



Shasta College Foundation

Executive Committee Meeting Agenda

1401 California Street, 5th Floor, Redding, CA., 96001

Tuesday, February 13th, 2024 at 12:00 p.m.

1. Open Session

- 1.1 Call to Order & Roll Call
- 1.2 Call for Request to Speak on an Agenda Item from the Audience

2. Approval/Review of Minutes

- 2.1 Approval of Minutes from the December 6, 2023 Executive Committee Meeting (attached)

3. Reports & Updates

3.1 Special Report: Development, Athletics, Physical Education & Safety (DAPS) Division

- Speaker: Mike Mari, Dean of DAPS

3.2 Finish Line Scholarship Update

- **2023-2024 Scholarship = \$120,000**
 - ✓ Fall Scholarships Distributed = \$16,500
 - ✓ Spring Scholarships Awarded = \$90,000 (\$47,400 distributed)
 - ✓ Scholarships To be Awarded (prior to 6/30/24) = \$13,500
- **2023-2024 Emergency Aid = \$23,726 (\$22,500+\$1,226)**
 - ✓ Fall Emergency Aid Distributed = \$21,000
 - ✓ Spring Emergency Aid Distributed = \$2,476
 - ✓ Emergency Aid To be Awarded (prior to 6/30/24) = \$250.00

3.3 Knight Fuel Update

- **Launched in November 2023 = \$15,000**
 - ✓ # of Orders YTD = 63
 - ✓ Budget Spent YTD = \$4,725
 - ✓ Remaining Budget = \$10,275 (approximately 137 orders)

3.4 Donations & New Funds Update

- Joe & Erica Wyse Aquatic Complex Fund
- Dr. Maurice Trusas Legacy Fund
- Community Foundation of the North State

3.5 Technology Update

- Financial System - Sage Interacct
- Constituent Management System - DonorDock



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4. Discussion/Action Items

4.1 Approval of the 2022-2023 Shasta College Foundation Audit (attached)

- Presenters: Teri Lewallen, Executive Director of Business Services, and Ben Leavitt, Partner of CWDL Certified Public Accountants

Motion: Approve the 2022-2023 Shasta College Foundation Audit

4.2 Approval of the establishment of an investment account for the Delta Dental Foundation Endowment (\$300,000) to fund the Delta Dental Endowed Scholarship for Opportunity (attachment)

Motion: Approve the establishment of an investment account for the Delta Dental Foundation Endowment for the Delta Dental Endowed Scholarship for Opportunity

4.3 Approval of the establishment an investment account for the Shasta College Foundation Scholarship Endowment (\$30,000) (attachment)

Motion: Approve the establishment of an investment account for the Shasta College Foundation Scholarship Endowment

4.4 Second Reading and Approval of the revised Shasta College Foundation Bylaws (attached)

Motion: Approve the revised Shasta College Bylaws

4.5 Discussion of Master Agreement with the District

4.6 Discussion and Approval of entering into an agreement as a community-based organization with the Fountain Wind Project

Motion: Pending review of the final contract by the District's legal counsel, approve entering into an agreement as a community-based organization with the Fountain Wind Project

5. Executive Committee Member Updates

6. Setting of Future Meeting Date

7. Public Comments from the Audience

8. Adjournment



Shasta College Foundation

Minutes of the Executive Committee Meeting
1401 California St., 5th Floor, Redding, CA 96001
Wednesday, December 6th, 2023 at 12:00 p.m.

DRAFT

1. OPEN SESSION

1.1 Call to Order & Roll Call

The meeting was called to order at 12:00 p.m.

Executive Committee Members Present

- Mr. Joe Gibson, President
- Ms. Star Alfaro, Vice President
- Ms. Tiffany Blasingame
- Mr. Mike Mari
- Mr. Hiram Oilar
- Dr. Joe Wyse (Ex-Officio Non-Voting Member)
- Ms. Andree Blanchier, Executive Director (Ex-Officio Non-Voting Member)
- Dr. Kevin O'Rourke, special guest

Executive Committee Members Absent

- Ms. Jennifer Finnegan, Secretary/Treasurer
- Ms. Rhonda Nehr, Representative for the Shasta College Board of Trustees

1.2 Call for Request to Speak on an Agenda Item from the Audience

There were no requests.

2. APPROVAL/REVIEW OF MINUTES FROM THE SEPTEMBER 26, 2023 EXECUTIVE COMMITTEE MEETING

2.1 Approval of the Minutes from the September 26, 2023 Executive Committee Meeting (attached)

The minutes from the September 26, 2023 meeting were approved unanimously.

Approve the Minutes from the September 26, 2023 Executive Committee Meeting

Motion by Hiram Oilar, second by Star Alfaro

Final Resolution: Motion Carries

Yea: Star Alfaro, Tiffany Blasingame, Joe Gibson, Mike Mari, Hiram Oilar

3. REPORTS & UPDATES

3.1 Special Report: Bond Program

Speaker: Ms. Theresa Markword, Bond Program Manager

Ms. Blanchier introduced Ms. Markword, whose presentation is attached hereinto as ***Exhibit A***. Bond Measure H was approved by the voters of the Shasta-Tehama-Trinity Joint Community College District on November 8, 2016. The \$139 million bond is being used for much-needed infrastructure projects across Shasta College's main campus and extended education sites. There was a typo on the first page of the presentation: the first \$50 million of bond funding was made available in 2017, not 2023.

The Bond Program Office seeks additional funding sources to support projects and has been successful in securing over \$36 million in funding from multiple sources. One source is the interest earned by keeping the unspent bond funds in the county treasury. Grants and state funding account for a large portion of supplemental funding. Over \$4.1 million in New Market



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Tax Credits (NMTC) were used for the Community Leadership Center (CLC), which houses the Foundation office and staff. Dr. Kevin O’Rorke, Associate Superintendent/CEO of North State Together, was instrumental in bringing the NMTC Program opportunity to the college. Under the NMTC Program, the Federal government provides tax incentives to banks if they invest in community projects. The highly competitive application process took two years to be approved, and the college is required to complete the project as presented in the proposal and provide progress reports periodically. The projects had to meet certain criteria, and NMTC could not be used for projects on the Redding main campus. The NMTC Program is a win-win for both partners.

The college amended the Facilities Master Plan to outline the intent for the Bond funds. The Facilities Master Plan and the amendment can be found on the college’s website with the other planning documents, or the Bond Program Office can provide documents. The first project began in 2017 and was a district-wide infrastructure project to strengthen the reliability of the computer network system and Wi-Fi at each site. This project was essential to support the needs of rural students who may not have reliable internet and who are unable to drive to the Redding main campus. Students are now able to study, complete coursework and attend online lectures using dependable internet at all extended sites. It was very fortunate this project had been completed when the pandemic forced the shift to online-only instruction and student support services.

Other projects include:

- Solar array
 - Built over the east parking lot and provides shade to vehicles there, as well as charging stations for electric vehicles.
 - Combined with the existing ground-mount array built in 2009, the two arrays cover 85% of the college’s energy needs.
- Athletic fieldhouse
 - Built next to the soccer and softball fields.
 - Includes changing areas for visiting teams and umpires, a concession stand and bathrooms to replace the portables that had been used for years.
- Student Services Center (Tehama campus)
 - One-stop shop with admissions and enrollment, counseling, dedicated Veterans services staff and a classroom.
- Campus Safety security station (Health Sciences campus)
 - Improvement has increased traffic through the main entrance and increased the safety of staff and students.
- Regional Public Safety Training Center
 - The facility includes a burning and rappelling tower and classrooms for the Fire Academy and EMT Program.
- Veterans Support and Success Center
 - The center has private study areas, quiet rooms, and student services employees dedicated specifically to Veterans students to provide a one-stop-shop.



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- Career Technical Education building
 - Built to support the advanced manufacturing classes, which prepare students for careers at companies like Sierra Pacific Industries.
 - Has two classrooms and a lab.
- Computer Information Systems building
 - Houses classrooms that teach topics such as networking, drones, robotics, and business classes.
- Community Leadership Center (CLC downtown campus)
 - Hosted a grand opening event in September and is fully staffed.
 - Houses the Foundation, the Noncredit Programs, Community Education, Foster and Kinship Care, Economic Workforce and Development (EWD), North State Together (NST), and the Shasta College Attainment and Innovation Lab for Equity (SCAILE) as well as the Board room and public meeting spaces.
- Library Renovation Project
 - Currently under construction with an anticipated completion date of 2025.
 - The state provided 75% of the funding for this project.
 - This is a huge project and once completed the tutoring and learning center will be moved to the library to increase student support services.
- Partnership with CalFire to build northern training center
 - CalFire is providing most of the funding for this project.
 - Shasta College will benefit from the campus improvements and will be able to use the buildings, structures, and equipment for future classes.
 - The project includes 10 classrooms, an apparatus bay, shade structures and a portable building for classrooms.
- 800 building remodel
 - The building currently has three smaller lecture halls that will be combined into one great lecture hall with updated accessibility.
 - The state is funding 50% of this project.
 - We are waiting for the state architect to approve the plans to begin construction.
- 100 building remodel
 - Currently houses some student services and administrative offices but will be converted into a one-stop-shop for student services.
 - Project awarded to local architecture firm.
- 700 building refresh
 - Administrative offices from the 100 building will be moved here.
 - The building is newer and will not need much work to be prepared for the administrative offices.
 - The project will require an update to the HVAC system.

Ms. Markword provides regular updates for the Board of Trustees at the monthly Board meetings, as well as quarterly report to the Citizens' Bond Oversight Committee (CBOC).



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3.2 Adhoc Policy Review Subcommittee Update

Ms. Blasingame provided the report. The revisions to the Bylaws were first reviewed by the district's attorneys and then forwarded to the policy review subcommittee, which made small changes based on the attorneys' feedback. The attorneys identified logistical processes that should be included. One of the significant changes made was to increase the voting threshold from a simple majority to a 2/3 majority for changes to the Bylaws. The Bylaws are one of the most important guiding documents and this will ensure that there is a high threshold in place to change them. Additionally, a section was added outlining the expectations of Board members' financial support. Ms. Finnegan's feedback provided a practical vision of what effects the changes would have once put into place. The attorney recommended removing the language regarding the regents as it would normally be addressed in a policy. The proposed Bylaws align with the Chancellor's Office recommendations and template.

3.3 Harvest Fest Update – Preliminary Results

Harvest Fest was very successful and enjoyed higher revenue sales compared to last year. It was hosted on the main campus and the consensus is that it was a wonderful event. Attendees enjoyed the door drawing, silent auction, and live auction, with the audience favorites being the fire pit built by the Welding Club and three puppies available. Expenses are still coming in, but the preliminary results are very good.

3.4 Knight Fuel Update

Knight Fuel is a new program available to faculty and students which brings healthy snacks to classrooms. Mr. Mari brought the idea to the Foundation, and it was made possible by a private donation of \$15,000 intended to support basic needs and the wholehearted support of Ms. Denise Axtell, Director of Food Services. There are five menu options to choose from and a simple order form for faculty to complete. The idea is to reward students for their persistence and to encourage attendance. Over 35 orders were received within the first day of launching the program. The budget can support 200 orders. The program has received lots of positive feedback, and other funding sources will be sought to continue the program in the 2024-2025 academic year.

3.5 New Financial System Update – Sage Intacct

After thorough research, Sage Intacct was selected as the financial system that would best fit the needs of the Foundation. The annual fee is \$19,962 per year but they are offering us one month free and price caps of no more than 5% in price increases for future years. The consulting firm, NPact, will be assisting with implementation and they have also offered the Foundation a 50% discount on their services. The project kickoff is scheduled for December 20th and the go live date is planned for July 1st. The Foundation will also contract with an accountant, Ms. Ronke Olatunji, for financial support services. The accountant came highly recommended and has the ideal background to support this project, including serving as interim Vice President of Administrative Services for another California Community College (CCC) and providing internal audit services for other CCCs. In addition, this accountant has worked with both our current financial system, Colleague, and the new system, Sage Interacct. Her expertise will be critical in setting the Foundation up for a smooth transition and the successful implementation of new systems to support the growth of the Foundation.



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4. DISCUSSION/ACTION ITEMS

4.1 Nomination and Election of Officer Elections

All officers agreed to remain in their current position.

Elect the following nominees as Executive Committee Officers for 2024

- ***Mr. Joe Gibson, Board President***
- ***Ms. Star Alfaro, Vice President***
- ***Ms. Jennifer Finnegan, Secretary/Treasurer***

Motion by Tiffany Blasingame, second by Hiram Oilar

Final Resolution: Motion Carries

Yea: Star Alfaro, Tiffany Blasingame, Joe Gibson, Mike Mari, Hiram Oilar

4.2 Approval of Resolution #SCF2023-24-01 recognizing Joe Wyse's service to the Shasta College Foundation (attached)

The Board wished Dr. Wyse well on his retirement.

Approve Resolution #SCF2023-24-01 recognizing Joe Wyse's service to the Shasta College Foundation

Motion by Tiffany Blasingame, second by Mike Mari

Final Resolution: Motion Carries

Yea: Star Alfaro, Tiffany Blasingame, Joe Gibson, Mike Mari, Hiram Oilar

4.3 Approval of Resolution #SCF2023-24-02 providing signature authority to Dr. Kevin O'Rorke, Interim Superintendent/President of Shasta College (attached)

With Dr. Wyse's upcoming retirement, Dr. O'Rorke will be serving as interim Superintendent/President until the recruitment for a new Superintendent/President can be completed.

Approve Resolution #SCF2023-24-02 providing signature authority to Dr. Kevin O'Rorke, Interim Superintendent/President of Shasta College

Motion by Mike Mari, second by Hiram Oilar

Final Resolution: Motion Carries

Yea: Star Alfaro, Tiffany Blasingame, Joe Gibson, Mike Mari, Hiram Oilar

4.4 Approval of the establishment an investment account for pooled Donor Endowments

Establishing an investment account for pooled donor endowments will make the endowments easier to manage and track and will allow for better reporting to the donor. Currently, the endowments are mixed in with the Operations & Endowment investment accounts. If approved, any account with an endowment of less than \$250,000 will be deposited in this account. This will not result in a change in the interest accrual rate or the balances.

Approval of the establishment an investment account for pooled Donor Endowments

Motion by Tiffany Blasingame, second by Mike Mari

Final Resolution: Motion Carries

Yea: Star Alfaro, Tiffany Blasingame, Joe Gibson, Mike Mari, Hiram Oilar



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4.5 Approval of Policy#105 – Investment Policy (attached)

This is a lengthy, detailed policy and lays out how to manage the investment accounts for the Foundation, our advisors, donors, and potential donors. The attorneys and investment advisors have reviewed this policy, as well as the Ad Hoc Subcommittee and all feedback has been incorporated. The Foundation does not have a contract with Stifel, but our accounts all have a very low investment fee of 0.6% due to our long-term relationship with Stifel. The policy suggests that every 3-5 years the Foundation should request bids from other advisors to compare rates and services. Based on the historical records, an evaluation of other investment advisors has never been done, so this would be a useful exercise.

Approval of Policy#105 – Investment Policy

Motion by Tiffany Blasingame, second by Star Alfaro

Final Resolution: Motion Carries

Yea: Star Alfaro, Tiffany Blasingame, Joe Gibson, Mike Mari, Hiram Oilar

4.6 Approval of Foundation's Corporate Seal (below)

During the Bylaws review process, it was discovered that the Foundation is required to have a corporate seal. The marketing team designed a seal and it is being presented today for review and approval. The Foundation would use the standard logo on both internal and public documents, and the seal would be reserved for official documents only.



Approval of Foundation's Corporate Seal

Motion by Mike Mari, second by Hiram Oilar

Final Resolution: Motion Carries

Yea: Star Alfaro, Tiffany Blasingame, Joe Gibson, Mike Mari, Hiram Oilar

4.7 First Reading of the Shasta College Foundation Bylaws (to be distributed)

The Bylaws were distributed to the Executive Committee members, and are attached hereinto as **Exhibit B**. No action is required, and the Bylaws will be presented at the next meeting for second reading and approval.



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4.8 Discussion of Major Gifts

Dr. Wyse shared that there is a donor interested in making a substantial donation to the Foundation. The funds would be restricted to support projects within Shasta County, and there is a lot of potential for the use of these funds. This is a unique situation but a very good opportunity for the Foundation and the communities it supports.

5. EXECUTIVE COMMITTEE MEMBER UPDATES

Ms. Blanchier shared the good news that the Foundation had been selected as a recipient for the Finish Line grant for the 2024-2025 academic year from the Foundation for California Community College (FCCC). The FCCC received a donation of \$100 million to be distributed to rural community colleges over the next 20 years, and this is the sixth year the Foundation has been selected. The funds will be used to support returning adult learners.

M. Gibson forewarned that the budget is expected to drop 8% for K-14 schools in California because of the state's revenue shortfalls.

At the community college level, the new base limit for the Student Centered Funding Formula (SCFF) will be determined in 2024-2025 and the hold harmless clauses that were enacted for Covid will end. These changes will affect the college's funding level. More information will be released by the Governor in January.

6. SETTING OF FUTURE MEETING DATE

The next meeting of the Executive Committee will be held on February 13th, 2024 at noon at the Shasta College Community Leadership Center (CLC) downtown.

If needed, a meeting will be tentatively scheduled for February 27th at noon.

7. PUBLIC COMMENTS FROM THE AUDIENCE

There were no public comments.

8. ADJOURNMENT

The meeting was adjourned at 1:18 p.m.

Approve the Motion to Adjourn the Executive Committee Meeting

Motion by Mike Mari, second by Tiffany Blasingame

Final Resolution: Motion Carries

Yea: Star Alfaro, Tiffany Blasingame, Joe Gibson, Mike Mari, Hiram Oilar



Shasta College

Measure H Bond Projects Overview

Presented to the
Shasta College Foundation
12/06/2023



Financial Overview

\$139 million General Obligation Bond for District Facilities Improvements

Approved by voters in November 2016

All Bonds have been issued:

9/07/2017	\$50,000,000
10/03/2019	\$40,000,000
12/09/2020	\$30,000,000
6/27/2023	\$19,000,000



Financial Overview

Additional Sources of Funding:

(1) California Community Colleges Chancellor's Office - Veterans Resource Center (VRC) Funding	\$	58,661
(2) Strong Workforce Program Funding in support of Career Technical Education Programs		674,906
(3) Fire Chief's Association Contribution		58,000
(4) Higher Education Emergency Relief Fund (HEERF) Offset		5,173,408
(5) State Funded Projects		20,796,000
(6) Scheduled Maintenance Funds		1,926,600
(7) North State Together Technology/FFE Contribution		65,000
TOTAL ADDITIONAL FUNDS FROM OTHER SOURCES:	\$	28,752,574
(8) Interest Earned on Bond Funds in County Treasury (through 6/30/23)		3,138,520
TOTAL ADDITIONAL FUNDS TO SUPPORT BOND PROJECTS:	\$	31,891,094



Financial Overview

Project Expenditures/Commitments to Date:

Completed Projects	\$40,580,215
Projects Under Construction	\$99,603,184
Remaining Funds for Projects	\$21,755,629



District-Wide Projects

Facilities Master Plan – Amendment One

About SC / Planning Documents / Facilities Master Plan-Amendment One (May 2018)



Shasta-Tehama-Trinity Joint
Community College District



Facilities Master Plan Amendment One

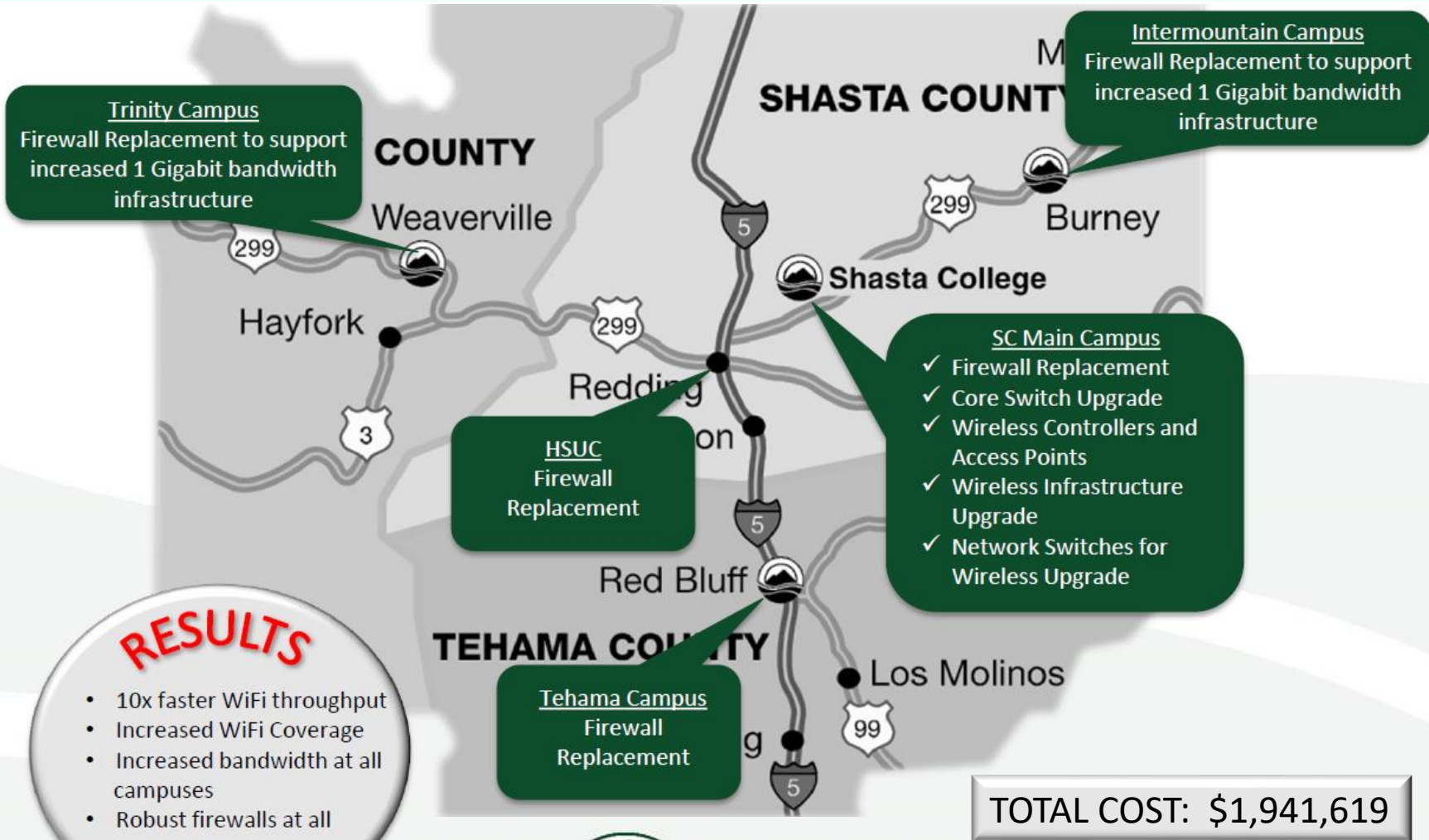


Shasta College
www.shastacollege.edu

- Maps
- Proposed Projects
- Neighborhoods
 - Academic
 - Student Services
- Buildings (Interior/Exterior)
 - Color
 - Textures
 - Space Prototypes
- Landscaping



District-Wide Projects



RESULTS

- 10x faster WiFi throughput
- Increased WiFi Coverage
- Increased bandwidth at all campuses
- Robust firewalls at all campuses



Tehama Campus Projects

TOTAL COST: \$6,121,902



Downtown Redding Projects



TOTAL COST: \$297,856

Health Sciences & University Center



Downtown Redding Projects

SC Community Leadership Center



TOTAL COST: \$22,742,950
(New Markets Tax Credits Offset
= \$4.1 Million)

SC Main Campus Projects

Regional Public Safety Training Center – Phase 1



BURN TOWER

TOTAL COST: \$2,869,310

RAPPELLING TOWER



SC Main Campus Projects

Regional Public Safety Training Center – Phase 2

Classroom Building



Agency Building



TOTAL COST: \$5,752,479



SC Main Campus Projects

Veterans Support & Success Center

TOTAL COST: \$2,692,752



SC Main Campus Projects

Career Technical Educational Building & Covered Storage



TOTAL COST: \$5,288,645



SC Main Campus Projects

Computer Information Systems (CIS) Building



TOTAL COST: \$8,319,255



SC Main Campus Projects

Solar Array – East Parking Lot



TOTAL COST: \$6,900,000

- 1.6 Megawatts
- 8 Bays
- Electric Auto Charging Stations (for 10 parking spaces)



SC Main Campus Projects

Athletic Fieldhouse Building



TOTAL COST: \$1,182,940



SC Main Campus Projects

200 Building (Library) Renovation



ESTIMATED TOTAL COST: \$22,104,030
75% State Funded



SC Main Campus Projects

100 Building Renovation (Student Services One-Stop Shop)



ESTIMATED TOTAL COST: \$10,500,000



SC Main Campus Projects

Projects in Planning Stages

800 Building (Instructional Classrooms) Renovation	\$10,974,700 50% State Funded
1600 Building (Life Sciences) Renovation	\$11,500,000 Potential 50% State Funding
700 Building HVAC & Refresh (Administrative Offices)	\$3,750,000



For more information...



