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

AUDIT REPORT

June 30, 2025

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
TABLE OF CONTENTS
JUNE 30, 2025

Independent Auditors' Report	1
Management's Discussion and Analysis	4

FINANCIAL SECTION

Basic Financial Statements:	
Primary Government	
Statement of Net Position	13
Statement of Revenues, Expenses, and Changes in Net Position	14
Statement of Cash Flows	15
Discretely Presented Component Unit - Shasta College Foundation	
Statement of Financial Position	17
Statement of Activities	18
Statement of Cash Flows	19
Notes to Financial Statements	20

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the Net OPEB Liability/(Asset) and Related Ratios	55
Schedule of Contributions - OPEB	57
Schedule of Proportionate Share of the Net Pension Liability	59
Schedule of Contributions - Pensions	60
Note to Required Supplementary Information	62

SUPPLEMENTARY INFORMATION

Organizational Structure	63
Schedule of Workload Measures for State General Apportionment - Annual/Actual Attendance	64
Schedule of Expenditures of Federal Awards	65
Schedule of Revenues and Expenditures of State Awards	66
Reconciliation of Annual Financial and Budget Report (CCFS-311) with Audited Financial Statements	67
Reconciliation of the ECS 84362 (50 Percent Law) Calculation	68
Details of the Education Protection Account Expenditures	69
Combining Balance Sheet - Governmental Funds Included in the Reporting Entity	70
Combining Statement of Revenues, Expenses, and Changes in Fund Equity - Governmental Funds Included in the Reporting Entity	72
Reconciliation of Governmental Funds to Statement of Net Position	74
Reconciliation of Change in Fund Equity to Changes in Net Position	75
Notes to Supplementary Information	76

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
TABLE OF CONTENTS
JUNE 30, 2025

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 <i>Government Auditing Standards</i>	79
Independent Auditors' Report on Compliance For Each Major Federal Program; and Report on Internal Control over Compliance Required by the Uniform Guidance	81
Independent Auditors' Report on State Compliance and on Internal Control over Compliance for State Programs	84

SCHEDULE OF FINDINGS AND QUESTIONED COSTS SECTION

Summary of Auditors' Results	87
Financial Statement Findings	88
Federal Award Findings and Questioned Costs	89
State Award Findings and Questioned Costs	90
Summary Schedule of Prior Audit Findings	91



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component unit of the District as of June 30, 2025, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, the District adopted GASB Statement No. 101, *Compensated Absences* which required a restatement of net position as of July 1, 2024. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

CWDL, Certified Public Accountants

San Diego, California
December 3, 2025

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

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

The 2024-25 Tentative Budget included an assumption of a 0% COLA to the Student-Centered Funding Formula providing a total SCFF calculation of \$63,654,548. Based on the somewhat volatile information in the State budget process, the District conservatively applied a 2% deficit factor to that calculation to arrive at a net SCFF of \$62,381,457. The final budget includes a 1.07% COLA to the SCFF providing a total SCFF of \$65,500,000. With the additional information received by the State in late summer, District staff are recommending a 4% deficit factor, to arrive at a net calculation of \$62,880,000. This resulted in an increased net SCFF of just under \$500,000.

The Final 2024-25 Budget, adopted in September of 2024, with the following projections: 1.07% COLA, 4% deficit factor, and \$62,888,000 net SCFF. There were not any assumptions of deferrals and/or enrollment growth funded at that time. The 2024-2025 SCFF year began to set the funding floor for the District. This meant that the District was losing the hold harmless on enrollments starting in 2024-25, and that the District needed to build as many FTES as possible. In order to do this, there were great marketing efforts, adopting the new attendance accounting methodology and capturing two summers in one reporting timeframe (also known as Summer Shift). By implementing these strategies, the District was able to set a solid funding floor and even move into growth status. The 2025-26 Final Budget, adopted in September of 2025, included the following updates for the 2024-25 budget: 0% deficit factor, 1.07% COLA, enrollment growth applied funding 90.99 FTES and a deferral from June to July in the amount of \$2 million. The estimated actuals showed a total of \$65,706,220. There was another development that came in during June 2024 that had a positive impact on reserves. In January 2024, the District partnered with CWDL, Certified Public Accountants for auditing services to apply for IRS Employee Retention Tax Credits (ERTC). The tax credit aimed to encourage employers to retain employees during the pandemic. CWDL, Certified Public Accountants helped the District apply for these tax credits and their fees for service are 10% of the credit received by the District. The application was submitted in January 2024 with the recommendation to use the tax credits to cover future infrastructure costs due to inflation and one-time funds. Currently, there are fiscal shortfalls for both ongoing and future projects and concerns of increases to the Districts pension obligation to PERS/STRS.

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

FINANCIAL HIGHLIGHTS, continued

The District received a credit on May 23, 2025, and another on June 4, 2025. Both credits were deposited into the General Fund 11 - Unrestricted account in the amount of \$8,211,662 with 10% owed and paid to CWDL, Certified Public Accountants in the amount of \$821,166. The District received Board approval at the July Board meeting to transfer the amount of \$5,390,496 to the Fund 41 Capital Outlay Fund to support future infrastructure and capital outlay projects and \$2,000,000 into the PARS Trust to continue building that reserve for future needs related to PERS/STRS. This will continue the conservative approach to building our reserves to cover the District personnel expenses as well as capital outlay to continue to improve our campus for our students.

Moving into the 2025-26 year, the following budget assumptions were applied at Final Budget in September of 2025: SCFF \$67 million, deficit factor 1.5%, lottery estimate decline of \$500K, Federal Forest Reserve cut \$50K, 2.3% COLA, 4.5% discount factor, deferral of two months (May/June) to be paid in July of 2026, and withdraw from OPEB in the amount of \$1,225,000. The plan to withdraw from OPEB is to help offset the retiree health benefit, but also to ensure that we don't become fully funded in the trust. The 2024-25 fiscal year was the first year that there was planning to withdraw, however that did not happen. The 2025-26 fiscal year is a good year to start as a one-time withdraw and then continue to monitor actuarial projections.

Overall, the District is sitting strong with reserves, maintaining a solid fund balance to help manage deferrals and continues to grow in enrollments getting closer to pre-pandemic numbers. The biggest threat/risk are external factors that could have a negative impact on the budget.

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Statement of Net Position

The statement of net position includes all assets and liabilities using the 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, 2025 and 2024:

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	2025	2024	Change
Current assets	\$ 61,119,417	\$ 54,031,189	\$ 7,088,228
Non-current assets	257,193,092	234,323,361	22,869,731
Deferred outflow of resources	26,933,018	27,656,648	(723,630)
Total Assets and Deferred Outflows of Resources	345,245,527	316,011,198	29,234,329
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current liabilities	46,822,244	51,948,347	(5,126,103)
Non-current liabilities	244,221,336	230,625,782	13,595,554
Deferred inflows of resources	12,068,544	9,923,673	2,144,871
Total Liabilities and Deferred Inflows of Resources	303,112,124	292,497,802	10,614,322
NET POSITION			
Net investment in capital assets	38,651,320	24,579,103	14,072,217
Restricted	46,818,183	39,162,621	7,655,562
Unrestricted	(43,336,100)	(40,228,328)	(3,107,772)
Total Net Position	\$ 42,133,403	\$ 23,513,396	\$ 18,620,007

Current cash and cash equivalents consist mainly of cash in the County Treasury. Unrestricted cash, prepaid expenditures and other assets decreased from the prior year, with a slight decrease in cash as a result of operating activity.

Non-current assets, assets that are not scheduled to be used in the next fiscal year, increased due to significant additions to construction in progress.

Depreciable capital assets are the historical value of buildings and improvements, site improvements, vehicles and equipment, computer equipment and leasehold improvements less accumulated depreciation. Additions and deductions of capital assets along with \$3,883,683 of net depreciation expense resulted in an increase of \$14,955,652 in net capital assets.

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 2024-25, the District went from a \$12.9 million to a \$8.4 million net OPEB liability/(asset).

Accounts payable and accrued liabilities decreased in this fiscal year. This was primarily due to timing of expenses at the end of the year.

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Statement of Net Position, continued

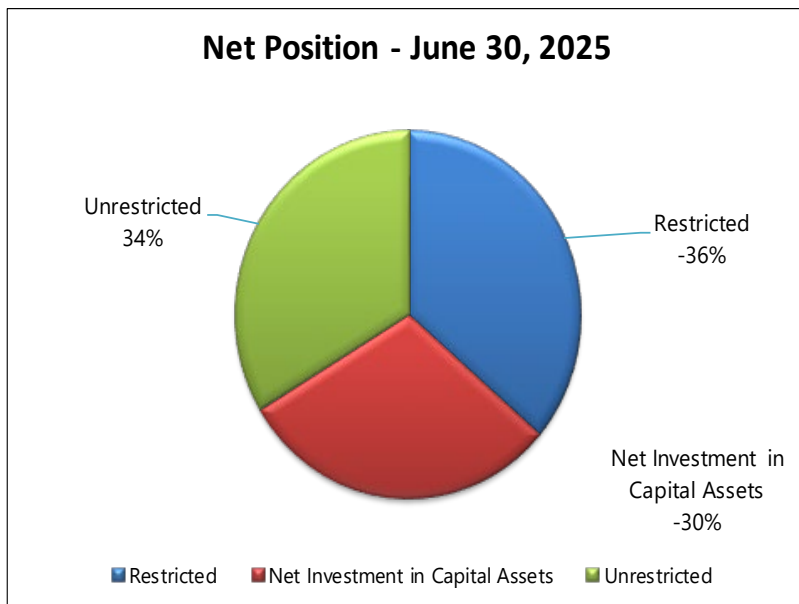
Unearned revenue relates mainly to Federal, State, and local program funds received but not yet earned as of June 30, 2025. Grant revenue is earned when expensed. The District received several multi-year awards over the past several years, which have contributed to the higher than average unearned revenue balance.

Non-current liabilities are debt and other liabilities to be paid in the future; the due date is a year or more away. Non-current liabilities are comprised of non-current portion of compensated absences of \$9.6 million, general obligation bonds, unamortized premiums and revenue bonds of \$147.4 million, net OPEB liability/(asset) of \$8.4 million, net pension liability of \$66.0 million, and non-current portion of lease liabilities of \$17.0 million.

Unrestricted net position 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 Statement No. 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, 2025 is reflected below:



**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

FINANCIAL HIGHLIGHTS, continued

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 non-operating revenues and expenses. State general apportionment funds, while budgeted for operations, are considered non-operating revenues according to generally accepted accounting principles.

The following table summarizes the activity for the fiscal years ended June 30, 2025 and 2024:

	2025	2024	Change
OPERATING REVENUES			
Tuition and fees, net	\$ 4,116,896	\$ 3,849,119	\$ 267,777
Grants and contracts, non-capital	24,573,576	19,215,504	5,358,072
Auxiliary enterprise sales, net	1,728,074	1,401,861	326,213
Total Operating Revenues	30,418,546	24,466,484	5,952,062
OPERATING EXPENSES			
Salaries and employee benefits	81,620,144	76,097,846	5,522,298
Supplies, materials, and other operating expenses	26,389,622	21,439,705	4,949,917
Depreciation and amortization	9,169,702	8,154,226	1,015,476
Total Operating Expenses	117,179,468	105,691,777	11,487,691
Operating Loss	(86,760,922)	(81,225,293)	(5,535,629)
NON-OPERATING REVENUES/(EXPENSES)			
State apportionments, non-capital	28,251,891	31,412,120	(3,160,229)
Education protection account revenues, non-capital	11,410,533	5,608,415	5,802,118
Local property taxes, non-capital	24,076,683	22,755,502	1,321,181
State taxes and other revenues, non-capital	18,191,571	14,139,243	4,052,328
Financial aid revenues	33,771,292	30,450,007	3,321,285
Financial aid expenses	(33,797,803)	(30,464,570)	(3,333,233)
Investment income	4,833,343	3,964,813	868,530
Interest expense	(4,607,517)	(5,266,066)	658,549
Other non-operating revenues	8,309,055	7,077,329	1,231,726
Total Non-Operating Revenues/(Expenses)	90,439,048	79,676,793	10,762,255
OTHER REVENUES/(EXPENSES)			
State apportionments, capital	13,335,399	6,559,386	6,776,013
Local property taxes and revenues, capital	8,871,523	8,869,935	1,588
Changes in Net Position	25,885,048	13,880,821	12,004,227
NET POSITION - BEGINNING OF YEAR	23,513,396	9,632,575	13,880,821
PRIOR PERIOD ADJUSTMENTS (SEE NOTE 16)	(7,265,041)	-	(7,265,041)
NET POSITION - END OF YEAR	\$ 42,133,403	\$ 23,513,396	\$ 18,620,007

Tuition and fees were \$11.2 million, less the Board of Governor tuition waivers of \$7.1 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 \$323,575 and dorm fees were \$516,000 for 2024-25.

