

**YOSEMITE COMMUNITY COLLEGE DISTRICT**  
**FINANCIAL STATEMENTS**  
June 30, 2024

YOSEMITE COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION  
June 30, 2024

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YOSEMITE COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION  
June 30, 2024

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Yosemite Community College District  
Modesto, California

**Report on the Audit of the Financial Statements*****Opinion***

We have audited the financial statements of Yosemite Community College District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Yosemite Community College District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of Yosemite Community College District, as of June 30, 2024, 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 Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Yosemite 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 opinion.

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

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

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

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(Continued)

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Yosemite Community College 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 Yosemite Community College District's ability to continue as a going concern for a reasonable period of time.

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

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 to 13 and the Schedule of Changes in Net Other Postemployment Benefits (OPEB) Liability, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions on pages 45 to 49 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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(Continued)

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Yosemite Community College District's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and, except for that portion marked "unaudited," was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, that information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

### **Other Information**

Management is responsible for the other information included in the financial statements. The other information comprises the Organization page but does not include the basic financial statements and our auditor's report thereon. Our opinion on the financial statements does 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the 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 November 20, 2024 in our consideration of Yosemite Community College District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Yosemite Community College 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 Yosemite Community College District's internal control over financial reporting and compliance.



Crowe LLP

Sacramento, California  
November 20, 2024

MANAGEMENT'S DISCUSSION  
AND ANALYSIS  
June 30, 2024

*Yosemite Community College District*

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Required Supplemental Information)

## **INTRODUCTION**

The following discussion and analysis provides an overview of the financial position and activities of the Yosemite Community College District (the District) for the year ended June 30, 2024. This discussion has been prepared by management and should be read in conjunction with the financial statements, including the notes thereto, which follow this section.

## **HISTORY**

Modesto Junior College, one of the oldest community colleges in the state, was founded in 1921 to serve the first junior college district established under the State Legislature. The District's boundaries changed in 1964 and the Yosemite Community College District was created and named by action of the electorate. The District includes two comprehensive, two-year colleges: Modesto Junior College founded in 1921, and Columbia College founded in 1967. The District includes all of two counties (Stanislaus and Tuolumne), parts of four others (Calaveras, Merced, San Joaquin, and Santa Clara), and stretches 170 miles across central California from the coastal range on the west to the Sierra Nevada's on the east. The District is governed by a seven-member Board of Trustees.

## **ACCOUNTING STANDARDS**

The format of these financial statements follows Governmental Accounting Standards Board (GASB), Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. The California Community Colleges Chancellor's Office (Chancellor's Office) recommends that all state community college districts follow the business type activity (BTA) model. The District applied the BTA reporting model to comply with the recommendation and to report in a manner consistent and comparable with other community college districts.

GASB reporting standards require that the annual report include three basic financial statements that provide information on the District as a whole: the statement of net position; the statement of revenues, expenses, and change in net position; and the statement of cash flows. The information provided on the statements in the Management's Discussion and Analysis (MDA) includes all funds, including general obligation bond funds and student associations. Each statement will be discussed separately. Financial statements for the college's foundations are issued separately and can be obtained from the respective organizations.

The following MDA provides an overview of the District's financial activities.

## **FINANCIAL HIGHLIGHTS**

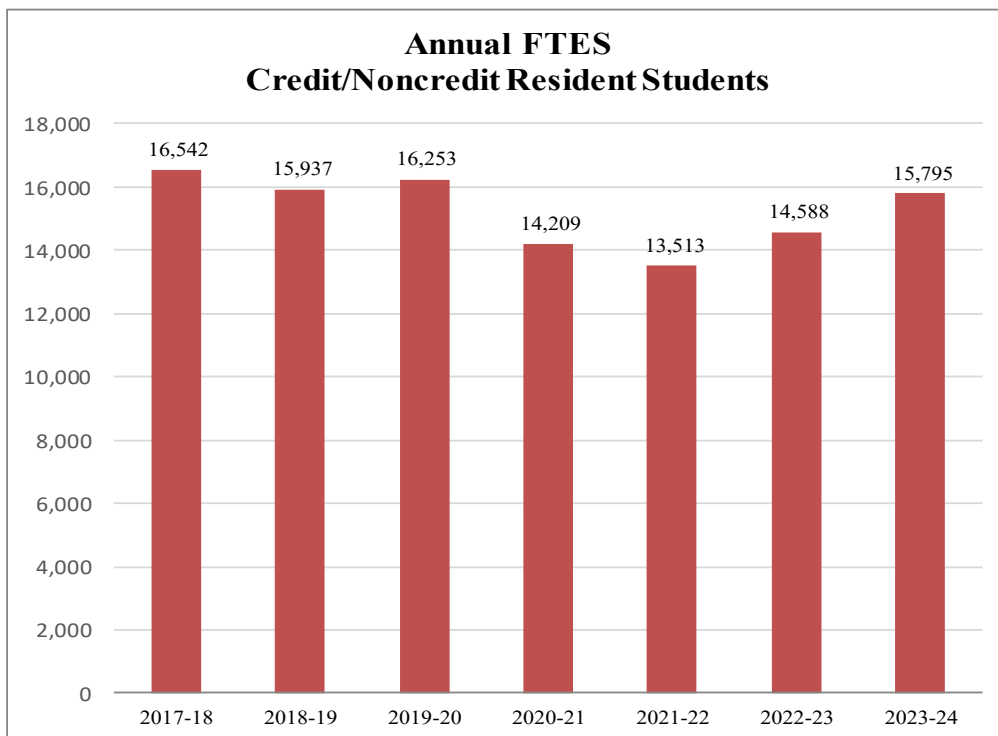
The Student-Centered Funding Formula (SCFF) for 2023-24 continued to be calculated based on 70% Full Time Equivalent Students (FTES), 20% supplemental grant (number of students participating in the Pell Grant Program and California Promise Program), and 10% student success factors (i.e. certificates, associate degree transfers, transfer to 4-year institution, etc.). Due to the COVID-19 Pandemic, in prior years, emergency conditions allowances kept the District funded at the same level of FTES as 2019-20. For this reason, the 2023-24 base allocation was calculated on years 2019-20, 2019-20 and 2023-24 instead of 21-22, 22-23 and 23-24. The supplemental allocation, which represents 20% of the SCFF



calculation, is based on one year only, and was calculated on 2022-23 figures. The student success allocation represents 10% of the SCFF calculation and was calculated using a three-year average including 2020-21, 2021-22 and 2022-23 figures. The district has developed a conservative budget that includes a revenue deficit factor of approximately \$3.7 million. The 2023-24 ending balance for the unrestricted general fund is \$46.1 million, which came in at a higher level than expected. This was due in part to new revenue sources, efficiencies and savings at all sights, and the revenue deficit factor being less than the budgeted amount. Additional savings which added to the increase in the ending balance include vacant positions. For the 2024-25 budget year, the District has budgeted for an unrestricted general fund balance reduction of \$13,558,436, which includes \$2,000,000 allocated to cover the cost of upgrading the Columbia College Dorms, \$10,857,750 associated with prior year site specific savings and \$993,615 associated with unspent encumbered funds from the prior year. The Final Budget also includes an additional one-time allocation to Modesto Junior College of \$1,000,000 to support the schedule and operational needs of the college, \$1,000,000 allocated for facilities total cost of ownership, \$500,000 for IT total cost of ownership and \$1,000,000 to be transferred to the retiree health benefits trust account.

**ATTENDANCE**

Under the Student-Centered Funding Formula (SCFF), total funded FTES is calculated using a three-year rolling average. Actual FTES reported in 2023-24 was 15,795. The chart below shows actual FTES reported for 2023-24 fiscal year as well as the previous six years.



### **GENERAL FUND RESERVE**

The District had a designated reserve in the General Fund of \$15.2 million, or approximately 10% of the General Fund unrestricted expenditures budget for 2023-24. For the 2024-25 budget year, the District has a 10% designated reserve on the General Fund unrestricted budgeted expenditures, a \$3 million additional reserve for PERS and STRS increases, \$1.17 million in site specific reserve, and \$10.96 million in undesignated reserves.

### **SALARIES AND BENEFITS**

Eligible employees received stability pay as per their employee group contracts during the fiscal year. The Yosemite Faculty Association (YFA), California School Employees Association (CSEA), and Leadership Team (LTAC) received a 2.3484% cost of living adjustment (COLA) for the 2023-24 fiscal year. The District paid the cost of a base health benefit plan for eligible employees at an annual cost per employee of \$24,155. The District paid base health plan will increase to \$27,070 per eligible employee in 2024-25.

### **OTHER POSTEMPLOYMENT BENEFITS**

The District joined the Public Agency Retirement Services (PARS) on July 1, 2008 to establish an irrevocable trust for its other postemployment benefits (OPEB). The District's OPEB consists of health benefits. As of June 30, 2024, the account balance was \$35,384,137. The initial contribution to the trust was made on June 1, 2009 in the amount of \$14,943,947. Due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District is now required to record its full OPEB liability in its audited financial statements. As of June 30, 2024, the District's OPEB liability was \$764,260.

The District established a Retirement Trust Committee that meets quarterly with staff from PARS and US Bank to review the OPEB Trust investments, actuarial studies, and other activities related to the District's OPEB Trust.

**STATEMENTS OF NET POSITION**

The statements of net position include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private sector organizations. Net position, the difference between assets and liabilities, are an indicator of the financial health of a district.

	<b>2024</b>	<b>2023</b>	<b>Change</b>
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	\$ 127,995,219	\$109,562,639	17%
Receivables	27,651,880	17,891,221	55%
Inventory, prepaid, and other assets	769,469	896,460	-14%
<b>Total Current Assets</b>	<b>156,416,568</b>	<b>128,350,320</b>	<b>22%</b>
NONCURRENT ASSETS			
Restricted cash and cash equivalents	62,437,535	57,704,406	8%
Long-term investments	-	-	100%
Loans to students	50,853	63,914	-20%
Capital assets - net	364,274,583	370,148,536	-2%
<b>Total Noncurrent Assets</b>	<b>426,762,971</b>	<b>427,916,856</b>	<b>0%</b>
<b>Total Assets</b>	<b>583,179,539</b>	<b>556,267,176</b>	<b>5%</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred outflows of resources - pensions	47,328,465	44,055,622	7%
Deferred amount on debt refunding	2,152,895	2,152,895	0%
Deferred amount on resources - OPEB	2,946,883	4,108,767	-28%
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>635,607,782</b>	<b>606,584,460</b>	<b>5%</b>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	20,106,124	17,626,612	14%
Advances from grantors and students	61,710,741	54,548,223	13%
Other current liabilities	27,212,018	27,364,351	-1%
<b>Total Current Liabilities</b>	<b>109,028,883</b>	<b>99,539,186</b>	<b>10%</b>
NONCURRENT LIABILITIES			
Long-term liabilities - noncurrent portion	481,839,683	485,218,518	-1%
<b>Total Liabilities</b>	<b>590,868,566</b>	<b>584,757,704</b>	<b>1%</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources - pensions	17,259,000	19,354,000	-11%
Deferred inflows of resources - OPEB	5,827,122	6,604,226	-12%
<b>NET POSITION</b>			
Net investment on capital assets	124,894,907	105,303,353	19%
Restricted	59,021,861	50,279,561	17%
<b>Subtotal</b>	<b>183,916,768</b>	<b>155,582,914</b>	<b>18%</b>
Unrestricted:			
General Reserve	14,397,000	14,759,000	-2%
Contingency reserve and other designation	(176,660,674)	(174,473,384)	1%
<b>Total Unrestricted</b>	<b>(162,263,674)</b>	<b>(159,714,384)</b>	<b>2%</b>
<b>Total Net Position</b>	<b>\$ 21,653,094</b>	<b>\$ (4,131,470)</b>	<b>-624%</b>

Current cash and cash equivalents consist mainly of cash in the County Treasury.

Receivables include receivables from state and federal grants as well as general apportionment earned but not received by year end.

Restricted cash and cash equivalents consist of amounts relating to the Capital Outlay Projects Fund and the Bond Interest and Redemption Funds.

Long-term investments consist mainly of certificates of deposits and equity securities for the scholarship and loan programs.

Loans to students consist of notes receivable due from students under the Federal Nursing Loan program.

Net capital assets are the historical value of land, buildings, and equipment less accumulated depreciation. The footnotes to the financial statements contain a breakdown of the net capital assets.

Accounts payable and accrued liabilities consist mainly of accrued payroll and payables due to vendors.

Advances from grantors and students relate to federal, state, and local program funds received but not yet earned as of the end of the fiscal year. Most grant funds are earned when expended (up to the grant amount awarded). Also included are unearned enrollment fees for the 2023-24 fiscal year.

Other current liabilities include the amounts held in trust for others. Long-term liabilities (noncurrent portion) are long-term debt to be paid in one year or later. The net other post-employment benefit liability of \$764,260, the net pension liability of \$131,214,000, and the general obligation bonds of \$241,492,298 are the major components of the noncurrent portion.

The State Chancellor's Office advises local governments to maintain an unrestricted reserve equal to a minimum of two months (or 17 percent) of their annual operating expenditures. Board Policy 6305 has been revised to incorporate this adjustment, ensuring compliance with the recommended reserve amount. Restricted net position consists primarily of net position held in the Capital Outlay Projects Fund for scheduled maintenance and special repairs and in the Bond Interest and Redemption Funds.

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION**

The statements of revenues, expenses, and changes in net position present the operating finances of the District, as well as the nonoperating revenues and expenses. State general apportionment funds, while budgeted for operations, are considered nonoperating revenues according to generally accepted accounting principles.