About / Bond Projects / Measure H

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QUESTIONS

*Thank
you!*





BYLAWS OF THE SHASTA COLLEGE FOUNDATION

BOARD APPROVED:

**BOARD FIRST READING
DECEMBER 6, 2023**



THE SHASTA COLLEGE FOUNDATION

BYLAWS

BOARD APPROVED: BOARD FIRST READING – 12/6/23

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THE SHASTA COLLEGE FOUNDATION

BYLAWS

BOARD APPROVED: BOARD FIRST READING – 12/6/23

BYLAWS OF THE SHASTA COLLEGE FOUNDATION

A California Nonprofit Public Benefit Corporation

ARTICLE I. NAME

1.01 The name of this corporation and/or organization shall be THE SHASTA COLLEGE FOUNDATION (“Foundation”).

ARTICLE II. OFFICES

Principal Office

2.01 The principal office of the Foundation for the transaction of the business is located at 1401 California Street, Redding, CA 96001. The mailing address is P.O. Box 496006, Redding, California 96049-6006.

Change of Address

2.02 The Board of Directors (“Board”) is hereby granted full power and authority to change the principal office of the corporation from one location to another in California. Any such change shall be noted by the Secretary/Treasurer in these Bylaws, but shall not be considered an amendment of these Bylaws.

Attorney and Certified Public Accountant

2.03 An attorney admitted to practice in the state and a licensed certified public accountant (“CPA”) shall be selected to provide advice and counsel to the Board. Each shall have experience appropriate to the responsibility and shall have no financial interest in any contract or other transaction entered into by the Board. Neither the attorney nor the CPA needs to be a member of the Board.

ARTICLE III. DIRECTORS

Number of Directors

3.01 The corporation shall have not less than seven (7) Directors. This number may be changed from time to time, within the limits specified in this Bylaw, by an amendment to this Bylaw duly adopted by approval of the Board of Directors.



THE SHASTA COLLEGE FOUNDATION

BYLAWS

BOARD APPROVED: BOARD FIRST READING – 12/6/23

Composition of Directors

3.02 The Directors of the corporation, (“Directors” or collectively “Board of Directors”), shall be residents of or maintain business or be a community/business leader in the Shasta-Tehama-Trinity Joint Community College District. One Director shall be appointed by the Shasta-Tehama-Trinity Joint Community College District Board of Trustees, and shall be a Trustee of the Shasta-Tehama-Trinity Joint Community College Board of Trustees. All other Directors shall be appointed by the Foundation’s Board of Directors.

The person holding the position of Shasta College Superintendent/President shall serve as an ex-officio Director of the Corporation as a non-voting member; however, this Director shall not count towards the minimum number of Directors required for a quorum.

Term of Office/Subsequent Election

3.03 Excluding the Director appointed by the Shasta College Board of Trustees whose term shall be an annual term and the Superintendent/President whose term shall follow the appointed position, the term of each Director shall be three years. The terms of the other Directors shall be staggered with at least two Directors’ terms expiring each third year. There will be no limitations on the number of terms served by Directors. Each Director, including a Director appointed to fill a vacancy or elected at a Special Meeting, shall hold office until expiration of the term for which appointed, and until a successor has been appointed and qualified. If a Director leaves the Board midterm, the replacement Director, when appointed, shall conform to the same term of office as the Director they replaced.

Vacancies in the Board

3.04 A vacancy or vacancies in the Board shall be deemed to exist on the occurrence of the following: (a) the death, resignation, or removal of any Director; (b) the declaration of resolution of the Board of a vacancy of the office of a Director who has been declared of unsound mind by an order of court or convicted of a felony or has been found by final order or judgment of any court to have breached a duty under California Corporations Code Sections 5230 pertaining to Nonprofit Corporations, or (c) the increase of the authorized number of Directors.

Resignations. Except as provided in this paragraph, any Director may resign, which resignation shall be effective on giving written notice to the Board’s President, Vice President, Secretary/Treasurer, or Director, unless the notice specifies a later time for the resignation to become effective. If the resignation of a Director is effective at a future time, the Board may elect a successor to take office as of the date when the resignation becomes effective. No Director may resign when the Foundation would then be left without at least one duly elected Director in charge of its affairs.



THE SHASTA COLLEGE FOUNDATION

BYLAWS

BOARD APPROVED: BOARD FIRST READING – 12/6/23

Director Obligations

3.05 The minimum expectation for Directors is as follows:

- i. attend 60% of Regular Meetings of the Board,
- ii. actively participate in meetings
- iii. attend or provide financial support for Board events, and
- iv. provide a monetary contribution to support the operation of the Foundation as determined annually by the Board.

Removal of a Director

3.06 A Director may be removed, with or without cause, by an affirmative majority vote of the Board, at any duly noticed Regular or Special Meeting of the Board. Removal, at the discretion of the Board, is allowed, and not limited to, the failure of a Director to meet the Board's expectations described in Section 3.05.

Compensation of a Director

3.07 Directors may be compensated for actual and necessary expenses in conducting the business of the corporation as authorized by the Board of Directors. Otherwise, the Directors shall serve without compensation.

Conflict of Interest

3.08 Notwithstanding any other provision of these Bylaws and in accordance with Education Code Section 72677, unless permitted by Education Code Sections 72678 and 72679, no Director (or their spouse or their relatives by blood or marriage) may engage in any transaction or business relationship with the Corporation that results in such person or persons receiving an economic benefit of any kind or nature whatsoever from the Corporation which does not comply with the law of the State of California. Notwithstanding any other provision of this Article 3.08, not more than 49 percent of the persons serving on the Board may be an "interested person" as defined by section 5227 of the State of California Corporations Code. An interested person is (a) any person compensated by the corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as Director; and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of such person. A violation of the 49% interested person rule shall not affect the validity or enforceability of any transaction entered into by the corporation.



THE SHASTA COLLEGE FOUNDATION

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Indemnification

3.09 Right of indemnity. To the fullest extent permitted by law, the Foundation shall defend and hold harmless its Directors, Officers, employees, and other persons described in §5238(a) of the California Corporations Code, including persons formerly occupying any such position against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any proceeding, as that term is used in that Section, and including an action by or in the Right of the Foundation, by reason of the fact that the person is or was a person described in that section. “Expenses,” as used by this Bylaw, shall have the same meaning as in § 6238(a) of the California Corporations Code.

Approval of indemnity. On written request to the Board by any person seeking indemnification under §5238(b) or §5238 (c) of the California Corporation code, the Board shall promptly determine under §5238(e) of the California Corporations Code whether the applicable standard of conduct set forth in §5238(b) or §5238(c) has been met and, if so, the Board shall authorize indemnification.

Insurance. The Foundation shall purchase and maintain insurance to the full extent permitted by law on behalf of its Officers, Directors, employees, and other agents, against any liability asserted against or incurred by any Officer, Director, employee, or agent in such capacity or arising out of the Officer’s, Director’s employee’s, or agent’s status as such.

Regular and Special Meetings

3.10 Regular and Special Meetings shall be held at the principal office of the Corporation unless otherwise provided by the Executive Director or at such place within the boundaries of the territory of the District over which the Corporation exercises jurisdiction subject to the exceptions provided under the Ralph M. Brown Act. Notice of such meetings shall be given in accordance with the Ralph M. Brown Act. (Section 54950 et seq. of the California Government Code.) If, by reason of fire, flood, earthquake, or other emergency, it shall be unsafe to meet in the place designated, the meetings shall be held for the duration of the emergency at the place designated by the President of the Board or his or her designee in a notice to the local media that have requested notice pursuant to Section 54956, by the most rapid means of communication available at the time. Regular Meetings shall be held at least once quarterly.

Filing Address

3.11 Each Director shall file with the Secretary/Treasurer an email address to which all notices may be directed until notice of change of email address has been given in writing.



THE SHASTA COLLEGE FOUNDATION

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BOARD APPROVED: BOARD FIRST READING – 12/6/23

Quorum of the Board

3.12 A majority of the voting members of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board.

Manner of Action

3.13 The act of a majority of the voting Directors shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws. All Directors will have one vote. Each Director shall have one vote on each matter presented to the Board for action. No Director may vote by proxy.

Committees of the Board

3.14 The Board of Directors, by an affirmative vote of a majority of the members constituting the Board of Directors, may establish committees which shall have and may exercise such powers as shall be conferred or authorized by resolution of the Board. A majority of any such committee may determine its action and fix the time and place of its meetings unless the Board of Directors shall otherwise provide.

The Board of Directors, by such affirmative vote, shall have the power at any time to change the structure, function, and members of any such committee, to fill vacancies, to dispose of any such committee, and to form ad-hoc committees as needed.

Members of Committees

3.15 Committee members need not be members of the Board of Directors, except that the Board may appoint one or more of their number to any committee the Board so designates. As a minimum, at least one member of each committee will be a member of the Board. In no case will a majority of the Board be appointed to a single committee.

Quorum of Committee

3.16 Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

Transactions of Board

3.17 Except as otherwise provided in the Articles, in these Bylaws, or by law, every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present is the act of the Board, provided, however, that any meeting at which a quorum was initially present



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may continue to transact business notwithstanding the withdrawal of Directors if any action taken is approved by at least a majority of the required quorum for such meeting, or such greater number as is required by the law, the Articles, or these Bylaws.

Conduct of Meetings

3.18 In the absence of the President, or the Vice President, any Director selected by the Directors present may preside at meetings of the Board of Directors. The Secretary/ Treasurer of the Corporation or, in the Secretary/Treasurer's absence, any person appointed by the presiding Officer shall act as Secretary of the Board.

Adjournment

3.19 A majority of the Directors present, whether or not a quorum, may adjourn any meeting to another time and place. Notice of the adjournment must be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

ARTICLE IV. OFFICERS

Numbers and Titles

4.01 The Officers of the corporation shall consist of a President, a Vice-President, a Secretary/Treasurer, and such other Officers as may be chosen in accordance with the provisions of this article. The Board of Directors may also in its discretion appoint such other Officers, including one or more assistant secretaries, as it shall deem desirable; such Officers will have the authority and perform the duties prescribed, from time to time, by the Board of Directors. All Officers are to be voting members of the Board of Directors.

Term of Office

4.02 The Officers of the corporation shall be nominated and elected annually by the Board of Directors at a Regular Meeting of the Board. If the election of Officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. New offices may be created and filled at any meeting of the Board of Directors. Each Officer shall hold office until his/her successor shall have been duly chosen and qualified.

President

4.03 The President shall be the Chief Executive Officer of the corporation and shall supervise and control all meetings of the Board of Directors. He/she may sign, with the Secretary/Treasurer or any other Officer of the corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors have authorized to be executed, except in



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cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by statute to some other Officer or agent of the corporation; and in general, he/she shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time. The President shall remain on the executive Board for the ensuing year. The President or designee shall attend the presentation of the annual report to the Trustees.

Vice President

4.04 In the absence of the President, or in event of his/her inability or refusal to act, the Vice-President shall perform the duties of the President, and, when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President shall perform such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

Secretary/Treasurer

4.05 The Secretary/Treasurer shall keep or cause to be kept with assistance from staff the minutes of all the proceedings of the Board of Directors and its committees. Minutes shall be held in the principal office of the Foundation. The Secretary/Treasurer shall have, with the assistance of the staff, oversight of all funds of this organization in accordance with written financial policies and procedures and shall cause to be kept the financial records of the funds and assets of the Foundation.

Removal of Officers

4.06 Any Officer may be removed, with or without cause, by a majority vote of the Board, at any duly noticed Regular or Special Meeting of the Board.

Resignation of Officers

4.07 Any Officer may resign at any time by giving written notice to the Board's President, Vice President, Secretary/Treasurer, or Executive Director. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Foundation under any contract to which the Officer is a party.

Vacancies in Offices

4.08 A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled only in the manner prescribed in these Bylaws for regular appointment to that office.



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ARTICLE V. OBJECTIVES OF THE SHASTA COLLEGE FOUNDATION

5.01 The objectives of this organization are to operate exclusively for charitable purposes within the meaning of Section 501(c) (3) of the Internal Revenue Code, including the making of distributions to organizations, primarily Shasta College, that qualify as exempt organizations under Section 501(c)(3) of such Code.

ARTICLE VI. PURPOSES OF THE SHASTA COLLEGE FOUNDATION

6.01 The specific and primary purposes of The Shasta College Foundation shall be to provide assistance to Shasta College in the form of student financial aid, enhancement of college facilities and programs, and services to the students, staff and faculty. Activities of the Foundation include, but are not limited to, the following:

- i. To solicit, collect and receive endowments, devises, bequests, gifts and donations of all kinds or property for its own use, or in trust, for carrying out, or which would assist in carrying out, the objectives and purposes of the Foundation; and to do all things and acts necessary or proper to carry out each and all of the purposes and provisions of such endowments, devises, bequests, gifts and donations, with full power to mortgage, sell, lease, or otherwise deal with or dispose of the same in accordance with the terms of the particular endowment, devise, bequest, gift or donation.
- ii. To do any other act or thing and to engage in and carry on any other activity in any manner connected with or incidental to, or calculated to promote, assist, aid, or accomplish any of the aforesaid purposes, and for the purpose of maintaining, attaining or furthering the same, to exercise all or any of said powers, whether as principal, agent, or otherwise, and whether alone or with others, and to have and exercise all other rights, powers, and privileges now or hereafter belonging to or conferred upon corporations organized under the provisions of the Corporations Law of the State of California as it applies to nonprofit corporations, including, but not limited to, the following:
 - a. To purchase, lease, or acquire, by gift or otherwise, and to hold, own, maintain, alter, lease, improve, sell, convey, mortgage, pledge, or otherwise dispose of or encumber real and personal property of every kind and character, or any interest therein;
 - b. To buy bonds and own, hold, vote, encumber, pledge, mortgage, or sell shares of capital stock in all other corporations;
 - c. To borrow money, give promissory notes, or bonds therefore, and secure the payment thereof by mortgage or deed of trust upon property, real or personal.
- iii. To engage in such activities and conduct such activities in such manner as to maintain and preserve its exemption from income taxes imposed by the United States Government and the State of California, to the fullest extent possible under the law.



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- iv. To receive and manage private funds or properties donated to Shasta College.

Notwithstanding any of the above statements of purposes and powers, the Foundation shall not engage in activities which in themselves are not in furtherance of the purposes set forth in this Article IV.

ARTICLE VII. STAFF AND CONSULTANT SERVICES

7.01 The Foundation may hire employees, full or part time or contract for staff services through a services agreement with Shasta College, including but not limited to management, secretarial, accounting, financial services, records management, bookkeeping, and property management. The Foundation will retain an auditor to provide the required independent audit and reports. The duties of any employee or staff services shall be spelled out in an employment contract with a job description or a services agreement.

Duties ascribed to the Foundation Executive Director shall include the following:

- i. Coordinate the preparation and notice of meetings of the Foundation and Board. Maintain the records of the Foundation.
- ii. Coordinate annual fund raising, special events, deferred giving and grants. Monitor and track Foundation grants and expenditures.
- iii. Monitor and track gifts and funds that are accepted by the Foundation that are dedicated to specific purposes.
- iv. Oversee and support the Board on their fiduciary responsibility by providing operational oversight of Foundation records, bookkeeping, audits, and accounting of funds collected and disbursed.
- v. Maintain a positive and coordinated relationship between Shasta College and Foundation.
- vi. Represent the Foundation on a day-to-day basis at Shasta College and with the college's management team and Board of Trustees.
- vii. Participate in community and public relations activities of the Foundation.
- viii. Provide leadership and teambuilding motivation for staff and volunteers.
- ix. Maintain a donor database and recognition plan, assuring that all gifts and pledges are recorded and acknowledged accurately.
- x. Write, edit, and distribute flyers, handouts, newsletters and other appropriate public relations and marketing materials for the Foundation.
- xi. Assist in preparing the annual budget and annual report of the Foundation. Perform such other related duties as may be appropriate.
- xii. Final duties of an Executive Director shall be covered in any employment agreement and shall be based on the hours available. The contract shall also cover total compensation, benefits, specific goals and objectives for the employment period and expectations of the Board.



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ARTICLE VIII. CONTRACTS, CHECKS, DEPOSITS, AND FUNDS

Authorizations

8.01 The Board of Directors may authorize any Officer or Officers, agent or agents of the corporation, in addition to the Officers so authorized by these Bylaws, to enter any contract or execute and deliver any instrument in the name of and on behalf of the corporation. Such authority may be general or confined to specific instances.

Signatures for Payments

8.02 All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation for greater than \$1,000 shall be approved by the Foundation Executive Director and, either the Superintendent/President of Shasta College, the Vice President of Administrative Services of Shasta College, one (1) representative of the Shasta College Business Office designated by the Vice President of Administrative Services or one (1) Foundation Director as designated by resolution of the Board of Directors.

All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation for \$999.99 or less shall be approved by the Foundation Executive Director or the Superintendent/President of Shasta College.

Any draft, or order for the payment of money, note, or other evidence of indebtedness issued in the name of the corporation to the Foundation Executive Director will be approved by the Superintendent/President of Shasta College rather than the Foundation Executive Director.

Deposit of Funds

8.03 All funds of the corporation shall be deposited by the Foundation Executive Director or designee, in the name of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select. Funds shall not be co-mingled with those belonging to the Shasta-Tehama-Trinity Joint Community College District or any successor thereto, or any other organization.

Acceptance of Gifts

8.04 The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, legacy, or devise for the general purpose or for any special purpose of the corporation.



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ARTICLE IX. CAPITAL GAINS AND CAPITAL ASSETS

Distribution of Capital Gains

9.01 The Board of Directors may consider any capital gains of the corporation as income and may distribute this income in any way which is in accordance with the purpose of the corporation as outlined in the Articles of Incorporation.

Disposal of Capital Assets

9.02 Unless restricted by conditions of the donation, the Board of Directors may dispose of any capital asset in accordance with the purpose of the corporation as outlined in the Articles of Incorporation.

ARTICLE X. CORPORATE RECORDS

10.01 The Foundation shall keep adequate and correct records of account and minutes of the proceedings of its Board and committees of the Board of Directors. The Foundation shall also keep a record of its Directors giving their names, email addresses and physical addresses. The minutes shall be kept in written form. Other books and records shall be kept in either written form or in any other form capable of being converted into written form.

ARTICLE XI. ANNUAL AUDIT

11.01 The Board of Directors shall provide for an annual audit of the records and accounts of this corporation by an independent auditor to be contracted by the Shasta College Foundation. Copies of the audit shall be furnished to each member of the Board of Directors and be made available to the Shasta-Tehama-Trinity Joint Community College District Board of Trustees and the public.

ARTICLE XII. FISCAL YEAR

12.01 The fiscal year of the Foundation shall begin on the first day of July and end on the last day of June in each year.

ARTICLE XIII. SEAL

13.01 The Board of Directors shall provide a corporate seal which shall be in the form of a circle having on its circumference the words, "Shasta College Foundation."