State and Federal grants and contracts increased by approximately \$5.4 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
JUNE 30, 2025**

FINANCIAL HIGHLIGHTS, continued

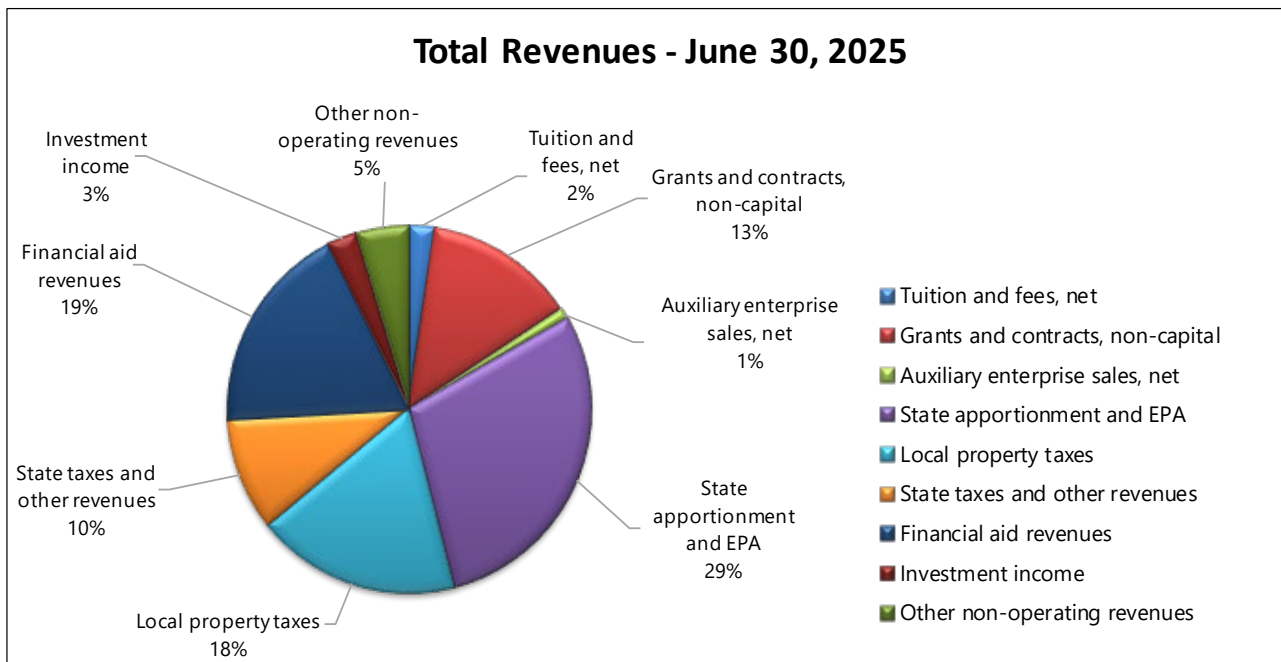
Statement of Revenues, Expenses, and Changes in Net Position, continued

State apportionment represents Total Computation Revenue (TCR) estimated at \$65.5 million earned less 98% of regular enrollment fees collected, EPA funds and property taxes, less deficit factor. Final constrained TCR for 2024-25 was \$65.7 million.

Property taxes and other revenue consist primarily of local property tax revenue, \$24.4 million, and State lottery revenue of \$1.4 million.

Net position in the statement of net position as of June 30, 2025, increased by \$18.7 million primarily as a result of increase in State apportionments.

The composition of operating and non-operating revenues for the year ended June 30, 2025 are reflected below:



Salaries and employee benefits reflect an increase of \$5.5 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 employee 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.

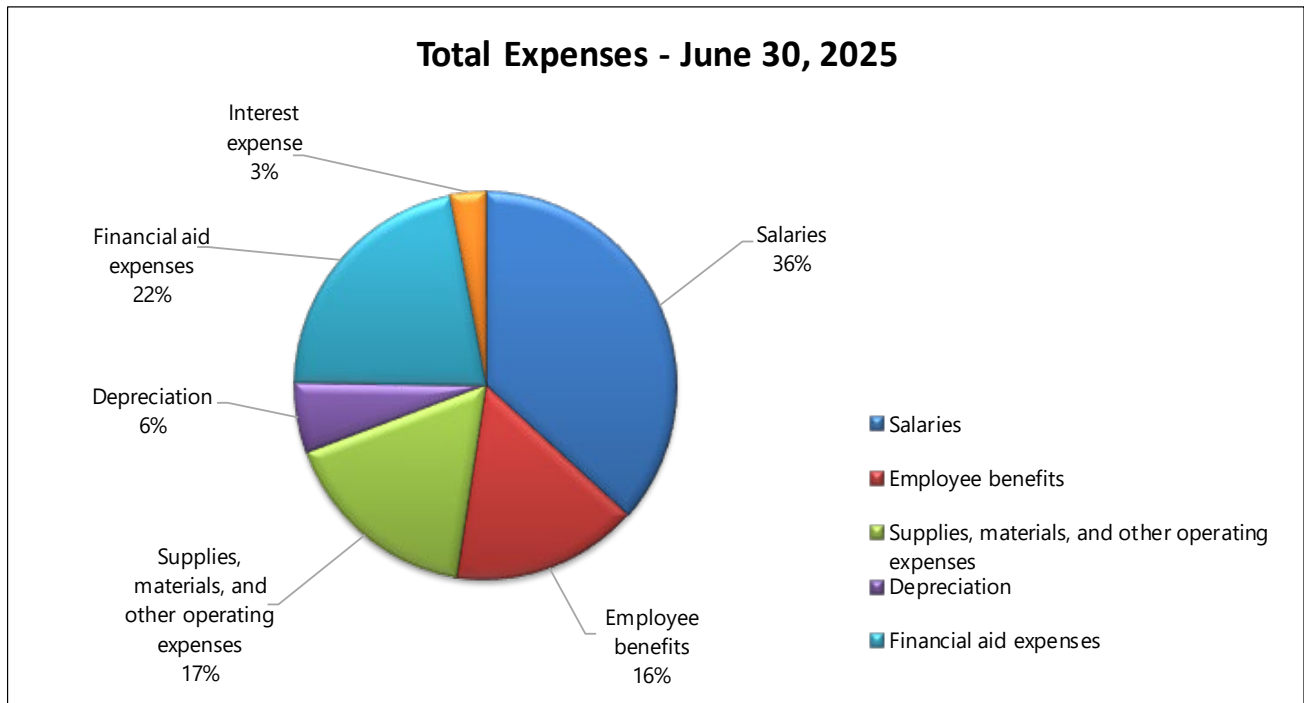
Supplies, materials, other operating expenses and services consist of those non-capital expenditures made by the District. This area experienced an increase from the prior year.

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

FINANCIAL HIGHLIGHTS, continued

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

The composition of operating and non-operating expenses for the year ended June 30, 2025 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, 2025 and 2024:

CASH PROVIDED BY/(USED IN)	2025	2024	Change
Operating activities	\$ (83,623,567)	\$ (74,923,441)	\$ (8,700,126)
Non-capital financing activities	90,213,222	77,629,293	12,583,929
Capital financing activities	(9,982,205)	(18,198,791)	8,216,586
Investing activities	4,837,935	4,300,085	537,850
Net Increase/(Decrease) in Cash and Cash Equivalents	\$ 1,445,385	\$ (11,192,854)	\$ 12,638,239

Cash receipts from operating activities consist primarily of tuition and fees, Federal, State, and local grants, and other contracts of \$28.3 million. Cash outlays were primarily payments to or on behalf of employees for salaries and benefits in the amount of \$85.9 million, and payments to suppliers and students of \$26.0 million.

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

FINANCIAL HIGHLIGHTS, continued

Statement of Cash Flows, continued

State apportionment of \$28.3 million, EPA of \$11.4 million, and local property taxes of \$24.1 million are the primary sources of non-capital financing activities.

Net cash from capital financing activities was \$10.0 million and net cash provided by investing activities was \$4.9 million in 2024-25.

Emergency Conditions Allowance

The District has relied upon the COVID Hold Harmless offered by the CCC for the 2020-21 and 2021-22 fiscal years. As a result, Shasta College funding received through the SCFF has been stabilized using 2019-20 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 2021-22 year.

To avoid material decreases in District apportionments resulting from the pandemic, the CCC introduced the Emergency Conditions Allowance (ECA) in mid-June 2022, just before the state budget was approved. In early July, after changes in the enacted budget were applied to our SCFF and total budget, it was determined that Shasta College would benefit from this additional year of funding stabilization.

The District's application for the ECA was approved and all conditions were met during the 2022-23 fiscal year, stabilizing District funding with an additional \$2 million of funding in 2022-23. The ECA is a key factor increasing and stabilizing the District SCFF as we move toward the 2024-25 year and the establishment of the new SCFF floor. The three-year average used in the SCFF carries forward as part of the 2023-24 and 2024-25 formula.

The 2024-25 formula will be the last year that the ECA includes one year of FTES protected. The District will be setting the new funding floor during the 2024-25 reporting year and the ECA will expire for the 2025-26 year.

The ECA required an updated fund balance reserve to be in compliance with the Government Finance Officers Association (GFOA). This is also a recommendation of the Chancellor's Office. The guidance requires two of months of reserves, 17%, for both unrestricted and restricted general funds be held in the District's unrestricted general fund. The Board of Trustees adopted BP6250 in January 2023 to meet this requirement of the ECA and recommendation of the Chancellor's office.

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

2024-25 External Economic Factors at play

In January the Palisades and Eaton fires had a huge impact on Southern California's with an estimated loss of \$53.8 billion in property damages. While the fires hit after the new tax year, this was a factor to play into projections moving forward due to the disruption of tax revenue. For fiscal year 2025, anticipated impacts include postponed tax payments and reduced tax receipts. Due to Los Angeles hosting 25% of California's population and fourteen Fortune 500 companies, there is concern over a disruption to personal income tax revenue for FY2026. Personal income tax revenue is the largest source of tax revenues for the State. Long-term economic impacts and recovery costs are expected to affect tax revenue for FY2026 and beyond until full recovery.

Additional disruptions in California's economy include new tax laws, immigration policies, and litigation expenses under the new presidential administration. Tariffs on imports to U.S. trading partners are projected to impact California's agriculture and manufacturing sectors, potentially leading to higher business costs and financial challenges for higher education. On April 2, 2025, a 10% tariff mandate for all U.S. trading partners was imposed by the Trump Administration. The District experienced the first significant tariff expense in April 2025 on an HVAC project totaling roughly \$30K. As the fourth-largest economy in the world and the U.S.'s largest trading partner, California is highly susceptible to international trade relations' economic impacts. The stock market reacted negatively to the tariff mandate, directly impacting personal income taxes in California. New immigration laws also pose a fiscal threat due to potential workforce reductions in certain industries and increased costs from lawsuits against federal policy. Federal policy changes aiming to reduce programs such as MediCal, School Meals, TRIO, AmeriCorps, Federal Work Study, SEOG, etc., may negatively affect California's revenues and community college programs supporting student success if these programs are cut. Spring of 2025 introduced various threats to California's economic outlook, all characterized by uncertainty and constant change.

Moving into the 2025-26 Fiscal Year, all risks listed above are still active. More recently on October 1, 2025 Congress failed to pass and adopt a final budget causing a government shutdown. As of October 27, 2025, we are 27 days into a shutdown, second longest in the history of the U.S. The cause was due to healthcare policy disputes, Department of Education, Federal Financial Aid, and much more. Both parties holding strong in their opposing views which is causing the shutdown to carry on. There are currently 750K Federal workers furloughed or working without pay, SNAP benefits are at risk for 40 million Americans, Head Start, Airports, and delays in economic data which effects financial markets/policy decisions. All of this has an indirect and direct impact on the California Community College system and the Districts. How this shutdown will impact this fiscal year and next is still unraveling and we are watching it closely so we can prepare to help our students who may be impacted on any changes to federal benefits.

The California State Budget also has fully depleted their rainy-day fund for Proposition 98. Currently the tax revenue is coming in higher than expected, however the fiscal year is still young. Maintaining and building strong reserves is critical during these times.