	<u>2024</u>	<u>2023</u>	<u>Change</u>
<b>Revenues</b>			
Operating Revenues:			
Net tuition and fees	\$ 7,879,800	\$ 5,392,565	100%
Grants, contracts, and other designated revenues	66,998,933	61,464,335	9%
Auxiliary enterprise, net	1,617,299	1,246,764	30%
Other Operating Income	4,704,189	3,758,047	25%
<b>Total Operating Revenues</b>	<u>81,200,221</u>	<u>71,861,711</u>	13%
<b>Total Operating Expenses</b>	<u>248,137,543</u>	<u>243,436,389</u>	2%
<b>Operating Loss</b>	<u>(166,937,322)</u>	<u>(171,574,678)</u>	-3%
Nonoperating revenues (expenses)			
Federal grants	-	22,124,191	-100%
State apportionments - noncapital	81,333,824	71,059,050	14%
Local property taxes	61,094,675	57,244,120	7%
Lottery and other revenue	38,501,098	34,411,792	12%
Interest Expense - Capital	(14,856,381)	(18,111,162)	-18%
Investment income	4,224,158	1,613,089	162%
Other nonoperating revenues - net	89,348	3,288,529	-97%
<b>Total Nonoperating Revenues</b>	<u>170,386,722</u>	<u>171,629,609</u>	-1%
<b>Loss before other revenues, expenses, gains, or losses</b>	<b>3,449,400</b>	<b>54,931</b>	-6180%
Apportionment and property taxes - capital	<u>22,335,164</u>	<u>21,047,480</u>	6%
<b>Increase in Net Position</b>	25,784,564	21,102,411	22%
<b>Net Position, beginning of year</b>	<u>(4,131,470)</u>	<u>(25,233,881)</u>	-84%
<b>Net Position - End of Year</b>	<u>\$ 21,653,094</u>	<u>\$ (4,131,470)</u>	-624%

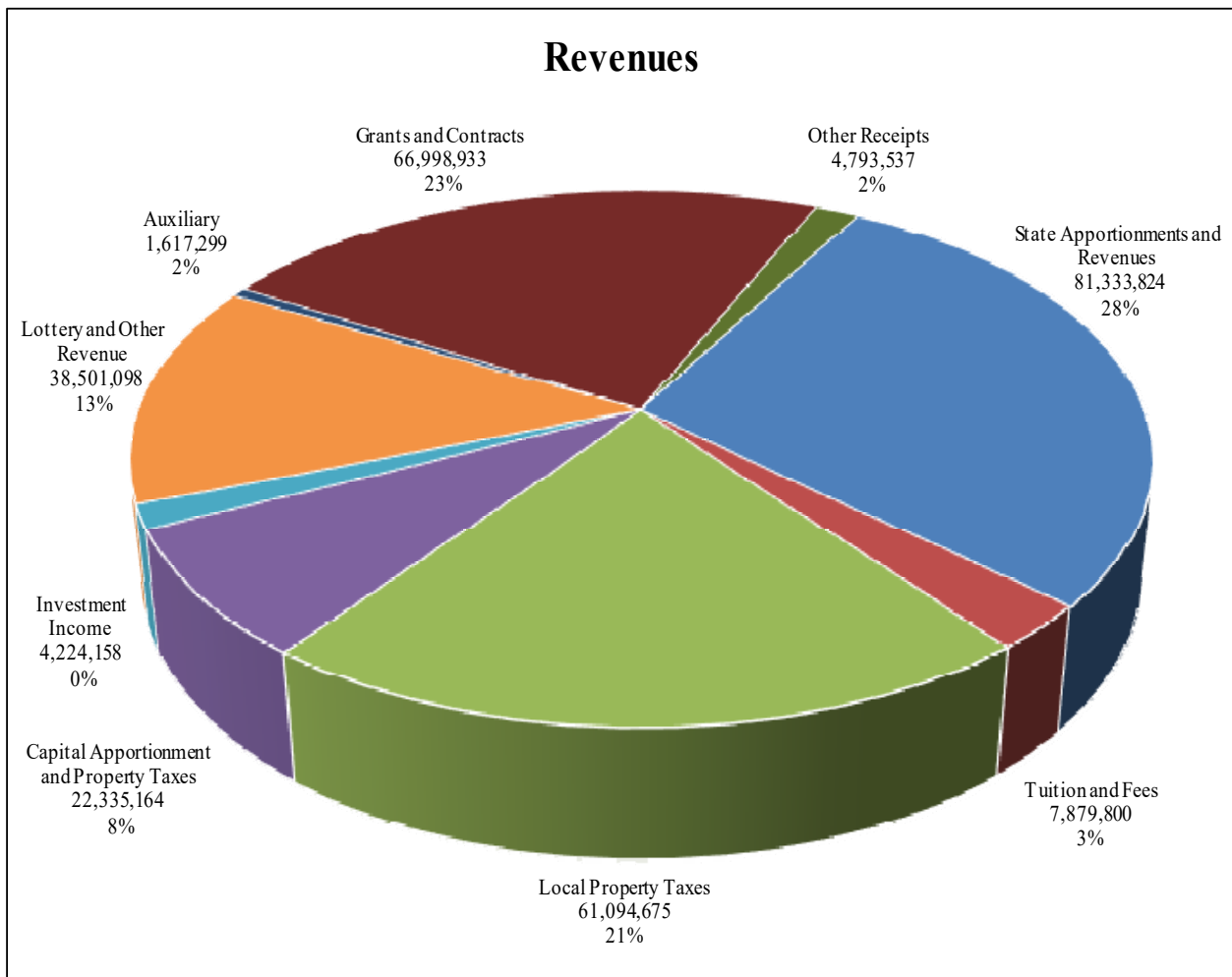
**REVENUES**

Net tuition and fees consist of enrollment fees of \$7,879,800; nonresident tuition of \$871,549 and all other fees of \$1,920,263. Regular enrollment fees are set by the State for all community colleges and were \$46 per unit. Regular enrollment fees are included in the calculation of general apportionment. Auxiliary enterprise, net, is primarily cafeteria sales.

Other operating income consists primarily of rentals of District facilities and non-instructional fees.

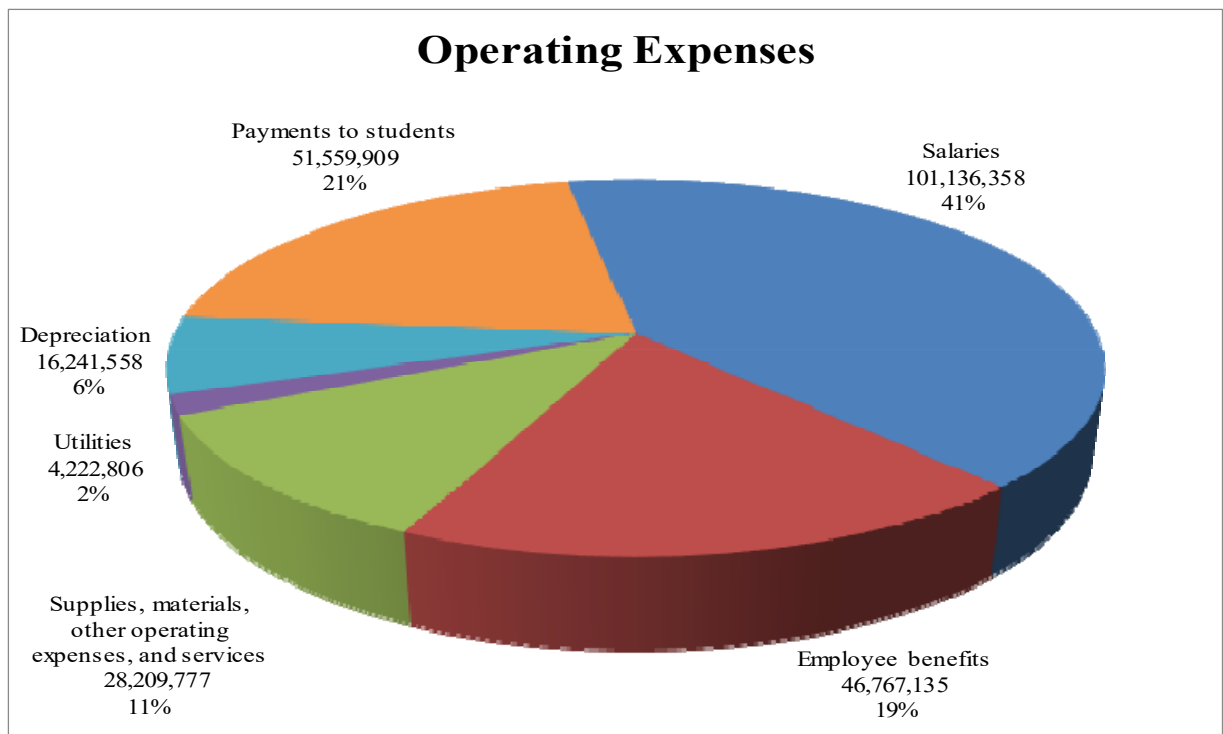
State apportionment represents total general apportionment earned less regular enrollment fees and property taxes.

Lottery and other revenues consist of Pell grant revenue of \$31,524,715, unrestricted state lottery revenue of \$5,654,249, and other state revenues of \$1,322,134.



**OPERATING EXPENSES (BY NATURAL CLASSIFICATION – ALL FUNDS)**

	<b>2024</b>	<b>2023</b>	<b>Change</b>
Salaries	\$ 101,136,358	\$ 95,226,173	6%
Employee benefits	46,767,135	41,967,480	11%
Supplies, materials, other operating expenses, and services	28,209,777	37,016,122	-24%
Utilities	4,222,806	3,919,443	8%
Depreciation	16,241,558	16,081,602	1%
Payments to students	51,559,909	49,225,569	5%
<b>Total Operating Expenses</b>	<b>\$ 248,137,543</b>	<b>\$243,436,389</b>	<b>2%</b>



**STATEMENTS OF CASH FLOWS**

The statements of cash flows provide information about cash receipts and cash payments during the fiscal year. These statements also help users assess the District's ability to generate net cash flows, its ability to meet its obligations as they come due, and the need for external financing.

	<u>2024</u>	<u>2023</u>
Cash provided (used) by:		
Operating activities	\$ (143,696,134)	\$ (131,607,625)
Noncapital financing activities	171,294,819	184,613,590
Capital and related financing activities	(8,341,133)	(6,393,304)
Investment activities	3,930,555	1,445,520
<b>Net Decrease in Cash</b>	<u>23,188,107</u>	<u>48,058,181</u>
<b>Cash - Beginning of the Fiscal Year</b>	<u>167,244,647</u>	<u>119,186,466</u>
<b>Cash - End of the Fiscal Year</b>	<u>\$ 190,432,754</u>	<u>\$ 167,244,647</u>

**FUTURE ECONOMIC OUTLOOK**

The 2022-23 fiscal year marked the conclusion of the emergency conditions protections provided under California Education Code Section 58146. These protections were put in place to prevent districts from experiencing a reduction in their full-time equivalent students (FTES) apportionment due to pandemic-induced emergencies or extraordinary circumstances. The base allocation, which constitutes 70% of the State School Facilities Fund (SCFF), is determined using a 3-year rolling average, encompassing the current year and the two previous years. Notably, the District is observing a significant recovery in FTES numbers, with a substantial 21% increase compared to the low point experienced in the 2021-22 academic year, approaching figures reminiscent of the pre-pandemic period. The District has also been actively working on improving the metrics related to both the supplemental allocation and student success allocation.

Fund 11 beginning balance for the District budget is \$46.1 million. For the 2024-25 fiscal year, the Board of Trustees has approved one-time expenditures of \$2 million to provide funding to repair and upgrade the student housing located on the Columbia College campus. The District also carries approximately \$7.5 million in its revocable STRS and PERS trust.

The District cannot predict what actions will be taken in the future by the State Legislature and the Governor to address changing State revenues and expenditures or the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the District will have no control. The past few years highlighted and heightened California's key challenges.

The District feels confident that the increasing enrolment figures will continue, thus stabilizing state revenue. The District is also confident that it possesses fiscal strength, resiliency and sufficient reserves to absorb potential future fluctuations in the economy and increases to fixed cost. The



District is committed to maintaining prudent fiscal management practices to ensure that it maintains ample reserves to support ongoing operations and contribute to the success of its students.

While the District faces numerous needs, it acknowledges the challenge of addressing all of them comprehensively. The District is dedicated to taking progressive steps toward securing funding for crucial areas such as infrastructure, facilities maintenance, technology innovations, and security/public safety. Furthermore, the District shall maintain unrestricted General Fund reserves of no less than two months of regular unrestricted general fund operating expenditures as stipulated in Board Policy 6305.

YOSEMITE COMMUNITY COLLEGE DISTRICT  
STATEMENT OF NET POSITION  
June 30, 2024

**ASSETS**

Current assets:	
Cash and cash equivalents	\$ 127,995,219
Receivables	27,651,880
Inventory	99,019
Prepaid expenses	670,450
Total current assets	<u>156,416,568</u>
Noncurrent assets:	
Restricted cash and cash equivalents	62,437,535
Loans to students	50,853
Nondepreciable capital assets	16,006,042
Depreciable capital assets, net	348,268,541
Total noncurrent assets	<u>426,762,971</u>
Total assets	<u>583,179,539</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflow of resources - pensions	47,328,465
Deferred outflow of resources - OPEB	2,946,883
Deferred loss on debt refunding	2,152,895
Total deferred outflows of resources	<u>52,428,243</u>
Total assets and deferred outflows of resources	<u>\$ 635,607,782</u>

**LIABILITIES**

Current liabilities:	
Accounts payable	\$ 11,096,096
Unearned revenue	61,710,741
Accrued salaries and benefits payable	9,010,028
Other accrued liabilities	4,890,707
Amounts held in trust for others	525,816
Long-term liabilities, current portion	21,795,495
Total current liabilities	<u>109,028,883</u>
Noncurrent liabilities:	
Long-term liabilities, net of current portion	<u>481,839,683</u>
Total liabilities	<u>590,868,566</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows of resources - pensions	17,259,000
Deferred inflows of resources - OPEB	5,827,122
Total deferred inflows of resources	<u>23,086,122</u>

**NET POSITION**

Net investment in capital assets	124,894,907
Restricted for debt service	23,737,631
Restricted for capital projects	35,284,230
Unrestricted	<u>(162,263,674)</u>
Total net position	<u>21,653,094</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 635,607,782</u>

See accompanying notes to the basic financial statements.