THE SHASTA COLLEGE FOUNDATION

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ARTICLE XIV. INSPECTION BY DIRECTORS

14.01 Every Director including the Superintendent/President of the Shasta-Tehama-Trinity Joint Community College District, shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the Foundation and each of its subsidiary corporations. This inspection by a Director may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

ARTICLE XV. ANNUAL REPORT

15.01 The accounting year shall be July 1 through June 30.

- i. Not later than one-hundred twenty (120) days after the close of the Foundation's fiscal year, the Board shall cause an annual report to be prepared. The report shall contain the following information in reasonable detail:
 - a. The assets and liabilities, including the trust funds, of the Foundation as of the end of the fiscal year.
 - b. The principal changes in assets and liabilities, including trust funds, during the fiscal year.
 - c. The revenue or receipts of the Foundation both unrestricted and restricted to particular purposes, for the fiscal year.
 - d. The expenses or disbursements of the Foundation, for both general and restricted purposes, during the fiscal year.
 - e. Any information required by Section 4 of this Article.
- ii. The report required by this Section shall be accompanied by any report thereon of independent accountants, or, if there is no such report, by the certificate of an authorized Officer of the Foundation that such statements were prepared without audit from the books and records of the Foundation.

ARTICLE XVI. ANNUAL STATEMENT OF CERTAIN TRANSACTIONS

16.01 No later than the time the Foundation gives its annual report, and in any event no later than one-hundred twenty (120) days after the close of the Foundation's fiscal year, the Foundation shall prepare a statement of the amount and circumstances of any transaction in which the Foundation, its parent or its subsidiary was a party, and in which any Director or Officer of the Foundation, its parent or subsidiary had a direct or indirect financial interest.



THE SHASTA COLLEGE FOUNDATION

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ARTICLE XVII. AMENDMENTS

17.01 These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted by a 2/3 majority of the voting Directors at any Regular or Special Meeting of the Board of Directors, if at least ten (10) days written notice is given to all Directors of intention to alter, amend, or repeal, or adopt new Bylaws at such meeting.

Adopted _____ by the Shasta College Foundation Board of Directors

CERTIFICATE OF SECRETARY/TREASURER

OF

THE SHASTA COLLEGE FOUNDATION

A California Nonprofit Public Benefit Corporation

I, the undersigned, certify that I am the presently elected and acting Secretary/Treasurer of THE SHASTA COLLEGE FOUNDATION, a California nonprofit public benefit corporation, and the foregoing Bylaws, consisting of fourteen (14) pages, constitute the Bylaws of said Foundation as duly adopted at a meeting of the Board of Directors thereof held on this ____ day of _____, 20__.

[Name]

Secretary/Treasurer



January 19, 2024

Ms. Jill Ault
Assistant Superintendent/Vice President of Administrative Services
Shasta College
11555 Old Oregon Trail,
Redding, CA 96003

Dear Ms. Ault,

The purpose of this letter is to provide a recap of the corrections to the 2022-23 District Audit Report following presentation to the District's Audit Subcommittee and full Board on December 13, 2023:

Page 14 Statement of Cash Flows – Primary Government

In the Cash Flows From Capital Financing Activities section, a hidden row obstructed "Proceeds from debt issuance" of \$19,000,000. There was no impact to the Net Cash Provided by Capital Financing Activities subtotal or the reported ending cash balance.

Page 16 Statement of Financial Position – Foundation

In the Current Assets section, a hidden row resulted in an error to the assets total. There was no impact to the reported total net assets balance.

Page 17 Statement of Activities – Foundation

In the Support and Revenue section, formula errors resulted in errors to the Support and Revenue totals. Additionally, the correct balance of in-kind donations of \$40,021 was transposed as \$40,201. There was no impact to the change in net assets or the reported ending net assets balance.

I would be happy to discuss these items at the Board's convenience.

Thank you,

A handwritten signature in blue ink, appearing to read "Ben Leavitt", is placed over a circular blue ink stamp.

Ben Leavitt, CPA, CFE
Partner
CWDL



See what's possible.

SHASTA-TEHAMA-TRINITY JOINT
COMMUNITY COLLEGE DISTRICT
REDDING, CALIFORNIA

AUDIT REPORT

June 30, 2023

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Shasta-Tehama-Trinity Joint Community College District
Redding, California

Opinions

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

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

Basis for Opinions

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

Adoption of New Accounting Standard

As discussed in Note 1 to the financial statements, the District has adopted the provisions of Government Accounting Standards Board (GASB) Statements No. 91, *Conduit Debt Obligations*; GASB Statements No., 92, *Omnibus 2020*; GASB Statements No., 93, *Replacement of Interbank Offered Rates (IBOR)*; GASB Statements No., 94, *Public-Private & Public-Public Partnerships and Availability Payment Arrangements*; and GASB Statements No., 96, *Subscription-based Information Technology Arrangements*; for the year ending June 30, 2023. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Other Matters

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



San Diego, California
December 4, 2023

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDING JUNE 30, 2023**

MANAGEMENT'S DISCUSSION AND ANALYSIS

USING THIS ANNUAL REPORT

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

FINANCIAL HIGHLIGHTS

As we prepared for the 2022-2023 fiscal year, the District anticipated and planned for the COVID hold harmless funding to sunset at June 30, 2022. Late summer of 2022 the Chancellor's Office introduced the Emergency Conditions Allowance (ECA). This provided one additional year of stability in the Student Centered Funding Formula (SCFF). The ECA held the FTES used in the SCFF to 2019-20 levels and provided approximately \$2 million increase to our SCFF. Unlike the COVID hold harmless, the ECA came with conditions for each District requesting it. The Chancellor's Office leveraged the ECA stability by requiring an Emergency Conditions Recovery Plan, a reserve policy equivalent to 2 months of expenditures, membership in the CVC-OEI Consortium and several other compliance standards. The District met and maintained compliance with ECA requirements to stabilize funding in 2022-2023 and future years. At final budget, Statewide SCFF received an increase to base funding in addition to a 6.56% cost of living adjustment (COLA). This increased our SCFF from \$52,931,817 in 2021-2022, to \$58,461,735 in 2022-2023.

District operations transitioned to more normal pre pandemic levels. There remains and increased on line learning level, but also a return of students and staff to campuses this year. With this increased activity on campus brought a return to normal for student field trips and campus activities as well as increased travel for staff. Expenses categories that had been artificially low during pandemic activities began to return to normal. Personnel expenses are projected to grow by 11% over 2021-2022 levels. Other operating expenses are projected to grow by 16% over 2021-2022 levels. The effects of high inflation and increases activities impacted operational expenses. Higher Education Emergency Relief Funds (HEERF) provided a significant relief to operations and increased availability of student aid for the past three years. The HEERF allocation provided \$34.9 million for institutional expenses and direct student aid. The full allocation will be expenses by the sunset date of June 30, 2023. Through careful consideration and planning, use of the HEERF dollars positioned the District to relieve our unrestricted operating fund of over the past two years. In addition to supporting operational expenses, HEERF dollars funded the replacement of aging equipment and expanding network security. This provides a 10–15-year benefit to the District.

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDING JUNE 30, 2023**

The District ended the 2022-23 year with unrestricted operating gain of \$4.2 million due to the added funded provided through Emergency Conditions Allowance. This allowed the District to increase its fund balance to \$15.9 million, 27.2% of Unrestricted General Fund expenditures to be in compliance with board policy on reserves.

FINANCIAL HIGHLIGHTS

Increases to the employer share of PERS and STRS continue to be the largest increases to expenditures each fiscal year. The District's long-term plan to manage these increases is through efficient hiring practices and the formation of the PSRP trust fund as mentioned above.

Statement of Net Position

The statement of net position includes 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 deferred outflow of resources, and liabilities, and deferred inflow of resources is an indicator of the financial health of a District.

The following table summarizes the net position at June 30, 2023 and 2022:

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	2023	2022	Change
Current assets	\$ 55,991,579	\$ 42,363,049	\$ 13,628,530
Non-current assets	230,807,203	187,942,643	42,864,560
Deferred outflow of resources	23,815,054	17,217,990	6,597,064
Total Assets and Deferred Outflows of Resources	310,613,836	247,523,682	63,090,154
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current liabilities	59,300,504	34,332,645	24,967,859
Non-current liabilities	231,216,021	192,980,457	38,235,564
Deferred inflows of resources	10,464,736	26,297,469	(15,832,733)
Total Liabilities and Deferred Inflows of Resources	300,981,261	253,610,571	47,370,690
NET POSITION			
Invested in capital assets, net of related debt	10,927,293	5,111,897	5,815,396
Restricted	41,858,717	36,610,892	5,247,825
Unrestricted	(43,153,435)	(47,809,678)	4,656,243
Total Net Position	\$ 9,632,575	\$ (6,086,889)	\$ 15,719,464

Current cash and cash equivalents consist mainly of cash in the County Treasury. Current assets, unrestricted cash, receivables, prepaid expenses and inventories increased from the prior year, with a slight increase in cash and receivables as a result of operating activity.

Noncurrent assets, assets that are not scheduled to be used in the next fiscal year, increased as a result of the issuance of general obligation bonds, Series C and Series C-1. Capital assets increased due to significant additions to construction in progress.

Depreciable capital assets are the historical value of buildings, site improvements and equipment less accumulated depreciation. Additions and deletions of capital assets along with \$4,376,262 of net depreciation

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDING JUNE 30, 2023

expense resulted in an increase of \$8,236,342 in net capital assets.

Statement of Net Position, continued

During the 2017-18 fiscal year, the District adopted GASB Statement No. 75. This standard required Districts to report the total OPEB liability reduced by the value of plan assets held in an irrevocable trust. In 2022-23 the District went from a \$14.7 million net OPEB liability to a \$16.5 million net OPEB liability.

Accounts payable increased in this fiscal year. This was primarily due to increases in bond activity and the timing of expenses at the end of the year.

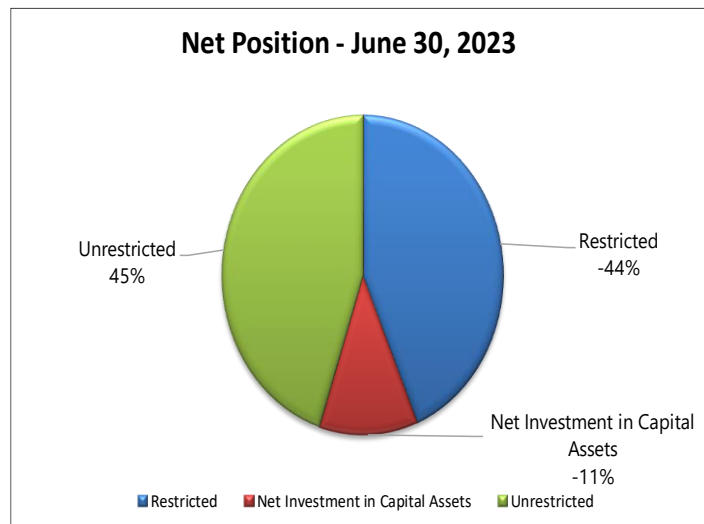
Unearned revenue relates mainly to federal, state, and local program funds received but not yet earned as of June 30, 2023. Grant revenue is earned when expensed. The District received several multi-year awards over the past several years, which have contributed to the higher than average unearned revenue balance.

Noncurrent liabilities are debt and other liabilities to be paid in the future; the due date is a year or more away. Noncurrent liabilities are comprised of compensated absences payable (vacation accrual) of \$1.9 million, bonds and loans payable of \$156.6 million, net OPEB liability of \$16.5 million and the net pension liability of \$58.5 million and a lease liability of \$4.0 million.

Unrestricted net assets include an amount reserved for non-cash assets, prepayments, and amounts reserved for capital and other projects. Board policy states that the District will develop a budget that achieves and maintains at least a 5% contingency reserve in the General Fund balance. Reserves are also maintained in other funds at prudent levels. Restricted net assets consist of net assets held for construction and bond debt service.

The District implemented Governmental Accounting Standards Board regulation, GASB 68 – *Accounting and Financial Reporting for Pensions* in 2014-15 which required the reporting of the District's proportionate share of the unfunded CalSTRS and CalPERS liabilities. Pension expense and the net pension liability has continued to increase.

The composition of Net Position at June 30, 2023 is reflected below:



**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDING JUNE 30, 2023**

Statement of Revenues, Expenses, and Changes in Net Position

The statement 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.

The following table summarizes the activity for the fiscal years ended June 30, 2023 and 2022:

	2023	2022	Change
OPERATING REVENUES			
Tuition and fees (net)	\$ 3,591,470	\$ 3,324,666	\$ 266,804
Grants and contracts	30,574,531	25,284,595	5,289,936
Auxiliary enterprise sales, net	981,799	662,821	318,978
Total Operating Revenues	35,147,800	29,272,082	5,875,718
OPERATING EXPENSES			
Salaries and benefits	65,176,817	53,463,747	11,713,070
Supplies, materials, and other operating expenses	19,981,079	15,565,834	4,415,245
Depreciation	6,379,897	3,607,453	2,772,444
Total Operating Expenses	91,537,793	72,637,034	18,900,759
Operating Loss	(56,389,993)	(43,364,952)	(13,025,041)
NON-OPERATING REVENUES (EXPENSES)			
State apportionments, noncapital	31,022,140	16,437,517	14,584,623
Education protection account revenues, noncapital	3,602,500	14,101,107	(10,498,607)
Local property taxes, noncapital	22,188,766	20,461,964	1,726,802
State taxes and other revenues, noncapital	11,322,217	3,900,942	7,421,275
Financial aid revenues	27,644,554	29,733,805	(2,089,251)
Financial aid expenses	(27,713,239)	(29,804,810)	2,091,571
Investment income	1,628,195	556,466	1,071,729
Interest expense	(4,687,535)	(4,973,084)	285,549
Other non-operating revenues	(183,044)	(1,935,023)	1,751,979
Total Non-Operating Revenues (Expenses)	64,824,554	48,478,884	16,345,670
OTHER REVENUES (EXPENSES)			
State apportionments, capital	366,093	1,370,832	(1,004,739)
Local property taxes and revenues, capital	6,918,810	7,457,612	(538,802)
Change in Net Position	15,719,464	13,942,376	1,777,088
NET POSITION - BEGINNING OF YEAR	(6,086,889)	(20,029,265)	13,942,376
NET POSITION - END OF YEAR	\$ 9,632,575	\$ (6,086,889)	\$ 15,719,464

Tuition and fees were \$9.7 million, less the Board of Governor tuition waivers of \$6.1 million. This includes enrollment fees, non-resident tuitions, and other student fees. Enrollment fees are set by the State for all community colleges. Most of the enrollment fees are included in the calculation of the general apportionment. Campus Center fees were \$325,022 and dorm fees were \$453,938 for 2022-23.

State and federal contracts and grants increased by approximately \$5.3 million. Overall, categorical funding from the Chancellor's Office remained constant with the prior year. Auxiliary enterprise sales and charges are primarily Bookstore commissions and Food Service sales with a small amount of rental income.

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDING JUNE 30, 2023

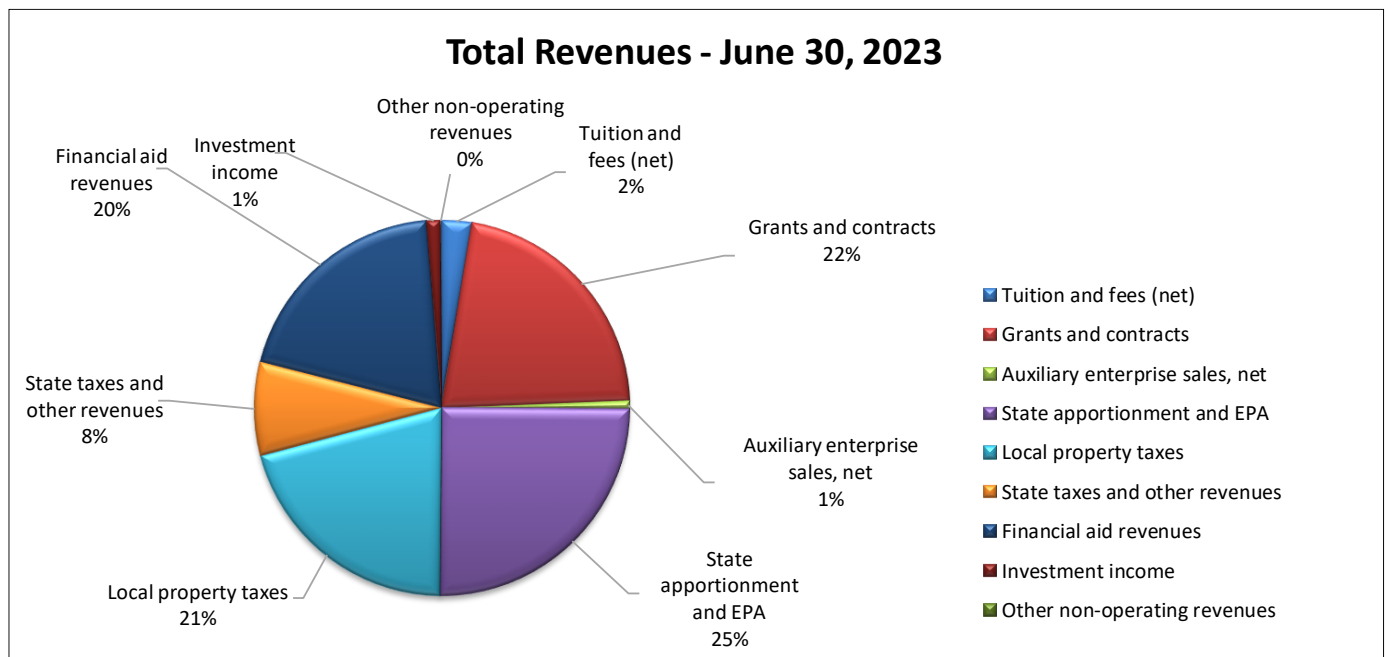
Statement of Revenues, Expenses, and Changes in Net Position, continued

State apportionment represents Total Computation Revenue (TCR) estimated at \$58.5 million earned less 98% of regular enrollment fees collected, EPA funds and property taxes, less deficit factor. Final constrained TCR for 2022-23 was 57.9 million.

Property taxes and other revenue consist primarily of local property tax revenue, \$22.2 million, and State lottery revenue of \$2.1 million.

Net position in the statement of net position as of June 30, 2023, increased by \$17.2 million primarily as a result of increase in state apportionments.

The composition of operating and nonoperating revenues for the year ended June 30, 2023 are reflected below:



Salaries and employee benefits reflect an increase of \$11.7 million from the prior year. The primary driver was the increase in the pension and OPEB related benefit expenses due to changes of assumptions. Salaries and benefits are expected to increase as contribution rates continue to rise each year.

Payments to students are made possible through student service grants. These payments will fluctuate with the available funding and eligibility of students.

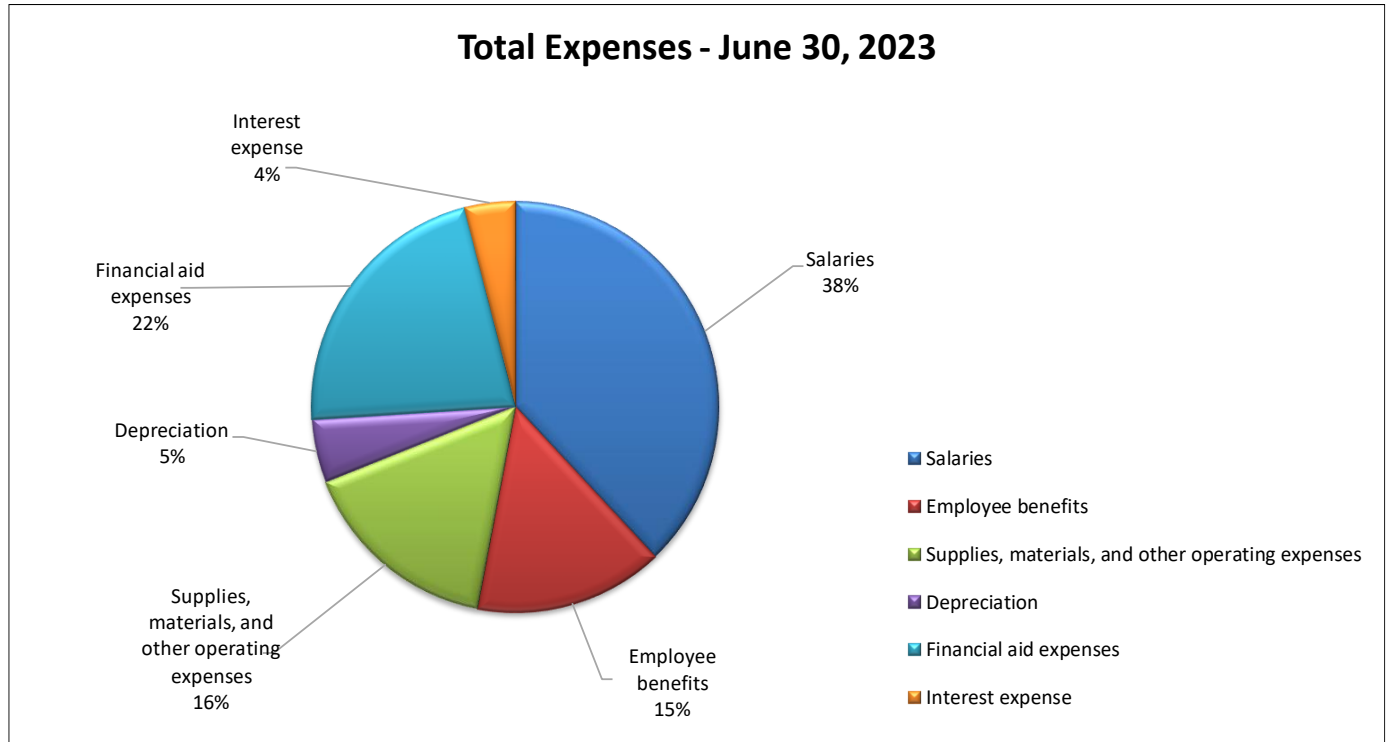
Supplies, materials, other operating expenses and services consist of those non-capital expenditures made by the District. This area experienced an increase from the prior year.

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDING JUNE 30, 2023

Statement of Revenues, Expenses, and Changes in Net Position, continued

Depreciation expense increased over the prior year.

