 14,134,044	$ 9,706,431	$ 9,687,325
District's contributions as a percentage of covered-employee payroll	13.89%	13.89%	11.85%	11.77%

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

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Changes in the Net OPEB Liability and Related Ratios

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

Changes in Benefit Terms **–** There were no changes in benefit terms since the previous valuations.

Changes of Assumptions **–** There were no changes in benefit terms since the previous valuations.

Schedule of Contributions – OPEB

This schedule presents information on the District's actuarially determined contribution, contributions in relation to the actuarially determined contribution, and any excess or deficiency related to the actuarially determined contribution. In the future, as data becomes available, ten years of information will be presented.

Schedule of Proportionate Share of the Net Pension Liability

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

Changes in Benefit Terms **–** There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.

Changes in Assumptions **–** There were no changes in assumptions since the previous valuations for CalSTRS.

The discount rate and investment rate of return for CalPERS as of the June 30, 2022 measurement date was 6.90%, while as of the June 30, 2021 measurement date it was 7.15%.

Schedule of Contributions - Pensions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented

SUPPLEMENTARY INFORMATION

The College of the Sequoias Community College District is located in Visalia, California. The College was established in 1926 and serves communities in Tulare and Kings Counties. There have been no changes to the District boundaries during the year. The District's main campus, Hanford Education Center and Tulare College Center are accredited by the Accrediting Commission for Community and Junior Colleges as part of the Sequoias Community College District.

GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
Mr. John Lehn	President	2026
Mr. Raymond Macareno	Vice President	2024
Mr. Ken Nunes	Clerk	2026
Ms. Lori Cardoza	Trustee	2024
Mr. Greg Sherman	Trustee	2026
Madison Parker	Student Trustee	2023-2024

DISTRICT ADMINISTRATION

Mr. Brent Calvin, Ed. D.
Superintendent/President

Mrs. Jennifer Vega-LaSerna, Ph. D.
Vice President, Academic Services

Mrs. Jessica Morrison
Vice President, Student Services

Mr. Ron Ballesteros-Perez
Vice President, Administrative Services

AUXILIARY ORGANIZATIONS IN GOOD STANDING

AUXILIARY NAME	DIRECTOR'S NAME	ESTABLISHMENT AND MASTER AGREEMENT DATE
College of the Sequoias Foundation	Tim Foster, Foundation Director and Ron Ballesteros-Perez, Vice President of Administration	Organized as an auxiliary organization in 2018 and has a signed master agreement dated June 15, 2018.

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

Program Name	Federal Assistance Listing Number	Total Program Expenditures
U.S. DEPARTMENT OF EDUCATION		
Student Financial Assistance Cluster		
Federal Work Study	84.033	$ 338,122
Federal Work Study Administration	84.033	19,708
Supplemental Educational Opportunity Grants	84.007	359,736
Supplemental Educational Opportunity Grants Administration	84.007	34,534
Pell Grant	84.063	20,830,522
Pell Grant Administration	84.063	33,820
Total Student Financial Assistance Cluster		21,616,442
TRIO Cluster		
TRIO Upward Bound Math/Science	84.047M	224,495
Total TRIO Cluster		224,495
Vocational & Applied Technology Education Act (VATEA)		
Title II, Part C Student Support	84.048	576,685
Wildlife and Fish	N/A	312
Higher Education Emergency Relief Fund		
COVID-19 HEERF III Institutional Aid	84.425F	375,878
COVID-19 HEERF II HIS	84.425J	3,671
COVID-19 HEERF III HSI	84.425J	1,592,601
Total Higher Education Emergency Relief Fund		1,972,150
Passed Through the California Department of Rehabilitation:		
Workability III	84.126A	175,076
Subtotal U.S. Department of Education		24,565,160
U.S. DEPARTMENT OF VETERAN AFFAIRS		
Veteran's Education	64.112	90
Subtotal U.S. Department of Veteran Affairs		90
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Passed Through the California Department of Education:		
TANF 50% Federal-CalWORKs	93.558	83,893
Foster Care Education	93.658	75,308
Subtotal U.S. Department of Health and Human Services		159,201
U.S. DEPARTMENT OF LABOR		
Workforce Investment Act - Tulare	17.258	56,503
Workforce Investment Act - Kings	17.258	1,288
Subtotal U.S. Department of Labor		57,791
U.S. DEPARTMENT OF TREASURY		
Passed through California Community Colleges Chancellor's Office:		
COVID-19 State Fiscal Recovery Funds	21.027	1,370,780
Subtotal U.S. Department of Treasury		1,370,780
U.S. DEPARTMENT OF AGRICULTURE		
Schools and Roads Programs:		
Flood Control	10.665	397
Forest Reserve	10.665	8,083
Specialty Crop Block Grant	10.170	50,142
USDA FSMA Training Central Valley	10.328	77,867
Subtotal U.S. Department of Agriculture		136,489
ECONOMIC ADJUSTMENT ASSISTANCE		
USDC F3 Agrifood Tech	11.307	5,154
		5,154
Total		$ 26,294,665