FINANCIAL SECTION

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS

Current Assets:

Cash and cash equivalents	\$ 45,910,672
Accounts receivable	12,250,550
Lease receivable, current portion	1,067,623
Inventory	65,381
Prepaid expenditures and other assets	1,825,191
Total Current Assets	<u>61,119,417</u>

Non-current Assets:

Restricted cash and cash equivalents	69,254,959
Restricted investments	8,347,435
Lease receivable, non-current portion	709,510
Right-to-use asset, net	15,475,682
Capital assets, net	144,419,946
Notes receivable	18,985,560
Total Non-current Assets	<u>257,193,092</u>

TOTAL ASSETS

318,312,509

DEFERRED OUTFLOWS OF RESOURCES

Deferred loss on refundings	247,176
Deferred outflows - OPEB	3,596,154
Deferred outflows - pensions	23,089,688
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>26,933,018</u>

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

\$ 345,245,527

LIABILITIES

Current Liabilities:

Accounts payable and accrued liabilities	\$ 10,737,232
Unearned revenue	26,196,042
Amounts held for others	4,764,294
Compensated absences, current portion	165,887
Lease liabilities, current portion	829,884
Long-term debt, current portion	4,128,905
Total Current Liabilities	<u>46,822,244</u>

Non-current Liabilities:

Compensated absences, non-current portion	9,555,813
Lease liabilities, non-current portion	16,964,018
Net OPEB liability	8,447,865
Net pension liability	65,966,248
Long-term debt, non-current portion	143,287,392
Total Non-current Liabilities	<u>244,221,336</u>

TOTAL LIABILITIES

291,043,580

DEFERRED INFLOWS OF RESOURCES

Deferred inflows - pensions	7,992,485
Deferred inflows - leases	1,375,609
Deferred inflows - OPEB	2,700,450
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>12,068,544</u>

NET POSITION

Net investment in capital assets	38,651,320
Restricted for:	
Debt service	8,505,442
Capital projects	38,312,741
Unrestricted	<u>(43,336,100)</u>
TOTAL NET POSITION	<u>42,133,403</u>

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

\$ 345,245,527

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

OPERATING REVENUES

Tuition and fees, gross	\$ 11,190,845
Less: Scholarship discounts and allowances	(7,073,949)
Tuition and fees, net	<u>4,116,896</u>
Grants and contracts, non-capital:	
Federal	3,594,782
State	20,126,670
Local	852,124
Auxiliary enterprise sales, net	<u>1,728,074</u>
TOTAL OPERATING REVENUES	<u><u>30,418,546</u></u>

OPERATING EXPENSES

Salaries	57,400,319
Employee benefits	24,219,825
Supplies, materials, and other operating expenses	26,389,622
Depreciation and amortization	<u>9,169,702</u>
TOTAL OPERATING EXPENSES	<u><u>117,179,468</u></u>

OPERATING LOSS

(86,760,922)

NON-OPERATING REVENUES/(EXPENSES)

State apportionments, non-capital	28,251,891
Education protection account revenues, non-capital	11,410,533
Local property taxes, non-capital	24,076,683
State taxes and other revenues, non-capital	18,191,571
Financial aid revenues	33,771,292
Financial aid expenses	(33,797,803)
Investment income	4,833,343
Interest expense	(4,607,517)
Other non-operating revenues	<u>8,309,055</u>
TOTAL NON-OPERATING REVENUES/(EXPENSES)	<u><u>90,439,048</u></u>

INCOME BEFORE OTHER REVENUES/(EXPENSES)

3,678,126

OTHER REVENUES/(EXPENSES)

State apportionments, capital	13,335,399
Local property taxes and revenues, capital	<u>8,871,523</u>
TOTAL OTHER REVENUES/(EXPENSES)	<u><u>22,206,922</u></u>

CHANGE IN NET POSITION

25,885,048

NET POSITION - BEGINNING OF YEAR

23,513,396

PRIOR PERIOD ADJUSTMENTS (SEE NOTE 16)

(7,265,041)

NET POSITION - END OF YEAR

\$ 42,133,403

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	\$ (21,731,295)
Grants and contracts	48,270,861
Payments to or on behalf of employees	(85,851,966)
Payments to vendors for supplies and services	(26,039,241)
Other receipts	1,728,074
Net Cash Provided by/(Used in) Operating Activities	<u>(83,623,567)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State apportionments, non-capital	28,251,891
Education protection account revenues, non-capital	11,410,533
Local property taxes, non-capital	24,076,683
State taxes and other revenues, non-capital	18,191,571
Financial aid disbursements	(33,797,803)
Financial aid receipts	33,771,292
Other non-operating revenues	8,309,055
Net Cash Provided by/(Used in) Non-capital Financing Activities	<u>90,213,222</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(24,326,040)
State revenue, capital projects	13,335,399
Local revenue, capital	8,871,523
Principal paid on capital debt	(3,635,000)
Interest paid on capital debt	(4,228,087)
Net Cash Provided by/(Used in) Capital Financing Activities	<u>(9,982,205)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	4,837,935
Net Cash Provided by/(Used in) Investing Activities	<u>4,837,935</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,445,385
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>113,720,246</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 115,165,631</u>

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

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

**RECONCILIATION OF OPERATING LOSS TO NET CASH
PROVIDED BY/(USED IN) OPERATING ACTIVITIES**

Operating loss	\$ (86,760,922)
Adjustments to Reconcile Operating Loss to Net Cash Provided by/(Used in)	
Operating Activities:	
Depreciation and amortization	9,169,702
Changes in Assets and Liabilities:	
Accounts receivable	1,533,934
Inventory	12,495
Prepaid expenditures and other assets	58,910
Deferred outflows - OPEB and pension	(21,731)
Accounts payable and accrued liabilities	(1,096,633)
Unearned revenue	(3,684,840)
Amounts held for others	74,286
Compensated absences	1,139,099
Net OPEB liability	(4,453,806)
Net pension liability	(1,738,932)
Deferred inflows of resources	2,144,871
Total Adjustments	<u>3,137,355</u>
Net Cash Flows From Operating Activities	<u>\$ (83,623,567)</u>

COMPONENTS OF CASH AND CASH EQUIVALENTS

Cash and cash equivalents	\$ 45,910,672
Restricted cash and cash equivalents	<u>69,254,959</u>
Total Cash and Cash Equivalents	<u>\$ 115,165,631</u>

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
DISCRETELY PRESENTED COMPONENT UNIT - SHASTA COLLEGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025**

ASSETS

Current assets:

Cash and cash equivalents	\$ 966,310
Accounts receivable	195,663
Prepaid expenditures	359
Total current assets	<u>1,162,332</u>

Non-current assets:

Investments	<u>10,476,901</u>
Total non-current assets	<u>10,476,901</u>
TOTAL ASSETS	<u>\$ 11,639,233</u>

LIABILITIES

Current liabilities:

Accounts payable and accrued liabilities	<u>\$ 680,941</u>
TOTAL LIABILITIES	<u>680,941</u>

NET ASSETS

Net assets without donor restrictions	1,703,291
Net assets with donor restrictions	<u>9,255,001</u>
TOTAL NET ASSETS	<u>10,958,292</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 11,639,233</u>

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
DISCRETELY PRESENTED COMPONENT UNIT - SHASTA COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
SUPPORT AND REVENUE			
Donations	\$ -	\$ 199,739	\$ 199,739
Grants	-	1,522,678	1,522,678
In-kind donations	390,070	7,319	397,389
Net investment return	208,113	765,731	973,844
Event income - fundraising	-	26,269	26,269
Other revenue	147,237	649,206	796,443
Net assets released from restriction	2,081,804	(2,081,804)	-
Total Support and Revenue	2,827,224	1,089,138	3,916,362
EXPENSES			
Program	1,450,593	-	1,450,593
General and administrative	1,286,330	-	1,286,330
Fundraising	18,516	-	18,516
Total Expenses	2,755,439	-	2,755,439
Changes in Net Assets	71,785	1,089,138	1,160,923
Net Assets - Beginning of Year	1,631,506	8,165,863	9,797,369
Net Assets - End of Year	\$ 1,703,291	\$ 9,255,001	\$ 10,958,292

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

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
DISCRETELY PRESENTED COMPONENT UNIT - SHASTA COLLEGE FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES	
Changes in net assets	\$ 1,160,923
Changes in fair value of investments	(1,130,346)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Changes in assets and liabilities:	
Accounts receivable	(60,401)
Prepaid expenditures	(359)
Accounts payable and accrued liabilities	83,861
Net Cash Provided by/(Used In) Operating Activities	<u>53,678</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	53,678
Cash and Cash Equivalents, Beginning of Year	<u>912,632</u>
Cash and Cash Equivalents, End of Year	<u>\$ 966,310</u>

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

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Presentation and Accounting, continued

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities (BTA). Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and 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 Cash and Cash Equivalents: Restricted cash and cash equivalents 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*.

Restricted Investments: Investments are restricted for scholarships and specific programs. Investments are reported at fair value based on quoted market prices with realized and unrealized gains or losses reported in the statement of operations.

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, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Inventory: Inventories are recorded using the consumption method, in that inventory acquisitions are initially recorded in inventory (asset) accounts and are charged as expenditures when used.

Prepaid Expenditures and Other Assets: 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.

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

Notes Receivable: Notes receivable are recognized when a legally enforceable agreement is established. Notes receivable are initially recorded at their principal amount. Interest income is accrued based on the contractual interest rate unless collectability becomes doubtful.

Accounts Payable and Accrued Liabilities: All payables and accrued liabilities are reported in the District and Foundation financial statements. In general, accounts payable and accrued liabilities that, once incurred, are paid in a timely manner and in full, from current financial resources are reported as liabilities of the District.

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.

Unearned Revenue: Unearned revenues arise when resources are received by the District before it has a legal claim to them, such as when certain grants are received prior to the occurrence of qualifying expenditures. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized. Unearned revenue is primarily composed of (1) amounts received for tuition and fees prior to the end of the fiscal year, that are related to the subsequent fiscal year and (2) amounts received from Federal and State grants received before the eligibility requirements are met.

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

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

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

Sick leave is accumulated without limit for each employee based upon negotiated contracts. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, retirement credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive 0.004 year of service credit for each day of unused sick leave. Retirement credit for unused sick leave is applicable to all employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full time.

Long-Term Debt: 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 \$586,053 for the year ended June 30, 2025.

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.

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Postemployment Benefits Other Than Pensions (OPEB): For purposes of measuring the net OPEB liability/(asset), deferred outflows/inflows of resources related to OPEB, and OPEB expense/(benefit), information about the fiduciary net position of the District's OPEB Plan and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the District's OPEB Plan. For this purpose, the District OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

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, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

Net Investments 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 non-operating. 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.

Non-operating Revenues: Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources, such as State appropriations, financial aid, and investment income.

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

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

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

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

State 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.

Adoption of New Accounting Standards: The following GASB Pronouncements were adopted by the District during the year ended June 30, 2025:

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The financial impact of this statement is reflected in Notes 8 and 16.

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

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

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

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

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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. The Shasta College Foundation presents its financial statements in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codifications (ASC). The financial statements are presented on the accrual basis of accounting and have been prepared to present balances and transactions according to the existence or absence of donor-imposed restrictions. This is 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.

Accounts Receivable: Accounts receivable are stated at the amount management expects to collect from outstanding balances. An allowance for doubtful accounts is established, as necessary, based on past experience and other factors which, in management's judgment, deserve current recognition in estimating bad debts. Such factors include the relationship of the allowance for doubtful accounts to accounts receivable and current economic conditions. At June 30, 2025, an allowance for doubtful accounts was not considered necessary as all accounts receivable were deemed collectible.

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Discretely Presented Component Unit - Foundation, continued

Accounts payable and Accrued Liabilities: Accounts payable are amounts owed to vendors or suppliers for services incurred for which payment is made in a timely manner and in full, from current financial resources.

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.

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 eight donor-restricted endowment funds and one board-designated endowment fund. Three of the donor-restricted funds are invested in the pooled donor investment account. The Foundation has a board-approved investment return objectives, risk parameters and strategies, and a spending policy.

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. As of June 30, 2025, the Foundation had no unconditional promises to give.

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 non-financial 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.

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Discretely Presented Component Unit - Foundation, continued

Fair Value Measurements: The Foundation 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.

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS

The cash, cash and equivalents and investments as of June 30, 2025, for the District and Foundation are as follows:

	District	Foundation
Cash and cash equivalents, current	\$ 45,910,672	\$ 966,310
Restricted cash and cash equivalents, non-current	69,254,959	-
Investments	8,347,435	10,476,901
Total Cash, Cash Equivalents and Investments	\$ 123,513,066	\$ 11,443,211

The carrying amounts of the District’s and Foundation’s cash and cash equivalents are summarized as follows:

	District	Foundation
Cash in county treasury	\$ 101,818,609	\$ -
Cash on hand, in banks and investment accounts	13,431,429	966,310
Total	\$ 115,250,038	\$ 966,310

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025**

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS, continued

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 610 days at June 30, 2025.

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, 2025, are insured.

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

Investments consisted of the following:

	District	Foundation
Mutual funds	\$ 3,860,996	\$ 6,004,457
Municipal bonds	1,319,259	527,672
Corporate/government bonds	3,167,180	3,944,772
Total	\$ 8,347,435	\$ 10,476,901

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS, continued

Fair Value Hierarchy

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

	District		
	(Level 1)	(Level 2)	Total
Cash in county treasury	\$ -	\$ 101,818,609	\$ 101,818,609
Mutual funds	3,860,996	-	3,860,996
Municipal bonds	-	1,319,259	1,319,259
Corporate bonds	-	3,167,180	3,167,180
Total Investments	\$ 3,860,996	\$ 106,305,048	\$ 110,166,044

	Foundation		
	(Level 1)	(Level 2)	Total
Mutual funds:			
Large cap value funds	\$ 482,426	\$ -	\$ 482,426
Large cap blend funds	5,212,907	-	5,212,907
Intermediate bond fund	309,124	-	309,124
Municipal bonds	-	527,672	527,672
Corporate bonds:			
Financial services	-	3,588,529	3,588,529
Consumer	-	107,028	107,028
Technology	-	65,557	65,557
Utilities	-	103,496	103,496
Industrials	-	80,162	80,162
Total Investments	\$ 6,004,457	\$ 4,472,444	\$ 10,476,901

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.