YOSEMITE COMMUNITY COLLEGE DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION  
For the Year Ended June 30, 2024

Operating revenues:	
Tuition and fees	\$ 20,087,763
Less: scholarship discounts and allowances	<u>(12,207,963)</u>
Net tuition and fees	<u>7,879,800</u>
Grants and contracts, non-capital:	
Federal	10,641,539
State	51,826,861
Local	4,530,533
Other operating receipts	4,704,189
Auxiliary enterprise sales and charges	<u>1,617,299</u>
Total operating revenues	<u>81,200,221</u>
Operating expenses:	
Salaries	101,136,358
Employee benefits	46,767,135
Supplies, materials, and other operating expenses	24,193,457
Equipment, maintenance and repairs	4,016,320
Utilities	4,222,806
Depreciation	16,241,558
Payments to students	<u>51,559,909</u>
Total operating expenses	<u>248,137,543</u>
Loss from operations	(166,937,322)
Non-operating revenues (expenses):	
State apportionments	81,333,824
Local property taxes, non-capital	61,094,675
State taxes and other revenues	6,976,383
Pell grants	31,524,715
Investment gain, non-capital	3,908,157
Interest income, capital	316,001
Interest expense on capital asset related debt	(14,856,381)
Loss of disposal of assets	(63,713)
Other non-operating revenues	<u>153,061</u>
Total non-operating revenues	<u>170,386,722</u>
Income before capital contributions	3,449,400
Capital contributions:	
Local property taxes and revenues, capital	<u>22,335,164</u>
Change in net position	25,784,564
Net position, beginning of year	<u>(4,131,470)</u>
Net position, end of year	<u>\$ 21,653,094</u>

See accompanying notes to the basic financial statements.

YOSEMITE COMMUNITY COLLEGE DISTRICT  
STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2024

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**Cash flows from operating activities:**

Tuition and fees	\$ 7,429,839
Federal, state and local grants and contracts	72,749,880
Payments to suppliers	(29,920,502)
Payments to / on behalf of employees	(148,731,516)
Payments to / on behalf of students	(51,545,323)
Auxiliary enterprises sales and charges	1,617,299
Other operating revenues	4,704,189
Net cash used in operating activities	<u>(143,696,134)</u>

**Cash flows from noncapital financing activities:**

State apportionment and receipts	73,428,318
Property taxes	61,094,675
State taxes and other revenues	6,976,383
Pell grants	31,524,715
Due to others	(14,447)
Other receipts (payments)	<u>(1,714,825)</u>
Net cash provided by noncapital financing activities	<u>171,294,819</u>

**Cash flows from capital and related financing activities:**

Purchases of capital assets	(10,431,318)
Principal paid on capital debt	(11,985,758)
Interest paid on capital debt	(8,575,222)
Interest and dividends from capital investments	316,001
Local property taxes and other revenues for capital	<u>22,335,164</u>
Net cash used in capital and related financing activities	<u>(8,341,133)</u>

**Cash flows from investing activities:**

Interest received	3,975,348
Purchase of investments	<u>(44,793)</u>
Net cash provided by investing activities	<u>3,930,555</u>

Net change in cash and cash equivalents 23,188,107

Cash and cash equivalents, beginning of year 167,244,647

Cash and cash equivalents, end of year \$ 190,432,754

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(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT  
STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2024

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**Reconciliation of loss from operations to net cash used in operating activities:**

Loss from operations	\$ (166,937,322)
Adjustments to reconcile loss from operations to net cash used in operating activities:	
Depreciation expense	16,241,558
Changes in assets and liabilities:	
Receivables	158,082
Inventory	(12,290)
Prepaid expenses	139,281
Loans to students	13,061
Deferred outflows of resources - pensions	(3,272,843)
Deferred outflows of resources - OPEB	1,161,884
Accounts payable	585,482
Unearned revenue	6,945,488
Accrued salaries and benefits payable	1,894,030
Other accrued liabilities	(1,451)
Compensated absences	392,644
Net pension liability	4,092,000
Net OPEB Liability	(2,223,634)
Deferred inflows of resources - OPEB	(777,104)
Deferred inflows of resources - pensions	<u>(2,095,000)</u>
Net cash used in operating activities	<u>\$ (143,696,134)</u>
Supplementary disclosure of non-cash transactions:	
Amortization of premiums on debt	\$ 71,681
Accretion of interest	8,103,225

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See accompanying notes to the basic financial statements.

YOSEMITE COMMUNITY COLLEGE DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES**

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

The decision to include potential component units in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America and GASB Cod. Sec. 2100. The three criteria for requiring a legally separate, tax-exempt organization to be presented as a component unit are the “direct benefit” criterion, the “entitlement/ability to access” criterion, and the “significance” criterion. The District has no component units for the year ended June 30, 2024.

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Cash and Cash Equivalents: The District’s cash and cash equivalents are considered to be cash on hand, demand deposits, and all highly liquid investments purchased with an original maturity of three months or less.

Restricted Cash and Cash Equivalents: Cash that is externally restricted for contractual obligations such as debt service payments, sinking or reserve funds, or to purchase or construct capital or other noncurrent assets is classified as a noncurrent asset in the statement of net position.

Investments: Investments are reported at fair value. The District is restricted by state law and the Board’s investment policy in the types of investments that can be made. Permissible investments include the county treasury, the state Local Agency Investment Fund (LAIF), federally insured deposits, and individual securities. The District’s investment policy further limits its investments to U.S. government and government agency instruments, negotiable certificates of deposits, and corporate notes and bonds. The weighted average maturity of funds invested in the county treasury must be three years or less. The District’s investment policy established safety of principal as the primary investment objective. The District’s investment strategy is to realize a reasonable interest yield, and investment decisions are executed with the intent that they will be held to maturity.

Receivables: Receivables consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff, the majority of each residing in the state of California. Accounts receivable also include amounts due from the federal government, state and local governments, or private sources, in connection with reimbursements of allowable expenditures made pursuant to the District’s grants and contracts.

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(Continued)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Inventory: Inventory consists of stores supplies, cafeteria food, and textbooks.

Capital Assets: Capital assets are recorded at cost on the date of acquisition or acquisition value at the date of donation. The District's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life of greater than one year. Renovations to buildings and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repair and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful life of the assets, generally 50 years for buildings, 30 years for building improvements or additions, 10 years for land improvements, 8 years for equipment, 7 years for library books, and 3 years for technology equipment. Land and construction in progress are considered nondepreciable capital assets; therefore, no depreciation is computed.

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

Amounts Held in Trust for Others: The District administers funds for certain college related organizations. The liability represents the amount of funds held for these organizations.

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

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

Postemployment Benefits Other Than Pensions (OPEB): For purpose of measuring the net OPEB liability, information about the fiduciary net position of the Public Agencies Post-Employment Benefits Trust (the "Trust") and additions to/deductions from the Trust's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Trust recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and interest-earning investment contracts that are reported at cost. There is a separately issued report of the Trust.

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

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(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 June 30, 2024

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

	<u>STRP</u>	<u>PERF B</u>	<u>Total</u>
Deferred outflows of resources	\$ 21,551,702	\$ 25,776,763	\$ 47,328,465
Deferred inflows of resources	\$ 10,258,000	\$ 7,001,000	\$ 17,259,000
Net pension liability	\$ 51,559,000	\$ 79,655,000	\$ 131,214,000
Pension expense	\$ 12,047,720	\$ 10,576,991	\$ 22,624,711

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

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

*Restricted net position*: Restricted expendable net position include resources in which the District is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties. Nonexpendable restricted net position consist of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income, which may either be expended or added to principal. At June 30, 2024, there is no balance of nonexpendable restricted net position.

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

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

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(Continued)



**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

On-Behalf Payments: GASB Statement No. 24 requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees of another legally separate entity be recognized as revenue and expenditures by the employer government. The State of California makes direct on-behalf payments for retirement benefits to the State Teachers' Employees' Retirement System on behalf of all Community Colleges in California. The government-wide conversion entries relating to the pension reporting requirements of GASB Statement No. 68 rely on LEAs having recognized the state's on-behalf pension contribution in their funds. Prior to the issuance of GASB Statement No. 68, the district recorded this entry at the consolidation entry level for GASB Statement No. 35 business-type activity reporting.

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

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

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

Scholarship Discounts and Allowances: Student tuition and fee revenue are reported net of the Board of Governors fee waivers and allowances in the statement of revenues, expenses and change in net position. Certain governmental grants, and other federal, state, and nongovernmental programs are recorded as operating revenues, while Federal Pell Grants are classified as non-operating revenues in the District's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the District has recorded a scholarship discount and allowance.

Risk Management: The District retains risk for property damage on the first \$5,000 of each claim. The District retains risk on the first \$1,500 of each auto physical damage claim. The District retains no risk for general and auto liability and for workers' compensation claims, and coverage is provided by pooled insurance as a member.

Certain liability coverage in excess of \$1,000,000 and up to \$25,000,000 is provided by pooled insurance as a member of a joint powers authority of California community colleges and school districts. Property damage in excess of \$5,000 and up to \$100,000,000 is provided by pooled insurance as a member of a joint powers authority. There have been no significant reductions in insurance coverage from coverage in the prior year.

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

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(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

General Apportionment and Property Tax: The District's general apportionment is received from a combination of local property taxes, state apportionments, and other local sources.

The counties are responsible for assessing, collecting, and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property in the counties. Secured property taxes attach as an enforceable lien on property as of January 1. Property taxes on the secured roll are due on November 1 and February 1 and become delinquent after December 10 and April 10, respectfully. Unsecured property taxes are payable in one installment on or before August 31.

Secured property taxes are recorded as revenue when apportioned in the fiscal year of the levy. The counties apportion secured property tax revenue in accordance with the alternate method of distribution prescribed by Section 4705 of the California Revenue and Taxation Code. This alternate method provides for crediting each applicable fund with its total secured taxes based upon historical collection percentages and a true up of the balance of the adjusted secured tax roll in June.

Property taxes are recorded as local revenue sources by the District. The California Community Colleges Chancellor's Office reduces the District's entitlement by the District's local property tax revenue and student fees. The balance is paid from the State's General Fund and is referred to as the state apportionment. The District's base revenue is the amount of general purpose tax revenue, per full-time equivalent student (FTES) that the District is entitled to by law. Any prior year corrections due to a recalculation will be recorded in the year completed by the State. When known and measurable, these recalculations and corrections are accrued in the year in which FTES are generated.

**NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS**

The following is a summary of cash and cash equivalents at June 30, 2024:

Cash in County Treasury	\$ 173,488,685
Cash in banks	7,748,292
Cash with Fiscal Agent	7,695,799
Cash on hand	23,922
Revolving cash	75,000
Money market mutual funds	1,401,056
Total cash and cash equivalents	<u>190,432,754</u>
Less: restricted cash and cash equivalents	<u>62,437,535</u>
Net cash and cash equivalents	<u>\$ 127,995,219</u>

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(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)**

Cash in County Treasury: In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the County Treasurer's Investment Fund. The District is considered to be an involuntary participant in an external investment pool. The District's investment in the pool is reported in the financial statements at amounts based upon the District's pro-rata share of the fair value 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.

Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party and the District's share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial risk classifications is required.

The District's deposits in the fund are considered to be highly liquid. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool. The County Treasurer has indicated that there are no derivatives in the pool as of June 30, 2024.

Cash with Fiscal Agent: Cash with Fiscal Agent represents funds held for future pension costs in a trust administered by the Public Agency Retirement Services ("PARS"). At June 30, 2024, the funds are held with a bank in a money market account and recorded at cost.

Custodial Credit Risk – Deposits: For deposits, custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. The District does not have a deposit policy for custodial credit risk. The District limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation ("FDIC") and are collateralized by the respective financial institution. At June 30, 2024, the carrying amount of the District's cash in banks was \$7,823,292 and the bank balance was \$7,675,959. The bank balance amount insured was \$7,385,252.

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

**NOTE 4 - RECEIVABLES**

Receivables consisted of the following at June 30, 2024:

State grants and contracts	\$ 13,834,924
Federal grants and contracts	5,452,413
Local grants and contracts	644,405
Enrollment	4,605,200
Other	<u>3,114,938</u>
Total	<u>\$ 27,651,880</u>

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(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
June 30, 2024

**NOTE 5 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2024, is as follows:

	Balance July 1, <u>2023</u>	Additions and Transfers	Deductions and Transfers	Balance June 30, <u>2024</u>
Non-depreciable:				
Land	\$ 16,006,042	\$ -	\$ -	\$ 16,006,042
Depreciable:				
Site improvements	87,874,795	302,096	-	88,176,891
Buildings and improvements	381,674,051	5,978,336	-	387,652,387
Equipment	<u>59,091,894</u>	<u>4,150,886</u>	<u>(1,639,654)</u>	<u>61,603,126</u>
 Total	 <u>544,646,782</u>	 <u>10,431,318</u>	 <u>(1,639,654)</u>	 <u>553,438,446</u>
Less accumulated depreciation:				
Site improvements	26,412,273	4,013,961	-	30,426,234
Buildings and improvements	107,216,737	8,604,616	-	115,821,353
Equipment	<u>40,869,236</u>	<u>3,622,981</u>	<u>(1,575,941)</u>	<u>42,916,276</u>
 Total	 <u>174,498,246</u>	 <u>16,241,558</u>	 <u>(1,575,941)</u>	 <u>189,163,863</u>
 Capital assets, net	 <u>\$ 370,148,536</u>	 <u>\$ (5,810,240)</u>	 <u>\$ (63,713)</u>	 <u>\$ 364,274,583</u>

**NOTE 6 - UNEARNED REVENUE**

Unearned revenue consisted of the following at June 30, 2024:

State grants and contracts	\$ 54,425,769
Local sources	6,976,253
Federal grants and contracts	<u>308,719</u>
 Total	 <u>\$ 61,710,741</u>

**NOTE 7 - LONG TERM LIABILITIES**

On March 19, 2008, the District issued \$150,000,000 of 2004 General Obligation Bonds Series 2008C bonds to finance the repair, construction, equipping and acquisition of certain District property and facilities and to pay the costs of bond issuance. Capital Appreciation Bonds of \$40,000,000, mature August 1, 2016 through August 1, 2025 with interest accruing at 6.05%, compounded semiannually each year and due upon maturity.