[1] Not applicable
[2] Not available

COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

	Program Revenues					Total
Program	Cash Received	Prior Year Carryforward	Accounts Receivable	Deferred Revenue	Total Revenue	Total Program Expenditures
GENERAL FUND						
2% ENRL	$ 132,096	$ -	$ -	$ -	$ 132,096	$ 132,096
Part Time Faculty Office Hours	34,070	-	-	-	34,070	34,070
Part Time Faculty Parity	249,262	-	-	-	249,262	249,262
Mandate cost	340,742	-	-	-	340,742	340,742
Faculty Hiring	1,501,433	-	-	-	1,501,433	1,501,433
Independent Living	10,453	-	11,193	-	21,646	21,646
Foster Care Education	147,600	20,521	-	-	168,121	168,121
Veterans Resource Center	-	128,366	-	56,099	72,267	72,267
Veterans Resource Center One-time	-	29,968	-	25,542	4,426	4,426
GSETGP AA	300	-	-	300	-	-
Recovery Block Grant	6,020,380	-	-	2,883,430	3,136,950	3,136,950
Guided Pathways	539,743	677,305	-	1,122,568	94,480	94,480
Learning Aligned Employment LAEP	3,800,996	-	-	3,800,996	-	-
LAEP AA	200,052	-	-	200,052	-	-
Cal Works	549,935	151,212	-	221,659	479,488	479,488
Library Svc Platform	-	10,734	-	9,408	1,326	1,326
Mental Health Support	268,339	243,366	-	369,494	142,211	142,211
Basic Needs Ctr	397,374	238,197	-	270,021	365,550	365,550
Basic Needs Ctr one time	286,080	285,904	-	-	571,984	571,984
CCAP	-	7,719	-	7,719	-	-
Nursing Program Support	178,977	-	-	-	178,977	178,977
Healthcare Sector Project	-	14,800	-	14,800	-	-
Pathway to Law	-	-	8,325	-	8,325	8,325
RERP	-	-	71,628	56,907	14,721	14,721
CRC	-	-	10,836	-	10,836	10,836
Extended Opportunity Program and Services	2,137,830	31,460	-	31,502	2,137,788	2,137,788
CARE	483,505	-	-	-	483,505	483,505
NextUP	655,033	-	-	33,714	621,319	621,319
Disabled Students Programs and Services	1,912,115	266,991	-	539,025	1,640,081	1,640,081
Matriculation SSSP	3,528,658	328,660	-	214,993	3,642,325	3,642,325
Student Equity SEP	1,504,538	219,537	-	-	1,724,075	1,724,075
Dream Liaison	103,985	2,156	-	53,328	52,813	52,813
LGBTQ+	-	84,622	-	75,433	9,189	9,189
Student Retention	723,199	942,837	-	899,102	766,934	766,934
AB86 Adult Ed Block Grant	218,063	78,201	-	55,754	240,510	240,510
Staff Development - Classified	-	30,771	-	25,607	5,164	5,164
Staff Development - certificated	-	50,434	-	50,434	-	-
MESA	432,039	-	-	360,996	71,043	71,043
CalFresh	-	13,191	-	13,191	-	-
Info Tech & Security	342,000	-	-	336,592	5,408	5,408
Staff Diversity	138,888	273,740	-	288,661	123,967	123,967
Zero Cost Textbook	200,000	-	-	185,394	14,606	14,606
Strong Workforce Local #5	-	200,495	-	-	200,495	200,495
Strong Workforce Local #7	1,856,313	-	-	1,790,104	66,209	66,209
Strong Workforce Regional #5	-	-	330,124	-	330,124	330,124
Strong Workforce Local #6	-	1,961,541	-	893,618	1,067,923	1,067,923
Strong Workforce Regional #6	-	-	742,603	-	742,603	742,603
Strong Workforce Regional #7	-	-	3,694	-	3,694	3,694
OSHPD nursing capitation Song Brown	120,000	-	-	17,280	102,720	102,720
Block Grant Instructional Materials	700,000	631,514	-	503,185	828,329	828,329
Basic Skills	321,638	399,940	-	289,125	432,453	432,453
Lottery Prop 20	859,491	3,536,622	318,270	-	4,714,383	261,861
BFAP Administration Allowance	553,938	-	-	49,138	504,800	504,800
Financial Aid Technology	49,348	139,578	-	145,982	42,944	42,944
College Promise	843,260	295,902	-	677,561	461,601	461,601
Valley CAN Air	-	22,685	-	22,685	-	-
Community college construction act	6,587,456	-	2,245,813	-	8,833,269	8,833,269
Scheduled Maintenance and Repair FY22	-	2,234,020	-	687,292	1,546,728	1,546,728
Scheduled Maintenance and Repair FY23	2,995,014	-	-	1,112,766	1,882,248	1,882,248
Chaffee	5,000	-	-	-	5,000	5,000
Cal Grant	3,497,455	-	264	-	3,497,719	3,497,719
Student Success Completion Grant	8,142,448	540,414	-	4,398,694	4,284,168	4,284,168
Emergency financial assistance	158,590	-	-	99,790	58,800	58,800
Subtotal	$ 53,727,636	$ 14,093,403	$ 3,742,750	$ 22,889,941	$ 48,673,848	$ 44,221,326

COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT
FOR THE YEAR ENDED JUNE 30, 2023

CATEGORIES	Reported Data	Audit Adjustment	Audited Data
A. Summer Intersession (Summer 2023 only)			
1. Noncredit	0.75	-	0.75
2. Credit	571.47	-	571.47
B. Summer Intersession (Summer 2023 - Prior to July 1, 2023)			
1. Noncredit	0.19	-	0.19
2. Credit	287.27	-	287.27
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	5,280.25	-	5,280.25
(b) Daily Census Contact Hours	132.14	-	132.14
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	190.98	-	190.98
(b) Credit	261.67	-	261.67
3. Independent Study/Work Experience			
(a) Weekly Census Contact Hours	2,267.48	-	2,267.48
(b) Daily Census Contact Hours	685.60	-	685.60
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	9,677.80	-	9,677.80
Supplemental Information (subset of above information)			
E. In-service Training Courses	-	-	-
F. Basic Skills Courses and Immigrant Education			
1. Credit	163.81	-	163.81
2. Noncredit	182.12	-	182.12
Total Basic Skills FTES	345.93	-	345.93

See accompanying note to supplementary information.

COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF EDUCATION CODE SECTION 84362 (50 PERCENT LAW) CALCULATION
FOR THE YEAR ENDED JUNE 30, 2023