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.

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS, continued

Credit Risk, continued

At June 30, 2025, 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 Code* 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, 2025, accounts receivable amounted to \$12,250,550.

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2025, is summarized as follows:

	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
Capital assets not being depreciated				
Land	\$ 3,839,886	\$ -	\$ -	\$ 3,839,886
Construction in progress	14,409,520	14,283,857	-	28,693,377
Total capital assets not being depreciated	18,249,406	14,283,857	-	32,533,263
Capital assets being depreciated				
Site improvements	33,888,071	1,511,903	-	35,399,974
Buildings and improvements	122,340,745	2,250,713	-	124,591,458
Vehicles and equipment	23,766,096	3,399,932	1,225,396	25,940,632
Computer equipment	3,349,577	80,044	1,631,812	1,797,809
Leasehold improvements	2,617,420	170,094	-	2,787,514
Total capital assets being depreciated	185,961,909	7,412,686	2,857,208	190,517,387
Total capital assets	204,211,315	21,696,543	2,857,208	223,050,650
Less: Accumulated depreciation	74,747,021	6,727,145	2,843,462	78,630,704
Capital Assets, net	\$ 129,464,294	\$ 14,969,398	\$ 13,746	\$ 144,419,946

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5 – LEASE RECEIVABLE

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

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

Future lease receivable on non-cancellable leases at June 30, 2025 are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 1,067,623	\$ 41,093	\$ 1,108,716
2027	57,511	24,504	82,015
2028	61,957	22,518	84,475
2029	66,632	20,377	87,009
2030	63,419	18,085	81,504
2031-2035	163,596	71,146	234,742
2036-2040	223,176	35,627	258,803
2041-2042	73,219	2,048	75,267
Total	\$ 1,777,133	\$ 235,398	\$ 2,012,531

The District leases office space to external parties. In accordance with GASB Statement No. 87, the District records lease receivables and deferred inflows of resources based on the present value of expected receipts over the term of the respective lease. The expected receipts are discounted using the District’s incremental borrowing rate. Any variable payments are excluded unless fixed in substance. During the year, the District retroactively applied GASB Statement No. 87 by restating the beginning net position amounting to \$534,712 (see Note 16).

During the year ended June 30, 2025, the District recognized revenues related to these lease agreements totaling \$133,188. During the year ended June 30, 2025, the District does not have any lease revenue related to variable receipts that were not previously included in the measurement of the lease receivable.

The general terms of the lease agreements are as follows:

Lease Type	Number of Contracts	Average Rate	Lease Terms	Average Annual Rental Income
Building	3	3.34%	12/1/2006 - 11/30/2041	\$ 698,508

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 – RIGHT-TO-USE ASSETS

The amount of lease assets by major class of underlying assets as of June 30, 2025, was as follows:

	Balance July 1, 2024	Adjustments (Note 17)	Adjusted Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
Right-to-Use Assets						
Leased buildings	\$ -	\$ 15,597,787	\$ 15,597,787	\$ 10,728	\$ -	\$ 15,608,515
Leased equipment	-	488,181	488,181	-	-	488,181
Leased software	4,464,884	-	4,464,884	929,425	-	5,394,309
Total Right-to-Use Assets	4,464,884	16,085,968	20,550,852	940,153	-	21,491,005
Less: Accumulated Amortization						
Leased buildings	-	1,115,007	1,115,007	685,767	-	1,800,774
Leased equipment	-	78,837	78,837	102,554	-	181,391
Leased software	2,378,922	-	2,378,922	1,654,236	-	4,033,158
Total Accumulated Amortization	2,378,922	1,193,844	3,572,766	2,442,557	-	6,015,323
Right-to-Use Assets, net	\$ 2,085,962	\$ 14,892,124	\$ 16,978,086	\$ (1,502,404)	\$ -	\$ 15,475,682

NOTE 7 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

At June 30, 2025, accounts payable and accrued liabilities amounted to \$8,467,687.

NOTE 8 – LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended June 30, 2025, is summarized as follows:

	Balance July 1, 2024	Adjustments (Note 17)	Adjusted Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025	Due Within One Year
Long-Term Liabilities							
General obligation bonds	\$ 140,710,000	\$ -	\$ 140,710,000	\$ -	\$ 2,950,000	\$ 137,760,000	\$ 2,950,000
Premium on general obligation bonds	6,862,350	-	6,862,350	-	586,053	6,276,297	473,905
Revenue bonds	4,065,000	-	4,065,000	-	685,000	3,380,000	705,000
Total long-term debt	151,637,350	-	151,637,350	-	4,221,053	147,416,297	4,128,905
Other long-term liabilities:							
Compensated absences	2,191,741	6,390,860	8,582,601	1,139,099	-	9,721,700	165,887
Lease liabilities	1,953,554	16,301,017	18,254,571	1,026,334	1,487,003	17,793,902	829,884
Total other long-term liabilities	4,145,295	22,691,877	26,837,172	2,165,433	1,487,003	27,515,602	995,771
Total long-term liabilities	\$ 155,782,645	\$ 22,691,877	\$ 178,474,522	\$ 2,165,433	\$ 5,708,056	\$ 174,931,899	\$ 5,124,676

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 – 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%.	\$ 3,380,000
Subtotal - Lease Revenue Bonds	<u>\$ 3,380,000</u>

GENERAL OBLIGATION BONDS

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%.	\$ 39,610,000
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%.	37,145,000
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%.	29,045,000
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%.	1,710,000
2016 General Obligation 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%.	18,900,000
2024 General Obligation Refunding Bonds, issued in the original amount of \$11,520,000. Final maturity is in 2030. Interest rate ranges from 5.00%.	11,350,000
Subtotal	<u>137,760,000</u>
Premium on 2016 General Obligation Bonds - Series A	2,865,784
Premium on 2016 General Obligation Bonds - Series B & B-1	1,467,569
Premium on 2016 General Obligation Bonds - Series C & C-1	914,039
Premium on 2016 General Obligation Bonds - Series D	75,510
Premium on 2024 General Obligation Bonds	953,395
Subtotal	<u>6,276,297</u>
Subtotal - General Obligation Bonds	<u>\$ 144,036,297</u>

Total Long-Term Debt	\$ 147,416,297
Less: Current portion	4,128,905
Total Long-Term Debt - Non-Current Portion	<u>\$ 143,287,392</u>

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 – LONG-TERM LIABILITIES, continued

General Obligation Bonds

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

Year Ending June 30,	Principal	Interest	Total
2026	\$ 2,950,000	\$ 5,358,552	\$ 8,308,552
2027	3,460,000	5,233,502	8,693,502
2028	3,930,000	5,088,477	9,018,477
2029	4,455,000	4,905,367	9,360,367
2030	5,040,000	4,680,318	9,720,318
2031-2035	21,315,000	20,387,594	41,702,594
2036-2040	30,315,000	15,729,814	46,044,814
2041-2045	41,795,000	8,356,844	50,151,844
2046-2050	24,500,000	2,130,124	26,630,124
Total	<u>\$ 137,760,000</u>	<u>\$ 71,870,592</u>	<u>\$ 209,630,592</u>

Revenue Bonds

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

Year Ending June 30,	Principal	Interest	Total
2026	\$ 705,000	\$ 77,064	\$ 782,064
2027	730,000	60,990	790,990
2028	745,000	44,346	789,346
2029	765,000	27,360	792,360
2030	435,000	9,918	444,918
Total	<u>\$ 3,380,000</u>	<u>\$ 219,678</u>	<u>\$ 3,599,678</u>

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 – LONG-TERM LIABILITIES, continued

Compensated absences

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

At June 30, 2025, the liability recorded for compensated absences was \$9,721,700.

Leases

The District has entered into agreements to lease software. The lease agreements qualify under GASB Statement No. 87 and 96 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The general terms are as follows:

Lease Type	Number of Contracts	Average Rate	Lease Terms	Average Annual Lease Payment
Building	5	3.33%	9/1/2022 - 12/31/2052	\$ 403,212
Equipment	4	3.71%	8/15/2022 - 6/11/2029	\$ 110,856
Software	31	2.34%	12/3/2018 - 4/30/2029	\$ 1,876,518

Future minimum lease payments on non-cancellable leases at June 30, 2025 are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 829,884	\$ 624,137	\$ 1,454,021
2027	188,589	615,610	804,199
2028	(148,221)	618,334	470,113
2029	95,148	625,493	720,641
2030	373,483	618,157	991,640
2031-2035	2,716,965	2,811,444	5,528,409
2036-2040	3,269,924	2,262,361	5,532,285
2041-2045	3,926,540	1,601,744	5,528,284
2046-2050	4,689,203	811,402	5,500,605
2051-2052	1,852,387	72,824	1,925,211
Total	\$ 17,793,902	\$ 10,661,506	\$ 28,455,408

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 – 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 the California State Teachers’ Retirement System (CalSTRS) and classified employees are members of the California Public Employees’ Retirement System (CalPERS).

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

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	\$ 23,656,607	\$ 7,318,487	\$ 7,578,936	\$ 1,176,436
CalPERS	42,309,641	15,771,201	413,549	8,451,488
Total	\$ 65,966,248	\$ 23,089,688	\$ 7,992,485	\$ 9,627,924

The details of each plan are as follows:

California State Teachers’ Retirement System (CalSTRS)

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

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

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers’ Retirement System (CalSTRS), continued

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

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

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

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

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

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers’ Retirement System (CalSTRS), continued

Contributions: The parameters for employer and state contribution rates for the DB Program are set by the California Legislature and the Governor and detailed in the Teachers’ Retirement Law. Current contribution rates were established by California Assembly Bill 1469 (CalSTRS Funding Plan), which was passed into law in June 2014 and established a schedule of contribution rate increases shared among members, employers and the state to bring CalSTRS toward full funding by 2046. The contribution rates for each plan for the year ended June 30, 2025, are presented above, and the District’s total contributions were \$4,538,764.

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

District's proportionate share of the net pension liability	\$ 23,656,607
State's proportionate share of the net pension liability associated with the District	10,853,900
Total	\$ 34,510,507

The net pension liability was measured as of June 30, 2024. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District’s proportionate share for the measurement period June 30, 2024 and June 30, 2023, respectively was 0.0345 percent and 0.0352 percent, resulting in an decrease of 0.0007 percent in the proportionate share.

For the year ended June 30, 2025, the District recognized pension expense of \$1,176,436. In addition, the District recognized pension expense and revenue of \$2,622,459 for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ -	\$ 96,649
Differences between expected and actual experience	2,676,169	1,035,144
Changes in assumptions	103,554	1,615,512
Net changes in proportionate share of net pension liability	-	4,831,631
District contributions subsequent to the measurement date	4,538,764	-
Total	\$ 7,318,487	\$ 7,578,936

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers’ Retirement System (CalSTRS), continued

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

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

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (3,749,702)
2027	(160,349)
2028	(598,632)
2029	(409,835)
2030	235,338
Thereafter	(116,033)
Total	<u>\$ (4,799,213)</u>

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

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

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

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers’ Retirement System (CalSTRS), continued

Actuarial Methods and Assumptions, continued

The long-term investment rate of return assumption was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class/strategy. Expected real rates of return are net of our 2.75% inflation assumption and are derived from best-estimate ranges of 20- to 30-year geometrically linked expected returns. These best-estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process. The actuarial investment rate of return assumption was adopted by the board in January 2024 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS’ independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. The assumed asset allocation and best estimates of the expected rates of return for each major asset class/strategy as of June 30, 2024, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-term Expected Rate of Return*	Long-term Expected Real Rate of Return**
Public Equity	38%	8.00%	5.25%
Real Estate	15%	6.80%	4.05%
Private Equity	14%	9.60%	6.75%
Fixed Income	14%	5.20%	2.45%
Risk Mitigating Strategies	10%	5.00%	2.25%
Inflation Sensitive	7%	6.40%	3.65%
Cash/Liquidity	2%	2.80%	0.05%
Total	100%		

*20- to 30-year geometric average.

**Real rates of return of net of assumed 2.75% inflation.

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

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025**

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers’ Retirement System (CalSTRS), continued

Discount Rate, 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	\$ 42,077,364	\$ 23,656,607	\$ 8,274,512

California Public Employees Retirement System (CalPERS)

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

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

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

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025**

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees Retirement System (CalPERS), continued

Benefits Provided, continued

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

	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	27.05%	27.05%

Contributions: Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2025, are presented above and the total District contributions were \$6,857,784.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of June 30, 2025, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$42,309,641. The net pension liability was measured as of June 30, 2024. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts, actuarially determined. The District’s proportionate share for the measurement periods of June 30, 2024 and June 30, 2023, was 0.118 percent and 0.114 percent, respectively, resulting in a net increase in the proportionate share of 0.004 percent.