The composition of operating and nonoperating expenses for the year ended June 30, 2023 are reflected below:



Statement of Cash Flows

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

The following table summarizes the activity for the fiscal years ended June 30, 2023 and 2022:

CASH PROVIDED BY (USED IN)	2023	2022	Change
Operating activities	\$ (24,634,030)	\$ (32,901,742)	\$ 8,267,712
Noncapital financing activities	64,535,141	49,546,749	14,988,392
Capital financing activities	2,892,907	(26,344,743)	29,237,650
Investing activities	2,154,740	704,212	1,450,528
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 44,948,758	\$ (8,995,524)	\$ 53,944,282

Cash receipts from operating activities consist primarily of tuition and fees, federal, state, and local grants, and other contracts of \$44.0 million. Cash outlays were primarily payments to or on behalf of employees for salaries and benefits in the amount of \$66.1 million, and payments to suppliers and students of \$15.7 million.

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDING JUNE 30, 2023**

Statement of Cash Flows, continued

General apportionment of \$27.7 million, EPA of \$3.6 million, and local property taxes of \$22.2 million are the primary sources of non-capital financing activities.

Net cash from financing activities was \$68.9 million and net cash provided by investing activities was \$2.2 million in 2022-23.

Emergency Conditions Allowance

To alleviate decreases in district apportionments resulting from the pandemic, the CCC introduced the Emergency Conditions Allowance (ECA) in mid-June 2023, just before the state budget was approved. In early July, after changes in the enacted state budget were applied to the SCFF and our budget, it was determined that Shasta College would benefit from this additional year of funding stabilization.

The ECA application consists of two parts: developing a Board of Trustees approved Emergency Conditions Recovery Plan and a certification that the district meets other specific eligibility criteria. District staff developed the Emergency Conditions Recovery Plan and presented it to the Board in August. The plan was submitted to the Chancellor's Office by the deadline of September 1, 2023. There are several additional steps that must take place to continue eligibility for the ECA. The primary focus will be to update our fund balance policy to be in accordance with the Government Finance Officers Association (GFOA) best practices. The guidance recommends two months of reserves, 16.7%, for both unrestricted and restricted general funds be held in the districts unrestricted general fund. The District is evaluating this recommendation and working to create a policy for discussion and approval by the Board.

Economic Factors That May Affect the Future

The enacted budgets for each segment of higher education continue to be shaped by multi-year frameworks introduced in 2022-23, including the Roadmap for the Future of California Community Colleges (Roadmap). The Roadmap is intended to advance equity, student success and the system's ability to prepare students for California's future. The Roadmap is part of the Administration's agenda to help the State reach a goal of having 70% of working age Californian's possess a degree or certificate.

The enacted budget for community colleges reflects stable total funding. It includes about \$790 million in ongoing adjustments to the Student Centered Funding Formula (SCFF), of which \$678 million is for an 8.22% cost of living adjustment (COLA). Another \$112.4 million is provided for an 8.22% COLA to some categorical programs. Two larger categorical programs, Student Equity and Achievement and Strong Workforce, are not receiving COLA from the State in 2023-2024.

Unlike the prior year state budget with two-thirds of new money going to one-time initiatives, one-time funds are limited in the 2023-2024 budget to a \$50 million increase to student retention and reengagement.

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDING JUNE 30, 2023**

Economic Factors That May Affect the Future, continued

The enacted budget reduces a prior year one-time allocation for deferred maintenance by \$500 million, or 60%. This is a unique move for the State to pull back previously allocated one-time funds in an effort to fund on-going expenses. Another unique move for the State allows flexibility with the remaining deferred maintenance funds, COVID-19 Block Grant and retention/enrollment funds to be used for any of those three purposes.

The prior year budget act extended the SCFF Hold Harmless provision through 2024-2025. Starting in 2025-2026, districts will be funded at their SCFF generated amount that year or their "floor" (2024-2025 funding amount), whichever is higher. The revised Hold Harmless provision will no longer include adjustments to reflect cumulative COLAs over time, as is the case with the current SCFF Hold Harmless provision. Shasta College has performed better under the new SCFF than the previous funding formula and has not relied on the SCFF Hold Harmless. Modeling of the SCFF for the next several years indicates that our 2023-2024 SCFF, with COLA applied in 2024-2025, will provide our highest level of funding to establish our new SCFF floor.

The District has relied upon the COVID Hold Harmless offered by the CCC for the 2020-2021 and 2021-2022 fiscal years. As a result, Shasta College funding received through the SCFF has been stabilized using 2019-2020 FTES. This has provided approximately \$2 million of funding per year, above what we would have earned through the SCFF. Cumulatively, the District benefited by receiving almost \$4 million in SCFF funding that we *would not have received without this protection*. The COVID Hold Harmless provision ended with the 2021-2022 year.

Fall of 2023 brings some uncertainty with a lower-than-expected COLA in the 2024-2025 year. Original projections were 3-4% and newest projections are 1%. With the three-year average used in the SCFF, this would result in less Total Computation Revenue in 2024-2025. Recent news that 2022 state tax collections came in \$26 billion lower than budget estimates will likely impact the deficit factor in 2023-2024 and 2024-2025 total available funding. How the state handles the shortfall will directly impact community colleges and their ability to maintain education programs and services for students.

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
STATEMENT OF NET POSITION – PRIMARY GOVERNMENT
JUNE 30, 2023

ASSETS

Current Assets:

Cash and cash equivalents	\$ 40,661,518
Accounts receivable, net	13,291,106
Inventory	66,717
Prepaid expenditures and other assets	1,972,238
Total Current Assets	55,991,579

Noncurrent Assets:

Restricted cash and cash equivalents	84,251,582
Restricted investments	8,687,299
Right of use asset	4,134,830
Capital assets, net	114,747,932
Note receivable	18,985,560
Total Noncurrent Assets	230,807,203

TOTAL ASSETS

286,798,782

DEFERRED OUTFLOWS OF RESOURCES

Deferred loss on refundings	992,537
Deferred outflows - OPEB	4,638,358
Deferred outflows - pensions	18,184,159

TOTAL DEFERRED OUTFLOWS OF RESOURCES

23,815,054

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

\$ 310,613,836

LIABILITIES

Current Liabilities:

Accounts payable and accrued expenses	\$ 14,036,281
Unearned revenue	34,350,511
Amounts held for others	4,531,026
Long-term debt, current portion	6,382,686
Total Current Liabilities	59,300,504

Noncurrent Liabilities:

Compensated absences	1,944,194
Net OPEB liability	16,509,750
Net pension liability	58,535,488
Long-term debt, non-current portion	154,226,589
Total Noncurrent Liabilities	231,216,021

TOTAL LIABILITIES

290,516,525

DEFERRED INFLOWS OF RESOURCES

Deferred inflows - pensions	10,464,736
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NET POSITION

Net investment in capital assets	10,927,293
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Restricted for:

Debt service	7,512,399
Capital projects	34,346,318

Unrestricted	(43,153,435)
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TOTAL NET POSITION

9,632,575

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

\$ 310,613,836

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

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PRIMARY
GOVERNMENT
FOR THE YEAR ENDED JUNE 30, 2023**

OPERATING REVENUES

Tuition and fees (gross)	\$ 9,717,382
Less: Scholarship discounts and allowances	(6,125,912)
Net tuition and fees	3,591,470
Grants and contracts, noncapital:	
Federal	8,076,528
State	21,748,829
Local	749,174
Auxiliary enterprise sales, net	981,799
TOTAL OPERATING REVENUES	35,147,800

OPERATING EXPENSES

Salaries	47,199,738
Employee benefits	17,977,079
Supplies, materials, and other operating expenses	19,981,079
Depreciation	6,379,897
TOTAL OPERATING EXPENSES	91,537,793

OPERATING LOSS

(56,389,993)

NON-OPERATING REVENUES (EXPENSES)

State apportionments, noncapital	31,022,140
Education protection account revenues, noncapital	3,602,500
Local property taxes, noncapital	22,188,766
State taxes and other revenues, noncapital	11,322,217
Financial aid revenues	27,644,554
Financial aid expenses	(27,713,239)
Investment income	1,628,195
Interest expense	(4,687,535)
Other non-operating revenues	(183,044)
TOTAL NON-OPERATING REVENUES (EXPENSES)	64,824,554

INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES

8,434,561

State apportionments, capital	366,093
Local property taxes and revenues, capital	6,918,810

CHANGE IN NET POSITION

15,719,464

NET POSITION -- BEGINNING OF YEAR

(6,086,889)

NET POSITION -- END OF YEAR

\$ 9,632,575

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS – PRIMARY GOVERNMENT
FOR THE YEAR ENDED JUNE 30, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and fees	\$ 12,708,426
Grants and contracts	43,968,140
Payments to or on behalf of employees	(66,073,495)
Payments to vendors for supplies and services	(15,739,223)
Payment to students	(479,677)
Other receipts	981,799
Net Cash Used by Operating Activities	<u>(24,634,030)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

State apportionments, noncapital	27,673,387
Education protection account revenues, noncapital	3,602,500
Local property taxes, noncapital	22,188,766
State taxes and other revenues, noncapital	11,322,217
Financial aid disbursements	(27,713,239)
Financial aid receipts	27,644,554
Other non-operating revenues	(183,044)
Net Cash Provided by Non-capital Financing Activities	<u>64,535,141</u>

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Acquisition and construction of capital assets	(18,751,069)
Proceeds from debt issuance	19,000,000
State revenue, capital projects	366,093
Local revenue, capital	6,918,810
Principal paid on capital debt	553,963
Interest paid on capital debt	(5,194,890)
Net Cash Provided by Capital Financing Activities	<u>2,892,907</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investments	526,545
Investment income	1,628,195
Net Cash Provided by Investing Activities	<u>2,154,740</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS	44,948,758
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	79,964,342
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 124,913,100</u>

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS – PRIMARY GOVERNMENT
FOR THE YEAR ENDED JUNE 30, 2023**

**RECONCILIATION OF OPERATING LOSS TO NET CASH
USED BY OPERATING ACTIVITIES**

Operating loss	\$ (56,389,993)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation expense	6,379,897
Changes in Assets and Liabilities:	
Accounts receivable, net	4,233,333
Inventory	(6,794)
Prepaid expenditures and other assets	(577,491)
Deferred outflows - pensions	(6,597,064)
Accounts payable and accrued liabilities	4,826,141
Deferred revenue	18,277,232
Amounts held for others	(479,677)
Compensated absences	515,886
Net OPEB liability	1,854,133
Net pension liability	19,163,100
Deferred inflows - pensions	(15,832,733)
Total Adjustments	31,755,963
Net Cash Flows From Operating Activities	\$ (24,634,030)

COMPONENTS OF CASH AND CASH EQUIVALENTS

Cash and cash equivalents	\$ 40,661,518
Restricted cash and cash equivalents	84,251,582
Total Cash and Cash Equivalents	\$ 124,913,100

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
STATEMENT OF FINANCIAL POSITION – FOUNDATION
JUNE 30, 2023

ASSETS

Current Assets

Cash and Cash Equivalents	\$	4,221,397
Investments		4,086,627
Prepaid Expense		300
Accounts receivable		113,407

Total Current Assets		<u>8,421,731</u>
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TOTAL ASSETS	\$	<u>8,421,731</u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$	72,218
Depository liabilities		2,742,517

Total Current Liabilities		<u>2,814,735</u>
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Net Assets

Net assets without donor restrictions		1,887,094
Net assets with donor restrictions		3,719,902

Total Net Assets		<u>5,606,996</u>
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TOTAL LIABILITIES AND NET ASSETS	\$	<u>8,421,731</u>
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SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
STATEMENT OF ACTIVITIES – FOUNDATION
FOR THE YEAR ENDED JUNE 30, 2023

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
SUPPORT AND REVENUE			
Donations	\$ 3,631	\$ 2,150,821	\$ 2,154,452
Net investment return	129,986	281,725	411,711
Other revenue	131,009	186,200	317,209
In-kind donations	-	40,021	40,021
Net assets released from restriction	1,652,000	(1,652,000)	-
Total Support and Revenue	1,916,626	1,006,767	2,923,393
EXPENSES			
Program	225,370	-	225,370
General and administrative	1,125,641	-	1,125,641
Fundraising	60,618	-	60,618
In-kind donations	40,021	-	40,021
Total Expenses	1,451,650	-	1,451,650
Change in Net Assets	464,976	1,006,767	1,471,743
Net Assets - Beginning of Year	1,422,118	2,713,135	4,135,253
Net Assets - End of Year	\$ 1,887,094	\$ 3,719,902	\$ 5,606,996

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS – FOUNDATION
FOR THE YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 1,471,743
Change in fair value of investments	113,880
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Proceeds from contribution restricted for investment	
Change in:	
Accounts receivable	(110,051)
Other assets	13,164
Prepays	4,543
Current liabilities	478,473
Net Cash Provided by Operating Activities	<u>1,971,752</u>
 Net Increase in Cash	 1,971,752
 Cash and Cash Equivalents - Beginning of Year	 <u>2,249,645</u>
 Cash and Cash Equivalents - End of Year	 <u>\$ 4,221,397</u>

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity Shasta-Tehama-Trinity Joint Community College District (the District) is a community college governed by an elected seven-member Board of Trustees. The District provides educational services to the local residents of the surrounding area. The District consists of one community college located in Redding, California, and satellite campuses throughout the tri-county area.

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

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

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

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

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

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

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

Basis of Presentation and Accounting The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District has elected to follow GASB pronouncements and not Financial Accounting Standards Board (FASB) pronouncements after November 30, 1989.

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

Exceptions to the accrual basis of accounting are as follows:

In accordance with industry standards provided by the California Community Colleges Chancellor's Office, summer session tuition and fees received before year end are recorded as advances of revenue as of June 30 with the revenue reported in the fiscal year in which the program is predominately conducted. Summer session expenditures through June 30 are recorded as prepaid expenses.

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

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

Restricted Investments are restricted for scholarships and specific programs.

Investments Investments are reported at fair value based on quoted market prices with realized and unrealized gains or losses reported in the statement of operations.

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

Accounts Receivable Accounts receivable consists 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 reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Losses on uncollectible accounts receivable are recognized when such losses become known or indicated. The District utilizes the allowance method with respect to its accounts receivable based on all accounts receivable with an age greater than two years old in combination with historical collection information.

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Prepaid Expenses Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

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

Depreciation of capitalized assets is computed using the straight-line method over the estimated useful lives of the assets, generally 50 to 80 years for buildings, 10 years for site improvements, 3 to 8 years for equipment and vehicles.

Advances from Grantors and Students Advances from grantors and students include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year that relate to the subsequent accounting period. Advances of grantors and students also include amounts received from grant and contract sponsors that have not yet been earned.

Amounts Held in Trust for Others Amounts held for others represents funds held by the District for the Student Senate, scholarship and loan trust fund, and student clubs.

Compensated Absences Accumulated and vested unpaid employee vacation benefits and compensatory time are recognized as liabilities of the District as the benefits are earned.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires, if the employee is a member of California Public Employees' Retirement System (CalPERS) or California State Teachers' Retirement System (CalSTRS).

Long-Term Liabilities Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which does not differ materially from the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year incurred. Amortization of bond premium and discount costs was \$482,698 for the year ended June 30, 2023.

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

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

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

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

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

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

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

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

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

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

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

Classification of Revenues The District has classified its revenues as either operating or nonoperating. Certain significant revenue streams relied upon for operations are recorded as non-operating revenues, including state appropriations, local property taxes, and investment income. Revenues are classified according to the following criteria:

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

Nonoperating Revenues: Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources, such as state appropriations, financial aid, and investment income.

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

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

State Apportionments Certain current-year apportionments from the state are based on various financial and statistical information of the previous year, as well as state budgets and other factors outside the District's control. In February, subsequent to the year end, the state will perform a recalculation based on actual financial and statistical information for the year just completed. The District's policy is to estimate the recalculation correction to apportionment, if any, based on factors it can reasonably determine such as local property tax revenue received and reductions in FTES. Any additional corrections determined by the state are recorded in the year computed by the state.

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

Property Taxes Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent if paid after December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. The respective counties bill and collect the taxes for the District.

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

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

Change in Accounting Principles

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

New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that may impact future financial presentations.

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

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

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

Statement No. 101 – In June 2022, GASB issued Statement No. 101, Compensated Absences. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for periods beginning after December 15, 2023. The District has not yet determined the impact on the financial statements

Early implementation is encouraged. The District is in the process of determining the effect on the financial reporting.

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Discretely Presented Component Unit - Foundation

Organization The purpose of the Foundation is to accumulate funds to award scholarships to assist students while attending the District, and for designated projects. A substantial portion of the Foundation's revenue is from community donations.

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

Basis of Presentation Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. The Shasta College Foundation presents its financial statements in accordance with Statement of Financial Accounting Codifications. are presented on the accrual basis of accounting, have been prepared to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of net assets and transactions into two classes: net assets without donor restrictions and net assets with donor restrictions, as follows:

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

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

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

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

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

Depository Liabilities The Foundation has agreements with several regional entities to act as the Fiscal Agent or Fiscal Sponsor. Depository Liabilities represent the amount of funds held on behalf of these entities.

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Discretely Presented Component Unit - Foundation, continued

Endowment Investment and Spending Policies The Foundation's endowment consists of two funds established for scholarships and for other specified purposes benefiting the District. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation currently has no donor-restricted endowment funds and no Board approved investment return objectives, risk parameter and strategies, nor any spending policy related to their board-designated endowments.

Contributions Contributions, including unconditional promises to give, are recorded when made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give that are due in the next year are recorded at their net realizable value.

Unconditional promises to give that are due in subsequent years are reported at their net realizable value using risk-free interest rates applicable to the years in which the promises are to be received.

Recognition of Donor-Restricted Contributions Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

However, contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

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

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

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

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS

The cash and investments as of June 30, 2023, for the District and Foundation are as follows:

	District	Foundation
Cash and cash equivalents - current	\$ 40,661,518	4,221,397
Restricted cash and cash equivalents - noncurrent	84,251,582	-
Investments	8,687,299	4,086,627
Total Deposits and Investments	\$ 133,600,399	\$ 8,308,024

The carrying amounts of the District's and Foundation's deposits are summarized as follows:

	District	Foundation
Cash in county treasury	\$ 116,346,808	\$ -
Cash on hand and in banks	8,566,292	4,221,397
Totals	\$ 124,913,100	\$ 4,221,397

As provided for by *California Education Code*, Section 41001, a significant portion of the District's cash balances of most funds is deposited with the Shasta County Treasurer for the purpose of increasing interest earned through County investment activities. The County Treasury's Pooled Money Investment account's weighted average maturities was 672.92 days at June 30, 2023.

As of the date of these financial statements, the County of Shasta's 2023 audited financial statements were not yet available. Copies of the County's audited financial statements can be obtained from the Shasta County Auditor-Controller's Office, 1450 Court Street, Redding, California 96001.

The pooled treasury has regulatory oversight from the Shasta County Treasury Oversight Committee in accordance with *California Government Code* requirements.

The *California Government Code* requires California banks and savings and loan associations to secure the District's deposits by pledging government securities as collateral. The market value of pledged securities must equal 110% of an entity's deposits. California law also allows financial institutions to secure an entity's deposits by pledging first trust deed mortgage notes having a value of 150% of an entity's total deposits.

All cash held by financial institutions is collateralized by securities that are held by the broker or dealer, or by its trust department or agent, but not in the District's name. In addition, the District's and Foundation's bank balances at June 30, 2023, are insured.

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS, continued

Investments

The *California Government Code* and the investment policy of the District authorize the District to invest in the following:

- Securities of the U.S. Government, or its agencies
- Negotiable certificates of deposit
- Commercial paper
- Corporate bonds
- Local Agency Investment Fund (LAIF)
- Passbook savings account demand deposits

At June 30, 2023, the District's fiduciary fund investments consisted of government securities and corporate bonds which are carried at fair value determined by third-party investment brokers.

Investments consisted of the following.

	District	Foundation
Mutual funds	\$ 6,239,036	\$ 2,561,202
Municipal bonds	1,937,864	976,951
Corporate/government bonds	510,399	548,474
Totals	<u>\$ 8,687,299</u>	<u>\$ 4,086,627</u>

The Foundation invests in fixed income equities and securities, all in accordance with individual money management agreements through brokerage firms.

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS, continued

	District		
	(Level 1)	(Level 2)	Total
Cash in county treasury	\$ -	\$ 116,346,808	\$ 116,346,808
Mutual funds	6,239,036	-	6,239,036
Municipal bonds	-	1,937,864	1,937,864
Corporate bonds	-	510,399	510,399
Total Investments	\$ 6,239,036	\$ 118,795,071	\$ 125,034,107

	Foundation		
	(Level 1)	(Level 2)	Total
Mutual funds:			
Large cap value funds	\$ 848,887	\$ -	\$ 848,887
Large cap blend funds	1,310,311	-	1,310,311
Intermediate Bond Fund	402,004	-	402,004
Municipal bonds	-	976,951	976,951
Corporate bonds:			
Financial services	-	259,454	259,454
Consumer	-	171,353	171,353
Technology	-	63,606	63,606
Utilities	-	54,061	54,061
Total Investments	\$ 2,561,202	\$ 1,525,425	\$ 4,086,627

Interest Rate Risk

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

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS, continued

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. This is measured by ratings assigned by nationally recognized organizations. The District's investment policy addresses credit risk by limiting its investment types as noted above to investments authorized by *California Government Code*. The District's investment in the County investment pool and mutual funds are unrated. The District's investment in bonds and treasury notes are rated A2 and higher by Moody's.

At June 30, 2023, the District and its component unit did not have an investment policy that sets forth limitations as to the concentration of investments in a single issuer. However, the District complies with *California Government Codes* related to the concentration of investments, and there are no investments with any one issuer greater than 2% of total investments.

Custodial Credit Risk

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

NOTE 3 – ACCOUNTS RECEIVABLE

At June 30, 2023, accounts receivable amounted to \$13,291,106.