		Activity (ESCA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6100			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
	Object/ TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Academic Salaries							
Instructional Salaries							
Contract or Regular	1100	$ 18,355,537	$ -	$ 18,355,537	$ 18,355,537	$ -	$ 18,355,537
Other	1300	9,213,163	-	9,213,163	9,213,163	-	9,213,163
Total Instructional Salaries		27,568,700	-	27,568,700	27,568,700	-	27,568,700
Non-Instructional Salaries							
Contract or Regular	1200	-	-	-	6,516,444	-	6,516,444
Other	1400	-	-	-	661,819	-	661,819
Total Non-Instructional Salaries		-	-	-	7,178,263	-	7,178,263
Total Academic Salaries		27,568,700	-	27,568,700	34,746,963	-	34,746,963
Classified Salaries							
Non-Instructional Salaries							
Regular Status	2100	-	-	-	13,904,063	-	13,904,063
Other	2300	-	-	-	546,418	-	546,418
Total Non-Instructional Salaries		-	-	-	14,450,481	-	14,450,481
Instructional Aides							
Regular Status	2200	835,578	-	835,578	835,578	-	835,578
Other	2400	554,288	-	554,288	554,288	-	554,288
Total Instructional Aides		1,389,866	-	1,389,866	1,389,866	-	1,389,866
Total Classified Salaries		1,389,866	-	1,389,866	15,840,347	-	15,840,347
Employee Benefits	3000	9,594,490	-	9,594,490	19,598,368	-	19,598,368
Supplies and Materials	4000	-	-	-	1,072,781	-	1,072,781
Other Operating Expenses	5000	205,833	-	205,833	7,765,978	-	7,765,978
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures Prior to Exclusions		38,758,889	-	38,758,889	79,024,437	-	79,024,437
Exclusions							
Activities to Exclude							
Inst. Staff-Retirees' Benefits and Incentives	5900	526,466	-	526,466	526,466	-	526,466
Std. Health Srvcs. Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	29,966	-	29,966
Non-inst.Staff-Retirees' Benefits and Incentives	6740	-	-	-	703,751	-	703,751
Object to Exclude							
Rents and Leases	5060	-	-	-	1,344,609	-	1,344,609
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	-	-	-	2,363,822	-	2,363,822
Capital Outlay	6000						
Library Books	6300	-	-	-	-	-	-
Equipment	6400						
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay		-	-	-	-	-	-
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		$ 526,466	$ -	$ 526,466	$ 4,968,614	$ -	$ 4,968,614
Total for ECS 84362, 50% Law		$ 38,232,423	$ -	$ 38,232,423	$ 74,055,823	$ -	$ 74,055,823
Percent of CEE (Instructional Salary Cost/Total CEE)		51.63%	0.00%	51.63%	100.00%	0.00%	100.00%
50% of Current Expense of Education		$ -	$ -	$ -	$ 37,027,912	$ -	$ 37,027,912

COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
PROPOSITION 30 EDUCATION PROTECTION ACCOUNT (EPA) EXPENDITURE REPORT
FOR THE YEAR ENDED JUNE 30, 2023

EPA Revenue	$ 5,215,696

Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	0100-5900	$ 5,215,696	$ -	$ -	$ 5,215,696
Total		$ 5,215,696	$ -	$ -	$ 5,215,696

See accompanying note to supplementary information.

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

Total Fund Equity - District Funds Included in the Reporting Entity		
General Fund	$ 32,740,374	
Debt Service Fund	22,747,181	
Special Revenue Funds	6,110,454	
Capital Project Funds	51,976,699	
Enterprise Funds	2,399,378	
Internal Service Funds	1,533	
Student Financial Aid Fund	(6,612)	
Other Funds	509,714	$ 116,478,721
Assets recorded within the statements of net position not included in the fund financial statements:		
Capital assets	$ 291,904,614	
Intangible right of use assets	1,854,758	
Accumulated depreciation	(91,644,608)	
Accumulated amortization	(1,072,919)	201,041,845
Lease receivable		1,906,520
Net OPEB Asset		389,298
FMV Adjustment to Cash and Equivalents		(4,613,373)
Unmatured Interest		(1,353,139)
Unamortized Bond Discount		21,726
Deferred outflows recorded within the statement of net position not included in the District fund financial statements:		
Deferred outflows related to bond refundings		2,810,673
Deferred outflows related to OPEB		1,874,249
Deferred outflows related to pensions		26,166,805
Liabilities recorded within the statements of net position not recorded in the District fund financial statements:		
General obligation bonds	$ 115,592,731	
Premiums, net	7,525,297	
Lease liability	808,667	
Net pension liability	77,977,097	(201,903,792)
Deferred inflows recorded within the statement of net position not included in the District fund financial statements:		
Deferred charge on refunding		(113,583)
Deferred inflows related to leases		(1,799,236)
Deferred inflows related to OPEB		(2,571,356)
Deferred inflows related to pensions		(5,510,032)
Net Assets Reported Within the Statements of Net Position		$ 132,825,326

See accompanying note to supplementary information.