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees' Retirement System (CalPERS), continued

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

For the year ended June 30, 2025, the District recognized pension expense of \$8,451,488. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ 1,643,486	\$ -
Differences between expected and actual experience	3,547,045	302,809
Changes in assumptions	935,186	-
Net changes in proportionate share of net pension liability	2,787,700	110,740
District contributions subsequent to the measurement date	6,857,784	-
Total	\$ 15,771,201	\$ 413,549

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

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ 2,845,411
2027	4,671,675
2028	1,263,207
2029	(280,425)
Total	\$ 8,499,868

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

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

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees' Retirement System (CalPERS), continued

Actuarial Methods and Assumptions, continued

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

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

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

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

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

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

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025**

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees' Retirement System (CalPERS), continued

Discount Rate, 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 (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Plan's net pension liability	\$ 62,851,325	\$ 42,309,641	\$ 25,340,575

On Behalf Payments: The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$2,015,897. Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

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.

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 4.0 percent of their salary on behalf of the employees to the plan.

NOTE 10 – 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.

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025**

NOTE 11 – 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 administrators to process claims.

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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

OPEB Plan	Net OPEB Liability/(Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense/(Benefit)
District Plan	\$ 8,447,865	\$ 3,596,154	\$ 2,700,450	\$ (8,332,122)

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 Post-retirement 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.

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025**

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued

Plan Description, continued

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	Equal to length of service, but not beyond age 65
Required Service	15 years	15 years	5 years
Minimum Age	55	55	55
Dependent Coverage	No	No	No
College Contribution %	100%	100%	100%
College Cap	\$500 per month	\$500 per month	\$847 per month

*Management employees hired on or after 1/1/2014 are ineligible for retiree health benefits

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.

Employees Covered by Benefit Term: The following is a table of plan participants as of the June 30, 2025, measurement date:

	Number of Participants
Inactive Employees Receiving Benefits	270
Active Employees	342
Total	612

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued

Contributions to Trust: Eligible employees are not permitted to make contributions to the Trust. The Plan administrator (CalPERS) shall, on behalf of the employer (District), make all contribution to the Trustee. All contributions shall be paid to the Trustee for investment and reinvestment pursuant to the terms of the trust agreement. The District does not have contractually required contributions rates, but contributes in an amount sufficient to fully fund the total OPEB obligation over a period not to exceed 30 years. The District has a net OPEB liability/(asset) of \$8,447,865 as of June 30, 2025.

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

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

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

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

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

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued

Changes in the Net OPEB Liability/(Asset)

	Increase/(Decrease)		
	Total OPEB Liability	Total Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(a) - (b)
Balance July 1, 2023 (Measurement Date)	\$ 35,888,459	\$ 22,986,788	\$ 12,901,671
Changes for the year:			
Service cost	159,351	-	159,351
Interest	2,066,912	-	2,066,912
Expected investment income	-	1,414,488	(1,414,488)
Employer contributions	-	4,248,122	(4,248,122)
Administrative expense	-	(32,885)	32,885
Expected benefit payments	(3,039,217)	(3,039,217)	-
Other	-	1,050,344	(1,050,344)
Net change	(812,954)	3,640,852	(4,453,806)
Balance June 30, 2024 (Measurement Date)	\$ 35,075,505	\$ 26,627,640	\$ 8,447,865

Fiduciary Net Position as a percentage of the Total OPEB Liability as of June 30, 2025 was 75.92%.

OPEB Expense/(Benefit) and Deferred Outflows/Inflows of Resources Related to OPEB: For the year ended June 30, 2025, the District recognized OPEB expense/(benefit) of \$(8,332,122). At June 30, 2025, the District reported \$3,596,154 deferred outflows of resources and reported \$2,700,450 of deferred inflows of resources related to investment gains/(losses).

The deferred outflows/(inflows) of resources related to pensions will be recognized as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings on plan investments	\$ 1,560,858	\$ 1,429,659
Differences between expected and actual experience	1,035,666	577,317
Change in assumptions	999,630	693,474
Total	\$ 3,596,154	\$ 2,700,450

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025**

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued

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

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

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ 409,900
2027	952,926
2028	192,020
2029	(186,902)
2030	(152,338)
Thereafter	(319,902)
Total	<u>\$ 895,704</u>

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate: The following presents the net OPEB liability/(asset) calculated using the discount rate of 6.00 percent. The schedule also shows what the net OPEB liability/(asset) would be if it were calculated using a discount rate that is 1.00 percent lower (5.00 percent) and 1.00 percent higher (7.00 percent):

	Discount Rate 1% Lower (5.00%)	Current Discount Rate (6.00%)	Discount Rate 1% Higher (7.00%)
Net OPEB liability/(asset)	\$ 11,034,043	\$ 8,447,865	\$ 6,174,751

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Healthcare Cost Trend Rate: The following table presents the net OPEB liability/(asset) calculated using the healthcare cost trend rate of 4.00 percent. The schedule also shows what the net OPEB liability/(asset) would be if it were calculated using a health care cost trend rate that is 1.00 percent lower (3.00 percent) and 1.00 percent higher (5.00 percent):

	Trend Rate 1% Lower (3.00%)	Current Trend Rate (4.00%)	Trend Rate 1% Higher (5.00%)
Net OPEB liability/(asset)	\$ 6,805,178	\$ 8,447,865	\$ 10,247,960

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 13 – COMMITMENTS

As of June 30, 2025, the District had \$9.37 million of unfinished construction contracts.

NOTE 14 – NET INVESTMENT RETURN – FOUNDATION

A summary of return on investment consisted of the following:

Interest and dividends	\$	313,816
Net realized and unrealized gain/(loss)		660,028
Total net investment return	\$	<u>973,844</u>

NOTE 15 – NET ASSETS WITH DONOR RESTRICTIONS – FOUNDATION

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

Endowments	\$	4,007,019
Depository liabilities		4,544,639
College program support		615,792
Scholarships		79,106
Foundation grants		<u>9,708</u>
Net assets with donor restrictions	\$	<u>9,256,264</u>

NOTE 16 – PRIOR PERIOD ADJUSTMENTS

Beginning net position was restated as follows to reflect effect of GASB Statement No. 101 and 87:

Beginning Net Position - previously reported at June 30, 2024	\$	23,513,396
Prior Period Adjustments:		
Change in accounting principle (GASB 101)		(6,390,860)
Change in accounting principle (GASB 87)		<u>(874,181)</u>
Beginning Net Position - as restated at June 30, 2024	\$	<u>16,248,355</u>

NOTE 17 – SUBSEQUENT EVENTS

The District evaluated subsequent events from June 30, 2025 through December 3, 2025, the date the financial statements were issued. The District concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2025	2024	2023	2022
Total OPEB liability				
Service cost	\$ 159,351	\$ 189,496	\$ 184,424	\$ 82,369
Interest	2,066,912	2,103,775	2,141,407	2,115,434
Changes of assumptions	-	(888,820)	-	1,979,863
Experience gains/(losses)	-	(497,448)	-	2,291,026
Benefit payments	(3,039,217)	(3,022,366)	(2,943,329)	(4,500,000)
Net change in total OPEB liability	(812,954)	(2,115,363)	(617,498)	1,968,692
Total OPEB liability, beginning of year	35,888,459	38,003,822	38,621,320	36,652,628
Total OPEB liability, end of year (a)	\$ 35,075,505	\$ 35,888,459	\$ 38,003,822	\$ 38,621,320
Plan fiduciary net position				
Employer contributions	4,248,122	3,153,231	2,943,329	5,166,668
Employee contributions	-	-	81,724	-
Expected investment income	1,414,488	1,238,806	1,379,495	-
Investment gains/(losses)	-	153,156	(3,902,145)	3,685,193
Administrative expense	(32,885)	(30,111)	(30,705)	(29,799)
Expected benefit payments	(3,039,217)	(3,022,366)	(2,943,329)	(4,500,000)
Other	1,050,344	-	-	-
Change in plan fiduciary net position	3,640,852	1,492,716	(2,471,631)	4,322,062
Fiduciary trust net position, beginning of year	22,986,788	21,494,072	23,965,703	19,643,641
Fiduciary trust net position, end of year (b)	\$ 26,627,640	\$ 22,986,788	\$ 21,494,072	\$ 23,965,703
Net OPEB liability/(asset), ending (a) - (b)	\$ 8,447,865	\$ 12,901,671	\$ 16,509,750	\$ 14,655,617
Covered payroll	\$ 59,710,710	\$ 55,547,227	\$ 29,983,393	\$ 27,518,151
Plan fiduciary net position as a percentage of the total OPEB liability	76%	64%	57%	62%
Net OPEB liability/(asset) as a percentage of covered payroll	14%	23%	55%	53%

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

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

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 80,164	\$ 86,065	\$ 83,762	\$ 81,520
Interest	2,152,365	2,284,351	2,313,812	2,336,713
Changes of assumptions	-	587,549	-	-
Experience gains/(losses)	-	(1,062,439)	-	-
Benefit payments	(2,825,134)	(2,903,269)	(2,844,543)	(2,735,138)
Net change in total OPEB liability	(592,605)	(1,007,743)	(446,969)	(316,905)
Total OPEB liability, beginning of year	37,245,233	38,252,976	38,699,945	39,016,850
Total OPEB liability, end of year (a)	\$ 36,652,628	\$ 37,245,233	\$ 38,252,976	\$ 38,699,945
Plan fiduciary net position				
Employer contributions	\$ 1,750,000	\$ 527,304	\$ 3,213,443	\$ 4,671,402
Employee contributions	2,825,134	2,903,269	-	-
Expected investment income	1,080,830	986,196	896,861	1,159,443
Investment gains/(losses)	(311,710)	8,323	123,415	-
Administrative expense	(28,624)	(22,837)	(500)	(500)
Expected benefit payments	(2,825,134)	(2,903,269)	(2,844,543)	(2,735,138)
Other	-	-	(15,825)	-
Change in plan fiduciary net position	2,490,496	1,498,986	1,372,851	3,095,207
Fiduciary trust net position, beginning of year	17,153,145	15,654,159	14,281,308	11,186,101
Fiduciary trust net position, end of year (b)	\$ 19,643,641	\$ 17,153,145	\$ 15,654,159	\$ 14,281,308
Net OPEB liability/(asset), ending (a) - (b)	\$ 17,008,987	\$ 20,092,088	\$ 22,598,817	\$ 24,418,637
Covered payroll	\$ 37,441,116	\$ 35,945,482	\$ 28,777,908	\$ 35,025,000
Plan fiduciary net position as a percentage of the total OPEB liability	54%	46%	41%	37%
Net OPEB liability/(asset) as a percentage of covered payroll	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 ENDED JUNE 30, 2025**

	2025	2024	2023	2022
Actuarially determined contribution	\$ 3,039,217	\$ 3,039,217	\$ 2,943,329	\$ 3,715,897
Contributions in relations to the actuarially determined contribution	-	-	-	-
Contribution deficiency/(excess)	\$ 3,039,217	\$ 3,039,217	\$ 2,943,329	\$ 3,715,897
Covered-employee payroll	\$ 59,710,710	\$ 55,547,227	\$ 29,983,393	\$ 27,518,151
Contribution as a percentage of covered-employee payroll	5%	5%	10%	14%
	2021	2020	2019	2018
Actuarially determined contribution	\$ 2,873,170	\$ 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)	\$ (666,668)	\$ (1,750,000)	\$ (310,174)	\$ (1,826,859)
Covered-employee payroll	\$ 37,441,116	\$ 35,945,482	\$ 28,777,908	\$ 35,025,000
Contribution as a percentage of covered-employee payroll	-2%	-5%	-1%	-5%

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 ENDED JUNE 30, 2025**

CalSTRS	Reporting Fiscal Year (Measurement Date)				
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
District's proportion of the net pension liability	0.035%	0.035%	0.033%	0.040%	0.035%
District's proportionate share of the net pension liability	\$ 23,656,607	\$ 26,304,397	\$ 22,867,000	\$ 18,114,549	\$ 34,271,359
State's proportionate share of the net pension liability associated with the District	10,853,900	12,603,404	11,451,861	9,114,729	17,666,746
Total	\$ 34,510,507	\$ 38,907,801	\$ 34,318,861	\$ 27,229,278	\$ 51,938,105
District's covered-employee payroll	\$ 23,763,162	\$ 12,510,201	\$ 5,891,773	\$ 18,860,794	\$ 18,794,737
District's proportionate share of the net pension liability as percentage of covered-employee payroll	100%	210%	388%	96%	182%
Plan fiduciary net position as a percentage of the total pension liability	84%	81%	81%	87%	72%