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2023, is summarized as follows:

	Beginning Balance July 1, 2022	Additions	Deductions	Ending Balance June 30, 2023
Capital assets not being depreciated				
Land	\$ 3,839,886	\$ -	\$ -	\$ 3,839,886
Construction in progress	25,681,279	7,910,623	13,467,678	20,124,224
Total capital assets not being depreciated	29,521,165	7,910,623	13,467,678	23,964,110
Capital assets being depreciated				
Site improvements	21,157,344	1,525,994	-	22,683,338
Buildings and improvements	98,220,827	14,344,162	-	112,564,989
Vehicles and equipment	17,711,133	2,273,236	-	19,984,369
Computer equipment	3,323,310	26,267	-	3,349,577
Leasehold improvements	845,972	-	-	845,972
Total capital assets being depreciated	141,258,586	18,169,659	-	159,428,245
Total capital assets	170,779,751	26,080,282	13,467,678	183,392,355
Less: accumulated depreciation	64,268,161	4,376,262	-	68,644,423
Net Capital Assets	\$ 106,511,590	\$ 21,704,020	\$ 13,467,678	\$ 114,747,932

NOTE 5 – ACCOUNTS PAYABLE

At June 30, 2023, accounts payable amounted to \$14,036,281.

NOTE 6 – LONG-TERM LIABILITIES

Long term liabilities activity for the year ended June 30, 2023, is summarized as follows:

	Balance July 1, 2022	Additions/ Accretions	Reductions	Balance June 30, 2023	Current Portion
Long-Term Liabilities					
General obligation bonds	\$ 128,025,000	\$ 19,000,000	\$ 2,540,000	\$ 144,485,000	\$ 2,950,000
Premium on general obligation bonds	7,731,140	83,459	482,698	7,331,901	486,672
Revenue bonds	5,365,000	-	640,000	4,725,000	660,000
Other financing	193,318	-	127,616	65,702	65,702
Total long-term debt	141,314,458	19,083,459	3,790,314	156,607,603	4,162,374
Other long-term liabilities:					
Compensated absences	1,568,401	375,793	-	1,944,194	170,344
Lease liability	-	6,138,465	2,136,793	4,001,672	2,049,968
Total other long-term liabilities	1,568,401	6,514,258	2,136,793	5,945,866	2,220,312
Total long-term liabilities	\$ 142,882,859	\$ 25,597,717	\$ 5,927,107	\$ 162,553,469	\$ 6,382,686

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 – LONG-TERM LIABILITIES, continued

Long-term debt consisted of the following individual debt issues:

REVENUE BONDS

2020 Lease/Purchase Agreement, issued by California Community College Financing Authority, in the original amount of \$6,560,000. Final maturity is in 2030. Interest rate is approximately 2.35%.

\$ 4,725,000

Subtotal - Lease Revenue Bonds

\$ 4,725,000

GENERAL OBLIGATION BONDS

2014 General Obligation Refunding Bonds, issued in the original amount of \$18,095,000. Final maturity is in 2031. Interest rate ranges from 3.00% to 5.00%.

\$ 14,535,000

2016 General Obligation Bonds, Series A, issued in the original amount of \$50,000,000. Final maturity is in 2042. Interest rate ranges from 2.00% to 5.00%.

40,860,000

2016 General Obligation Bonds, Series B & B-1, issued in the original amount of \$40,000,000. Final maturity is in 2049. Interest rate ranges from 3.00% to 4.00%.

37,755,000

2016 General Obligation Bonds, Series C & C-1, issued in the original amount of \$30,000,000. Final maturity is in 2050. Interest rate ranges from 1.35% to 4.00%.

29,590,000

2020 General Obligation Refunding Bonds, issued in the original amount of \$3,345,000. Final maturity is in 2028. Interest rate ranges from 0.38% to 1.55%.

2,745,000

2019 General Obligation Refunding Bonds, Series D, issued in the original amount of \$19,000,000. Final maturity is in 2043. Interest rate ranges from 4.75% to 5.50%.

19,000,000

Subtotal

144,485,000

Premium on 2014 General Obligation Bonds - Series B

1,436,295

Premium on 2016 General Obligation Bonds - Series A

3,202,936

Premium on 2016 General Obligation Bonds - Series B & B-1

1,622,050

Premium on 2016 General Obligation Bonds - Series C & C-1

987,162

Premium on 2016 General Obligation Bonds - Series D

83,458

Subtotal - General Obligation Bonds

\$ 151,816,901

OTHER FINANCING

2009 Energy Upgrade Loan, issued by the California Energy Commission, in the original amount of \$1,313,577. Final maturity in 2024, with an interest rate of 3.95%.

\$ 65,702

Total Other Financing

65,702

Total Long-Term Debt

156,607,603

Current portion

4,162,375

Total Long-Term Debt - Current Portion

\$ 4,162,375

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 – LONG-TERM LIABILITIES, continued

The annual debt service requirements to maturity on the general obligation bonds are as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 2,950,000	\$ 5,174,372	\$ 8,124,372
2025	2,780,000	5,567,580	8,347,580
2026	3,095,000	5,404,677	8,499,677
2027	3,615,000	5,272,127	8,887,127
2028	4,090,000	5,119,227	9,209,227
2029-2033	22,650,000	22,339,021	44,989,021
2034-2038	25,235,000	17,833,523	43,068,523
2039-2043	39,270,000	11,642,887	50,912,887
2044-2048	31,375,000	4,059,416	35,434,416
2049-2050	9,425,000	356,089	9,781,089
Total	\$ 144,485,000	\$ 82,768,919	\$ 227,253,919

The annual debt service requirements to maturity on the revenue bonds are as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 660,000	\$ 122,322	\$ 782,322
2025	685,000	107,730	792,730
2026	705,000	92,682	797,682
2027	730,000	77,064	807,064
2028	745,000	60,990	805,990
2029-2030	1,200,000	81,624	1,281,624
Total	\$ 4,725,000	\$ 542,412	\$ 5,267,412

NOTE 7 – OPERATING LEASES

The District leases equipment under noncancelable operating leases. In addition, the District has monthly rent contracts for classroom facilities. Total costs for such leases and rents were \$127,616 for the year ended June 30, 2023.

The future minimum lease payments are as follows:

Fiscal Year	Principal
2024	\$ 65,702
Total	\$ 65,702

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS

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

For the fiscal year ended June 30, 2023, the District reported its proportionate share of the net pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources for each of the above plans as follows:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	\$ 22,867,000	\$ 5,436,254	\$ 9,355,779	\$ 19,631,894
CalPERS	35,668,488	12,747,905	1,108,957	10,594,930
Total	\$ 58,535,488	\$ 18,184,159	\$ 10,464,736	\$ 30,226,824

Net pension liability, deferred outflows of resources, and deferred inflows of resources are reported in the accompanying statement of net position; pension expense is reported in the accompanying statement of revenues, expenses, and changes in net position.

California State Teachers' Retirement System (CalSTRS)

Plan Description Certificated employees of the District participate in STRP, a cost-sharing multiple- employer public employee retirement system defined benefit pension plan administered by CalSTRS. Benefit provisions are established by state statute, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues publicly available financial reports that can be obtained at www.calstrs.com.

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

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the State is the sponsor of the STRP and obligor of the trust. In addition, the State is both an employer and nonemployer contributing entity to the STRP. The District contributes exclusively to the STRP Defined Benefit Program; thus, disclosures are not included for the other plans.

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

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

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

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

Contributions Required member, District, and State of California contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2023, are presented above, and the District's total contributions were \$2,116,726.

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

District's proportionate share of the net pension liability	\$ 22,867,000
State's proportionate share of the net pension liability associated with the District	11,451,861
Total	<u>\$ 34,318,861</u>

The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2022 and June 30, 2021, was 0.033 percent and 0.040 percent, respectively, resulting in a decrease of 0.003 to the proportionate share.

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

For the year ended June 30, 2023, the District recognized pension expense of \$19,631,894. In addition, the District recognized pension expense and revenue of \$1,837,091 for support provided by the State. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ -	\$ 1,118,965
Differences between expected and actual experience	18,758	1,714,266
Changes in assumptions	1,133,191	-
Net changes in proportionate share of net pension liability	2,167,579	6,522,548
District contributions subsequent to the measurement date	2,116,726	-
Total	\$ 5,436,254	\$ 9,355,779

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ (722,971)
2025	(1,774,698)
2026	(3,288,225)
2027	65,332
2028	(237,037)
Thereafter	(78,652)
	<u>\$ (6,036,251)</u>

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

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

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on RP2000 series tables adjusted to fit CalSTRS experience.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant. Based on the model for CalSTRS consulting actuary investment practice, a best estimate range was determined assuming the portfolio is re-balanced annually and that the annual returns are lognormally distributed and independent from year to year to develop expected percentile for the long-term distribution of annualized returns.

The assumed asset allocation is based on board policy for target asset allocation in effect on February 2, 2012, the date the current experience study was approved by the board. Best estimates of 20-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-term Expected Real Rate of Return*
Public Equity	42%	4.8%
Real Estate	15%	3.6%
Private Equity	13%	6.3%
Fixed Income	12%	1.3%
Risk Mitigating Strategies	10%	1.8%
Inflation Sensitive	6%	3.3%
Cash/Liquidity	2%	-0.4%
	<u>100%</u>	

*20-year average

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

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Plan's net pension liability	\$ 38,836,648	\$ 22,867,000	\$ 9,607,392

California Public Employees' Retirement System (CalPERS)

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

A full description of the pension plans regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2019, annual actuarial valuation reports, Schools Pool Actuarial Valuation, and the Risk Pool Actuarial Valuation Report, Safety. These report(s) and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/forms-publications>.

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

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

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

	School Employer Pool (CalPERS)	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	25.37%	25.37%

Contributions Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2023, are presented above, and the total District contributions were \$5,019,260.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions As of June 30, 2023, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$35,668,488. The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2022 and June 30, 2021, was 0.104 percent and 0.105 percent, respectively, resulting in a net decrease in the proportionate share of 0.001 percent.

For the year ended June 30, 2023, the District recognized pension expense of \$10,594,930. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ 4,211,479	\$ -
Differences between expected and actual experience	161,201	887,477
Changes in assumptions	2,638,553	-
Net changes in proportionate share of net pension liability	717,412	221,480
District contributions subsequent to the measurement date	5,019,260	-
Total	<u>\$ 12,747,905</u>	<u>\$ 1,108,957</u>

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

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

Year Ended June 30,	Outflows/(Inflows) of Resources
2024	\$ 1,774,994
2025	1,515,506
2026	816,547
2027	2,512,641
	<u>\$ 6,619,688</u>

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

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

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund.

The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns.

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class*	Assumed Asset Allocation	Real Return Years 1 - 10**
Global Equity - cap-weighted	30%	4.45%
Global Equity non-cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%
	<u>100%</u>	

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

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Plan's net pension liability	\$ 51,524,938	\$ 35,668,488	\$ 22,563,716

Social Security As established by Federal law, all public-sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use Social Security as its alternative plan for full time employees. Contributions made by the District and an employee vest immediately. The District contributes 6.2 percent of an employee's gross earnings. An employee is required to contribute 6.2 percent of his or her gross earnings to the pension plan.

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

Alternative Plan The District offers Accumulation Program for Part-Time and Limited Service Employees (Apple Plan) approved in 1991 for part-time employees who are not members of CalSTRS and CalPERS. The District contributes 4 percent of their salary on behalf of the employees to the plan.

On Behalf Payments The District was the recipient of on-behalf payments made by the State of California to CalSTRS for community college education. These payments consist of state general fund contributions of approximately \$1,837,091 to CalSTRS.

NOTE 9 – STATE AND FEDERAL ALLOWANCES, AWARDS, AND GRANTS

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

NOTE 10 – RISK MANAGEMENT

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

Coverage includes property and liability insurance. Liability losses in excess of the District's \$5,000 retention amount are covered up to \$25,000,000 per occurrence. Coverage above the \$25,000,000 level up to \$50,000,000 is arranged independently for each member through the Schools Association for Excess Risk (SAFER). The District's property is covered by SWACC for losses in excess of the District's \$5,000 retention amount up to \$250,000 per occurrence. Coverage is arranged independently for each member through SAFER for losses above the \$250,000 level up to \$250,000,000. There has been no signification reduction in any of the insurance coverages from the prior year. Settled claims resulting from these programs have not exceeded insurance coverage in each of the past three fiscal years.

The District is a member of the Northern California Community Colleges Self-Insurance Authority (NCCSIA) for workers' compensation coverage. The NCCSIA participates in a risk-sharing plan through the Protected Insurance Program for Schools Joint Powers Authority (PIPS) using Keenan and Associates, Inc., as the third-party administrator to process claims.

The District is also a member of the Shasta-Trinity Schools Insurance Group, a local JPA that provides a risk-sharing plan for health benefits coverage consisting of medical, dental, and vision programs. The JPA is self-insured using specified third-party administers to process claims.

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

For the fiscal year ended June 30, 2023, the District reported net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Net OPEB Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense (Benefit)
District Plan	\$ 16,509,750	\$ 4,638,358	\$ -	\$ (1,209,080)

The District provides postemployment healthcare benefits for eligible employees who retire with CalSTRS or CalPERS pension benefits immediately upon termination of employment from the District through the Shasta-Tehama-Trinity Joint Community College District Postretirement Health Benefits Plan (the Plan). The Plan is a single-employer OPEB plan administered by the District. Obligations of the Plan members and the District are based on negotiated contracts with the various bargaining units of the District.

Plan Description

Retirees receiving a pension from either CalSTRS or CalPERS are eligible for benefits depending on their most recent date of hire and their benefit eligibility service. The District pays up to 100% of the eligible retirees' medical, dental, and vision plan premiums.

The retirement health benefit may continue for the lifetime of a surviving spouse and for other dependents as long as they are entitled to coverage under pertinent eligibility rules.

The following is a description of the current retiree benefit plan. These benefits apply to employees hired after July 1, 2001. Employees hired prior to this date are eligible for benefits under prior, grandfathered plans.

	Faculty	Classified	Management
Benefit types provided	Medical only	Medical only	Medical only
Duration of Benefits	Until Medicare Eligible	Until Medicare Eligible	Until Medicare Eligible
Required Service	15 years	15 years	15 years
Minimum Age	55	55	55
Dependent Coverage	No	No	No
College Contribution %	100%	100%	100%
College Cap	\$500 per month	\$500 per month	\$500 per month

Funding Policy

The contribution requirements are established and may be amended by the District and the District's bargaining units. The required contribution is based on projected pay-as-you-go financing requirements. Additionally, the District has established an irrevocable trust (the Trust) with U.S. Bank through the Retiree Health Benefit Program Joint Powers Authority to prefund a portion of retiree health benefit costs.

The Trust will be funded annually with contributions based on the District's approved final budget.

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued

Employees Covered by Benefit Term

The following is a table of plan participants as of the June 30, 2022 measurement date:

	Number of Participants
Inactive Employees Receiving Benefits	280
Active Employees	303
	583

Contributions to Trust

Eligible employees are not permitted to make contributions to the Trust. The Plan administrator (CalPERS) shall, on behalf of the employer (District), make all contribution to the Trustee. All contributions shall be paid to the Trustee for investment and reinvestment pursuant to the terms of the trust agreement. The District does not have contractually required contributions rates, but contributes in an amount sufficient to fully fund the total OPEB obligation over a period not to exceed 30 years. The District has a net OPEB liability of \$16,509,750 as of June 30, 2023.

OPEB Plan Investments

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

Asset Class	Percentage of Portfolio	Assumed Gross Return
U.S. Large Cap	29%	7.55%
U.S. Small Cap	13%	7.55%
All Foreign Stock	9%	7.55%
Other Fixed Income	49%	3.00%
Total	100%	

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

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued

Actuarial Assumptions

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Fiscal year	July 1st to June 30th
Actuarial cost methods	Entry age normal cost method
Inflation rate	2.50%
Investment rate of return	5.75%
Discount rate	5.75%
Health care cost trend rate	4.00%
Payroll increase	2.75%
Mortality	For certificated employees the 2009 CalSTRS mortality tables were used. For classified employees the 2014 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 measurement date	\$ 38,621,320	\$ 23,965,703	\$ 14,655,617
Changes for the year:			
Service cost	184,424	-	184,424
Interest	2,141,407	-	2,141,407
Employer contributions	-	2,943,329	(2,943,329)
Employee contributions	-	81,724	(81,724)
Investment income	-	1,379,495	(1,379,495)
Investment gains/losses	-	(3,902,145)	3,902,145
Administrative expense	-	(30,705)	30,705
Expected benefit payments	(2,943,329)	(2,943,329)	-
Net change	(617,498)	(2,471,631)	1,854,133
Balance June 30, 2022 measurement date	\$ 38,003,822	\$ 21,494,072	\$ 16,509,750

Fiduciary Net Position as a percentage of the Total OPEB Liability as June 30, 2023 was 56.56%

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued

Sensitivity of the net pension 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 (4.75%)		Current Discount Rate (5.75%)		Discount Rate 1% Higher (6.75%)	
Net OPEB liability	\$	19,550,646	\$	16,509,750	\$	13,854,347

The following table presents the net OPEB liability calculated using the health care cost trend rate of 5.75 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 (4.75 percent) and 1 percent higher (6.75 percent):

	Trend Rate 1% Lower (4.75%)		Current Trend Rate (5.75%)		Trend Rate 1% Higher (6.75%)	
Net OPEB liability	\$	14,378,401	\$	16,509,750	\$	18,856,703

NOTE 12 – COMMITMENTS

As of June 30, 2023, the District had \$18.3 million of unfinished construction contracts.

NOTE 13 - RELATED PARTY OPERATING LEASE

On March 14, 2022, the District entered into a seven-year operating lease with Shasta College Community Leadership Holding Corporation (CLC), a related party. Under the terms of lease, commencing March 2023, the District will make quarterly payments of \$46,250. Total costs for this lease were \$92,500 for the year ended June 30, 2023.

Future minimum lease payments are as follows:

Fiscal Year	Lease Payment
2024	\$ 185,000
2025	185,000
2026	185,000
2027	185,000
2028	185,000
2029	92,500
Total	<u>\$ 1,017,500</u>

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 14 – INVESTMENT INCOME – FOUNDATION

A summary of return on investment consisted of the following:

Interest and dividends	\$	173,095
Net realized and unrealized gain (loss)		179,738
Total net investment income	\$	352,833

NOTE 15 – NET ASSETS WITH DONOR RESTRICTIONS – FOUNDATION

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

Scholarships	\$	1,245,003
Assistance to needy students		1,722,537
Athletic programs		228,220
Other programs		524,142
Net assets with donor restrictions	\$	3,719,902

NOTE 16 – ENDOWMENT NET ASSETS – FOUNDATION

Endowment net asset composition by type of fund is as follows:

	Net Assets Without Donor Restrictions	Total Net Endowment Assets
June 30, 2023		
Board-Designated Endowment Funds	\$ 770,225	\$ 770,225
Endowment net assets -		
Investment income	13,353	13,353
Realized gains and losses	(17,197)	(17,197)
Endowment net Assets - End of Year	\$ 766,381	\$ 766,381

NOTE 17 – TOTAL DEPOSITORY LIABILITIES – FOUNDATION

Depository liabilities are restricted for the following purposes:

North State Together	\$ 2,392,146
Shasta College Attainment and Innovation Lab for Equity	102,154
Reach Higher Shasta	243,404
Leadership Redding	4,813
Total depository liabilities	\$ 2,742,517

NOTE 18 – SUBSEQUENT EVENTS

The District evaluated subsequent events from June 30, 2023 through December 4, 2023, the date the financial

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

statements were issued. There were no subsequent events identified that warranted disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDING JUNE 30, 2023

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	\$ 184,424	\$ 82,369	\$ 80,164	\$ 86,065	\$ 83,762	\$ 81,520
Interest	2,141,407	2,115,434	2,152,365	2,284,351	2,313,812	2,336,713
Changes of assumptions	-	1,979,863	-	587,549	-	-
Experience (gains)/losses	-	2,291,026	-	(1,062,439)	-	-
Benefit payments	(2,943,329)	(4,500,000)	(2,825,134)	(2,903,269)	(2,844,543)	(2,735,138)
Net change in total OPEB liability	(617,498)	1,968,692	(592,605)	(1,007,743)	(446,969)	(316,905)
Total OPEB liability, beginning of year	38,621,320	36,652,628	37,245,233	38,252,976	38,699,945	39,016,850
Total OPEB liability, end of year (a)	\$ 38,003,822	\$ 38,621,320	\$ 36,652,628	\$ 37,245,233	\$ 38,252,976	\$ 38,699,945
Plan fiduciary net position						
Employer contributions	\$ 2,943,329	\$ 5,166,668	\$ 1,750,000	\$ 527,304	\$ -	\$ -
Expected investment income	1,379,495		1,080,830	986,196	896,861	1,159,443
Investment (gains)/losses	(3,902,145)	3,685,193	(311,710)	8,323	123,415	-
Administrative expense	(30,705)	(29,799)	(28,624)	(22,837)	(500)	(500)
Expected benefit payments	(2,943,329)	(4,500,000)	(2,825,134)	(2,903,269)	(2,844,543)	(2,735,138)
Other	-		-	-	(15,825)	-
Change in plan fiduciary net position	(2,471,631)	4,322,062	2,490,496	1,498,986	1,372,851	3,095,207
Fiduciary trust net position, beginning of year	23,965,703	19,643,641	17,153,145	15,654,159	14,281,308	11,186,101
Fiduciary trust net position, end of year (b)	\$ 21,494,072	\$ 23,965,703	\$ 19,643,641	\$ 17,153,145	\$ 15,654,159	\$ 14,281,308
Net OPEB liability (asset), ending (a) - (b)	\$ 16,509,750	\$ 14,655,617	\$ 17,008,987	\$ 20,092,088	\$ 22,598,817	\$ 24,418,637
Covered payroll	\$ 29,983,393	\$ 27,518,151	\$ 37,441,116	\$ 35,945,482	\$ 28,777,908	\$ 35,025,000
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	57%	62%	54%	46%	41%	37%
Net OPEB liability (asset) as a percentage of covered payroll	55%	53%	45%	56%	79%	70%

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

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CONTRIBUTIONS – OPEB
FOR THE YEAR ENDING JUNE 30, 2023

	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 2,943,329	\$ 3,715,897	\$ 2,825,134	\$ 2,825,134	\$ 2,903,269	\$ 2,844,543
Contributions in relations to the actuarially determined contribution	-	-	3,539,838	4,575,134	3,213,443	4,671,402
Contribution deficiency (excess)	\$ 2,943,329	\$ 3,715,897	\$ (666,668)	\$ (1,750,000)	\$ (310,174)	\$ (1,826,859)
Covered-employee payroll	\$ 29,983,393	\$ 27,518,151	\$ 37,441,116	\$ 35,945,482	\$ 35,025,000	\$ 35,025,000
Contribution as a percentage of covered-employee payroll	10%	14%	9%	13%	9%	13%