Unamortized premiums and accreted interest on the capital appreciation bonds were \$23,542 and \$11,155,945 at June 30, 2024, respectively.

(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 June 30, 2024

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**NOTE 7 - LONG TERM LIABILITIES (Continued)**

The following is a schedule of future payments for the Series 2008C General Obligation Bonds:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 3,497,187	\$ 5,500,000	\$ 8,997,187
2026	<u>3,576,121</u>	<u>5,500,000</u>	<u>9,076,121</u>
Totals	<u>\$ 7,073,308</u>	<u>\$ 11,000,000</u>	<u>\$ 18,073,308</u>

On May 12, 2010, the District issued \$81,728,980 of 2004 General Obligation Bonds Series 2010D bonds to finance the repair, construction, equipping and acquisition of certain District property and facilities and to pay the costs of bond issuance. Current interest bonds of \$3,950,000 bear interest ranging from 2.00% and 5.00% and mature through August 1, 2026. Current Interest Bonds of \$2,785,000 were refunded during the fiscal year ended June 30, 2021. Interest payments are due semiannually on February 1 and August 1 of each year. Capital appreciation bonds of \$20,865,753, mature through August 1, 2040 with interest accruing at 6.05%, compounded semiannually each year and due upon maturity. Convertible capital appreciation bonds of \$56,913,237 mature through August 1, 2042 and accrete interest semiannually at 6.55% until August 1, 2032 when the accreted value bears interest and is payable semiannually on February 1 and August 1 of each year.

Unamortized premiums were \$764,457 and accreted interest on the capital appreciation bonds and convertible capital appreciation bonds were \$111,866,426 at June 30, 2024.

The following is a schedule of future payments for the Series 2010D General Obligation Bonds:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ -	\$ -	\$ -
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030-2034	11,163,121	59,742,545	70,905,666
2035-2039	27,317,067	216,812,211	244,129,278
2040-2043	<u>39,298,802</u>	<u>279,130,625</u>	<u>318,429,427</u>
Totals	<u>\$ 77,778,990</u>	<u>\$ 555,685,381</u>	<u>\$ 633,464,371</u>

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(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 June 30, 2024

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**NOTE 7 - LONG TERM LIABILITIES (Continued)**

On July 28, 2015, the District issued \$120,205,000 of 2015 General Obligation Refunding Bonds. Proceeds were used to refund the outstanding Series 2005A General Obligation Bonds, advance refund a portion of the Series 2008C General Obligation Bonds, and to pay the costs of issuing the 2015 Refunding Bonds. The 2015 Refunding Bonds are general obligations of the District payable solely from ad valorem property taxes. The 2015 Refunding Bonds matured through August 1, 2032 and bear interest at rates ranging from 2.00% to 5.00% with interest due semiannually on August 1 and February 1. For financial reporting purposes, the refunded debt has been considered defeased and therefore removed from the District's financial statements. On January 27, 2022, the District issued \$126,200,000 of 2022 General Obligation Refunding Bonds. Proceeds were used to advance refund a portion of the 2015 General Obligation Refunding Bonds. The remaining 2015 Refunding Bonds mature through August 2025.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 895,000	\$ 74,698	\$ 969,698
2026	<u>975,000</u>	<u>28,271</u>	<u>1,003,271</u>
Totals	<u>\$ 1,870,000</u>	<u>\$ 102,969</u>	<u>\$ 1,972,969</u>

On October 20, 2020, the District issued \$2,485,000 of 2020 General Obligation Refunding Bonds, Series A. Proceeds were used to refund a portion of Election of 2004 General Obligation Bonds, Series 2010D, and to pay the costs of issuing the 2020, Series A Refunding Bonds. The 2020, Series A Refunding Bonds are general obligations of the District payable solely from ad valorem property taxes. The 2020, Series A Refunding Bonds mature through August 1, 2026 and bear interest of 4.0% with interest due semiannually on August 1 and February 1. For financial reporting purposes, the refunded debt has been considered defeased and therefore removed from the District's financial statements.

The following is a schedule of the future payments for the 2020 Refunding, Series A Bonds:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 265,000	\$ 71,600	\$ 336,600
2026	305,000	61,000	366,000
2027	<u>1,220,000</u>	<u>48,800</u>	<u>1,268,800</u>
Totals	<u>\$ 1,790,000</u>	<u>\$ 181,400</u>	<u>\$ 1,971,400</u>

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(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 June 30, 2024

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**NOTE 7 - LONG TERM LIABILITIES (Continued)**

On October 20, 2020, the District issued \$37,170,000 of 2020 General Obligation Refunding Bonds, Series B. Proceeds were used to advance refund a portion of the 2012 General Obligation Refunding Bonds and to pay the costs of issuing the 2020, Series B Refunding Bonds. The 2020, Series B Refunding Bonds are general obligations of the District payable solely from ad valorem property taxes. The 2020, Series B Refunding Bonds mature through August 1, 2029 and bear interest at rates ranging from 0.245% to 2.002% with interest due semiannually on August 1 and February 1. For financial reporting purposes, the refunded debt has been considered defeased and therefore removed from the District's financial statements.

The following is a schedule of the future payments for the 2020 Refunding, Series B Bonds:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 5,170,000	\$ 428,994	\$ 5,598,994
2026	5,390,000	387,427	5,777,427
2027	5,220,000	336,546	5,556,546
2028	5,015,000	266,076	5,281,076
2029	4,915,000	187,340	5,102,340
2030	<u>4,860,000</u>	<u>97,297</u>	<u>4,957,297</u>
Totals	<u>\$ 30,570,000</u>	<u>\$ 1,703,680</u>	<u>\$ 32,273,680</u>

On January 27, 2022, the District issued \$126,200,000 of 2022 General Obligation Refunding Bonds. Proceeds were used to advance refund a portion of the 2015 General Obligation Refunding Bonds and to pay the costs of issuance. The 2022 Refunding Bonds are general obligations of the District payable solely from ad valorem property taxes. The 2022 Refunding Bonds mature through August 1, 2032 and bear interest at rates ranging from 0.079% to 2.607% with interest due semiannually on August 1 and February 1. For financial reporting purposes, the refunded debt has been considered defeased and therefore removed from the District's financial statements.

The following is a schedule of the future payments for the 2022 Refunding Bonds:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 2,375,000	\$ 2,808,990	\$ 5,183,990
2026	2,405,000	2,774,790	5,179,790
2027	13,360,000	2,734,170	16,094,170
2028	16,015,000	2,478,726	18,493,726
2029	17,610,000	2,145,294	19,755,294
2030-2033	<u>70,645,000</u>	<u>4,484,132</u>	<u>75,129,132</u>
Totals	<u>\$ 122,410,000</u>	<u>\$ 17,426,102</u>	<u>\$ 139,836,102</u>

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(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 June 30, 2024

**NOTE 7 - LONG TERM LIABILITIES (Continued)**

General Obligation Bonds: A summary of General Obligation Bonds payable as of June 30, 2024 are as follows:

<u>Series</u>	<u>Interest Rate</u>	<u>Original Maturity</u>	<u>Balance July 1, 2023</u>	<u>Current Year Issuance</u>	<u>Current Year Matured</u>	<u>Balance June 30, 2024</u>
2008C	6.05%	2026	\$ 10,482,488	\$ -	\$ 3,409,180	\$ 7,073,308
2010D	2.00-6.55%	2043	77,778,990	-	-	77,778,990
2015 Refunding	2.00-5.00%	2026	2,690,000	-	820,000	1,870,000
2020 Refunding, Series A	4.00%	2027	2,020,000	-	230,000	1,790,000
2020 Refunding, Series B	0.245-2.002%	2030	35,540,000	-	4,970,000	30,570,000
2022 Refunding	0.790-2.607%	2033	124,755,000	-	2,345,000	122,410,000
			<u>\$ 253,266,478</u>	<u>\$ -</u>	<u>\$ 11,774,180</u>	<u>\$ 241,492,298</u>

The annual requirements to amortize the General Obligation Bonds payable and outstanding as of June 30, 2024 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 12,202,187	\$ 8,884,282	\$ 21,086,469
2026	12,651,121	8,751,488	21,402,609
2027	19,800,000	3,119,516	22,919,516
2028	21,030,000	2,744,802	23,774,802
2029	22,525,000	2,332,634	24,857,634
2030-2034	86,668,121	64,323,974	150,992,095
2035-2039	27,317,067	216,812,211	244,129,278
2040-2043	39,298,802	279,130,625	318,429,427
	<u>\$ 241,492,298</u>	<u>\$ 586,099,532</u>	<u>\$ 827,591,830</u>

(Continued)



YOSEMITE COMMUNITY COLLEGE DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 June 30, 2024

**NOTE 7 - LONG TERM LIABILITIES (Continued)**

Energy Conservation Loan: In October 2022, the District entered into a loan agreement with the State of California, Energy Commission in the amount of \$3,000,000. Principal and interest payments are due in June and December of each year, through June 2037. The note bears an interest rate of 1.0 percent.

The following is a schedule of the future payments for the energy conservation loan:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 219,841	\$ 27,338	\$ 247,178
2026	222,044	25,134	247,178
2027	224,270	22,908	247,178
2028	226,464	20,715	247,178
2029	228,789	18,389	247,178
2030-2034	1,178,783	57,109	1,235,891
2035-2037	<u>488,232</u>	<u>6,125</u>	<u>494,357</u>
	<u>\$ 2,788,422</u>	<u>\$ 177,717</u>	<u>\$ 2,966,139</u>

The long-term liabilities activity for the year ended June 30, 2024, is as follows:

	<u>Beginning</u>		<u>Payments</u>	<u>Ending</u>	<u>Current</u>
	<u>Balance</u>	<u>Additions</u>	<u>and</u> <u>Reductions</u>	<u>Balance</u>	<u>Portion</u>
<b>Debt</b>					
General obligation bonds	\$ 253,266,478	\$ -	\$ 11,774,180	\$ 241,492,298	\$ 12,202,187
Unamortized bond premiums	859,680	-	71,681	787,999	49,826
Accreted interest	114,919,146	13,194,045	5,090,820	123,022,371	5,757,813
					-
<b>Other Long-term Liabilities</b>					
Net pension liability	127,122,000	4,092,000	-	131,214,000	-
Energy conservation loan	3,000,000	-	211,578	2,788,422	219,841
Net OPEB liability	2,987,894	-	2,223,634	764,260	-
Compensated absences	<u>3,173,184</u>	<u>392,644</u>	<u>-</u>	<u>3,565,828</u>	<u>3,565,828</u>
Total	<u>\$ 505,328,382</u>	<u>\$ 17,678,689</u>	<u>\$ 19,371,893</u>	<u>\$ 503,635,178</u>	<u>\$ 21,795,495</u>

**NOTE 8 - NET PENSION LIABILITY – STATE TEACHERS’ RETIREMENT PLAN**

*General Information about the State Teachers’ Retirement Plan*

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

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**NOTE 8 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN** (Continued)

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

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

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

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

CalSTRS calculates retirement benefits based on a one-year final compensation for members who retired on or after January 1, 2001, with 25 or more years of credited service, or for classroom teachers with less than 25 years of credited service if the employer elected to pay the additional benefit cost prior to January 1, 2014. One-year final compensation means a member's highest average annual compensation earnable for 12 consecutive months calculated by taking the creditable compensation that a member could earn in a school year while employed on a fulltime basis, for a position in which the person worked. For members with less than 25 years of credited service, final compensation is the highest average annual compensation earnable for any 36 consecutive months of credited service.

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

All CalSTRS 2% at 62 members have their final compensation based on their highest average annual compensation earnable for 36 consecutive months of credited service.

Contributions: Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Current contribution rates were established by California Assembly Bill 1469 (CalSTRS Funding Plan), which was passed into law in June 2014, and established a schedule of contribution rate increases shared among members, employers, and the State of California to bring CalSTRS toward full funding by 2046. Under the CalSTRS Funding Plan, authority to adjust contribution rates annually within approved ranges was delegated to the Board of CalSTRS.

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(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 June 30, 2024

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**NOTE 8 - NET PENSION LIABILITY – STATE TEACHERS’ RETIREMENT PLAN (Continued)**

A summary of statutory contribution rates and other sources of contributions to the Defined Benefit Program pursuant to the CalSTRS Funding Plan are as follows:

*Members:* Under CalSTRS 2% at 60, the member contribution rate was 10.250 percent of applicable member earnings for fiscal year June 30, 2022-23.

Under CalSTRS 2% at 62, members pay 9% toward the normal cost and an additional 1.205 percent as per the CalSTRS Funding Plan for a total member contribution rate of 10.205 percent. The contribution rate for CalSTRS 2% at 62 members is adjusted if the normal cost increases or decreases by more than 1 percent since the last time the member contribution rate was set. Based on the June 30, 2022, valuation adopted by the CalSTRS board in May 2023, the increase in normal cost was less than 1 percent. Therefore, the contribution rate for CalSTRS 2% at 62 members did not change effective July 1, 2023.