CalPERS	Reporting Fiscal Year (Measurement Date)				
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
District's proportion of the net pension liability	0.118%	0.114%	0.104%	0.105%	0.103%
District's proportionate share of the net pension liability	\$ 42,309,641	\$ 41,400,783	\$ 35,668,488	\$ 21,257,839	\$ 31,623,747
District's covered-employee payroll	\$ 25,352,251	\$ 21,908,599	\$ 15,739,756	\$ 14,764,961	\$ 14,836,411
District's proportionate share of the net pension liability as percentage of covered-employee payroll	167%	189%	227%	144%	213%
Plan fiduciary net position as a percentage of the total pension liability	72%	70%	70%	81%	70%

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

	Reporting Fiscal Year (Measurement Date)				
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
CalSTRS					
District's proportion of the net pension liability	0.033%	0.033%	0.029%	0.033%	0.034%
District's proportionate share of the net pension liability	\$ 29,804,280	\$ 30,248,587	\$ 26,928,926	\$ 26,690,730	\$ 20,470,496
State's proportionate share of the net pension liability associated with the District	16,260,356	17,319,563	15,931,054	9,683,397	7,918,393
Total	\$ 46,064,636	\$ 47,568,150	\$ 42,859,980	\$ 36,374,127	\$ 28,388,889
District's covered-employee payroll	\$ 18,860,794	\$ 18,062,420	\$ 17,719,466	\$ 16,912,477	\$ 16,879,021
District's proportionate share of the net pension liability as percentage of covered-employee payroll	158%	167%	152%	158%	121%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%

	Reporting Fiscal Year (Measurement Date)				
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
CalPERS					
District's proportion of the net pension liability	0.098%	0.097%	0.092%	0.083%	0.083%
District's proportionate share of the net pension liability	\$ 28,553,497	\$ 25,868,209	\$ 22,045,535	\$ 16,392,551	\$ 12,648,608
District's covered-employee payroll	\$ 14,764,961	\$ 13,561,782	\$ 14,489,316	\$ 11,940,524	\$ 9,789,632
District's proportionate share of the net pension liability as percentage of covered-employee payroll	193%	191%	152%	137%	129%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	79%

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2025**

CaSTRS	Reporting Fiscal Year				
	2025	2024	2023	2022	2021
Statutorily required contribution	\$ 4,538,764	\$ 2,430,613	\$ 2,116,726	\$ 996,888	\$ 3,035,350
District's contributions in relation to the statutorily required contribution	4,538,764	2,430,613	2,116,726	996,888	3,035,350
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 23,763,162	\$ 12,725,723	\$ 12,510,201	\$ 5,891,773	\$ 18,794,737
District's contributions as a percentage of covered-employee payroll	19.10%	19.10%	16.92%	16.92%	16.15%

CaIPERS	Reporting Fiscal Year				
	2025	2024	2023	2022	2021
Statutorily required contribution	\$ 6,857,784	\$ 6,227,218	\$ 5,019,260	\$ 3,605,978	\$ 3,071,137
District's contributions in relation to the statutorily required contribution	6,857,784	6,227,218	5,019,260	3,605,978	3,071,137
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 25,352,251	\$ 23,340,397	\$ 21,908,599	\$ 15,739,756	\$ 14,836,411
District's contributions as a percentage of covered-employee payroll	27.05%	26.68%	22.91%	22.91%	20.70%

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2025**

CaISTRS	Reporting Fiscal Year				
	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 3,419,462	\$ 2,940,562	\$ 2,556,919	\$ 2,087,782	\$ 1,798,261
District's contributions in relation to the statutorily required contribution	3,419,462	2,940,562	2,556,919	2,087,782	1,798,261
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 18,860,794	\$ 18,062,420	\$ 17,719,466	\$ 16,912,477	\$ 16,879,021
District's contributions as a percentage of covered-employee payroll	18.13%	16.28%	14.43%	12.34%	10.65%

CaIPERS	Reporting Fiscal Year				
	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 2,911,798	\$ 2,449,529	\$ 2,012,566	\$ 1,632,060	\$ 1,191,289
District's contributions in relation to the statutorily required contribution	2,911,798	2,449,529	2,012,566	1,632,060	1,191,289
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 14,764,961	\$ 13,561,782	\$ 14,489,316	\$ 11,940,524	\$ 9,789,632
District's contributions as a percentage of covered-employee payroll	19.72%	18.06%	13.89%	13.67%	12.17%

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 - PURPOSE OF SCHEDULES

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

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

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

Changes in Assumptions – There were no changes in economic assumptions since the previous valuation.

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.

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

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

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.

SUPPLEMENTARY INFORMATION

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
 ORGANIZATIONAL STRUCTURE
 FOR THE YEAR ENDED JUNE 30, 2025**

GOVERNING BOARD

NAME	OFFICE	Area	TERM EXPIRES
Ms. Michelle Hickok	President	F	2026
Mr. Richard Lawrence	Vice President	G	2026
Ms. Debbie Bourne	Member	E	2028
Mr. Kendal S. Pierson	Member	A	2028
Ms. Paula Percy	Member	C	2028
Mr. Jim Middleton	Member	D	2028
Ms. Peggy Colwell	Clerk	B	2026

ADMINISTRATION

Dr. Frank Nigro
District Superintendent/President

Dr. Kevin O'Rorke
*Associate Superintendent/CEO of North State
 Together*

Ms. Ioanna Iatridis
*Interim Assistant Superintendent/Vice President
 of Instruction*

Ms. Becky McCall
*Assistant Superintendent/Vice President of
 Administrative Services*

Dr. Timothy Johnston
*Assistant Superintendent/Vice President of
 Student Services*

Dr. Marianne Williams
Associate Vice President of Human Resources

Dr. Kate Mahar
*Associate Vice President of Innovation and
 Strategic Initiatives*

Ms. Theresa Markword
*Interim Associate Vice President of Facilities &
 Capital Construction*

Mr. Will Breitbach
*Associate Vice President of Institutional
 Initiatives*

AUXILIARY ORGANIZATIONS IN GOOD STANDING

AUXILIARY NAME	DIRECTOR'S NAME	ESTABLISHMENT AND MASTER AGREEMENT DATE
Shasta College Foundation	Andree Blanchier, Executive	Organized as an auxiliary

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

CATEGORIES	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2024 only)			
1. Noncredit	8.64	-	8.64
2. Credit	528.63	-	528.63
B. Summer Intersession (Summer 2025 - Prior to July 1, 2025)			
1. Noncredit	-	-	-
2. Credit	578.69	-	578.69
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	-	-	-
(b) Daily Census Contact Hours	-	-	-
(c) Standardized Census Contact Hours (Standardized Part C)	5,683.80	-	5,683.80
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	141.22	-	141.22
(b) Credit	314.21	-	314.21
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Contact Hours	-	-	-
(b) Daily Census Contact Hours	-	-	-
(c) Noncredit Independent Study/Distance Education Courses	1.25	-	1.25
D. Total FTES	7,256.44	-	7,256.44
Supplemental Information (subset of above information)			
E. In-service Training Courses	19.18	-	19.18
F. Basic Skills Courses and Immigrant Education			
1. Credit	70.07	-	70.07
2. Noncredit	1.67	-	1.67
Total Basic Skills FTES	7,347.36	-	7,347.36

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF INTERIOR			
Indian Self-Determination Contract Support	15.024	*	\$ 28,723
Total U.S. Department of Interior			<u>28,723</u>
U.S. DEPARTMENT OF AGRICULTURE			
STNF Hirz Campground RAC	10.665	*	1,313
Child and Adult Care Food Program	10.558	*	5,706
Total U.S. Department of Agriculture			<u>7,019</u>
U.S. DEPARTMENT OF JUSTICE			
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault and Stalking on Campus	16.525	*	76,694
Total U.S. Department of Justice			<u>76,694</u>
U.S. DEPARTMENT OF EDUCATION			
STUDENT FINANCIAL ASSISTANCE CLUSTER			
Federal Supplement Education Opportunity Grant (FSEOG)	84.007	*	572,205
Federal Work Study Program (FWS)	84.044	*	376,966
Federal Pell Grants (PELL)	84.063	*	19,285,888
Federal Direct Student Loans	84.268	*	2,316,536
Total Student Financial Assistance Cluster			<u>22,551,595</u>
TRIO CLUSTER			
TRIO - Student Support Services	84.042	*	372,824
TRIO - Talent Search Program	84.044	*	335,621
TRIO - Upward Bound Program	84.047	*	614,246
Total TRIO Cluster			<u>1,322,691</u>
Total U.S. Department of Education			<u>23,874,286</u>
Passed through State Department of Education			
VTEA	84.048	*	456,937
IREPO - Institutional Resilience and Expanded Postsecondary Opportunity	84.425P	*	23,828
Total Passed through State Department of Education			<u>480,765</u>
Passed through State Department of Rehabilitation			
College to Career	84.126A	*	435,737
Total U.S. Department of Rehabilitation			<u>435,737</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	*	87,673
Foster Care Title IV-E	93.658	FKCD	69,348
Total U.S. Department of Health and Human Services			<u>157,021</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			
AmeriCorps	94.006	*	67,642
Total Corporation for National and Community Service			<u>67,642</u>
U.S. DEPARTMENT OF COMMERCE			
Good Jobs Challenge	11.307	*	698,657
Total U.S. Department of Commerce			<u>698,657</u>
Total Federal Expenditures			<u>\$ 25,826,544</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, 2025**

	Program Revenues			Total	Program Expenditures
	Cash Received	Accounts Receivable	Deferred Income		
EOPS	\$ 1,999,795	\$ -	\$ (837,851)	\$ 1,161,944	\$ 1,161,944
DSPS	1,185,906	-	(345,401)	840,505	840,505
CalWORKs	636,240	-	(584,436)	51,804	51,804
CARE	342,542	-	(184,287)	158,255	158,255
Foster Parent Training	135,659	-	(16,420)	119,239	119,239
Faculty & Staff Diversity	136,986	-	(235,689)	(98,703)	(98,703)
Rural Technology Assistance 2020	-	-	(14,122)	(14,122)	(14,122)
Dreamer Resource Liaison	83,286	-	(105,299)	(22,013)	(22,013)
Common Course Numbering	913,043	-	(847,475)	65,568	65,568
Local & Systemwide Tech & Data	175,000	-	-	175,000	175,000
Systemwide Technology and Data	-	-	(460,745)	(460,745)	(460,745)
MESA	391,393	-	(586,754)	(195,361)	(195,361)
CAL Grants	3,795,806	-	(143)	3,795,663	3,795,663
SVMHD grant	75,000	-	(38,287)	36,713	36,713
Zero Textbook Cost Program	320,000	-	(502,311)	(182,311)	(182,311)
LBGTQ+	71,128	-	(129,832)	(58,704)	(58,704)
EEO Best Practices	-	-	(157,575)	(157,575)	(157,575)
Covid Recovery Block Grant	-	-	(253,851)	(253,851)	(253,851)
Student Financial Aid	523,692	-	(27,990)	495,702	495,702
CTE Nursing Enrollment G&R	143,365	-	(62,367)	80,998	80,998
CAFYES	699,630	-	(145,575)	554,055	554,055
Strong Workforce Program-Local	2,048,501	-	(2,522,765)	(474,264)	(474,264)
California College Promise	174,867	-	-	174,867	174,867
Textbook Affordability	-	-	(1,891)	(1,891)	(1,891)
Strong Workforce Program-Regional	1,053,514	-	(1,053,509)	5	5
Veterans Resource Center	90,653	-	(73,094)	17,559	17,559
Adult Ed Block Grant	1,385,559	-	(35,478)	1,350,081	1,350,081
Guided Pathways	-	-	(166,435)	(166,435)	(166,435)
FA Tech Funding	47,428	-	(17,272)	30,156	30,156
Student Success Completion Grant	6,232,710	-	(744,373)	5,488,337	5,488,337
NFN SWP Projects in Common	296,634	108,912	(90,793)	314,753	314,753
SEAP Student Equity and Achievement	3,017,202	-	(2,781,842)	235,360	235,360
Classified Professional Development	-	-	(12,161)	(12,161)	(12,161)
Basic Needs Centers	340,418	-	(263,369)	77,049	77,049
Nursing Enrollment Growth	-	-	(78,524)	(78,524)	(78,524)
Mental Health Support	237,215	-	(170,751)	66,464	66,464
CA College Promise Grants	107,607	-	-	107,607	107,607
EEO IBP Hiring - SADEE	100,000	-	(1,536)	98,464	98,464
Equitable Placement & Completion	-	-	(481,547)	(481,547)	(481,547)
Equity in Teaching/Learning	-	-	(122,055)	(122,055)	(122,055)
Hire Up	1,750,000	-	(2,534,767)	(784,767)	(784,767)
Homeless & Housing Insecurity	537,450	-	(351,984)	185,466	185,466
Transfer Achievement (AB 928)	-	-	(264,765)	(264,765)	(264,765)
Transfer Ed & Articulation	-	-	(2,400)	(2,400)	(2,400)
Umoja-State	4,102	-	(31,130)	(27,028)	(27,028)
Other State Revenue	17,615,232	1,565,115	(4,824,500)	14,355,847	14,355,847
Total	\$ 46,667,563	\$ 1,674,027	\$ (22,163,351)	\$ 26,178,239	\$ 26,178,239