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

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDING JUNE 30, 2023**

	Reporting Fiscal Year (Measurement Date)				
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)
CalSTRS					
District's proportion of the net pension liability	0.033%	0.040%	0.035%	0.033%	0.033%
District's proportionate share of the net pension liability	\$ 22,867,000	\$ 18,114,549	\$ 34,271,359	\$ 29,804,280	\$ 30,248,587
State's proportionate share of the net pension liability associated with the District	11,451,861	9,114,729	17,666,746	16,260,356	17,319,563
Total	\$ 34,318,861	\$ 27,229,278	\$ 51,938,105	\$ 46,064,636	\$ 47,568,150
District's covered - employee payroll	\$ 5,891,773	\$ 18,860,794	\$ 18,794,737	\$ 18,860,794	\$ 18,062,420
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	388%	96%	182%	158%	167%
Plan fiduciary net position as a percentage of the total pension liability	81%	87%	72%	73%	71%

	Reporting Fiscal Year (Measurement Date)				
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)
CalPERS					
District's proportion of the net pension liability	0.104%	0.105%	0.103%	0.098%	0.097%
District's proportionate share of the net pension liability	\$ 35,668,488	\$ 21,257,839	\$ 31,623,747	\$ 28,553,497	\$ 25,868,209
District's covered - employee payroll	\$ 15,739,756	\$ 14,764,961	\$ 14,836,411	\$ 14,764,961	\$ 13,561,782
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	227%	144%	213%	193%	191%
Plan fiduciary net position as a percentage of the total pension liability	70%	81%	70%	70%	71%

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

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDING JUNE 30, 2023**

	Reporting Fiscal Year (Measurement Date)			
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
CalSTRS				
District's proportion of the net pension liability	0.029%	0.033%	0.034%	0.034%
District's proportionate share of the net pension liability	\$ 26,928,926	\$ 26,690,730	\$ 20,470,496	\$ 18,482,101
State's proportionate share of the net pension liability associated with the District	15,931,054	9,683,397	7,918,393	7,480,520
Total	\$ 42,859,980	\$ 36,374,127	\$ 28,388,889	\$ 25,962,621
District's covered - employee payroll	\$ 17,719,466	\$ 16,912,477	\$ 16,879,021	\$ 15,767,999
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	152%	158%	121%	117%
Plan fiduciary net position as a percentage of the total pension liability	69%	70%	74%	77%
	Reporting Fiscal Year (Measurement Date)			
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
CalPERS				
District's proportion of the net pension liability	0.092%	0.083%	0.083%	0.086%
District's proportionate share of the net pension liability	\$ 22,045,535	\$ 16,392,551	\$ 12,648,608	\$ 9,677,714
District's covered - employee payroll	\$ 14,489,316	\$ 11,940,524	\$ 9,789,632	\$ 9,162,368
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	152%	137%	129%	106%
Plan fiduciary net position as a percentage of the total pension liability	72%	74%	79%	84%

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

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDING JUNE 30, 2023

CalSTRS	Reporting Fiscal Year				
	2023	2022	2021	2020	2019
Statutorily required contribution	\$ 2,116,726	\$ 996,888	\$ 3,035,350	\$ 3,419,462	\$ 2,940,562
District's contributions in relation to the statutorily required contribution	2,116,726	996,888	3,035,350	3,419,462	2,940,562
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 12,510,201	\$ 5,891,773	\$ 18,794,737	\$ 18,860,794	\$ 18,062,420
District's contributions as a percentage of covered-employee payroll	16.92%	16.92%	16.15%	18.13%	16.28%

CalPERS	Reporting Fiscal Year				
	2023	2022	2021	2020	2019
Statutorily required contribution	\$ 5,019,260	\$ 3,605,978	\$ 3,071,137	\$ 2,911,798	\$ 2,449,529
District's contributions in relation to the statutorily required contribution	5,019,260	3,605,978	3,071,137	2,911,798	2,449,529
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 21,908,599	\$ 15,739,756	\$ 14,836,411	\$ 14,764,961	\$ 13,561,782
District's contributions as a percentage of covered-employee payroll	22.91%	22.91%	20.70%	19.72%	18.06%

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

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDING JUNE 30, 2023

CalSTRS	Reporting Fiscal Year			
	2018	2017	2016	2015
Statutorily required contribution	\$ 2,556,919	\$ 2,087,782	\$ 1,798,261	\$ 1,397,951
District's contributions in relation to the statutorily required contribution	2,556,919	2,087,782	1,798,261	1,397,951
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 17,719,466	\$ 16,912,477	\$ 16,879,021	\$ 15,767,999
District's contributions as a percentage of covered-employee payroll	14.43%	12.34%	10.65%	8.87%
CalPERS	Reporting Fiscal Year			
	2018	2017	2016	2015
Statutorily required contribution	\$ 2,012,566	\$ 1,632,060	\$ 1,191,289	\$ 1,082,045
District's contributions in relation to the statutorily required contribution	2,012,566	1,632,060	1,191,289	1,082,045
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 14,489,316	\$ 11,940,524	\$ 9,789,632	\$ 9,162,368
District's contributions as a percentage of covered-employee payroll	13.89%	13.67%	12.17%	11.81%

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

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDING JUNE 30, 2023**

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Changes in the Net OPEB Liability and Related Ratios

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

Schedule of Contributions – OPEB

This schedule presents information on the District's actuarially determined contribution, contributions in relation to the actuarially determined contribution, and any excess or deficiency related to the actuarially determined contribution. In the future, as data becomes available, 10 years of information will be presented.

Schedule of Proportionate Share of the Net Pension Liability

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

Schedule of Contributions - Pensions

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

Changes in Benefit Terms

There were no changes in benefit terms since the previous valuation for either CalSTRS or CalPERS.

Changes in Assumptions

There were no changes in assumptions since the previous valuation for CalSTRS. The discount rate for CalPERS decreased from 7.15% as of June 30, 2021 measurement date to 6.90% as of the June 30, 2022 measurement date.

SUPPLEMENTARY INFORMATION

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
ORGANIZATION STRUCTURE
FOR THE YEAR ENDED JUNE 30, 2023**

GOVERNING BOARD

NAME	OFFICE	Area	TERM EXPIRES
Mr. Stephen Bell	President	E	2024
Mr. Kendal S. Pierson	Vice President	A	2024
Mr. Richard Lawrence	Member	G	2024
Ms. Peggy Colwell	Member	B	2026
Mr. Michelle Hickok	Member	F	2026
Mr. Scott Swendiman	Member	C	2024
Ms. Rhonda E. Nehr	Clerk	D	2024

ADMINISTRATION

Dr. Joe Wyse <i>District Superintendent/President</i>	Dr. Kevin O'Rorke <i>Associate Superintendent/CEO of North State Together</i>
Dr. Frank Nigro <i>Assistant Superintendent/Vice President of Instruction</i>	Ms. Ioanna Iatridis <i>Assistant Vice President of Economic & Workforce Development</i>
Dr. Timothy Johnston <i>Assistant Superintendent/Vice President of Student Services</i>	Ms. Jill Ault <i>Assistant Superintendent/Vice President of Administrative Services</i>
Ms. Becky McCall <i>Associate Vice President of Information Services and Technology</i>	Dr. Marianne Williams <i>Associate Vice President of Human Resources</i>
Dr. Kate Mahar <i>Associate Vice President of Innovation and Strategic Initiatives</i>	

AUXILIARY ORGANIZATIONS IN GOOD STANDING

AUXILIARY NAME	DIRECTOR'S NAME	ESTABLISHMENT AND MASTER AGREEMENT DATE
Shasta College Foundation	Andree Blanchier, Executive Director	Organized as an auxiliary organization in 1995 and has a signed master agreement dated April 10, 1996.

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT –
ANNUAL/ACTUAL ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2023**

	Reported Data	Audit Adjustments	Audited Data
CATEGORIES			
A. Summer Intersession (Summer 2022 only)			
1. Noncredit	5.11	-	5.11
2. Credit	461.81	-	461.81
B. Summer Intersession (Summer 2023 - Prior to July 1, 2023)			
1. Noncredit	-	-	-
2. Credit	14.91	-	14.91
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	1,114.09	-	1,114.09
(b) Daily Census Contact Hours	601.58	-	601.58
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	125.37	-	125.37
(b) Credit	437.82	-	437.82
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Contact Hours	1,408.35	-	1,408.35
(b) Daily Census Contact Hours	1,254.09	-	1,254.09
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	5,423.13	-	5,423.13
Supplemental Information (subset of above information)			
E. In-service Training Courses	23.33	-	23.33
F. Basic Skills Courses and Immigrant Education			
1. Credit	1.33	-	1.33
2. Noncredit	78.20	-	78.20
Total Basic Skills FTES	79.53	-	79.53

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF INTERIOR			
Indian Self-Determination Contract Support	15.024	*	\$ 4,000
Total U.S. Department of Interior			<u>4,000</u>
U.S. DEPARTMENT OF AGRICULTURE			
STNF Hirz Campground RAC	10.665	*	45,274
CalFresh Employment and Training	10.561	*	11,747
Total U.S. Department of Agriculture			<u>57,021</u>
U.S. DEPARTMENT OF JUSTICE			
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault and Stalking on Campus	16.525	*	159,531
Total U.S. Department of Justice			<u>159,531</u>
U.S. DEPARTMENT OF EDUCATION			
STUDENT FINANCIAL ASSISTANCE CLUSTER			
Federal Supplement Education Opportunity Grant (FSEOG)	84.007	*	495,398
Federal Work Study Program (FWS)	84.044	*	206,871
Federal Pell Grants (PELL)	84.063	*	14,175,443
Federal Direct Student Loans	84.268	*	2,279,838
Total Student Financial Assistance Cluster			<u>17,157,550</u>
TRIO CLUSTER			
TRIO - Student Support Services	84.042	*	352,450
TRIO - Talent Search Program	84.044	*	232,602
TRIO - Upward Bound Program	84.047	*	518,996
Total TRIO Cluster			<u>1,104,048</u>
HIGHER EDUCATION EMERGENCY RELIEF FUNDS			
COVID-19 HEERF III Institutional Portion	84.425F	*	3,885,603
COVID-19 HEERF Student Portion	84.425E	*	1,901,174
CRSSA HEERF III - SAIHE	84.425S	*	1,413,871
Total Higher Education Emergency Relief Funds			<u>7,200,648</u>
Passed through State Department of Education			
VTEA	84.048	*	430,386
IREPO - Institutional Resilience and Expanded Postsecondary Opportunity	84.425P	*	692,240
Total Passed through State Department of Education			<u>1,122,626</u>
Passed through State Department of Rehabilitation			
College to Career	84.126A	*	299,619
Total U.S. Department of Education			<u>299,619</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through from California Community Colleges Chancellor's Office			
Temporary Assistance to Needy Families (TANF)	93.558	*	80,365
Foster Care Title IV-E	93.658	FKCD	63,621
Total U.S. Department of Health and Human Services			<u>143,986</u>
U.S. DEPARTMENT OF NATIONAL SERVICES			
State and Local Homeland Security Training Program	94.005	*	17,728
U.S. DEPARTMENT OF COMMERCE			
Good Jobs Challenge	11.307	*	33,425
Total U.S. Department of Commerce			<u>33,425</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Hazard Mitigation Grant	97.039	*	38,757
Total U.S. Department of Homeland Security			<u>38,757</u>
Total Federal Expenditures			<u>\$ 27,338,939</u>

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

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

	Program Revenues				Program Expenditures
	Cash Received	Accounts Receivable	Deferred Income	Total	
EOPS	\$ 1,985,627	\$ -	\$ (640,154)	\$ 1,345,473	\$ 1,345,473
DSPS	830,021	-	(60,037)	769,984	769,984
CalWORKs	600,946	-	(193,372)	407,574	407,574
CARE	403,430	-	(165,590)	237,840	237,840
Foster Parent Training	129,288	-	-	129,288	129,288
Faculty & Staff Diversity	316,689	-	(167,237)	149,452	149,452
Instructional Equipment-Ongoing	31,880	-	-	31,880	31,880
Inst Equip-Block Grant 22/23	331,489	-	(325,894)	5,595	5,595
Rural Technology Assistance 2020	60,277	-	(28,002)	32,275	32,275
Dreamer Resource Liaison	181,620	-	(132,368)	49,252	49,252
CalEITC Awareness Grant	2,500	-	-	2,500	2,500
Local & Systemwide Tech & Data	300,000	-	(300,000)	-	-
Systemwide Technology and Data	50,000	-	(50,000)	-	-
LSP Operation Library	7,823	-	(4,874)	2,949	2,949
MESA	-	432,039	(373,720)	58,319	58,319
CAL Grants	3,463,607	-	-	3,463,607	3,463,607
Zero Textbook Cost Program	200,000	-	(153,612)	46,388	46,388
Emergency FA (Supplemental)	111,814	-	(111,814)	-	-
Learning-Aligned Employment	2,549,195	-	(2,547,568)	1,627	1,627
LGBTQ+	77,465	-	(77,465)	-	-
Culturally Competent Faculty Prof. Dev.	200,435	-	(165,855)	34,580	34,580
EEO Best Practices	308,333	-	(307,453)	880	880
Covid Recovery Block Grant	3,918,299	-	(3,670,425)	247,874	247,874
Student Financial Aid	347,064	-	-	347,064	347,064
CTE Nursing Enrollment G&R	147,470	-	-	147,470	147,470
CAFYES	1,067,265	-	(272,003)	795,262	795,262
Strong Workforce Program-Local	5,317,968	-	(3,350,464)	1,967,504	1,967,504
California College Promise	173,579	-	-	173,579	173,579
Textbook Affordability	5,574	-	(5,574)	-	-
Strong Workforce Program-Regional	2,753,656	-	(1,414,492)	1,339,164	1,339,164
Veterans Resource Center	251,944	-	(156,456)	95,488	95,488
Adult Ed Block Grant	1,296,426	-	(66,846)	1,229,580	1,229,580
Guided Pathways	447,415	-	(265,678)	181,737	181,737
Student Success Completion Grant	5,744,068	-	-	4,260,296	4,260,296
NFN SWP Projects in Common	450,059	-	(38,821)	411,238	411,238
SEAP Student Equity and Achievement	5,031,970	-	(2,768,746)	2,263,224	2,263,224
Classified Prof Development	30,818	-	(29,501)	1,317	1,317
Retention and Enrollment Outreach	1,003,681	-	(696,081)	307,600	307,600
Basic Needs Centers	486,302	-	(274,680)	211,622	211,622
Nursing Enrollment Growth	355,000	-	(355,000)	-	-
Mental Health Support	316,760	-	(163,467)	153,293	153,293
Student Food & Housing Support	419,353	-	(195,896)	223,457	223,457
Higher Ed. Student Housing	155,000	-	(7,012)	147,988	147,988
CA College Promise Grants	91,429	-	-	91,429	91,429
	\$ 42,035,453	\$ 432,039	\$ (19,587,291)	\$ 21,396,429	\$ 21,396,428

See accompanying note to supplementary information.

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (CCFS-311) WITH AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

June 30, 2023	General Fund	GO Bond Interest and Redemption Funds	Lease Revenue Bond Interest and Redemption Funds	Revenues Operations Fund	Repair and Replacement Fund	Parking Improvement Fund	Capital Outlay Projects Fund	Balance Forward
Annual Financial and Budget Report (CCFS-311)								
Fund Balance	\$ 16,172,055	\$ 7,488,321	\$ 24,078	\$ 677,601	\$ 327,598	\$ 3,123,046	\$ 13,826,818	\$ 41,639,517
Adjustments and reclassifications increasing (decreasing) the fund balance:								
Reclassification of Auxiliary Fund for financial statement purposes	1,725,293	-	-	-	-	(1,725,293)	-	-
Reclassification of amounts held for others	-	-	-	-	-	-	-	-
Net Adjustments and Reclassifications	1,725,293	-	-	-	-	(1,725,293)	-	-
Audited Financial Statements Fund Balance	\$ 17,897,348	\$ 7,488,321	\$ 24,078	\$ 677,601	\$ 327,598	\$ 1,397,753	\$ 13,826,818	\$ 41,639,517

June 30, 2023 (continued)	Balance Brought Forward	GO Bond Projects Fund	Student Trusts	Student Financial Aid Fund	Scholarship and Loan Trust Fund	Trustee Investment Trust	North State Together Trust	Other Trust Fund	Total
Annual Financial and Budget Report (CCFS-311)									
Fund Balance	\$ 41,639,517	\$ 62,791,701	\$ 559,553	\$ -	\$ 219,216	\$ 4,301,650	\$ 4,006	\$ 9,456,524	\$ 109,515,643
Adjustments and reclassifications increasing (decreasing) the fund balance:									
Reclassification of Auxiliary Fund for financial statement purposes	-	-	-	-	-	-	-	-	-
Reclassification of amounts held for others	-	-	-	-	(219,216)	(4,301,650)	(4,006)	-	(4,524,872)
Net Adjustments and Reclassifications	-	-	-	-	(219,216)	(4,301,650)	(4,006)	-	(4,524,872)
Audited Financial Statements Fund Balance	\$ 41,639,517	\$ 62,791,701	\$ 559,553	\$ -	\$ -	\$ -	\$ -	\$ 9,456,524	\$ 114,447,295

See accompanying note to supplementary information.

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF THE ECS 84362 (50 PERCENT LAW) CALCULATION
FOR THE YEAR ENDED JUNE 30, 2023**

		Activity (ESCA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6100			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
	Object/ TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Academic Salaries</u>							
Instructional Salaries							
Contract or Regular	1100	\$ 11,169,722	\$ -	\$ 11,169,722	\$ 11,169,722	\$ -	\$ 11,169,722
Other	1300	5,331,125	-	5,331,125	5,331,125	-	5,331,125
Total Instructional Salaries		16,500,847	-	16,500,847	16,500,847	-	16,500,847
Non-Instructional Salaries							
Contract or Regular	1200	-	-	-	3,520,666	-	3,520,666
Other	1400	-	-	-	144,415	-	144,415
Total Non-Instructional Salaries		-	-	-	3,665,081	-	3,665,081
Total Academic Salaries		16,500,847	-	16,500,847	20,165,928	-	20,165,928
<u>Classified Salaries</u>							
Non-Instructional Salaries							
Regular Status	2100	-	-	-	8,371,378	-	8,371,378
Other	2300	-	-	-	644,785	-	644,785
Total Non-Instructional Salaries		-	-	-	9,016,163	-	9,016,163
Instructional Aides							
Regular Status	2200	872,224	-	872,224	872,224	-	872,224
Other	2400	676,830	-	676,830	676,830	-	676,830
Total Instructional Aides		1,549,054	-	1,549,054	1,549,054	-	1,549,054
Total Classsified Salaries		1,549,054	-	1,549,054	10,565,217	-	10,565,217
Employee Benefits	3000	6,988,745	-	6,988,745	14,093,160	-	14,093,160
Supplies and Materials	4000	-	-	-	548,356	-	548,356
Other Operating Expenses	5000	146,639	-	146,639	5,977,504	-	5,977,504
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures Prior to Exclusions		25,185,285	-	25,185,285	51,350,165	-	51,350,165
<u>Exclusions</u>							
Activities to Exclude							
Inst. Staff-Retirees' Benefits and Incentives	5900	1,643,155	-	1,643,155	1,643,155	-	1,643,155
Std. Health Svcs. Above Amount Collected	6441	-	-	-	22,576	-	22,576
Student Transportation	6491	-	-	-	-	-	-
Non-inst.Staff-Retirees' Benefits and Incentives	6740	-	-	-	1,693,653	-	1,693,653
Object to Exclude							
Rents and Leases	5060	-	-	-	288,396	-	288,396
Lottery Expenditures							
Academic Salaries	1000	-	-	-	75,490	-	75,490
Classified Salaries	2000	-	-	-	258,586	-	258,586
Employee Benefits	3000	-	-	-	132,726	-	132,726
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines & Periodicals	4200	-	-	-	-	-	-
Instructional Supplies & Materials	4300	-	-	-	-	-	-
Non-inst. Supplies & Materials	4400	-	-	-	9,735	-	9,735
Total Supplies and Materials		-	-	-	9,735	-	9,735
Other Operating Expenses and Services	5000	-	-	-	1,242,168	-	1,242,168
Capital Outlay	6000	-	-	-	-	-	-
Library Books	6300	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	4,108	-	4,108
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	4,108	-	4,108
Total Capital Outlay		-	-	-	4,108	-	4,108
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		\$ 1,643,155	\$ -	\$ 1,643,155	\$ 5,370,593	\$ -	\$ 5,370,593
Total for ECS 84362, 50% Law		\$ 23,542,130	\$ -	\$ 23,542,130	\$ 45,979,572	\$ -	\$ 45,979,572
Percent of CEE (Instructional Salary Cost/Total CEE)		51.20%	0.00%	51.20%	100.00%	0.00%	100.00%
50% of Current Expense of Education		\$ -	\$ -	\$ -	\$ 22,989,786	\$ -	\$ 22,989,786

See accompanying note to supplementary information.