*Employers:* Employers are required to contribute a base contribution rate set in statute at 8.25%. Pursuant to the CalSTRS Funding Plan, employers also have a supplemental contribution rate to eliminate their share of the CalSTRS unfunded actuarial obligation by 2046. The CalSTRS Funding Plan authorized the CalSTRS board to adjust the employer supplemental contribution rate up or down by a maximum of 1% for a total rate of no higher than 20.25% and no lower than 8.25%. In May 2023, the CalSTRS board voted to keep the employer supplemental contribution rate at 10.85% for fiscal year 2023-24 for a total employer contribution rate of 19.10%.

The CalSTRS employer contribution rates effective for fiscal year 2023-24 through fiscal year 2046-47 are summarized in the table below:

Effective Date	Base Rate	Supplemental Rate Per CalSTRS Funding Plan	Total
July 1, 2023	8.250%	10.850%	19.100%
July 1, 2024 to June 30, 2046	8.250%	(1)	(1)
July 1, 2046	8.250%	Increase from AB 1469 rate ends in 2046-47	

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

The District contributed \$9,505,702 to the plan for the fiscal year ended June 30, 2024.

*State:* The state is required to contribute 10.828 percent of the members’ creditable compensation from two fiscal years prior.

The state is required to contribute a base contribution rate set in statute at 2.017%. Pursuant to the CalSTRS Funding Plan, the state also has a supplemental contribution rate, which the board can increase by up to 0.5% each fiscal year to help eliminate the state’s share of the CalSTRS unfunded actuarial obligation by 2046. In May 2023, the CalSTRS board voted to keep the state supplemental contribution rate at 6.311% for fiscal year 2022-23 for a total contribution rate of 10.828%.

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(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 June 30, 2024

**NOTE 8 - NET PENSION LIABILITY – STATE TEACHERS’ RETIREMENT PLAN (Continued)**

The CalSTRS state contribution rates effective for fiscal year 2023-24 and beyond are summarized in the table below.

<u>Effective Date</u>	<u>Base Rate</u>	<u>Supplemental Rate Per CalSTRS Funding Plan</u>	<u>SBMA Funding<sup>(1)</sup></u>	<u>Total</u>
July 1, 2023	2.017%	6.311%	2.50%	10.828%
July 1, 2024 to June 30, 2046	2.017%	(2)	2.50%	(2)
July 1, 2046	2.017%	(3)	2.50%	(3)

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

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

At June 30, 2024, 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	\$ 51,559,000
State’s proportionate share of the net pension liability associated with the District	<u>24,703,000</u>
Total	<u>\$ 76,262,000</u>

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The District’s proportion of the net pension liability was based on the District’s share of contributions to the pension plan relative to the contributions of all participating school districts and the State. At June 30, 2024, the District’s proportion was 0.07 percent, which was an increase of 0.01 percent in the proportion as of June 30, 2023.

(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 June 30, 2024

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**NOTE 8 - NET PENSION LIABILITY – STATE TEACHERS’ RETIREMENT PLAN (Continued)**

For the year ended June 30, 2024, the District recognized pension expense of \$12,047,720 and revenue of \$3,703,089 for support provided by the State. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 4,052,000	\$ 2,759,000
Changes of assumptions	299,000	-
Net differences between projected and actual earnings on investments	221,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	7,474,000	7,499,000
Contributions made subsequent to measurement date	<u>9,505,702</u>	<u>-</u>
Total	<u>\$ 21,551,702</u>	<u>\$ 10,258,000</u>

\$9,505,702 reported as deferred outflows of resources related to pensions resulting from contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources (deferred inflows of resources) related to pensions will be recognized in pension expense as follows:

2025	\$ (1,596,550)
2026	(2,710,550)
2027	4,090,450
2028	(516,550)
2029	1,476,700
2030	1,044,500

Differences between expected and actual experience, changes in assumptions, and changes in proportion and differences between District contributions and proportionate share of contributions are amortized over a closed period equal to the average remaining service life of plan members, which is 7 years as of the June 30, 2023 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

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(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 8 - NET PENSION LIABILITY – STATE TEACHERS’ RETIREMENT PLAN (Continued)**

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

Valuation Date	June 30, 2022
Experience Study	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%
Post-retirement Benefit Increases	2.00% simple for DB, maintain 85% purchasing power level for DB

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

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

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

The actuarial investment rate of return assumption was adopted by the CalSTRS board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS consulting actuary reviews the return assumption for reasonableness based on the most current capital market assumptions.

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(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 June 30, 2024

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**NOTE 8 - NET PENSION LIABILITY – STATE TEACHERS’ RETIREMENT PLAN (Continued)**

Best estimates of 20-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term* Expected Real Rate of Return</u>
Public Equity	38%	5.25%
Real Estate	15	4.05
Private Equity	14	6.75
Fixed Income	14	2.45
Risk Mitigating Strategies	10	2.25
Inflation Sensitive	7	3.65
Cash / Liquidity	2	(0.05)

\* 20-year geometric average

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

	1% Decrease <u>(6.10%)</u>	Current Discount Rate <u>(7.10%)</u>	1% Increase <u>(8.10%)</u>
District’s proportionate share of the net pension liability	<u>\$ 86,485,000</u>	<u>\$ 51,559,000</u>	<u>\$ 22,548,000</u>

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

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

*General Information about the Public Employer’s Retirement Fund B*

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

The Plan was established to provide retirement, death and disability benefits to non-teaching and non-certified employees in schools. The benefit provisions for Plan employees are established by statute. CalPERS issues a publicly available financial report that can be obtained at:

<https://www.calpers.ca.gov/docs/forms-publications/acfr-2023.pdf>

(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 9 - NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B (Continued)**

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

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

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

Required contribution rates for active plan members and employers as a percentage of payroll for the year ended June 30, 2024 were as follows:

*Members:* The member contribution rate was 7.00 percent of applicable member earnings for fiscal year 2022-2023.

*Employers:* The employer contribution rate was 26.68 percent of applicable member earnings.

The District contributed \$10,691,762 to the plan for the fiscal year ended June 30, 2024.

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

At June 30, 2024, the District reported a liability of \$79,655,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The District’s proportion of the net pension liability was based on the District’s share of contributions to the pension plan relative to the contributions of all participating school districts. At June 30, 2024, the District’s proportion was 0.22 percent, which was decreased 0.02 percent from its proportion as of June 30, 2023.

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(Continued)



YOSEMITE COMMUNITY COLLEGE DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 June 30, 2024

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**NOTE 9 - NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B** (Continued)

For the year ended June 30, 2024, the District recognized pension expense of \$10,576,991. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 2,907,000	\$ 1,223,000
Changes of assumptions	3,670,000	-
Net differences between projected and actual earnings on investments	8,508,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	5,778,000
Contributions made subsequent to measurement date	<u>10,691,763</u>	<u>-</u>
Total	<u>\$ 25,776,763</u>	<u>\$ 7,001,000</u>

\$10,691,763 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2025	\$ 1,532,583
2026	1,003,584
2027	5,283,083
2028	264,750

Differences between expected and actual experience, changes in assumptions, and changes in proportion and differences between District contributions and proportionate share of contributions are amortized over a closed period equal to the expected average remaining service life of plan members, which was 3.8 years as of the June 30, 2023 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

**Actuarial Methods and Assumptions:** The total pension liability for the Plan was determined by applying update procedures to the actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023.

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(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 June 30, 2024

**NOTE 9 - NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B (Continued)**

The actuarial valuation as of June 30, 2022, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2022
Experience Study	June 30, 2000 through June 30, 2019
Actuarial Cost Method	Entry age normal
Investment Rate of Return	6.90%
Consumer Price Inflation	2.30%
Wage Growth	Varies by entry age and service
Post-retirement Benefit Increases	2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power Applies 2.30% thereafter

The mortality table used was developed based on CalPERS specific data. The table includes 15 years of mortality improvements using Society of Actuaries 80% of Scale MP 2020. For more details on this table, please refer to the 2021 experience study report.

All other actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from 2000 to 2019, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found at CalPERS’ website.

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

<u>Asset Class</u>	<u>Long -Term* Assumed Assets Allocation</u>	<u>Expected Real Rate of Return Years 1 – 10 (1) (2)</u>
Global Equity – cap-weighted	30.00%	4.54%
Global Equity non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

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

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

(Continued)

**NOTE 9 - NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B** (Continued)

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

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

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

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease <u>(5.9%)</u>	Current Discount Rate <u>(6.9%)</u>	1% Increase <u>(7.9%)</u>
District’s proportionate share of the net pension liability	<u>\$ 115,161,000</u>	<u>\$ 79,655,000</u>	<u>\$ 50,311,000</u>

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

**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

Plan Description: The District provides post-employment healthcare benefits (OPEB) through the Public Agencies Post-Employment Benefits Trust (the “Trust”) for certain groups of employees who retire from the District. During the year ended June 30, 2006 the District signed an irrevocable trust agreement. The District appointed a Board of Authority with authority to make decisions on behalf of the District with respect to the Trust. Public Agency Retirement Services (PARS) was appointed as the trust administrator, U.S. Bank the trustee. Benefit provisions are established and may be amended by District labor agreements which are approved by the Board of Trustees. The District’s contributions to the irrevocable trust is included in the Trust, which is included in the Public Agencies Post-Employment Benefits Trust financial statements. Copies of the Public Agencies Post-Employment Benefits Trust independent financial statements may be obtained from the Public Agency Retirement Services – 4350 Von Karman Ave – Newport Beach, CA 92660.

Benefits Provided: The District provides postemployment health care benefits to employees who retire from the District based on the rule of 70. The rule of 70 is any combination of the retiree’s minimum age of 50 and years of regular District service equal to 70 or more. The District covers the retiree and all eligible dependents until the employee reaches age 65. Employees hired prior to July 1, 2004, receive District paid healthcare benefits to the retiree’s age of 70. Benefits are provided by the District on a pay-as-you-go basis. The Plan pays benefits through an agent multiple-employer OPEB plan that is administered by the PARS.

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(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 June 30, 2024

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**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)** (Continued)

Employees Covered by Benefit Term: The following is a table of plan participants at June 30, 2024 (measurement date):

	<u>Number of Participants</u>
Inactive Employees/Dependents Receiving Benefits	190
Inactive Employees/Dependents Entitled to but not yet Receiving Benefits	-
Active Employees	662
	852

Contributions: California Government Code specifies that the District's contribution requirements for covered employees are established and may be amended by the Governing Board. Eligible employees are not permitted to make contributions to the Trust. The Plan administrator shall, on behalf of the employer, make all contributions to the Trustee. All contributions shall be paid to the Trustee for investment and reinvestment pursuant to the terms of the trust agreement. The District does not have contractually required contributions rates, but contributes in an amount sufficient to fully fund the Net OPEB liability over a period not to exceed 30 years. Contributions to the Trust from the District were \$3,035,330 for the year ended June 30, 2024.

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

<u>Asset Class</u>	<u>Percentage of Portfolio</u>	<u>Rate of Return*</u>
US Large Cap	40%	7.545%
US Mid Cap	20%	7.545%
Long-Term Corporate Bonds	20%	5.045%
Long-Term Government Bonds	15%	4.25%
Intermediate-Term Government Bonds	5%	4.25%

\* Geometric average

Rolling periods of time for all asset classes in combination we used to appropriately reflect correlation between asset classes. This means that the average returns for any asset class do not necessarily reflect the averages over time individually, but reflect the return for the asset class for the portfolio average. Additionally, the historic 16 year real rates of return for each asset class along with the assumed long-term inflation assumption was used to set the discount rate. The investment return was offset by assumed investment expenses of 25 basis points. It was further assumed that contributions to the plan would be sufficient to fully fund the obligation over a period not to exceed 16 years.

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(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 June 30, 2024

**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)** (Continued)

Actuarial Assumptions: The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Census data	The census was provided by the District as of June 30, 2023
Actuarial cost methods	Entry age actuarial cost method
Inflation rate	2.50%
Investment rate of return / 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 2021 CalPERS active mortality for miscellaneous employees were used.

Changes in the Net OPEB Liability:

	Increase (Decrease)		
	Total OPEB Liability (a)	Total Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance, July 1, 2022	\$ 36,032,154	\$ 33,044,260	\$ 2,987,894
Changes for the year:			
Service cost	1,054,614	-	1,054,614
Interest	2,017,196	3,462,879	(1,445,683)
Employer contributions	-	3,035,330	(3,035,330)
Experience gain/loss	1,075,102	-	1,075,102
Changes in assumptions	-	-	-
Administrative expense	-	(127,663)	127,663
Benefit payments	<u>(4,030,668)</u>	<u>(4,030,668)</u>	<u>-</u>
Net change	<u>116,244</u>	<u>2,339,878</u>	<u>(2,223,634)</u>
Balance, June 30, 2023	<u>\$ 36,148,398</u>	<u>\$ 35,384,138</u>	<u>\$ 764,260</u>

Fiduciary Net Position as a % of the Total OPEB Liability, at June 30, 2024: 98%

(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)** (Continued)

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

	Discount Rate 1% Lower <u>(4.75%)</u>	Valuation Discount Rate <u>(5.75%)</u>	Discount Rate 1% Higher <u>(6.75%)</u>
Net OPEB liability	\$ 2,883,494	\$ 764,260	\$ (1,217,358)

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

	Health Care Trend Rate 1% Lower <u>(3.0%)</u>	Valuation Health Care Trend Rate <u>(4.0%)</u>	Health Care Trend Rate 1% Higher <u>(5.0%)</u>
Net OPEB liability	\$ (1,837,746)	\$ 764,260	\$ 3,682,280

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

For the year ended June 30, 2024, the District recognized OPEB expense of \$1,196,476. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,899,715	\$ 135,571
Changes of assumptions	557,401	5,691,551
Net differences between projected and actual earnings on investments	<u>489,767</u>	<u>-</u>
Total	<u>\$ 2,946,883</u>	<u>\$ 5,827,122</u>

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(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ended <u>June 30,</u>	
2025	\$ (264,553)
2026	663,658
2027	(830,852)
2028	(705,023)
2029	(496,718)
Thereafter	(1,246,751)

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 10.4 years as of the June 30, 2024 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

**NOTE 11 - COMMITMENTS AND CONTINGENCIES**

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

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

Construction Commitments: As of June 30, 2024, the District has no outstanding commitments on construction contracts.