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, 2025**

June 30, 2025	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	GO Bond Projects Fund	Balance Forward
Annual Financial and Budget Report (CCFS-311)									
Fund Balance	\$ 18,879,791	\$ 8,457,789	\$ 47,653	\$ 1,034,361	\$ 7,648	\$ 3,366,011	\$ 12,384,935	\$ 53,760,598	\$ 97,938,786
Adjustments and reclassifications increasing/ (decreasing) the fund balance:									
Reclassification of Auxiliary Fund for financial statement purposes	1,849,380	-	-	-	-	(1,849,380)	-	-	-
Net Adjustments and Reclassifications	1,849,380	-	-	-	-	(1,849,380)	-	-	-
Audited Financial Statements Fund Balance	\$ 20,729,171	\$ 8,457,789	\$ 47,653	\$ 1,034,361	\$ 7,648	\$ 1,516,631	\$ 12,384,935	\$ 53,760,598	\$ 97,938,786

June 30, 2025 (continued)	Balance Brought Forward	Student Trusts	Student Financial Aid Fund	Scholarship and Loan Trust Fund	Trustee Investment Trust	Self Insurance Fund	Other Trust Fund	Phi Theta Kappa Agency Fund	Total
Annual Financial and Budget Report (CCFS-311)									
Fund Balance	\$ 97,938,786	\$ 524,288	\$ -	\$ 157,739	\$ 4,602,549	\$ 297,768	\$ 13,567,703	\$ 4,006	\$ 117,092,839
Adjustments and reclassifications increasing/ (decreasing) the fund balance:									
Reclassification of amounts held for others	-	-	-	(157,739)	(4,602,549)	-	-	(4,006)	(4,764,294)
Net Adjustments and Reclassifications	-	-	-	(157,739)	(4,602,549)	-	-	(4,006)	(4,764,294)
Audited Financial Statements Fund Balance	\$ 97,938,786	\$ 524,288	\$ -	\$ -	\$ -	\$ 297,768	\$ 13,567,703	\$ -	\$ 112,328,545

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, 2025**

	Object/ TOP Codes	Activity (ESCA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6100			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Academic Salaries</u>							
Instructional Salaries							
Contract or Regular	1100	\$ 12,895,142	\$ -	\$ 12,895,142	\$ 12,895,142	\$ -	\$ 12,895,142
Other	1300	6,857,648	-	6,857,648	6,857,648	-	6,857,648
Total Instructional Salaries		19,752,790	-	19,752,790	19,752,790	-	19,752,790
Non-Instructional Salaries							
Contract or Regular	1200	-	-	-	3,528,114	-	3,528,114
Other	1400	-	-	-	244,273	-	244,273
Total Non-Instructional Salaries		-	-	-	3,772,387	-	3,772,387
Total Academic Salaries		19,752,790	-	19,752,790	23,525,177	-	23,525,177
<u>Classified Salaries</u>							
Non-Instructional Salaries							
Regular Status	2100	-	-	-	10,095,247	-	10,095,247
Other	2300	-	-	-	661,784	-	661,784
Total Non-Instructional Salaries		-	-	-	10,757,031	-	10,757,031
Instructional Aides							
Regular Status	2200	947,891	-	947,891	947,891	-	947,891
Other	2400	1,196,229	-	1,196,229	1,196,229	-	1,196,229
Total Instructional Aides		2,144,120	-	2,144,120	2,144,120	-	2,144,120
Total Classified Salaries		2,144,120	-	2,144,120	12,901,151	-	12,901,151
Employee Benefits	3000	9,168,756	-	9,168,756	17,283,042	-	17,283,042
Supplies and Materials	4000	-	-	-	1,016,749	-	1,016,749
Other Operating Expenses	5000	334,650	-	334,650	8,481,634	-	8,481,634
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures Prior to Exclusions		31,400,316	-	31,400,316	63,207,753	-	63,207,753
<u>Exclusions</u>							
Activities to Exclude							
Inst. Staff-Retirees' Benefits and Incentives	5900	1,128,383	-	1,128,383	1,128,383	-	1,128,383
Std. Health Svcs. Above Amount Collected	6441	-	-	-	61,446	-	61,446
Student Transportation	6491	-	-	-	-	-	-
Non-inst.Staff-Retirees' Benefits and Incentives	6740	-	-	-	980,991	-	980,991
Object to Exclude							
Rents and Leases	5060	-	-	-	127,016	-	127,016
Lottery Expenditures							
Academic Salaries	1000	-	-	-	106,306	-	106,306
Classified Salaries	2000	-	-	-	410,120	-	410,120
Employee Benefits	3000	-	-	-	217,555	-	217,555
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines & Periodicals	4200	-	-	-	-	-	-
Instructional Supplies & Materials	4300	-	-	-	14,497	-	14,497
Non-inst. Supplies & Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	14,497	-	14,497
Other Operating Expenses and Services	5000	-	-	-	186,048	-	186,048
Capital Outlay	6000	-	-	-	-	-	-
Library Books	6300	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay		-	-	-	-	-	-
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		\$ 1,128,383	\$ -	\$ 1,128,383	\$ 3,232,362	\$ -	\$ 3,232,362
Total for ECS 84362, 50% Law		\$ 30,271,933	\$ -	\$ 30,271,933	\$ 59,975,391	\$ -	\$ 59,975,391
Percent of CEE (Instructional Salary Cost/Total CEE)		50.47%	0.00%	50.47%	100.00%	0.00%	100.00%
50% of Current Expense of Education		\$ -	\$ -	\$ -	\$ 29,987,696	\$ -	\$ 29,987,696

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, 2025**

EPA Revenue	\$ 11,410,533
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Activity Classification	Activity Code	Salaries and Benefits	Operating Expenses	Capital Outlay	
		(Obj 1000-3000)	(Obj 4000-5000)	(Obj 6000)	Total
Instructional Activities	0100-5900	\$ 11,351,679	\$ 42,094	\$ 16,760	\$ 11,410,533
Total		\$ 11,351,679	\$ 42,094	\$ 16,760	\$ 11,410,533

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
COMBINING BALANCE SHEET – GOVERNMENTAL FUNDS INCLUDED IN THE REPORTING ENTITY
JUNE 30, 2025

	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	GO Bond Projects Fund	Balance Forward
ASSETS									
Current Assets									
Cash and equivalents	\$ 43,876,353	\$ -	\$ -	\$ 1,977,902	\$ 7,648	\$ 1,316,631	\$ -	\$ -	\$ 47,178,534
Accounts receivable	8,081,548	-	-	168,215	-	-	718,155	14,931,459	23,899,377
Inventories	24,052	-	-	41,329	-	-	-	-	65,381
Prepaid expenditures and other assets	1,470,188	-	-	-	-	-	295,583	59,420	1,825,191
Due from other funds	3,329,955	-	-	27,432	-	200,000	6,290,496	28,799	9,876,682
Total Current Assets	56,782,096	-	-	2,214,878	7,648	1,516,631	7,304,234	15,019,678	82,845,165
Non-current Assets									
Restricted cash and equivalents	-	8,457,789	47,653	-	-	-	5,792,435	41,400,495	55,698,372
Restricted investments	3,619,462	-	-	-	-	-	-	-	3,619,462
Total Non-current Assets	3,619,462	8,457,789	47,653	-	-	-	5,792,435	41,400,495	59,317,834
Total Assets	\$ 60,401,558	\$ 8,457,789	\$ 47,653	\$ 2,214,878	\$ 7,648	\$ 1,516,631	\$ 13,096,669	\$ 56,420,173	\$ 142,162,999
LIABILITIES									
Accounts payable	\$ 4,927,205	\$ -	\$ -	\$ 97,849	\$ -	\$ -	\$ 617,640	\$ 2,641,288	\$ 8,283,982
Deferred revenue	24,847,686	-	-	168,047	-	-	-	-	25,015,733
Long-term obligations	165,887	-	-	-	-	-	-	-	165,887
Due to other funds	9,731,609	-	-	914,621	-	-	94,094	18,287	10,758,611
Total Liabilities	39,672,387	-	-	1,180,517	-	-	711,734	2,659,575	44,224,213
FUND EQUITY									
Fund Balances:									
Reserved for debt service	-	8,457,789	47,653	-	-	-	-	-	8,505,442
Reserved for special purpose	-	-	-	1,034,361	7,648	1,516,631	12,384,935	53,760,598	68,704,173
Undesignated	20,729,171	-	-	-	-	-	-	-	20,729,171
Total Fund Equity	20,729,171	8,457,789	47,653	1,034,361	7,648	1,516,631	12,384,935	53,760,598	97,938,786
Total Liabilities and Fund Equity	\$ 60,401,558	\$ 8,457,789	\$ 47,653	\$ 2,214,878	\$ 7,648	\$ 1,516,631	\$ 13,096,669	\$ 56,420,173	\$ 142,162,999

See accompanying note to supplementary information.

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
COMBINING BALANCE SHEET – GOVERNMENTAL FUNDS INCLUDED IN THE REPORTING ENTITY
JUNE 30, 2025**

	Balance Brought Forward	Student Trusts	Student Financial Aid Fund	Scholarship and Loan Trust Fund	Trustee Investment Trust	Other Trust Fund	Self Insurance Fund	Phi Theta Kappa Agency Fund	Total
ASSETS									
Current Assets									
Cash and equivalents	\$ 47,178,534	\$ -	\$ -	\$ -	\$ -	\$ -	99,675	\$ -	\$ 47,278,209
Accounts receivable	23,899,377	(126)	1,084,229	2,550	165,250	-	-	-	25,151,280
Inventories	65,381	-	-	-	-	-	-	-	65,381
Prepaid expenditures and other assets	1,825,191	-	-	-	-	-	-	-	1,825,191
Due from other funds	9,876,682	268	1,885,096	-	-	2,000,000	200,000	-	13,962,046
Total Current Assets	82,845,165	142	2,969,325	2,550	165,250	2,000,000	299,675	-	88,282,107
Non-current Assets									
Restricted cash and equivalents	55,698,372	531,119	1,113,471	299,532	40,746	11,567,703	-	4,016	69,254,959
Restricted investments	3,619,462	-	331,420	-	4,396,553	-	-	-	8,347,435
Total Non-current Assets	59,317,834	531,119	1,444,891	299,532	4,437,299	11,567,703	-	4,016	77,602,394
Total Assets	\$ 142,162,999	\$ 531,261	\$ 4,414,216	\$ 302,082	\$ 4,602,549	\$ 13,567,703	\$ 299,675	\$ 4,016	\$ 165,884,501
LIABILITIES									
Accounts payable	\$ 8,283,982	\$ 6,973	\$ 31,382	\$ 143,443	\$ -	\$ -	1,907	\$ -	\$ 8,467,687
Deferred revenue	25,015,733	-	1,180,309	-	-	-	-	-	26,196,042
Long-term obligations	165,887	-	-	157,739	4,602,549	-	-	4,006	4,930,181
Due to other funds	10,758,611	-	3,202,525	900	-	-	-	10	13,962,046
Total Liabilities	44,224,213	6,973	4,414,216	302,082	4,602,549	-	1,907	4,016	53,555,956
FUND EQUITY									
Fund Balances:									
Reserved for debt service	8,505,442	-	-	-	-	-	-	-	8,505,442
Reserved for special purpose	68,704,173	-	-	-	-	13,567,703	-	-	82,271,876
Undesignated	20,729,171	524,288	-	-	-	-	297,768	-	21,551,227
Total Fund Equity	97,938,786	524,288	-	-	-	13,567,703	297,768	-	112,328,545
Total Liabilities and Fund Equity	\$ 142,162,999	\$ 531,261	\$ 4,414,216	\$ 302,082	\$ 4,602,549	\$ 13,567,703	\$ 299,675	\$ 4,016	\$ 165,884,501

See accompanying note to supplementary information.