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
DETAILS OF THE EDUCATION PROTECTION ACCOUNT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2023**

EPA Revenue	\$ 3,602,500
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Activity Classification	Activity Code	Salaries and Benefits	Operating Expenses	Capital Outlay	Total
		(Obj 1000-3000)	(Obj 4000-5000)	(Obj 6000)	
Instructional Activities	0100-5900	\$ 3,565,659	\$ 34,749	\$ 2,092	\$ 3,602,500
Total		\$ 3,565,659	\$ 34,749	\$ 2,092	\$ 3,602,500

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
COMBINING BALANCE SHEET – DISTRICT FUNDS INCLUDED IN THE REPORTING ENTITY
JUNE 30, 2023

	General Fund	GO Bond Interest and Redemption Funds	Lease Revenue Bond Interest and Redemption Funds	Revenues Operations Fund	Repair and Replacement Fund	Parking Improvement Fund	Capital Outlay Projects Fund	Balance Forward
ASSETS								
Current Assets								
Cash and equivalents	\$ 41,640,304	\$ -	\$ -	\$ 1,031,069	\$ 328,198	\$ 1,398,499	\$ -	\$ 44,398,070
Accounts receivable - net	11,518,870	206	-	200,926	-	-	57,945	11,777,947
Inventories	47,831	-	-	18,886	-	-	-	66,717
Prepaid expenditures and other assets	1,868,241	-	-	807	-	-	16,899	1,885,947
Due from other funds	699,794	-	-	61,025	-	-	781,875	1,542,694
Total Current Assets	55,775,040	206	-	1,312,713	328,198	1,398,499	856,719	59,671,375
Noncurrent Assets								
Restricted cash and equivalents	-	7,605,833	24,078	-	-	-	13,951,436	21,581,347
Restricted investments	4,126,247	-	-	-	-	-	-	4,126,247
Total Noncurrent Assets	4,126,247	7,605,833	24,078	-	-	-	13,951,436	25,707,594
Total Assets	\$ 59,901,287	\$ 7,606,039	\$ 24,078	\$ 1,312,713	\$ 328,198	\$ 1,398,499	\$ 14,808,155	\$ 85,378,969
LIABILITIES								
Accounts payable	\$ 9,110,947	\$ 117,718	\$ -	\$ 73,806	\$ 600	\$ 746	\$ 776,358	\$ 10,080,175
Deferred revenue	31,060,535	-	-	178,935	-	-	-	31,239,470
Amounts held for others	-	-	-	-	-	-	-	-
Long-term obligations	170,344	-	-	-	-	-	-	170,344
Due to other funds	1,662,113	-	-	382,371	-	-	204,979	2,249,463
Total Liabilities	42,003,939	117,718	-	635,112	600	746	981,337	43,739,452
FUND EQUITY								
Fund Balances:								
Reserved for debt service	-	7,488,321	24,078	-	-	-	-	7,512,399
Reserved for special purpose	-	-	-	677,601	327,598	1,397,753	13,826,818	16,229,770
Unreserved:								
Undesignated	17,897,348	-	-	-	-	-	-	17,897,348
Total Fund Equity	17,897,348	7,488,321	24,078	677,601	327,598	1,397,753	13,826,818	41,639,517
Total Liabilities and Fund Equity	\$ 59,901,287	\$ 7,606,039	\$ 24,078	\$ 1,312,713	\$ 328,198	\$ 1,398,499	\$ 14,808,155	\$ 85,378,969

See accompanying note to supplementary information.

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
COMBINING BALANCE SHEET – DISTRICT FUNDS INCLUDED IN THE REPORTING ENTITY
JUNE 30, 2023

	Balance Brought Forward	GO Bond Projects Fund	Student Trusts	Student Financial Aid Fund	Scholarship and Loan Trust Fund	Trustee Investment Trust	Other Trust Fund	Phi Theta Kappa Agency Fund
ASSETS								
Current Assets								
Cash and equivalents	\$ 44,398,070	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable - net	11,777,947	12,900,730	20	1,489,197	107	23,835	-	-
Inventories	66,717	-	-	-	-	-	-	-
Prepaid expenditures and other assets	1,885,947	86,091	100	-	-	-	100	-
Due from other funds	1,542,694	26,137	1,302	680,093	-	-	-	-
Total Current Assets	59,671,375	13,012,958	1,422	2,169,290	107	23,835	100	-
Noncurrent Assets								
Restricted cash and equivalents	21,581,347	51,728,725	559,021	598,070	237,139	86,696	9,456,578	4,006
Restricted investments	4,126,247	-	-	369,933	-	4,191,119	-	-
Total Noncurrent Assets	25,707,594	51,728,725	559,021	968,003	237,139	4,277,815	9,456,578	4,006
Total Assets	\$ 85,378,969	\$ 64,741,683	\$ 560,443	\$ 3,137,293	\$ 237,246	\$ 4,301,650	\$ 9,456,678	\$ 4,006
LIABILITIES								
Accounts payable	\$ 10,080,175	\$ 1,944,109	\$ -	\$ 26,252	\$ 18,030	\$ -	\$ -	\$ -
Deferred revenue	31,239,470	-	-	3,111,041	-	-	-	-
Amounts held for others	-	-	-	-	219,216	4,301,650	-	4,006
Long-term obligations	170,344	-	-	-	-	-	-	-
Due to other funds	2,249,463	5,873	890	-	-	-	154	-
Total Liabilities	43,739,452	1,949,982	890	3,137,293	237,246	4,301,650	154	4,006
FUND EQUITY								
Fund Balances:								
Reserved for debt service	7,512,399	-	-	-	-	-	-	-
Reserved for special purpose	16,229,770	62,791,701	-	-	-	-	9,456,524	-
Unreserved:								
Undesignated	17,897,348	-	559,553	-	-	-	-	-
Total Fund Equity	41,639,517	62,791,701	559,553	-	-	-	9,456,524	-
Total Liabilities and Fund Equity	\$ 85,378,969	\$ 64,741,683	\$ 560,443	\$ 3,137,293	\$ 237,246	\$ 4,301,650	\$ 9,456,678	\$ 4,006

See accompanying note to supplementary information.

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY – DISTRICT FUNDS INCLUDED IN THE
REPORTING ENTITY
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	GO Bond Interest and Redemption Funds	Lease Revenue Bond Interest and Redemption Funds	Revenues Operations Fund	Repair and Replacement Fund	Parking Improvement Fund	Capital Outlay Projects Fund	Balance Forward
OPERATING REVENUES								
Net tuition and fees	\$ 2,806,668	\$ -	\$ -	\$ 771,702	\$ -	\$ -	\$ -	\$ 3,578,370
Grants and Contracts, noncapital								
Federal	7,854,845	-	-	-	-	-	152,998	8,007,843
State	14,971,363	-	-	-	-	-	7,000,000	21,971,363
Local	749,174	-	-	-	-	-	-	749,174
Auxiliary enterprise sales, net	72,962	-	-	908,837	-	-	-	981,799
Total Operating Revenues	26,455,012	-	-	1,680,539	-	-	7,152,998	35,288,549
OPERATING EXPENDITURES								
Salaries	45,650,603	-	-	863,858	-	-	-	46,514,461
Employee benefits	19,752,655	-	-	336,776	-	-	-	20,089,431
Supplies, materials, and other operating expenses	20,477,992	81,000	-	585,299	33,885	1,449	2,721,505	23,901,130
Total Operating Expenses	85,881,250	81,000	-	1,785,933	33,885	1,449	2,721,505	90,505,022
Operating Income (Loss)	(59,426,238)	(81,000)	-	(105,394)	(33,885)	(1,449)	4,431,493	(55,216,473)
NONOPERATING REVENUES (EXPENDITURES)								
State apportionments, noncapital	31,022,140	-	-	-	-	-	-	31,022,140
Education protection account revenues, noncapital	3,602,500	-	-	-	-	-	-	3,602,500
Local property taxes, noncapital	22,188,766	-	-	-	-	-	-	22,188,766
State taxes and other revenues, noncapital	11,956,191	-	-	-	-	-	-	11,956,191
Financial aid revenues	-	-	-	-	-	-	-	-
Financial aid expenses	-	-	-	-	-	-	-	-
Investment income	604,480	143,353	(131)	12,126	3,746	13,163	110,933	887,670
Interest expense	(5,112)	(5,225,935)	(122,322)	(1,278)	-	-	-	(5,354,647)
Other non-operating revenues	379,485	-	-	113,402	-	-	198,800	691,687
State apportionments, capital	-	46,503	-	-	-	-	-	46,503
Local property taxes and revenues, capital	-	6,595,677	-	-	-	-	323,133	6,918,810
Total Nonoperating Revenues (Expenditures)	69,748,450	1,559,598	(122,453)	124,250	3,746	13,163	632,866	71,959,620
OTHER FINANCING SOURCES (USES)								
Operating transfer in	1,348,603	-	762,322	-	-	-	1,166,784	3,277,709
Operating transfer out	(6,805,705)	-	-	(304,929)	-	(38,116)	(178,000)	(7,326,750)
Proceeds from long-term debt	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	57	-	-	-	-	-	-	57
Debt service	(102,069)	(2,040,000)	(640,000)	(25,517)	-	-	-	(2,807,586)
Total Other Financing Sources (Uses)	(5,559,114)	(2,040,000)	122,322	(330,446)	-	(38,116)	988,784	(6,856,570)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures/Expenses and Other Financing Uses	4,763,098	(561,402)	(131)	(311,590)	(30,139)	(26,402)	6,053,143	9,886,577
FUND EQUITY -- BEGINNING OF YEAR	13,134,250	8,049,723	24,209	989,191	357,737	1,424,155	7,773,675	31,752,940
FUND EQUITY -- END OF YEAR	\$ 17,897,348	\$ 7,488,321	\$ 24,078	\$ 677,601	\$ 327,598	\$ 1,397,753	\$ 13,826,818	\$ 41,639,517

See accompanying note to supplementary information.

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY – DISTRICT FUNDS INCLUDED IN THE
REPORTING ENTITY
FOR THE YEAR ENDED JUNE 30, 2023

	Balance Brought Forward	Lease Revenue Bond Construction Fund	GO Bond Projects Fund	Student Trusts	Student Financial Aid Fund	Scholarship and Loan Trust Fund	Trustee Investment Trust	Other Trust Fund	Phi Theta Kappa Agency Fund
OPERATING REVENUES									
Net tuition and fees	\$ 3,578,370	\$ -	\$ -	\$ 13,100	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and Contracts, noncapital									
Federal	8,007,843	-	-	-	-	-	-	-	-
State	21,971,363	-	319,590	-	-	-	-	-	-
Local	749,174	-	-	-	-	-	-	-	-
Auxiliary enterprise sales and charges	981,799	-	-	-	-	-	-	-	-
Total Operating Revenues	35,288,549	-	319,590	13,100	-	-	-	-	-
OPERATING EXPENDITURES									
Salaries	46,514,461	-	339,735	-	-	-	-	-	-
Employee benefits	20,089,431	-	156,720	-	-	-	-	-	-
Supplies, materials, and other operating expenses	23,901,130	-	10,339,757	101,967	-	-	-	21,806	-
Total Operating Expenses	90,505,022	-	10,836,212	101,967	-	-	-	21,806	-
Operating Income (Loss)	(55,216,473)	-	(10,516,622)	(88,867)	-	-	-	(21,806)	-
NONOPERATING REVENUES (EXPENDITURES)									
State apportionments, noncapital	31,022,140	-	-	-	-	-	-	-	-
Education protection account revenues, noncapital	3,602,500	-	-	-	-	-	-	-	-
Local property taxes, noncapital	22,188,766	-	-	-	-	-	-	-	-
State taxes and other revenues, noncapital	11,956,191	-	-	-	-	-	-	-	-
Financial aid revenues	-	-	-	-	27,713,239	-	-	-	-
Financial aid expenses	-	-	-	-	(27,713,239)	-	-	-	-
Investment income	887,670	-	484,186	5,231	-	-	-	334,567	-
Interest expense	(5,354,647)	-	-	-	-	-	-	-	-
Other non-operating revenues	691,687	-	(207,500)	161,411	-	-	-	-	-
State apportionments, capital	46,503	-	-	-	-	-	-	-	-
Local property taxes and revenues, capital	6,918,810	-	-	-	-	-	-	-	-
Total Nonoperating Revenues (Expenditures)	71,959,620	-	276,686	166,642	-	-	-	334,567	-
OTHER FINANCING SOURCES (USES)									
Operating transfer in	3,277,709	-	3,683,225	-	-	-	-	-	-
Operating transfer out	(7,326,750)	-	-	(7,288)	-	-	-	-	-
Proceeds from long-term debt	-	-	19,000,000	-	-	-	-	-	-
Proceeds from sale of capital assets	57	-	-	-	-	-	-	-	-
Debt service	(2,807,586)	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(6,856,570)	-	22,683,225	(7,288)	-	-	-	-	-
Excess of Revenues and Other Financing Sources Over (Under)									
Expenditures/Expenses and Other Financing Uses	9,886,577	-	12,443,289	70,487	-	-	-	312,761	-
FUND EQUITY -- BEGINNING OF YEAR	31,752,940	-	50,348,412	489,066	-	-	-	9,143,763	-
FUND EQUITY -- END OF YEAR	\$ 41,639,517	\$ -	\$ 62,791,701	\$ 559,553	\$ -	\$ -	\$ -	\$ 9,456,524	\$ -

See accompanying note to supplementary information.

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF FUND EQUITY TO NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023**

General Fund	\$ 16,172,055	
Debt Service Funds	7,512,399	
Revenue Bond Funds	1,005,199	
Other Special Revenue Funds	3,123,046	
Capital Project Funds	76,618,519	
Agency and Trust Funds	<u>14,540,949</u>	\$ 118,972,167

Assets recorded within the statements of net position not included in the District fund financial statements:

Nondepreciable capital assets	\$ 23,964,110	
Depreciable capital assets	159,428,245	
Intangible right of use assets	6,138,465	
QUALIC B - Receivable	6,084,830	
Accumulated amortization	(2,003,635)	
Fair Market Value - Cash in County Investments	(3,736,555)	
Accumulated depreciation	<u>(68,644,423)</u>	121,231,037

Unmatured Interest (1,967,712)

Amounts held on behalf of others (4,524,872)

Deferred outflows recorded within the statement of net position not included in the District fund financial statements:

Deferred loss on refunding	992,537
Deferred outflows from OPEB	4,638,358
Deferred outflows from pensions	18,184,159

Liabilities recorded within the statements of net position not recorded in the District fund financial statements:

Compensated absences	(1,773,850)	
Net pension liability	(58,535,488)	
Net OPEB obligation	(16,509,750)	
Lease liability	(4,001,672)	
Long-term debt	<u>(156,607,603)</u>	(237,428,363)

Deferred inflows recorded within the statement of net position not included in the District fund financial statements:

Deferred inflows from pensions	<u>(10,464,736)</u>
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Net Assets Reported Within the Statements of Net Position \$ 9,632,575

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF CHANGE IN FUND EQUITY TO CHANGE IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023**

Change in Fund Equity - District Funds Included in the Reporting Entity	\$ 22,713,114
Compensated absence expense not reported within the GASB 35 Statements	(345,542)
Depreciation expense reported within the GASB 35 Statements	(4,376,262)
Amortization expense reported within the GASB 96 Statements	(2,003,635)
Change in accrued interest reported within the GASB 35 Statements	(108,116)
Amortization of bond premiums reported within the GASB 35 Statements	482,698
Fair market value adjustment for cash in county investments	(1,028,911)
Software principle payments	2,136,793
Capital outlay expense not reported within the GASB 35 Statements	12,612,604
Pension expense reported within the GASB 35 Statements	203,484
Other postemployment benefits expense reported within the GASB 35 Statements	1,209,080
Principal Payments on debt not reported within the GASB 35 Statements	3,307,616
Proceeds for issuance of long-term debt not reported within the GASB 35 Statements	<u>(19,083,459)</u>
 Change in Net Position Reported Within the Statement of Revenues, Expenses, and Changes in Net Position	 \$ 15,719,464

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 – PURPOSE OF SCHEDULES

Organization Structure

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

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

The schedule of workload measures for state general apportionment annualized attendance as of June 30, 2023, represents the basis of apportionment of the District's annual source of funding.

Schedule of Expenditures of Federal Awards

This schedule includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance).

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

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

Schedule of Revenues and Expenditures of State Awards

This schedule includes the state activity of the District under categorical programs of the state of California for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of the *California Community Colleges Contracted District Audit Manual 2022-23*.

Expenses reported on this schedule are reported on the accrual basis of accounting.

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 Form CCFS-311 to the Audited Financial Statements.

Reconciliation of the ECS 84362 (50 Percent Law) Calculation

This schedule provides the information necessary to reconcile the 50% law calculation as reported on the Form CCFS-311 to the audited financial statements.

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 – PURPOSE OF SCHEDULES, continued

Details of the Education Protection Account Expenditures

This schedule provides the information necessary to reconcile the Education Protection Account Expenditures reported on the Form CCFS-311 to the audited financial statements.

Reconciliation of Fund Equity to Net Position and Reconciliation of Change in Fund Equity to Change in Net Position

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

NOTE 2 – COMBINING FINANCIAL STATEMENTS SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting The accompanying combining balance sheet – District funds included in the reporting entity; and combining statement of revenues, expenditures/expenses, and changes in fund equity – District funds included in the reporting entity are presented on the modified accrual basis of accounting with the exception of the Retirees Benefit Fund, which are presented on the accrual basis of accounting consistent with the presentation in the entity-wide financial statements. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable” and “available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers property taxes available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

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

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

NOTE 3 – LOAN PROGRAMS

The District is responsible only for the performance of certain administrative duties with respect to the Federal Direct Loan Program. Accordingly, the value of these outstanding loans is not reflected in the District’s financial statements. It is not practical to determine the balance of loans outstanding to students of the District under this program as of June 30, 2023.

OTHER INDEPENDENT AUDITORS' REPORTS



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

The Board of Trustees
Shasta-Tehama-Trinity Joint Community College District
Redding, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Shasta-Tehama-Trinity Joint Community College District (the District) as of and for the year ended June 30, 2023; and the related notes to the financial statements, which collectively comprise the District's basic financial statements; and have issued our report thereon dated December 4, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control 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 over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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



San Diego, California
December 4, 2023



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

The Board of Trustees
Shasta-Tehama-Trinity Joint Community College District
Redding, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Shasta-Tehama-Trinity Joint Community College District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Shasta-Tehama-Trinity Joint Community College District's major federal programs for the year ended June 30, 2023. Shasta-Tehama-Trinity Joint Community College District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Shasta-Tehama-Trinity Joint 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 on Shasta-Tehama-Trinity Joint 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 Shasta-Tehama-Trinity Joint Community College District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Shasta-Tehama-Trinity Joint 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 Shasta-Tehama-Trinity Joint 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 Shasta-Tehama-Trinity Joint 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 Shasta-Tehama-Trinity Joint Community College District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Shasta-Tehama-Trinity Joint Community College District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

CWDL, Certified Public Accountants

San Diego, California
December 4, 2023



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

The Board of Trustees
Shasta-Tehama-Trinity Joint Community College District
Redding, California

Opinion on State Compliance

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

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

Basis for Opinion

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

We are required to be independent of Shasta-Tehama-Trinity Joint 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 program. Our audit does not provide a legal determination of Shasta-Tehama-Trinity Joint 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 the District's compliance with the requirements listed in the table below.

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Procedures Performed

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

Section 411 – SCFF Data Management Control Environment
Section 412 – SCFF Supplemental Allocation Metrics
Section 413 – SCFF Success Allocation Metrics
Section 421 – Salaries of Classroom Instructors (50 Percent Law)
Section 423 – Apportionment for Activities Funded From Other Sources
Section 424 – Student Centered Funding Formula Base Allocation: FTES
Section 425 – Residency Determination for Credit Courses
Section 426 – Students Actively Enrolled
Section 427 – Dual Enrollment (CCAP and Non-CCAP)
Section 430 – Scheduled Maintenance Program
Section 431 – Gann Limit Calculation
Section 435 – Open Enrollment
Section 444 – Apprenticeship Related and Supplemental Instruction (RSI) Funds
Section 475 – Disabled Student Programs and Services (DSPS)
Section 479 – To Be Arranged Hours (TBA)
Section 490 – Propositions 1D and 51 State Bond Funded Projects
Section 491 – Education Protection Account Funds
Section 499 – COVID-19 Response Block Grant Expenditures

Purpose of this Report

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



San Diego, California
December 4, 2023

FINDINGS AND QUESTIONED COSTS SECTION

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023

Section I – Summary of Auditors’ Results

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None Noted
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards	No
Identification of major programs:	

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program of Cluster</u>
84.007, 84.044 84.063, 84.268	Student Financial Aid Cluster
84.425E, 84.425F	Higher Education Emergency Relief Funds

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 820,168
Auditee qualified as low-risk auditee?	Yes

STATE AWARDS

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

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS
JUNE 30, 2023**

Section II – Financial Statement Findings

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

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

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023**

Section III – Federal Award Findings and Questioned Costs

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

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

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023**

Section IV – State Award Findings and Questioned Costs

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

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

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
JUNE 30, 2023**

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



Shasta College Foundation

Executive Committee Meeting Agenda

1401 California Street, 5th Floor, Redding, CA., 96001

Tuesday, February 13th, 2024 at 12:00 p.m.

4.2 Approval of the establishment an investment account for the Delta Dental Foundation Endowment (\$300,000) for the Delta Dental Endowed Scholarship for Opportunity

DELTA DENTAL FOUNDATION ENDOWMENT

Time Horizon

The Delta Dental Foundation Endowment is intended to be an endowed donor fund with long-term (20+ years) spending plans. The time horizon is perpetual.

Investment Objective

The primary objective of the Delta Dental Foundation Endowment Fund is to seek a steady income to maintain the purchasing power of the donor endowed funds, net after inflation, and to provide income for annual stewardship fees and distributions.

Investment Strategy

A prudent approach to growth as well as income investing utilizing a mix of stocks and bonds, with a target allocation of 60% stocks and 40% bonds. This strategy generally uses individual securities for bond investments and mutual funds for stocks. However, this flexible approach allows variation within the guidelines when conditions warrant such action.

The mutual funds are “brokerage” accounts versus “advisory” accounts. The mutual funds’ internal expenses (including mutual funds’ portfolio managers fees, Stifel recordkeeping fees, and advisor expenses) are built into their price per share averaging 0.6 annually. Individual bonds are transaction based. “Advisory” accounts are fee-based and the fees would be reflected as a line item on the quarterly reports.

Asset Allocation Guidelines

Asset Class	Minimum %	Maximum %
Equities	0%	80%
Preferred	0%	5%
Fixed Income (Individual Bonds & Mutual Funds)	20%	80%
Alternative Investments	0%	5%
Cash & Cash Equivalents	0%	30%



Shasta College Foundation

Executive Committee Meeting Agenda

1401 California Street, 5th Floor, Redding, CA., 96001

Tuesday, February 13th, 2024 at 12:00 p.m.

4.3 Approval of the establishment an investment account for the Shasta College Foundation Scholarship Endowment (\$30,000).