**NOTE 12 - JOINT POWER AGREEMENTS**

The District participates in joint ventures under joint power agreements with the following joint powers authorities (JPAs): Valley Insurance Program (VIP) and Self-Insured Schools of California (SISC III). The relationship between the District and the JPAs is such that the JPAs are not component units of the District for financial reporting purposes. The JPAs arrange for and provide property, liability, workers' compensation, dental, vision, and excess liability coverage for their members. Each member pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to its participation in the JPA.

Each JPA is governed by a board consisting of representatives from the members. The boards control the operations of the JPAs, including selection of management and approval of operating budgets, independent of any influence by the members beyond their representation on the boards. Each member pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to its participation in the JPA. The District's share of year end assets, liabilities, or fund equity is not calculated by the JPA's. Separately issued financial statements can be requested from each JPA.

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(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 12 - JOINT POWER AGREEMENTS** (Continued)

The District is also a member of the JPA, Tuolumne Public Power Agency (TPPA), whose members operate for the public benefit within Tuolumne County. TPPA supplies members electrical power at a rate below the current market rate. TPPA is not a component unit of the District for financial reporting purposes.

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

	VIP June 30, <u>2023</u>	SISCIII September 30, <u>2023</u>	TPPA June 30, <u>2021</u>
Total assets	\$ 16,588,331	\$ 995,241,762	\$ 2,692,395
Total liabilities	1,811,038	295,532,977	455,725
Net position	14,777,293	699,708,785	2,236,670
Total revenues	7,824,558	3,215,135,078	3,157,142
Total expenses	8,552,528	3,215,218,121	3,022,859
Change in net position	(727,970)	(83,043)	134,283



**REQUIRED SUPPLEMENTARY INFORMATION**

**YOSEMITE COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF CHANGES IN NET  
OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY  
For the Year Ended June 30, 2024**

	Last 10 Fiscal Years							
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total OPEB liability								
Service cost	\$ 948,427	\$ 974,509	\$ 1,001,308	\$ 1,422,274	\$ 1,461,387	\$ 1,426,433	\$ 1,465,659	\$ 1,054,614
Interest	2,412,744	2,437,881	2,485,155	2,419,325	2,478,282	2,185,420	2,234,528	2,017,196
Change in assumptions	-	-	1,373,119	-	(4,208,134)	-	(3,754,973)	-
Experience gain/loss	-	-	(130,640)	344,970	90,773	627,142	292,733	1,075,102
Benefit payments	<u>(3,415,675)</u>	<u>(2,585,374)</u>	<u>(2,811,625)</u>	<u>(3,234,326)</u>	<u>(3,184,475)</u>	<u>(33,300,369)</u>	<u>(3,760,120)</u>	<u>(4,030,668)</u>
Net change in total OPEB liability	<u>(54,504)</u>	<u>827,016</u>	<u>1,917,317</u>	<u>952,243</u>	<u>(3,362,167)</u>	<u>908,626</u>	<u>(3,522,173)</u>	<u>116,244</u>
Total OPEB liability, beginning of year	<u>38,365,796</u>	<u>38,311,292</u>	<u>39,138,308</u>	<u>41,055,625</u>	<u>42,007,868</u>	<u>38,645,701</u>	<u>39,554,327</u>	<u>36,032,154</u>
Total OPEB liability, end of year (a)	<u><u>\$38,311,292</u></u>	<u><u>\$39,138,308</u></u>	<u><u>\$41,055,625</u></u>	<u><u>\$42,007,868</u></u>	<u><u>\$38,645,701</u></u>	<u><u>\$39,554,327</u></u>	<u><u>\$36,032,154</u></u>	<u><u>\$36,148,398</u></u>
Plan fiduciary net position								
Employer contributions	\$ 2,739,226	\$ 2,047,587	\$ 2,646,856	\$ 1,021,104	\$ 1,571,820	\$ 2,205,588	\$ 2,850,324	\$ 3,035,330
Interest	642,153	-	-	-	-	-	2,341,706	3,462,879
Employee contributions	-	-	-	841,236	-	-	-	-
Expected investment income	-	-	2,097,572	1,969,651	1,957,396	2,170,967	-	-
Investment gain/loss	3,138,462	1,964,128	(466,842)	(646,584)	4,641,059	(7,555,510)	-	-
Experience gain/loss	-	-	(486,892)	-	-	-	-	-
Administrative expense	(127,405)	(65,229)	(123,453)	-	(69,895)	(136,747)	(122,023)	(127,663)
Benefits payment	(3,415,675)	(2,585,374)	(2,811,625)	(3,234,326)	(3,184,475)	(3,330,369)	(3,760,120)	(4,030,668)
Other	-	-	-	(57)	-	-	-	-
Change in plan fiduciary net position	2,976,761	1,361,112	855,616	(48,976)	4,915,905	(6,646,071)	1,309,887	2,339,878
Fiduciary trust net position, beginning of year	<u>28,320,026</u>	<u>31,296,787</u>	<u>32,657,899</u>	<u>33,513,515</u>	<u>33,464,539</u>	<u>38,380,444</u>	<u>31,734,373</u>	<u>33,044,260</u>
Fiduciary trust net position, end of year (b)	<u><u>\$31,296,787</u></u>	<u><u>\$32,657,899</u></u>	<u><u>\$33,513,515</u></u>	<u><u>\$33,464,539</u></u>	<u><u>\$38,380,444</u></u>	<u><u>\$31,734,373</u></u>	<u><u>\$33,044,260</u></u>	<u><u>\$35,384,138</u></u>
Net OPEB liability, ending (a) - (b)	<u><u>\$ 7,014,505</u></u>	<u><u>\$ 6,480,409</u></u>	<u><u>\$ 7,542,110</u></u>	<u><u>\$ 8,543,329</u></u>	<u><u>\$ 265,257</u></u>	<u><u>\$ 7,819,954</u></u>	<u><u>\$ 2,987,894</u></u>	<u><u>\$ 764,260</u></u>
Covered employee payroll	<u><u>\$58,495,456</u></u>	<u><u>\$61,615,853</u></u>	<u><u>\$66,564,858</u></u>	<u><u>\$67,580,297</u></u>	<u><u>\$65,267,770</u></u>	<u><u>\$67,062,634</u></u>	<u><u>\$71,770,147</u></u>	<u><u>\$75,031,574</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	82%	83%	82%	80%	99%	80%	92%	98%
Net OPEB liability as a percentage of covered-employee payroll	12.00%	11.00%	11.00%	13.00%	0.41%	11.66%	4.16%	1.02%

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

YOSEMITE COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
For the Year Ended June 30, 2024

State Teacher's Retirement Plan  
Last 10 Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
District's proportion of the net pension liability	0.08%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.06%	0.06%	0.07%
District's proportionate share of the net pension liability	\$ 43,990,000	\$ 49,494,000	\$ 59,824,000	\$ 61,188,000	\$ 62,447,000	\$ 62,107,000	\$ 71,691,000	\$ 26,859,000	\$ 44,633,000	\$ 51,559,000
State's proportionate share of the net pension liability associated with the District	<u>26,563,000</u>	<u>26,177,000</u>	<u>34,060,000</u>	<u>36,199,000</u>	<u>35,754,000</u>	<u>33,883,000</u>	<u>39,179,000</u>	<u>15,980,000</u>	<u>25,227,000</u>	<u>24,703,000</u>
Total net pension liability	<u>\$ 70,553,000</u>	<u>\$ 75,671,000</u>	<u>\$ 93,884,000</u>	<u>\$ 97,387,000</u>	<u>\$ 98,201,000</u>	<u>\$ 95,990,000</u>	<u>\$ 110,870,000</u>	<u>\$ 42,839,000</u>	<u>\$ 69,860,000</u>	<u>\$ 76,262,000</u>
District's covered payroll	\$ 33,529,000	\$ 34,122,000	\$ 36,863,000	\$ 36,300,000	\$ 36,169,000	\$ 36,962,000	\$ 39,944,000	\$ 34,836,000	\$ 37,252,000	\$ 46,982,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	131.20%	145.05%	162.29%	168.56%	172.65%	168.03%	179.48%	77.10%	119.81%	109.74%
Plan fiduciary net position as a percentage of the total pension liability	76.52%	74.02%	70.04%	69.46%	70.99%	72.56	71.82%	87.21%	81.20%	80.62%

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

(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
 SHARE OF THE NET PENSION LIABILITY  
 For the Year Ended June 30, 2024

	Public Employers Retirement Fund B Last 10 Fiscal Years									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
District's proportion of the net pension liability	0.26%	0.25%	0.26%	0.25%	0.25%	0.25%	0.25%	0.25%	0.24%	0.22%
District's proportionate share of the net pension liability	\$ 29,485,000	\$ 36,882,000	\$ 50,638,000	\$ 59,486,000	\$ 67,311,000	\$ 73,363,000	\$ 77,229,000	\$ 50,942,000	\$ 82,489,000	\$ 79,655,000
District's covered payroll	\$ 27,265,000	\$ 27,701,000	\$ 30,760,000	\$ 31,575,000	\$ 33,298,000	\$ 34,866,000	\$ 36,256,000	\$ 33,816,000	\$ 36,743,000	\$ 38,356,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	108.14%	133.14%	164.62%	188.40%	202.15%	210.41%	213.01%	141.73%	224.50%	209.11%
Plan fiduciary net position as a percentage of the total pension liability	83.38%	79.43%	73.89%	71.87%	70.85%	70.05%	70.00%	80.97%	69.76%	69.96%

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

YOSEMITE COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
For the Year Ended June 30, 2024

State Teachers' Retirement Plan  
Last 10 Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Contractually required contribution	\$ 3,030,075	\$ 3,955,353	\$ 4,566,583	\$ 5,219,159	\$ 6,935,291	\$ 7,255,139	\$ 6,653,623	\$ 7,500,632	\$ 8,973,631	\$ 9,505,702
Contributions in relation to the contractually required contribution	\$ (3,030,075)	\$ (3,955,353)	\$ (4,566,583)	\$ (5,338,643)	\$ (6,935,291)	\$ (7,255,139)	\$ (6,653,623)	\$ (7,500,632)	\$ (8,973,631)	\$ 9,505,702
District's covered payroll	\$ 34,122,000	\$ 36,863,000	\$ 36,300,000	\$ 36,169,000	\$ 36,962,000	\$ 39,944,000	\$ 34,836,000	\$ 37,252,000	\$ 46,982,000	\$ 49,768,000
Contributions as a percentage of covered payroll	8.88%	10.73%	12.58%	14.43%	18.76%	17.10%*	16.15%**	16.92%***	19.10%	19.10%

\* This rate reflects the original employer contribution rate of 18.13 percent under AB1469, reduced for the 1.03 percentage points to be paid on behalf of employers pursuant to SB 90.

\*\* This rate reflects the original employer contribution rate of 19.10 percent under AB1469, reduced for the 2.95 percentage points to be paid on behalf of employers pursuant to SB 90.

\*\*\* This rate reflects the original employer contribution rate of 19.10 percent under AB1469, reduced for the 2.18 percentage points to be paid on behalf of employers pursuant to SB 90.

(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT  
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
 For the Year Ended June 30, 2024

Public Employers Retirement Fund B  
 Last 10 Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Contractually required contribution	\$ 3,260,715	\$ 3,644,136	\$ 4,385,133	\$ 5,171,520	\$ 6,355,462	\$ 7,216,297	\$ 7,000,000	\$ 8,495,301	\$ 9,730,991	\$ 10,691,763
Contributions in relation to the contractually required contribution	\$ (3,260,715)	\$ (3,644,136)	\$ (4,385,133)	\$ (5,171,520)	\$ (6,355,462)	\$ (7,216,297)	\$ (7,000,000)	\$ (8,495,301)	\$ (9,730,991)	\$ 10,691,763
District's covered payroll	\$ 27,701,000	\$ 30,760,000	\$ 31,575,000	\$ 33,298,000	\$ 34,866,000	\$ 36,256,000	\$ 33,816,000	\$ 36,743,000	\$ 38,356,000	\$ 40,074,000
Contributions as a percentage of covered payroll	11.77%	11.85%	13.89%	15.53%	18.23%	19.90%	20.70%	22.10%	25.37%	26.68%

YOSEMITE COMMUNITY COLLEGE DISTRICT  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2024

**NOTE 1 - PURPOSE OF SCHEDULES**

Schedule of Changes in Net Other Postemployment Benefits (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.

Schedule of the District's Proportionate Share of the Net Pension Liability: The Schedule of the District's Proportionate Share of the Net Pension Liability is presented to illustrate the elements of the District's Net Pension Liability. There is a requirement to show information for 10 years.