NOTE 1 - PURPOSE OF SCHEDULES

District Organization

This schedule provides information about the District's governing board members and administration members.

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (Part 200), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The District has not elected to use the ten percent de minimis cost rate as covered in Section 200.414 Indirect (F&A) costs of the Uniform Guidance.

The following schedule provides reconciliation between revenues reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances (Governmental Funds and Fiduciary Funds Statements), and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amount consists of Medi-Cal Administrative Assistance program prior year revenues spent in the current year.

	CFDA Number	Amount
Total Federal Revenues From the Statement of Revenues, Expenditures and Changes in Fund Balance		$ 26,294,667
Price Loss Coverage Crops	N/A	-
Total Schedule of Expenditures of Federal Awards		$ 26,294,667

Schedule of Expenditures of State Awards

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

Schedule of Workload Measures for State General Apportionment

FTES is a measurement of the number of pupils 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, including restricted categorical funding, are made to community college districts. This schedule provides information regarding the annual attendance measurements of students throughout the District.

NOTE 1 - PURPOSE OF SCHEDULES, continued

Reconciliation of Education Code Section 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.

Proposition 30 Education Protection Act (EPA) Expenditure Report

This schedule provides the District's summary of receipts and uses of the monies received through the EPA.

Reconciliation of Fund Equity to Net Position

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

OTHER INDEPENDENT AUDITORS' REPORTS

CWDL

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
College of the Sequoias Community College District
Visalia, 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 business-type activities, the aggregate discretely presented component units, and the aggregate remaining fund information of College of the Sequoias Community College District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 15, 2023.

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

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

Our consideration of internal control 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. However, material weaknesses may exist that have not been identified.

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

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

CWDL, Certified Public Accountants

San Diego, California
December 15, 2023

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

The Board of Trustees
College of the Sequoias Community College District
Visalia, California

Report on Compliance for Each Major Federal Program
Opinion on Each Major Federal Program
We have audited College of the Sequoias Community College District's (the District) 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, 2023. The District's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

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

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

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

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

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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 College of the Sequoias Community College District's compliance based on our audit

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

CWDL, Certified Public Accountants

San Diego, California
December 15, 2023

CWDL

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

The Board of Trustees
College of the Sequoias Community College District
Visalia, California

Report on State Compliance

Opinion on State Compliance

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

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

Basis for Opinion

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

We are required to be independent of 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 2022-2023 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 listed in the table below.

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Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements listed in the table below has occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the 2022-2023 California Community Colleges Chancellor's Office *Contracted District Audit Manual* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements listed in the table below.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the 2022-2023 California Community Colleges Chancellor's Office *Contracted District Audit Manual*, we:

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

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

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Compliance Requirements Tested

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

Section 411 – SCFF Data Management Control Environment
Section 412 – SCFF Supplemental Allocation Metrics
Section 413 – SCFF Success Allocation Metrics
Section 421 – Salaries of Classroom Instructors (50 Percent Law)
Section 423 – Apportionment for Activities Funded From Other Sources
Section 424 – Student Centered Funding Formula Base Allocation: FTES
Section 425 – Residency Determination for Credit Courses
Section 426 – Students Actively Enrolled
Section 427 – Dual Enrollment (CCAP)
Section 430 – Scheduled Maintenance Program
Section 431 – Gann Limit Calculation
Section 444 – Apprenticeship Related and Supplemental Instruction (RSI) Funds
Section 475 – Disabled Student Programs and Services (DSPS)
Section 490 – Propositions 1D and 51 State Bond Funded Projects
Section 491 – Education Protection Account Funds
Section 492 – Student Representation Fee
Section 499 – COVID-19 Response Block Grant Expenditures