SHASTA COLLEGE FOUNDATION SCHOLARSHIP ENDOWMENT

Time Horizon

The Shasta College Foundation Scholarship Endowment is intended to be an endowed donor fund with long-term (20+ years) spending plans. The time horizon is perpetual.

Investment Objective

The primary objective of the Shasta College Foundation Endowment Fund is to seek a steady income to maintain the purchasing power of the donor endowed funds, net after inflation, and to provide income for annual stewardship fees and distributions.

Investment Strategy

A prudent approach to growth as well as income investing utilizing a mix of stocks and bonds, with a target allocation of 60% stocks and 40% bonds. This strategy generally uses individual securities for bond investments and mutual funds for stocks. However, this flexible approach allows variation within the guidelines when conditions warrant such action.

The mutual funds are “brokerage” accounts versus “advisory” accounts. The mutual funds’ internal expenses (including mutual funds’ portfolio managers fees, Stifel recordkeeping fees, and advisor expenses) are built into their price per share averaging 0.6 annually. Individual bonds are transaction based. “Advisory” accounts are fee-based and the fees would be reflected as a line item on the quarterly reports.

Asset Allocation Guidelines

Asset Class	Minimum %	Maximum %
Equities	0%	80%
Preferred	0%	5%
Fixed Income (Individual Bonds & Mutual Funds)	20%	80%
Alternative Investments	0%	5%
Cash & Cash Equivalents	0%	30%



BYLAWS OF THE SHASTA COLLEGE FOUNDATION

BOARD APPROVED:

**BOARD SECOND READING &
PRESENTED FOR APPROVAL
FEBRUARY 13, 2024**



THE SHASTA COLLEGE FOUNDATION

BYLAWS

BOARD APPROVED: BOARD SECOND READING – 2/13/24

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THE SHASTA COLLEGE FOUNDATION

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BYLAWS OF THE SHASTA COLLEGE FOUNDATION

A California Nonprofit Public Benefit Corporation

ARTICLE I. NAME

1.01 The name of this corporation and/or organization shall be THE SHASTA COLLEGE FOUNDATION (“Foundation”).

ARTICLE II. OFFICES

Principal Office

2.01 The principal office of the Foundation for the transaction of the business is located at 1401 California Street, Redding, CA 96001. The mailing address is P.O. Box 496006, Redding, California 96049-6006.

Change of Address

2.02 The Board of Directors (“Board”) is hereby granted full power and authority to change the principal office of the corporation from one location to another in California. Any such change shall be noted by the Secretary/Treasurer in these Bylaws, but shall not be considered an amendment of these Bylaws.

Attorney and Certified Public Accountant

2.03 An attorney admitted to practice in the state and a licensed certified public accountant (“CPA”) shall be selected to provide advice and counsel to the Board. Each shall have experience appropriate to the responsibility and shall have no financial interest in any contract or other transaction entered into by the Board. Neither the attorney nor the CPA needs to be a member of the Board.

ARTICLE III. DIRECTORS

Number of Directors

3.01 The corporation shall have not less than seven (7) Directors. This number may be changed from time to time, within the limits specified in this Bylaw, by an amendment to this Bylaw duly adopted by approval of the Board of Directors.



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Composition of Directors

3.02 The Directors of the corporation, (“Directors” or collectively “Board of Directors”), shall be residents of or maintain business or be a community/business leader in the Shasta-Tehama-Trinity Joint Community College District. One Director shall be appointed by the Shasta-Tehama-Trinity Joint Community College District Board of Trustees, and shall be a Trustee of the Shasta-Tehama-Trinity Joint Community College Board of Trustees. All other Directors shall be appointed by the Foundation’s Board of Directors.

The person holding the position of Shasta College Superintendent/President shall serve as an ex-officio Director of the Corporation as a non-voting member; however, this Director shall not count towards the minimum number of Directors required for a quorum.

Term of Office/Subsequent Election

3.03 Excluding the Director appointed by the Shasta College Board of Trustees whose term shall be an annual term and the Superintendent/President whose term shall follow the appointed position, the term of each Director shall be three years. The terms of the other Directors shall be staggered with at least two Directors’ terms expiring each third year. There will be no limitations on the number of terms served by Directors. Each Director, including a Director appointed to fill a vacancy or elected at a Special Meeting, shall hold office until expiration of the term for which appointed, and until a successor has been appointed and qualified. If a Director leaves the Board midterm, the replacement Director, when appointed, shall conform to the same term of office as the Director they replaced.

Vacancies in the Board

3.04 A vacancy or vacancies in the Board shall be deemed to exist on the occurrence of the following: (a) the death, resignation, or removal of any Director; (b) the declaration of resolution of the Board of a vacancy of the office of a Director who has been declared of unsound mind by an order of court or convicted of a felony or has been found by final order or judgment of any court to have breached a duty under California Corporations Code Sections 5230 pertaining to Nonprofit Corporations, or (c) the increase of the authorized number of Directors.

Resignations. Except as provided in this paragraph, any Director may resign, which resignation shall be effective on giving written notice to the Board’s President, Vice President, Secretary/Treasurer, or Director, unless the notice specifies a later time for the resignation to become effective. If the resignation of a Director is effective at a future time, the Board may elect a successor to take office as of the date when the resignation becomes effective. No Director may resign when the Foundation would then be left without at least one duly elected Director in charge of its affairs.



THE SHASTA COLLEGE FOUNDATION

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Director Obligations

3.05 The minimum expectation for Directors is as follows:

- i. attend 60% of Regular Meetings of the Board,
- ii. actively participate in meetings
- iii. attend or provide financial support for Board events, and
- iv. provide a monetary contribution to support the operation of the Foundation as determined annually by the Board.

Removal of a Director

3.06 A Director may be removed, with or without cause, by an affirmative majority vote of the Board, at any duly noticed Regular or Special Meeting of the Board. Removal, at the discretion of the Board, is allowed, and not limited to, the failure of a Director to meet the Board's expectations described in Section 3.05.

Compensation of a Director

3.07 Directors may be compensated for actual and necessary expenses in conducting the business of the corporation as authorized by the Board of Directors. Otherwise, the Directors shall serve without compensation.

Conflict of Interest

3.08 Notwithstanding any other provision of these Bylaws and in accordance with Education Code Section 72677, unless permitted by Education Code Sections 72678 and 72679, no Director (or their spouse or their relatives by blood or marriage) may engage in any transaction or business relationship with the Corporation that results in such person or persons receiving an economic benefit of any kind or nature whatsoever from the Corporation which does not comply with the law of the State of California. Notwithstanding any other provision of this Article 3.08, not more than 49 percent of the persons serving on the Board may be an "interested person" as defined by section 5227 of the State of California Corporations Code. An interested person is (a) any person compensated by the corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as Director; and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of such person. A violation of the 49% interested person rule shall not affect the validity or enforceability of any transaction entered into by the corporation.



THE SHASTA COLLEGE FOUNDATION

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Indemnification

3.09 Right of indemnity. To the fullest extent permitted by law, the Foundation shall defend and hold harmless its Directors, Officers, employees, and other persons described in §5238(a) of the California Corporations Code, including persons formerly occupying any such position against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any proceeding, as that term is used in that Section, and including an action by or in the Right of the Foundation, by reason of the fact that the person is or was a person described in that section. “Expenses,” as used by this Bylaw, shall have the same meaning as in § 6238(a) of the California Corporations Code.

Approval of indemnity. On written request to the Board by any person seeking indemnification under §5238(b) or §5238 (c) of the California Corporation code, the Board shall promptly determine under §5238(e) of the California Corporations Code whether the applicable standard of conduct set forth in §5238(b) or §5238(c) has been met and, if so, the Board shall authorize indemnification.

Insurance. The Foundation shall purchase and maintain insurance to the full extent permitted by law on behalf of its Officers, Directors, employees, and other agents, against any liability asserted against or incurred by any Officer, Director, employee, or agent in such capacity or arising out of the Officer’s, Director’s employee’s, or agent’s status as such.

Regular and Special Meetings

3.10 Regular and Special Meetings shall be held at the principal office of the Corporation unless otherwise provided by the Executive Director or at such place within the boundaries of the territory of the District over which the Corporation exercises jurisdiction subject to the exceptions provided under the Ralph M. Brown Act. Notice of such meetings shall be given in accordance with the Ralph M. Brown Act. (Section 54950 et seq. of the California Government Code.) If, by reason of fire, flood, earthquake, or other emergency, it shall be unsafe to meet in the place designated, the meetings shall be held for the duration of the emergency at the place designated by the President of the Board or his or her designee in a notice to the local media that have requested notice pursuant to Section 54956, by the most rapid means of communication available at the time. Regular Meetings shall be held at least once quarterly.

Filing Address

3.11 Each Director shall file with the Secretary/Treasurer an email address to which all notices may be directed until notice of change of email address has been given in writing.



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Quorum of the Board

3.12 A majority of the voting members of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board.

Manner of Action

3.13 The act of a majority of the voting Directors shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws. All Directors will have one vote. Each Director shall have one vote on each matter presented to the Board for action. No Director may vote by proxy.

Committees of the Board

3.14 The Board of Directors, by an affirmative vote of a majority of the members constituting the Board of Directors, may establish committees which shall have and may exercise such powers as shall be conferred or authorized by resolution of the Board. A majority of any such committee may determine its action and fix the time and place of its meetings unless the Board of Directors shall otherwise provide.

The Board of Directors, by such affirmative vote, shall have the power at any time to change the structure, function, and members of any such committee, to fill vacancies, to dispose of any such committee, and to form ad-hoc committees as needed.

Members of Committees

3.15 Committee members need not be members of the Board of Directors, except that the Board may appoint one or more of their number to any committee the Board so designates. As a minimum, at least one member of each committee will be a member of the Board. In no case will a majority of the Board be appointed to a single committee.

Quorum of Committee

3.16 Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

Transactions of Board

3.17 Except as otherwise provided in the Articles, in these Bylaws, or by law, every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present is the act of the Board, provided, however, that any meeting at which a quorum was initially present



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may continue to transact business notwithstanding the withdrawal of Directors if any action taken is approved by at least a majority of the required quorum for such meeting, or such greater number as is required by the law, the Articles, or these Bylaws.

Conduct of Meetings

3.18 In the absence of the President, or the Vice President, any Director selected by the Directors present may preside at meetings of the Board of Directors. The Secretary/ Treasurer of the Corporation or, in the Secretary/Treasurer's absence, any person appointed by the presiding Officer shall act as Secretary of the Board.

Adjournment

3.19 A majority of the Directors present, whether or not a quorum, may adjourn any meeting to another time and place. Notice of the adjournment must be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

ARTICLE IV. OFFICERS

Numbers and Titles

4.01 The Officers of the corporation shall consist of a President, a Vice-President, a Secretary/Treasurer, and such other Officers as may be chosen in accordance with the provisions of this article. The Board of Directors may also in its discretion appoint such other Officers, including one or more assistant secretaries, as it shall deem desirable; such Officers will have the authority and perform the duties prescribed, from time to time, by the Board of Directors. All Officers are to be voting members of the Board of Directors.

Term of Office

4.02 The Officers of the corporation shall be nominated and elected annually by the Board of Directors at a Regular Meeting of the Board. If the election of Officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. New offices may be created and filled at any meeting of the Board of Directors. Each Officer shall hold office until his/her successor shall have been duly chosen and qualified.

President

4.03 The President shall be the Chief Executive Officer of the corporation and shall supervise and control all meetings of the Board of Directors. He/she may sign, with the Secretary/Treasurer or any other Officer of the corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors have authorized to be executed, except in



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cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by statute to some other Officer or agent of the corporation; and in general, he/she shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time. The President shall remain on the executive Board for the ensuing year. The President or designee shall attend the presentation of the annual report to the Trustees.

Vice President

4.04 In the absence of the President, or in event of his/her inability or refusal to act, the Vice-President shall perform the duties of the President, and, when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President shall perform such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

Secretary/Treasurer

4.05 The Secretary/Treasurer shall keep or cause to be kept with assistance from staff the minutes of all the proceedings of the Board of Directors and its committees. Minutes shall be held in the principal office of the Foundation. The Secretary/Treasurer shall have, with the assistance of the staff, oversight of all funds of this organization in accordance with written financial policies and procedures and shall cause to be kept the financial records of the funds and assets of the Foundation.

Removal of Officers

4.06 Any Officer may be removed, with or without cause, by a majority vote of the Board, at any duly noticed Regular or Special Meeting of the Board.

Resignation of Officers

4.07 Any Officer may resign at any time by giving written notice to the Board's President, Vice President, Secretary/Treasurer, or Executive Director. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Foundation under any contract to which the Officer is a party.

Vacancies in Offices

4.08 A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled only in the manner prescribed in these Bylaws for regular appointment to that office.



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ARTICLE V. OBJECTIVES OF THE SHASTA COLLEGE FOUNDATION

5.01 The objectives of this organization are to operate exclusively for charitable purposes within the meaning of Section 501(c) (3) of the Internal Revenue Code, including the making of distributions to organizations, primarily Shasta College, that qualify as exempt organizations under Section 501(c)(3) of such Code.

ARTICLE VI. PURPOSES OF THE SHASTA COLLEGE FOUNDATION

6.01 The specific and primary purposes of The Shasta College Foundation shall be to provide assistance to Shasta College in the form of student financial aid, enhancement of college facilities and programs, and services to the students, staff and faculty. Activities of the Foundation include, but are not limited to, the following:

- i. To solicit, collect and receive endowments, devises, bequests, gifts and donations of all kinds or property for its own use, or in trust, for carrying out, or which would assist in carrying out, the objectives and purposes of the Foundation; and to do all things and acts necessary or proper to carry out each and all of the purposes and provisions of such endowments, devises, bequests, gifts and donations, with full power to mortgage, sell, lease, or otherwise deal with or dispose of the same in accordance with the terms of the particular endowment, devise, bequest, gift or donation.
- ii. To do any other act or thing and to engage in and carry on any other activity in any manner connected with or incidental to, or calculated to promote, assist, aid, or accomplish any of the aforesaid purposes, and for the purpose of maintaining, attaining or furthering the same, to exercise all or any of said powers, whether as principal, agent, or otherwise, and whether alone or with others, and to have and exercise all other rights, powers, and privileges now or hereafter belonging to or conferred upon corporations organized under the provisions of the Corporations Law of the State of California as it applies to nonprofit corporations, including, but not limited to, the following:
 - a. To purchase, lease, or acquire, by gift or otherwise, and to hold, own, maintain, alter, lease, improve, sell, convey, mortgage, pledge, or otherwise dispose of or encumber real and personal property of every kind and character, or any interest therein;
 - b. To buy bonds and own, hold, vote, encumber, pledge, mortgage, or sell shares of capital stock in all other corporations;
 - c. To borrow money, give promissory notes, or bonds therefore, and secure the payment thereof by mortgage or deed of trust upon property, real or personal.
- iii. To engage in such activities and conduct such activities in such manner as to maintain and preserve its exemption from income taxes imposed by the United States Government and the State of California, to the fullest extent possible under the law.



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- iv. To receive and manage private funds or properties donated to Shasta College.

Notwithstanding any of the above statements of purposes and powers, the Foundation shall not engage in activities which in themselves are not in furtherance of the purposes set forth in this Article IV.

ARTICLE VII. STAFF AND CONSULTANT SERVICES

7.01 The Foundation may hire employees, full or part time or contract for staff services through a services agreement with Shasta College, including but not limited to management, secretarial, accounting, financial services, records management, bookkeeping, and property management. The Foundation will retain an auditor to provide the required independent audit and reports. The duties of any employee or staff services shall be spelled out in an employment contract with a job description or a services agreement.

Duties ascribed to the Foundation Executive Director shall include the following:

- i. Coordinate the preparation and notice of meetings of the Foundation and Board. Maintain the records of the Foundation.
- ii. Coordinate annual fund raising, special events, deferred giving and grants. Monitor and track Foundation grants and expenditures.
- iii. Monitor and track gifts and funds that are accepted by the Foundation that are dedicated to specific purposes.
- iv. Oversee and support the Board on their fiduciary responsibility by providing operational oversight of Foundation records, bookkeeping, audits, and accounting of funds collected and disbursed.
- v. Maintain a positive and coordinated relationship between Shasta College and Foundation.
- vi. Represent the Foundation on a day-to-day basis at Shasta College and with the college's management team and Board of Trustees.
- vii. Participate in community and public relations activities of the Foundation.
- viii. Provide leadership and teambuilding motivation for staff and volunteers.
- ix. Maintain a donor database and recognition plan, assuring that all gifts and pledges are recorded and acknowledged accurately.
- x. Write, edit, and distribute flyers, handouts, newsletters and other appropriate public relations and marketing materials for the Foundation.
- xi. Assist in preparing the annual budget and annual report of the Foundation. Perform such other related duties as may be appropriate.
- xii. Final duties of an Executive Director shall be covered in any employment agreement and shall be based on the hours available. The contract shall also cover total compensation, benefits, specific goals and objectives for the employment period and expectations of the Board.



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ARTICLE VIII. CONTRACTS, CHECKS, DEPOSITS, AND FUNDS

Authorizations

8.01 The Board of Directors may authorize any Officer or Officers, agent or agents of the corporation, in addition to the Officers so authorized by these Bylaws, to enter any contract or execute and deliver any instrument in the name of and on behalf of the corporation. Such authority may be general or confined to specific instances.

Signatures for Payments

8.02 All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation for greater than \$1,000 shall be approved by the Foundation Executive Director and, either the Superintendent/President of Shasta College, the Vice President of Administrative Services of Shasta College, one (1) representative of the Shasta College Business Office designated by the Vice President of Administrative Services or one (1) Foundation Director as designated by resolution of the Board of Directors.

All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation for \$999.99 or less shall be approved by the Foundation Executive Director or the Superintendent/President of Shasta College.

Any draft, or order for the payment of money, note, or other evidence of indebtedness issued in the name of the corporation to the Foundation Executive Director will be approved by the Superintendent/President of Shasta College rather than the Foundation Executive Director.

Deposit of Funds

8.03 All funds of the corporation shall be deposited by the Foundation Executive Director or designee, in the name of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select. Funds shall not be co-mingled with those belonging to the Shasta-Tehama-Trinity Joint Community College District or any successor thereto, or any other organization.

Acceptance of Gifts

8.04 The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, legacy, or devise for the general purpose or for any special purpose of the corporation.



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ARTICLE IX. CAPITAL GAINS AND CAPITAL ASSETS

Distribution of Capital Gains

9.01 The Board of Directors may consider any capital gains of the corporation as income and may distribute this income in any way which is in accordance with the purpose of the corporation as outlined in the Articles of Incorporation.

Disposal of Capital Assets

9.02 Unless restricted by conditions of the donation, the Board of Directors may dispose of any capital asset in accordance with the purpose of the corporation as outlined in the Articles of Incorporation.

ARTICLE X. CORPORATE RECORDS

10.01 The Foundation shall keep adequate and correct records of account and minutes of the proceedings of its Board and committees of the Board of Directors. The Foundation shall also keep a record of its Directors giving their names, email addresses and physical addresses. The minutes shall be kept in written form. Other books and records shall be kept in either written form or in any other form capable of being converted into written form.

ARTICLE XI. ANNUAL AUDIT

11.01 The Board of Directors shall provide for an annual audit of the records and accounts of this corporation by an independent auditor to be contracted by the Shasta College Foundation. Copies of the audit shall be furnished to each member of the Board of Directors and be made available to the Shasta-Tehama-Trinity Joint Community College District Board of Trustees and the public.

ARTICLE XII. FISCAL YEAR

12.01 The fiscal year of the Foundation shall begin on the first day of July and end on the last day of June in each year.

ARTICLE XIII. SEAL

13.01 The Board of Directors shall provide a corporate seal which shall be in the form of a circle having on its circumference the words, "Shasta College Foundation."



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ARTICLE XIV. INSPECTION BY DIRECTORS

14.01 Every Director including the Superintendent/President of the Shasta-Tehama-Trinity Joint Community College District, shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the Foundation and each of its subsidiary corporations. This inspection by a Director may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

ARTICLE XV. ANNUAL REPORT

15.01 The accounting year shall be July 1 through June 30.

- i. Not later than one-hundred twenty (120) days after the close of the Foundation's fiscal year, the Board shall cause an annual report to be prepared. The report shall contain the following information in reasonable detail:
 - a. The assets and liabilities, including the trust funds, of the Foundation as of the end of the fiscal year.
 - b. The principal changes in assets and liabilities, including trust funds, during the fiscal year.
 - c. The revenue or receipts of the Foundation both unrestricted and restricted to particular purposes, for the fiscal year.
 - d. The expenses or disbursements of the Foundation, for both general and restricted purposes, during the fiscal year.
 - e. Any information required by Section 4 of this Article.
- ii. The report required by this Section shall be accompanied by any report thereon of independent accountants, or, if there is no such report, by the certificate of an authorized Officer of the Foundation that such statements were prepared without audit from the books and records of the Foundation.

ARTICLE XVI. ANNUAL STATEMENT OF CERTAIN TRANSACTIONS

16.01 No later than the time the Foundation gives its annual report, and in any event no later than one-hundred twenty (120) days after the close of the Foundation's fiscal year, the Foundation shall prepare a statement of the amount and circumstances of any transaction in which the Foundation, its parent or its subsidiary was a party, and in which any Director or Officer of the Foundation, its parent or subsidiary had a direct or indirect financial interest.



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ARTICLE XVII. AMENDMENTS

17.01 These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted by a 2/3 majority of the voting Directors at any Regular or Special Meeting of the Board of Directors, if at least ten (10) days written notice is given to all Directors of intention to alter, amend, or repeal, or adopt new Bylaws at such meeting.

Adopted _____ by the Shasta College Foundation Board of Directors

CERTIFICATE OF SECRETARY/TREASURER

OF

THE SHASTA COLLEGE FOUNDATION

A California Nonprofit Public Benefit Corporation

I, the undersigned, certify that I am the presently elected and acting Secretary/Treasurer of THE SHASTA COLLEGE FOUNDATION, a California nonprofit public benefit corporation, and the foregoing Bylaws, consisting of fourteen (14) pages, constitute the Bylaws of said Foundation as duly adopted at a meeting of the Board of Directors thereof held on this ____ day of _____, 20__.

[Name]

Secretary/Treasurer