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

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

Changes of Assumptions: The following are the assumptions for the Public Employer's Retirement Fund B (PERF B) Plan:

<u>Assumption</u>	<u>Measurement Period</u>								
	As of June 30, 2023	As of June 30, 2022	As of June 30, 2021	As of June 30, 2020	As of June 30, 2019	As of June 30, 2018	As of June 30, 2017	As of June 30, 2016	As of June 30, 2015
Inflation rate	2.30%	2.30%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Discount rate	6.90%	6.90%	7.15%	7.15%	7.15%	7.15%	7.65%	7.65%	7.50%

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

<u>Assumption</u>	<u>Measurement Period</u>								
	As of June 30, 2023	As of June 30, 2022	As of June 30, 2021	As of June 30, 2020	As of June 30, 2019	As of, June 30, 2018	As of, June 30, 2017	As of, June 30, 2016	As of, June 30, 2015
Consumer price inflation	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	3.00%	3.00%
Investment rate of return	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.60%	7.60%
Wage growth	3.50%	3.5%	3.50%	3.50%	3.50%	3.50%	3.50%	3.75%	3.75%

(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2024

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**NOTE 1 - PURPOSE OF SCHEDULES (Continued)**

OPEB

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Census data	The census was provided by the District as of June 30, 2023
Actuarial cost method	Entry age actuarial cost method
Inflation rate	2.50%
Investment rate of return / discount rate	5.75%
Health care cost trend rate	4.00%
Payroll increase	2.75%
Participation rates	100% for certificated and classified employees.
Mortality	For certificated employees the 2020 CalSTRS mortality tables were used. For classified employees the 2021 CalPERS active mortality for miscellaneous employees were used.
Spouse prevalence	To the extent not provided and when needed to calculate benefit liabilities, 80% of retirees assumed to be married at retirement. After retirement, the percentage married is adjusted to reflect mortality.
Spouse ages	To the extent spouse dates of birth are not provided and when needed to calculate benefit liabilities, female spouse assumed to be three years younger than male.
Turnover	For certificated employees the 2020 CalSTRS termination rates were used. For classified employees the 2021 CalPERS termination rates for school employees were used.
Retirement rates	For certificated employees the 2020 CalSTRS retirement rates were used. For classified employees hired before 2013 the 2021 CalPERS retirement rates for school employees were used. For classified employees hired after 2012 the 2021 CalPERS 2%@62 retirement rates were used.



**SUPPLEMENTARY INFORMATION**

YOSEMITE COMMUNITY COLLEGE DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended June 30, 2024

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass Through Grant Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education</u>			
<i>Direct Programs:</i>			
Student Financial Aid Cluster:			
College Work Study Program	84.033	-	\$ 810,516
Pell Grant Program	84.063	-	31,485,330
Federal Supplemental Education Opportunity Grant	84.007	-	1,022,500
Federal Direct Student Loans	84.268	-	330,458
<u>U.S. Department of Health and Human Services</u>			
<i>Passed through California Department of Education:</i>			
Nursing Student Loans	93.364	-	<u>14,218</u>
Subtotal Student Financial Aid Cluster			<u>33,663,022</u>
<u>U.S. Department of Education</u>			
<i>Direct Programs:</i>			
TRIO Cluster:			
Talent Search	84.044	-	362,565
Upward Bound	84.047	-	611,420
Student Support Services	84.042	-	581,407
Mother Lode Educational Opportunity Center	84.066A	-	<u>264,466</u>
Subtotal TRIO Cluster			<u>1,819,858</u>
<i>Passed Through California Department of Education:</i>			
Career and Technical Education Program: Tech Prep	84.048	-	809,812
Title III. Strengthen Institute - Other Gen Supp Svs.	84.031A	-	633,851
State-of-the-Art Technical Rescue			
Training and Infrastructure Complex (Omnibus)	84.116Z	-	18,034
Total U.S. Department of Education			<u>\$ 36,944,577</u>

(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2024

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass Through Grant Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Veteran Affairs</u>			
<i>Direct Program:</i>			
Post- Vietnam Era Veterans' Educational Assistance	64.120	-	\$ 135
Total U.S. Department of Veteran Affairs			<u>135</u>
<u>U.S. Department Agriculture</u>			
<i>Passed through California Department of Education:</i>			
Child and Adult Care Food Program	10.558	04226-CACFP-50-CC-C5	65,335
Forest Reserve - Forest Service Schools and Road Cluster	10.665	-	27,573
<i>Passed through University of Tennessee:</i>			
Agriculture and Food Research Initiative: Get Fruved Project	10.310	2014-67001-2185	<u>1,200</u>
Total U.S. Department of Agriculture			<u>94,108</u>
<u>U.S. Department of Health and Human Services</u>			
<i>Passed through California Department of Education:</i>			
Child Care and Development Block Grant	93.575	-	3,023,692
<i>Passed through California Community College Chancellor's Office:</i>			
Temporary Assistance for Needy Families	93.558	-	135,047
Foster Care	96.658	-	155,988
Medical Assistance Program (Medi-Cal)	93.778	-	3,661
Refugee Family Child Care Microenterprise Development Program	93.576	-	<u>104,977</u>
Total U.S. Department of Health and Human Services			<u>3,423,365</u>
<u>U.S. Department of the Treasury</u>			
<i>Passed through California Community College Chancellor's Office:</i>			
COVID 19 SB85 Emergency Financial Assistance	21.027	-	<u>1,872,801</u>
Total U.S. Department of the Treasury			<u>1,872,801</u>
Total Federal Programs			<u>\$ 42,334,986</u>

See accompanying note to supplementary information.

YOSEMITE COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF STATE FINANCIAL AWARDS  
For the Year Ended June 30, 2024

	Program Revenues			Total	Total Program Expenditures
	Cash Received	Accounts Receivable	Unearned Revenue/ Accounts Payable		
Adult Education and AEGB Consortium	\$ 6,578,206	\$ -	\$ 233,666	\$ 6,811,872	\$ 6,344,540
Apprenticeship (Training and Instruction)	93,182	-	64,337	157,519	28,845
Board Financial Assistance Program	998,519	-	-	998,519	998,519
Cal Grants	5,669,538	46,910	14,272	5,730,720	5,702,176
Cal WORKS	1,256,167	-	294,345	1,550,512	961,821
California Apprenticeship Initiative	(155,136)	399,168	-	244,032	244,032
California College Promise	2,614,450	-	1,444,569	4,059,019	1,169,881
Basic Needs Resource Centers	2,599,310	-	1,626,022	4,225,332	973,288
CAPP Guided Pathw ays	-	3,357	-	3,357	3,357
CCCCCO Veterans Resource Center	211,492	-	45,793	257,285	165,699
CCO EEO Registry	-	385,000	-	385,000	385,000
CDTC First 5 California	142,398	204,534	23,816	370,748	323,116
Rising Scholars Netw ork	484,112	-	130,327	614,439	353,785
Center of Excellence	277,802	-	-	277,802	277,802
Foster Care Education	136,281	20,816	1,109	158,206	155,988
Child Development/Toddler	835,833	-	72,171	908,004	763,662
Calculus Grant	33,040	-	17,024	50,064	16,017
Lottery	1,400,221	533,045	-	1,933,266	1,548,651
Cooperative Agencies Resources for Education	912,675	-	249,198	1,161,873	663,477
College Homeless and Housing Insecure	1,916,675	-	1,428,205	3,344,880	488,470
Disabled Student Program and services	2,833,133	-	418,179	3,251,312	2,414,954
Regional K16 Education Collab	7,336,513	-	6,070,240	13,406,753	1,266,273
NextUp Foster Youth	2,612,644	-	1,840,413	4,453,057	772,232
Zero Cost Textbooks	860,108	-	699,849	1,559,957	160,259
Economically Distressed	8,831	-	6,838	15,669	1,992
LGBTQ+	279,548	-	219,938	499,486	59,610
Guided Pathw ays- Dream Resource	398,970	-	239,281	638,251	159,689
CABOG Mid College High School	5,630	-	-	5,630	5,630
Enrollment Grow th Nursing	220,677	-	57,280	277,957	163,397
Extended Opportunity Program and Services	3,771,249	-	483,638	4,254,887	3,287,610
Financial Aid Technology	352,181	-	254,247	606,428	97,934
Full Time Student Success Grant	10,160,515	-	4,133,735	14,294,250	6,026,780
Guided Pathw ays	445,919	-	188,022	633,941	257,897

(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF STATE FINANCIAL AWARDS  
For the Year Ended June 30, 2024

	Program Revenues			Total	Total Program Expenditures
	Cash Received	Accounts Receivable	Unearned Revenue/ Accounts Payable		
Hunger Free Campus	\$ 3,913	\$ -	\$ -	\$ 3,913	\$ 3,913
Library Services Platform	391	-	-	391	391
Institutional Effectiveness	12,096	-	-	12,096	12,096
Instructional Equipment	1,771,964	-	1,102,731	2,874,695	669,232
SystemWide Tech-Data Security	1,107,299	-	593,760	1,701,059	513,539
Strong Workforce Regional	84,118	1,162,056	420	1,246,594	1,245,754
SB85 Emergency Financial Asst	322,030	-	277,727	599,757	44,303
Scheduled Maintenance	6,396,701	-	3,778,168	10,174,869	2,618,533
SB85 Student Retention and Outreach	3,008,515	-	2,214,068	5,222,583	794,447
Staff Diversity	525,925	-	275,129	801,054	250,796
Strong Workforce Program	5,368,308	-	2,223,468	7,591,776	3,144,839
Student Equity and Achievement	10,046,280	-	3,899,676	13,945,956	6,146,604
Uplift CSU SAC	49,595	47,031	-	96,626	96,626
Mental Health Services	800,449	-	326,927	1,127,376	473,522
Umoja	207,465	-	105,662	313,127	101,804
Forestry Corps	-	716,941	-	716,941	716,941
Veternas Resource AB1809 C/O	8,705	-	-	8,705	8,705
RSN Juvenile Justice	1,215,908	-	1,167,924	2,383,832	47,984
Student Transfer Achievement	1,130,434	-	1,095,987	2,226,421	34,447
MESA	963,356	-	529,939	1,493,295	433,416
Ed Planning Initiative	10,855	-	5,536	16,391	5,319
Wellness Vending Machines	15,000	-	-	15,000	15,000
COVID SFRF Emergency Grant	9,292,165	-	7,746,608	17,038,773	1,545,557
CCC Equitable Placement AB1705	829,491	-	699,366	1,528,857	130,125
GPAAP Sustainbly Apple Camp-CC	50,000	-	9,259	59,259	40,741
Seamless Transfer Ethnic Study	97,390	-	76,395	173,785	20,995
Nursing, Song Brown	67,808	-	59,935	127,743	7,874
CRPP Culturally Resp-Be Human	300,000	-	250,911	550,911	49,089
CAEP -ELL Healthcare Pathway	629,078	-	449,539	1,078,617	179,539
RERP-Regional Workforce Grants	218,613	-	168,887	387,500	49,726
RERP Health Care Career Training	-	17,388	-	17,388	17,388
LAEP Learning-Aligned Emplmnt	4,822,545	-	4,745,683	9,568,228	76,862

See accompanying note to supplementary information.

YOSEMITE COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF WORKLOAD MEASURES FOR STATE  
GENERAL APPORTIONMENT ANNUAL ATTENDANCE  
Annual Attendance as of June 30, 2024

<u>Categories</u>	<u>Reported Data</u>	<u>Audit Adjustments</u>	<u>Revised Data</u>
A. Summer Intersession (Summer 2023 only)			
1. Noncredit	38	-	38
2. Credit	1,644	-	1,644
B. Summer Intersession (Summer 2024 - Prior to July 1, 2024)			
1. Noncredit	2	-	2
2. Credit	742	-	742
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
a. Weekly Census Contact Hours	4,439	-	4,439
b. Daily Census Contact Hours	587	-	587
2. Actual Hours of Attendance Procedure Courses			
1. Noncredit	178	-	178
2. Credit	224	-	224
3. Independent Study/Work Experience			
a. Weekly Census Contact Hours	5,908	-	5,908
b. Daily Census Contact Hours	1,858	-	1,858
c. Non-credit Independent Study/Distance Education Courses (Part VII.C)	175	-	175
D. Total FTES	15,795	-	15,795
Supplementary Information:			
E. In-Service Training Courses (FTES)	-	-	-
H. Basic Skills Courses and Immigrant Education			
1. Noncredit	293	-	293
2. Credit	272	-	272
<u>CCFS 320 Addendum</u>			
CDCP	275	-	275
Center FTES			
a. Noncredit	-	-	-
b. Credit	-	-	-

See accompanying note to supplementary information.

YOSEMITE COMMUNITY COLLEGE DISTRICT  
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT  
(CCFS-311) WITH AUDITED FINANCIAL STATEMENTS  
For the Year Ended June 30, 2024

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

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See accompanying note to supplementary information.

YOSEMITE COMMUNITY COLLEGE DISTRICT  
RECONCILIATION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
June 30, 2024

General fund		\$ 62,630,173
Debt service fund		23,737,631
Special revenue funds		1,878,151
Capital projects funds		35,284,230
Fiduciary funds		<u>10,310,665</u>
Total fund balances - business-type activity funds		133,840,850
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used for governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. However, capital assets, net of accumulated depreciation are added to total net assets.		
Total District capital assets less	364,274,583	
Proprietary Fund capital assets	<u>(86,996)</u>	
		364,187,587
In government funds, deferred outflows and inflows of resources relating to pensions and OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported:		
Deferred outflows of resources relating to pensions	47,328,465	
Deferred outflows of resources relating to OPEB	2,946,883	
Deferred inflows of resources relating to pensions	(17,259,000)	
Deferred inflows of resources relating to OPEB	<u>(5,827,122)</u>	
		27,189,226
Unmatured interest on long-term liabilities is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred.		
		(4,870,708)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at June 30, 2024 consisted of:		
General obligation bonds	(241,492,298)	
Unamortized bond premiums	(787,999)	
Accreted interest	(123,022,371)	
Net pension liability	(131,214,000)	
Net OPEB liability	(764,260)	
Compensated absences	<u>(3,565,828)</u>	
		<u>(500,846,756)</u>
Losses on refundings of debt are categorized as deferred outflows and are amortized over the shortened life of the refunded or refunding of the debt.		
		<u>2,152,895</u>
Total net position - business-type activities		<u><u>\$ 21,653,094</u></u>

See accompanying note to supplementary information.