Purpose of this Report

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

CWDL, Certified Public Accountants

San Diego, California
December 15, 2023

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FINDINGS AND QUESTIONED COSTS SECTION

Section I – Summary of Auditors' Results

FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified
Is a going concern emphasis-of-matter paragraph included in the auditors' report?	No
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Non-compliance material to financial statements noted?	No

FEDERAL AWARDS

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

CFDA Numbers	Name of Federal Program of Cluster
84.007, 84.033, 84.063	Student Financial Aid Cluster
84.425E, 84.425F, 84.425J	Higher Education Emergency Relief Funds
21.027	COVID-19 State Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:	$ 788,840
Auditee qualified as low-risk auditee?	Yes

STATE AWARDS

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

Section II – Financial Statement Findings

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

There were no financial statement audit findings or questioned costs identified during 2022-23.

Section III – Federal Award Findings and Questioned Costs

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).

There were no federal award findings or questioned costs identified during 2022-23.

Section IV – State Award Findings and Questioned Costs

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 2022-23.

Section V – Prior Year Audit Findings Summary

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

UNAUDITED SUPPLEMENTARY INFORMATION

COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEETS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Bond Interest and Redemption Fund	Other Special Revenue Fund	Capital Outlay Projects Fund	Farm Construction Fund	General Obligation Bond Fund	Associated Students Fund	Student Representation Trust Fund	Student Body Center Fee Fund	Student Financial Aid Fund	Total
ASSETS											
Cash and equivalents	$ 55,607,004	$ 22,747,181	$ 6,259,995	$ 35,233,054	$ 822,626	$ 18,395,071	$ 594,814	$ 65,225	$ 79,181	$ 5,409,192	$ 145,213,343
Accounts receivable, net	19,099,972	-	9,741	2,245,813	-	-	787	93	(81)	1,887	21,358,212
Prepaid assets	1,246,434	-	-	-	-	-	-	-	-	250	1,246,684
Due from other funds	5,844,528	-	-	4,925,000	347,042	-	-	-	-	-	11,116,570
Total Assets	$ 81,797,938	$ 22,747,181	$ 6,269,736	$ 42,403,867	$ 1,169,668	$ 18,395,071	$ 595,601	$ 65,318	$ 79,100	$ 5,411,329	$ 178,934,809
LIABILITIES											
Accounts payable	$ 19,798,058	$ -	$ 159,282	$ 1,491,817	$ -	$ 1,576,288	$ 352	$ 25,484	$ -	$ 647,524	$ 23,698,805
Deferred revenue	21,204,812	-	-	1,800,057	-	-	126,945	29,506	48,018	4,770,417	27,979,755
Compensated absences	2,409,437	-	-	-	-	-	-	-	-	-	2,409,437
Due to other funds	5,645,257	-	-	5,123,745	-	-	-	-	-	-	10,769,002
Total Liabilities	49,057,564	-	159,282	8,415,619	-	1,576,288	127,297	54,990	48,018	5,417,941	64,856,999
FUND EQUITY											
Restricted	-	22,747,181	6,110,454	33,988,248	1,169,668	16,818,783	468,304	10,328	31,082	(6,612)	81,337,436
Unassigned	32,740,374	-	-	-	-	-	-	-	-	-	32,740,374
Total Fund Equity	32,740,374	22,747,181	6,110,454	33,988,248	1,169,668	16,818,783	468,304	10,328	31,082	(6,612)	114,077,810
Total Liabilities and Fund Equity	$ 81,797,938	$ 22,747,181	$ 6,269,736	$ 42,403,867	$ 1,169,668	$ 18,395,071	$ 595,601	$ 65,318	$ 79,100	$ 5,411,329	$ 178,934,809

See accompanying note to unaudited supplementary information.

COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
GOVERNMENTAL FUNDS
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Bond Interest and Redemption Fund	Other Special Revenue Fund	Capital Outlay Projects Fund	Farm Construction Fund	General Obligation Bond Fund	Associated Students Fund	Student Representation Trust Fund	Student Body Center Fee Fund	Student Financial Aid Fund	Total
REVENUES											
Federal	$ 3,733,629	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 22,561,038	$ 26,294,667
State	96,640,655	-	-	12,262,245	-	-	-	-	-	7,845,687	116,748,587
Local	28,510,535	7,243,605	1,385,785	1,095,149	13,569	425,102	319,117	50,318	99,737	-	39,142,917
Total Revenues	128,884,819	7,243,605	1,385,785	13,357,394	13,569	425,102	319,117	50,318	99,737	30,406,725	182,186,171
EXPENDITURES											
Academic salaries	38,419,441	-	134,854	-	-	-	-	-	-	-	38,554,295
Classified salaries	22,796,814	-	295,295	-	-	-	80,683	-	68,026	-	23,240,818
Employee benefits	24,108,406	-	167,743	-	-	-	41,636	-	35,412	-	24,353,197
Supplies and materials	3,065,181	-	127,786	286	-	-	203,220	914	3,474	-	3,400,861
Other operating expenses	10,968,245	-	442,568	4,491,849	-	-	19,694	70,015	-	-	15,992,371
Capital outlay	5,003,582	-	-	16,756,842	-	4,854,842	11,149	-	-	-	26,626,415
Debt Service - Principal	-	2,731,458	-	-	-	-	-	-	-	-	2,731,458
Debt Service - Interest and other issuance costs	-	4,960,916	-	-	-	-	-	-	-	-	4,960,916
Total Expenditures	104,361,669	7,692,374	1,168,246	21,248,977	-	4,854,842	356,382	70,929	106,912	-	139,860,331
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES	24,523,150	(448,769)	217,539	(7,891,583)	13,569	(4,429,740)	(37,265)	(20,611)	(7,175)	30,406,725	42,325,840
OTHER FINANCING SOURCES (USES)											
Operating transfer in	801,403	-	5,000,000	10,925,000	-	-	84,256	-	-	1,841,752	18,652,411
Operating transfer out	(18,664,516)	-	-	-	-	-	(84,256)	-	-	-	(18,748,772)
Other uses	(2,188,976)	-	-	-	-	-	(1,000)	(1,158)	-	(32,248,477)	(34,439,611)
Total Other Financing Sources (Uses)	(20,052,089)	-	5,000,000	10,925,000	-	-	(1,000)	(1,158)	-	(30,406,725)	(34,535,972)
NET CHANGE IN FUND BALANCE	4,471,061	(448,769)	5,217,539	3,033,417	13,569	(4,429,740)	(38,265)	(21,769)	(7,175)	-	7,789,868
FUND BALANCE - BEGINNING	27,976,076	23,195,950	892,915	30,954,831	1,156,099	21,248,523	506,569	32,097	38,257	(6,612)	105,994,705
FUND BALANCE ADJUSTMENTS	293,237	-	-	-	-	-	-	-	-	-	293,237
FUND BALANCE - ENDING	$ 32,740,374	$ 22,747,181	$ 6,110,454	$ 33,988,248	$ 1,169,668	$ 16,818,783	$ 468,304	$ 10,328	$ 31,082	$ (6,612)	$ 114,077,810

COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
PROPRIETARY FUNDS
BALANCE SHEETS
JUNE 30, 2023

	Proprietary Funds		
	Cafeteria	Farm	Total
ASSETS			
Cash and equivalents	$ 569,894	$ 1,237,595	$ 1,807,489
Accounts receivable, net	27,577	27	27,604
Inventory	14,676	72,861	87,537
Fixed assets	749,758	1,710,412	2,460,170
Due from other funds	-	-	-
Total Assets	$ 1,361,905	$ 3,020,895	$ 4,382,800
LIABILITIES			
Accounts payable	$ 140,963	$ 80,368	$ 221,331
Accumulated depreciation	531,312	883,211	1,414,523
Compensated absences	-	-	-
Due to other funds	-	347,568	347,568
Total Liabilities	672,275	1,311,147	1,983,422
FUND EQUITY			
Retained earnings	689,630	1,709,748	2,399,378
Total Liabilities and Fund Equity	$ 1,361,905	$ 3,020,895	$ 4,382,800

See accompanying note to unaudited supplementary information.

COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
PROPRIETARY FUNDS
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED JUNE 30, 2023

	Proprietary Funds		
	Cafeteria	Farm	Total
OPERATING REVENUES			
Sales revenues	$ 950,585	$ 1,257,349	$ 2,207,934
OPERATING EXPENSES			
Salaries	459,471	49,052	508,523
Employee benefits	86,097	1,035	87,132
Supplies and materials	8,494	244,980	253,474
Other operating expenses	1,217,206	652,668	1,869,874
Total Expenditures	1,771,268	947,735	2,719,003
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES	(820,683)	309,614	(511,069)
OTHER FINANCING SOURCES (USES)			
Operating transfer in	816,448	-	816,448
Other sources	-	4,128	4,128
Total Other Financing Sources (Uses)	816,448	4,128	820,576
NET CHANGE IN FUND BALANCE	(4,235)	313,742	309,507
RETAINED EARNINGS - BEGINNING	693,865	1,396,006	2,089,871
RETAINED EARNINGS - ENDING	$ 689,630	$ 1,709,748	$ 2,399,378

See accompanying note to unaudited supplementary information.

COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
FIDUCIARY FUNDS
BALANCE SHEETS
JUNE 30, 2023

	Scholarship and Loan Fund	Other Trust Fund	OPEB Trust Fund	Total Fiduciary Funds
ASSETS				
Cash and equivalents	$ 81,209	$ 1,277,951	$ -	$ 1,359,160
Investments	-	-	12,567,487	12,567,487
Accounts receivable, net	15,412	239,975	-	255,387
Total Assets	$ 96,621	$ 1,517,926	$ 12,567,487	$ 14,182,034
LIABILITIES				
Accounts payable	$ 120	$ -	$ -	$ 120
Deferred revenue	-	143,257	-	143,257
Total Liabilities	120	143,257	-	143,377
FUND EQUITY				
Restricted	96,501	1,374,669	12,567,487	14,038,657
Total Liabilities and Fund Equity	$ 96,621	$ 1,517,926	$ 12,567,487	$ 14,182,034

See accompanying note to unaudited supplementary information.

COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
FIDUCIARY FUNDS
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	Scholarship and Loan Fund	Other Trust Fund	OPEB Trust Fund	Total Fiduciary Funds
REVENUES				
Local revenues	$ 888	$ 346,034	$ -	$ 346,922
Interest and investment income (expense)	-	-	940,977	940,977
Total Operating Revenues	888	346,034	940,977	1,287,899
EXPENDITURES				
Supplies and materials	-	37,339	-	37,339
Other operating expenses	-	190,944	16,228	207,172
Total Expenditures	-	238,825	16,228	255,053
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES	888	107,209	924,749	1,032,846
OTHER FINANCING SOURCES (USES)				
Other uses	-	(4,500)	-	(4,500)
Total Other Financing Sources (Uses)	-	(4,500)	-	(4,500)
NET CHANGE IN FUND BALANCE	888	102,709	924,749	1,028,346
FUND BALANCE - BEGINNING	95,613	1,271,960	11,642,738	13,010,311
FUND BALANCE - ENDING	$ 96,501	$ 1,374,669	$ 12,567,487	$ 14,038,657

NOTE 1 - PURPOSE OF SCHEDULES

Fund Financial Statements

The accompanying financial statements report the governmental, proprietary, and fiduciary fund activities of the District and are presented on the modified accrual basis of accounting. Therefore, some amounts presented in these financial statements may differ from amounts presented in, or used in, the preparation of the basic financial statements. The information is not a required component of the financial statements in accordance with GASB Statements No. 34 and No. 35 and is presented at the request of the District management.