YOSEMITE COMMUNITY COLLEGE DISTRICT  
RECONCILIATION OF ECS 84362 (50 PERCENT LAW) CALCULATION  
For the Year Ended June 30, 2024

	Object/TOP Codes	Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6110			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Academic Salaries</u>							
Instructional salaries:							
Contract or regular	1100	\$ 26,358,687	\$ -	\$ 26,358,687	\$ 26,382,893	\$ -	\$ 26,382,893
Other	1300	16,629,088	-	16,629,088	16,909,956	-	16,909,956
Total instructional salaries		<u>42,987,775</u>	<u>-</u>	<u>42,987,775</u>	<u>43,292,849</u>	<u>-</u>	<u>43,292,849</u>
Non-instructional salaries:							
Contract or regular	1200	-	-	-	4,700,314	-	4,700,314
Other	1400	-	-	-	4,531,470	-	4,531,470
Total non-instructional salaries		<u>-</u>	<u>-</u>	<u>-</u>	<u>9,231,784</u>	<u>-</u>	<u>9,231,784</u>
Total academic salaries		<u>42,987,775</u>	<u>-</u>	<u>42,987,775</u>	<u>52,524,633</u>	<u>-</u>	<u>52,524,633</u>
<u>Classified Salaries</u>							
Non-instructional salaries:							
Regular status	2100	-	-	-	24,376,663	-	24,376,663
Other	2300	-	-	-	805,967	-	805,967
Total non-instructional salaries		<u>-</u>	<u>-</u>	<u>-</u>	<u>25,182,630</u>	<u>-</u>	<u>25,182,630</u>
Instructional aides:							
Regular status	2200	1,899,009	-	1,899,009	1,974,401	-	1,974,401
Other	2400	585,745	-	585,745	591,753	-	591,753
Total instructional aides		<u>2,484,754</u>	<u>-</u>	<u>2,484,754</u>	<u>2,566,154</u>	<u>-</u>	<u>2,566,154</u>
Total classified salaries		<u>2,484,754</u>	<u>-</u>	<u>2,484,754</u>	<u>27,748,784</u>	<u>-</u>	<u>27,748,784</u>
Employee benefits	3000	19,124,359	-	19,124,359	39,826,098	-	39,826,098
Supplies and materials	4000	-	-	-	1,782,276	-	1,782,276
Other operating expenses	5000	-	-	-	10,956,049	-	10,956,049
Equipment replacement	6420	-	-	-	-	-	-
Total expenditures prior to exclusions		<u>64,596,888</u>	<u>-</u>	<u>64,596,888</u>	<u>132,837,840</u>	<u>-</u>	<u>132,837,840</u>

(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT  
RECONCILIATION OF ECS 84362 (50 PERCENT LAW) CALCULATION  
For the Year Ended June 30, 2024

Exclusions	Object/TOP Codes	Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6110			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Activities to exclude:							
Instructional staff-retirees' benefits and retirement incentives	5900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Student health services above amount collected	6441	-	-	-	-	-	-
Student transportation	6491	-	-	-	-	-	-
Noninstructional staff-retirees' benefits and retirement incentives	6740	-	-	-	1,000,000	-	1,000,000
Objects to exclude:							
Rents and leases	5060	-	-	-	153,492	-	153,492
Lottery expenditures		-	-	-	-	-	-
Academic salaries	1000	-	-	-	-	-	-
Classified salaries	2000	-	-	-	-	-	-
Employee benefits	3000	-	-	-	-	-	-
Supplies and materials:	4000						
Software	4100	-	-	-	-	-	-
Books, magazines and periodicals	4200	-	-	-	-	-	-
Instructional supplies and materials	4300	-	-	-	-	-	-
Noninstructional supplies and materials	4400	-	-	-	-	-	-
Total supplies and materials		-	-	-	-	-	-
Other operating expenses and services	5000	-	-	-	3,720,983	-	3,720,983
Capital outlay	6000	-	-	-	-	-	-
Library books	6300	-	-	-	-	-	-
Equipment:							
Equipment - additional	6410	-	-	-	-	-	-
Equipment - replacement	6420	-	-	-	-	-	-
Total equipment		-	-	-	-	-	-
Total capital outlay		-	-	-	-	-	-
Other outgo	7000	-	-	-	-	-	-
Total exclusions		-	-	-	4,874,475	-	4,874,475
Total for ECS 84362, 50% Law		\$ 64,596,888	\$ -	\$ 64,596,888	\$ 127,963,365	\$ -	\$ 127,963,365
Percent of CEE (instructional salary cost /Total CEE)		50.48%	-	50.48%	100.00%	-	100.00%
50% of current expense of education					\$ 63,981,683	\$ -	\$ 63,981,683

See accompanying note to supplementary information.

YOSEMITE COMMUNITY COLLEGE DISTRICT  
 PROPOSITION 55 EDUCATION PROTECTION ACCOUNT (EPA) EXPENDITURE REPORT  
 For the Year Ended June 30, 2024

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EPA Proceeds:                 \$ 3,004,740

<u>Activity Classification</u>	<u>Activity Code</u> (0100-5900)	<u>Salaries and Benefits</u> (1000-3000)	<u>Operating Expenses</u> (4000-5000)	<u>Capital Outlay</u> (6000)	<u>Total</u>
Instructional Activities		<u>\$ 3,004,740</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,004,740</u>

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See accompanying note to supplementary information.

YOSEMITE COMMUNITY COLLEGE DISTRICT  
NOTE TO SUPPLEMENTARY INFORMATION  
June 30, 2024

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**NOTE 1 - PURPOSE OF SCHEDULES**

Schedule of Expenditures of Federal Awards: The Schedule of Expenditures of Federal Awards includes the federal award activity of Yosemite Community College District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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

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

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

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

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

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

## **OTHER INFORMATION**

YOSEMITE COMMUNITY COLLEGE DISTRICT  
ORGANIZATION (UNAUDITED)  
June 30, 2024

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The District, a political subdivision of the State of California, was established in July 1, 1964, and commenced operations on July 1, 1965. Its territories encompass portions of Calaveras, Merced, Santa Clara, Stanislaus, San Joaquin and Tuolumne counties. There were no changes in boundaries during the fiscal year.

The District provides higher education instruction for the first and second years of college education and vocations training at Modesto Junior College and Columbia College.

BOARD OF TRUSTEES

<u>Members</u>	<u>Office</u>	<u>Term Expires</u>
Dr. Milton E. Richards	Board President	November 2024
Antonio Aguilar	Vice President	November 2024
Leslie Beggs	Member	November 2024
Dr. Don Davis	Member	November 2026
Darin Gharat	Member	November 2024
Nancy Hinton	Member	November 2026
Jenny Nicolau	Member	November 2026
Gustavo Castrejon	Student Trustee	May 2025

ADMINISTRATION

Dr. Henry C.V. Yong, Ed.S.  
Chancellor

Dr. Brian K. Sanders  
President, Modesto Junior College

Dr. Lena Tran  
President, Columbia College

Trevor Stewart  
Vice Chancellor, District Administrative Services

INDEPENDENT AUDITOR'S REPORT  
ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Board of Trustees  
Yosemite Community College District  
Modesto, California

**Report on Compliance with State Laws and Regulations*****Opinion on Compliance with State Laws and Regulations***

We have audited Yosemite Community College District's (the "District") compliance with the types of compliance requirements described in Section 400 of the *California State Chancellor's Office's California Community College Contracted District Audit Manual (CDAM)* that are applicable to community colleges in the State of California for the year ended June 30, 2024:

Description

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

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the state laws and regulations referred to above for the year ended June 30, 2024.

***Basis for Opinion on Compliance with State Laws and Regulations***

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

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(Continued)

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

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

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

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

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *Contracted District Audit Manual*, we:

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

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

### ***Purpose of this Report***

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

  
Crowe LLP

Sacramento, California  
November 20, 2024



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

Board of Trustees  
Yosemite Community College District  
Modesto, 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 Yosemite Community College District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Yosemite Community College District's basic financial statements, and have issued our report thereon dated November 20, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Yosemite Community College 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 Yosemite Community College District's internal control. Accordingly, we do not express an opinion on the effectiveness of Yosemite Community College District's internal control.

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

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

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(Continued)

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Yosemite Community College 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Crowe LLP

Sacramento, California  
November 20, 2024

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

Board of Trustees  
Yosemite Community College District  
Modesto, California

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

We have audited Yosemite Community College District's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Yosemite Community College District's major federal programs for the year ended June 30, 2024. Yosemite Community College District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Yosemite Community College District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

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

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

We are required to be independent of Yosemite 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 Yosemite 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 Yosemite Community College District's federal programs.

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(Continued)

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

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Yosemite 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 Yosemite 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 Yosemite 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 Yosemite 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Yosemite 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.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on Yosemite Community College District's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. Yosemite Community College District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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(Continued)

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001, to be a significant deficiency.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on Yosemite Community College District's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. Yosemite Community College District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



Crowe LLP

Sacramento, California  
November 20, 2024

## **FINDINGS AND RECOMMENDATIONS**

YOSEMITE COMMUNITY COLLEGE DISTRICT  
 SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
 Year Ended June 30, 2024

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SECTION I - SUMMARY OF AUDITORS' RESULTS

**FINANCIAL STATEMENTS**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes   X   No

Significant deficiency(ies) identified not considered to be material weakness(es)? \_\_\_\_\_ Yes   X   None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes   X   No

**FEDERAL AWARDS**

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ Yes   X   No

Significant deficiency(ies) identified not considered to be material weakness(es)?   X   Yes \_\_\_\_\_ None reported

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

Any audit findings disclosed that are required to be reported in accordance with Circular 2 CFR 200.516(a)?   X   Yes \_\_\_\_\_ No

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.042, 84.044, 84.047, 84.066A 21.027 84.007, 84.033, 84.063, 84.268, 93.364	TRIO Cluster COVID 19 SB85 Emergency Financial Assistance Student Financial Aid Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$ 1,270,050

Auditee qualified as low-risk auditee?   X   Yes \_\_\_\_\_ No

**STATE AWARDS**

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

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(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2024

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SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

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(Continued)



YOSEMITE COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2024

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SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

**FINDING 2024-001 – Controls and Noncompliance Related to Student Information Security**

Federal Department: Department of Education  
AL Number(s): 84,003, 84.063, 84.007, 84.268, 93.364  
Program Name(s): Student Financial Aid Cluster  
Questioned Costs: None

**Criteria**

*Special Tests and Provisions - Gramm-Leach-Bliley Act -Student Information Security* - The Gramm-Leach-Bliley Act (“GLBA”) (Public Law 106-102) requires financial institutions to explain their information sharing-practices to their customers and to safeguard sensitive data. (16 CFR 314) The Federal Trade Commission considers Title IV eligible institutions that participate in Title IV Educational Assistance Programs as “financial institutions” and subject to GLBA (16 CFR 313.3(k)(2)(iv)). Under an institution’s Program Participation Agreement with the Department of Education and the GLBA, institutions must protect student financial aid information, with particular attention to information provided to institutions by the Department or otherwise obtained in support of the administration of the federal financial aid programs. Institutions are required to designate a qualified individual responsible for implementing and monitoring the institution’s information and security program. Additionally, the District is required to maintain written security program that addresses the minimum elements required by GLBA.

**Condition**

Yosemite Community College District (the “District”) did not have a written security program in place that addresses the minimum required elements under GLBA.

**Questioned Costs**

None noted.

**Context**

During inquiries with management, management established that there is not currently a written security program in place that addresses the minimum required elements under GLBA. However, management indicated that there were no known data breaches or instances of the District’s information systems being compromised during the audit period.

**Effect**

Risks pertaining to Student Information Security may not be identified and/or addressed.

**Cause**

Insufficient time to implement a security program that addresses the minimum elements required by GLBA due to a vacancy in the Information Systems department that was filled during 2024. The vacant role caused a lack of available resources for purposes of implementing GLBA compliant policies and procedures.

**Identification as a Repeat Finding, if Applicable**

Partial repeat finding of 2023-001.

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(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2024

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**FINDING 2024-001 – Controls and Noncompliance Related to Student Information Security**  
(continued)

**Recommendation**

We recommend that the District to develop and maintain written security program that addresses the minimum elements required by GLBA.

**Views of Responsible Officials and Planned Corrective Actions**

See Corrective Action Plan

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(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2024

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SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

**STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

YOSEMITE COMMUNITY COLLEGE DISTRICT  
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS  
Year Ended June 30, 2024

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**FINDING 2023-001 – Controls and Noncompliance Related to Student Information Security**

Federal Department: Department of Education  
AL Number(s): 84.003, 84.063, 84.007, 84.268, 93.364  
Program Name(s): Student Financial Aid Cluster  
Questioned Costs: None

**Finding**

Yosemite Community College District (the “District”) did not have a designated individual responsible for implementing and monitoring the institution’s information and security program and did not have a written security program in place that addresses the minimum required elements under GLBA.

**Corrective Actions Taken or Planned**

During the year ended June 30, 2024, the District hired a Director of Information Security to be the designated individual who is responsible for implementing and monitoring the institution’s information and security program. However, due to timing constraints, the District was unable to fully implement the information security program within the fiscal year ended June 30, 2024. See finding 2024-001.



**Yosemite Community College District**

P.O. Box 4065 / Modesto, CA 95352 / 2201 Blue Gum Avenue 95358  
Phone (209) 575-6527 / FAX (209) 575-6562

**CORRECTIVE ACTION PLAN**

**YEAR ENDED JUNE 30, 2024**

Identifying number: 2024-001

*Finding: Special Tests and Provisions – Gramm-Leach-Bliley Act (GLBA) – Student Information Security –*  
Yosemite Community College District (the “District”) did not have a written security program in place that addresses the minimum required elements as required under GLBA.

Corrective action taken or planned:

The District has begun preparing risk assessments that meet the requirements of 16 CFR 314.4(b). Once the risk assessment has been completed, safeguards will be implemented to meet the GLBA requirements, and will serve as a comprehensive information security program for the District.

Anticipated completion date:

June 30, 2025

Contact person responsible:

Brandon Ellenburg  
Director of Information Security