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

	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								
Tuition and fees, net	\$ 3,283,582	\$ -	\$ -	\$ 831,100	\$ -	\$ -	\$ -	\$ 4,114,682
Grants and contracts, non-capital								
Federal	3,562,565	-	-	5,706	-	-	-	3,568,271
State	20,954,154	-	-	-	-	-	-	20,954,154
Local	852,124	-	-	-	-	-	1,113,530	1,965,654
Auxiliary enterprise sales, net	70,290	-	-	1,657,784	-	-	-	1,728,074
Total Operating Revenues	28,722,715	-	-	2,494,590	-	-	1,113,530	32,330,835
OPERATING EXPENDITURES								
Salaries	54,835,325	-	-	1,227,470	-	-	-	56,062,795
Employee benefits	25,747,770	-	-	503,297	-	-	-	26,251,067
Supplies, materials, and other operating expenses	24,952,928	(8,361)	-	990,300	(7,531)	73,419	6,980,885	32,981,640
Total Operating Expenses	105,536,023	(8,361)	-	2,721,067	(7,531)	73,419	6,980,885	115,295,502
Operating Income/(Loss)	(76,813,308)	8,361	-	(226,477)	7,531	(73,419)	(5,867,355)	(82,964,667)
NON-OPERATING REVENUES/(EXPENDITURES)								
State apportionments, non-capital	29,365,421	-	-	-	-	-	-	29,365,421
Education protection account revenues, non-capital	11,410,533	-	-	-	-	-	-	11,410,533
Local property taxes, non-capital	24,076,683	-	-	-	-	-	-	24,076,683
State taxes and other revenues, non-capital	13,628,098	-	-	-	-	-	-	13,628,098
Financial aid revenues	-	-	-	-	-	-	-	-
Financial aid expenses	-	-	-	-	-	-	-	-
Investment income	1,990,153	148,225	14,602	37,603	117	38,037	258,289	2,487,026
Interest expense	-	(5,321,010)	(92,682)	-	-	-	-	(5,413,692)
Other non-operating revenues	8,155,465	-	-	1,414,233	-	-	44,874	9,614,572
State apportionments, capital	-	50,323	-	-	-	-	-	50,323
Local property taxes and revenues, capital	-	8,515,246	-	-	-	-	356,277	8,871,523
Total Non-operating Revenues/(Expenditures)	88,626,353	3,392,784	(78,080)	1,451,836	117	38,037	659,440	94,090,487
OTHER FINANCING SOURCES/(USES)								
Operating transfer in	363,451	-	777,683	-	-	200,000	7,290,496	8,631,630
Operating transfer out	(11,238,244)	-	-	(1,211,073)	-	(38,885)	-	(12,488,202)
Proceeds from sale of capital assets	15,000	-	-	-	-	-	-	15,000
Debt service	-	(2,950,000)	(685,000)	-	-	-	-	(3,635,000)
Total Other Financing Sources/(Uses)	(10,859,793)	(2,950,000)	92,683	(1,211,073)	-	161,115	7,290,496	(7,476,572)
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures/Expenses and Other Financing Uses	953,252	451,145	14,603	14,286	7,648	125,733	2,082,581	3,649,248
FUND EQUITY - BEGINNING OF YEAR	19,775,919	8,006,644	33,050	1,020,075	-	1,390,898	10,302,354	40,528,940
FUND EQUITY - END OF YEAR	\$ 20,729,171	\$ 8,457,789	\$ 47,653	\$ 1,034,361	\$ 7,648	\$ 1,516,631	\$ 12,384,935	\$ 44,178,188

See accompanying note to supplementary information.

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

	Balance Brought Forward	GO Bond Projects Fund	Student Trusts	Student Financial Aid Fund	Other Trust Fund	Self Insurance Fund	Total
OPERATING REVENUES							
Net tuition and fees	\$ 4,114,682	\$ -	\$ 2,214	\$ -	\$ -	\$ -	\$ 4,116,896
Grants and Contracts, non-capital							
Federal	3,568,271	-	-	-	-	-	3,568,271
State	20,954,154	12,171,546	-	-	-	-	33,125,700
Local	1,965,654	-	-	-	-	36,252	2,001,906
Auxiliary enterprise sales and charges	1,728,074	-	-	-	-	-	1,728,074
Total Operating Revenues	32,330,835	12,171,546	2,214	-	-	36,252	44,540,847
OPERATING EXPENDITURES							
Salaries	56,062,795	-	-	-	-	147,251	56,210,046
Employee benefits	26,251,067	-	-	-	-	-	26,251,067
Supplies, materials, and other operating expenses	32,981,640	15,706,725	25,351	-	35,104	591,233	49,340,053
Total Operating Expenses	115,295,502	15,706,725	25,351	-	35,104	738,484	131,801,166
Operating Income/(Loss)	(82,964,667)	(3,535,179)	(23,137)	-	(35,104)	(702,232)	(87,260,319)
NON-OPERATING REVENUES/(EXPENDITURES)							
State apportionments, non-capital	29,365,421	-	-	-	-	-	29,365,421
Education protection account revenues, non-capital	11,410,533	-	-	-	-	-	11,410,533
Local property taxes, non-capital	24,076,683	-	-	-	-	-	24,076,683
State taxes and other revenues, non-capital	13,628,098	-	-	-	-	-	13,628,098
Financial aid revenues	-	-	-	33,797,803	-	-	33,797,803
Financial aid expenses	-	-	-	(33,797,803)	-	-	(33,797,803)
Investment income	2,487,026	1,276,768	27,928	-	1,041,621	-	4,833,343
Interest expense	(5,413,692)	-	-	-	-	-	(5,413,692)
Other non-operating revenues	9,614,572	-	21,275	-	-	-	9,635,847
State apportionments, capital	50,323	-	-	-	-	-	50,323
Local property taxes and revenues, capital	8,871,523	-	-	-	-	-	8,871,523
Total Non-operating Revenues/(Expenditures)	94,090,487	1,276,768	49,203	-	1,041,621	-	96,458,079
OTHER FINANCING SOURCES/(USES)							
Operating transfer in	8,631,630	-	-	-	2,000,000	1,000,000	11,631,630
Operating transfer out	(12,488,202)	-	-	-	-	-	(12,488,202)
Proceeds from sale of capital assets	15,000	-	-	-	-	-	15,000
Debt service	(3,635,000)	-	-	-	-	-	(3,635,000)
Total Other Financing Sources/(Uses)	(7,476,572)	-	-	-	2,000,000	1,000,000	(4,476,572)
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures/Expenses and Other Financing Uses	3,649,248	(2,258,411)	26,066	-	3,006,517	297,768	4,721,188
FUND EQUITY - BEGINNING OF YEAR	40,528,940	56,019,009	498,222	-	10,561,186	-	107,607,357
FUND EQUITY - END OF YEAR	\$ 44,178,188	\$ 53,760,598	\$ 524,288	\$ -	\$ 13,567,703	\$ 297,768	\$ 112,328,545

See accompanying note to supplementary information.

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS TO STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

Total Fund Equity - Governmental Funds Included in the Reporting Entity

General Fund	\$ 18,879,791	
Debt Service Funds	8,505,442	
Revenue Bond Funds	1,042,009	
Other Special Revenue Funds	3,366,011	
Capital Project Funds	66,145,533	
Agency and Trust Funds	<u>19,154,053</u>	\$ 117,092,839

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

Capital assets not being depreciated	\$ 32,533,263	
Capital assets being depreciated	190,517,387	
Lease receivable	1,777,133	
Right-to-use assets, net	15,475,682	
QUALIC B - Receivable	6,084,830	
Fair Market Value - Cash in County Investments	(1,367,537)	
Accumulated depreciation	<u>(78,630,704)</u>	166,390,054

Unmatured Interest		(2,269,545)
Amounts held for others		(4,764,294)

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

Deferred loss on refundings		247,176
Deferred outflows - OPEB		3,596,154
Deferred outflows - pensions		23,089,688

Liabilities recorded within the statement of net position not recorded in

Compensated absences	\$ (9,555,813)	
Net pension liability	(65,966,248)	
Net OPEB liability	(8,447,865)	
Lease liability	(17,793,902)	
Long-term debt	<u>(147,416,297)</u>	(249,180,125)

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

Deferred inflows - OPEB		(2,700,450)
Deferred inflows - leases		(1,375,609)
Deferred inflows - pensions		<u>(7,992,485)</u>

Net Assets Reported Within the Statement of Net Position \$ 42,133,403

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF CHANGE IN FUND EQUITY TO CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

Change in Fund Equity - Governmental Funds Included in the Reporting Entity	\$ 4,721,188
Compensated absence expense not reported within the GASB 35 Statements	(1,236,418)
Depreciation expense reported within the GASB 35 Statements	(6,727,145)
Amortization expense reported within the GASB 96 Statements	(1,654,236)
Amortization expense reported within the GASB 87 Statements	(921,509)
Change in accrued interest reported within the GASB 35 Statements	220,122
Amortization of bond premiums reported within the GASB 35 Statements	586,053
Fair market value adjustment for cash in county investments	(521,472)
Software and other lease principle payments	1,400,822
Capital outlay expense not reported within the GASB 35 Statements	21,682,797
Pension expense reported within the GASB 35 Statements	1,768,624
Other postemployment benefits expense reported within the GASB 35 Statements	2,931,222
Principal Payments on debt not reported within the GASB 35 Statements	<u>3,635,000</u>
 Change in Net Position Reported Within the Statement of Revenues, Expenses, and Changes in Net Position	 <u>\$ 25,885,048</u>

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
 NOTES TO SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – PURPOSE OF SCHEDULES

Organizational 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, 2025, 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, 2025. 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.

The following schedule provides reconciliation between revenues reported on the Statement of Revenues, Expenditures, and Changes in Net Position, and the related expenditures reported on the Schedule of Expenditures of Federal Awards.

Description	Assistance Listing Number	Amount
Total Federal Revenues from the Statements of Revenues, Expenses, and Changes in Net Position:		\$ 37,366,074
Federal Pell Grants (PELL)	84.063	(11,539,530)
Total Expenditures of Federal Awards		<u>\$25,826,544</u>

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, 2025. The information in this schedule is presented in accordance with the requirements of the *2024-25 California Community Colleges Chancellor’s Office Contracted District Audit Manual*.

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

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – PURPOSE OF SCHEDULES, continued

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 percent law calculation as reported on the Form CCFS-311 to the audited financial statements.

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.

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

**NOTE 2 – COMBINING FINANCIAL STATEMENTS SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
continued**

Basis of Accounting, continued

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, 2025.

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 and the aggregate discretely presented component unit of the Shasta-Tehama-Trinity Joint Community College District (the "District") as of and for the year ended June 30, 2025, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 3, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

CWDL, Certified Public Accountants

San Diego, California
December 3, 2025



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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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 3, 2025



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

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

Report on State Compliance

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 2024-25 California Community Colleges Chancellor's Office *Contracted District Audit Manual* for the year ended June 30, 2025. The applicable State compliance requirements are identified in the table below.

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

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the compliance requirements described in the 2024-25 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Our responsibilities under those standards and the compliance requirements are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on state compliance with the compliance requirements subject to audit in the 2024-25 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Compliance Requirements Tested

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

- Section 411 – SCFF Data Management Control Environment
- Section 412 – SCFF Supplemental Allocation Metrics
- Section 413 – SCFF Success Allocation Metrics
- Section 421 – Salaries of Classroom Instructors (50 Percent Law)
- Section 423 – Apportionment for Activities Funded From Other Sources
- Section 424 – Student Centered Funding Formula Base Allocation: FTES
- Section 425 – Residency Determination for Credit Courses
- Section 426 – Students Actively Enrolled
- Section 427 – Dual Enrollment (CCAP)
- Section 430 – Scheduled Maintenance Program
- Section 431 – Gann Limit Calculation
- Section 444 – Apprenticeship Related and Supplemental Instruction (RSI) Funds
- Section 475 – Disabled Student Programs and Services (DSPS)
- Section 490 – Propositions 1D and 51 State Bond Funded Projects
- Section 491 – Education Protection Account Funds
- Section 492 – Student Representation Fee
- Section 494 – State Fiscal Recovery Fund
- Section 499 – COVID-19 Recovery 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 2024-25 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

CWDL, Certified Public Accountants

San Diego, California
December 3, 2025

**SCHEDULE OF FINDINGS AND QUESTIONED
COSTS SECTION**

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2025**

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None Reported</u>
Type of auditors' report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)?	<u>No</u>
Identification of major programs:	

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program of Cluster</u>
<u>84.007, 84.044, 84.063, 84.268</u>	<u>Student Financial Assistance Cluster</u>
<u>84.042, 84.044, 84.047</u>	<u>TRIO Cluster</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 774,796</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

STATE AWARDS

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

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

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

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

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

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

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

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

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

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

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

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

FINDING #2024-001: Signed Employee Contracts

Criteria or Specific Requirement: Shasta College requires temporary instructors to sign and submit to the Human Resources Offices within ten calendar days of the date of the agreement or prior to the first day of classes, whichever comes first, a copy of their contract. This serves as an acknowledgement of important aspects of their employment such as the details of their teaching assignment, including course sections, course days and times and rate of pay, among other terms and conditions of employment.

Condition / Context: From a sample of forty-five (45) employees, we determined three (3) instances where a signed contract was not submitted to HR.

Questioned Costs: N/A.

Cause: Lack of District-wide enforcement, to ensure that all applicable agreements are signed by employees within ten calendar days of the date of the agreement or prior to the first day of classes, whichever comes first.

Effect: Increased risk that errors in teaching assignment particulars could go unreported.

Repeat Finding: No.

Recommendation: We recommend that HR work with Departmental managers to ensure all eligible employees timely return their signed agreements. We further encourage the District to explore requiring other employee groups such as part-time faculty and full-time faculty to return signed employee contracts to further enhance controls over the HR/Payroll function.

Action taken in response to the finding: The Human Resources Office will create a system of tracking all returned contracts. After ten (10) calendar days of sending contract Human Resources will contact employees who have not returned a signed contract to offer assistance for completing the task. The District is also interested in revising current contract language in the FA collective bargaining agreement to include language reflecting the requirement for a signed contract.

Planned completion date for corrective action plan: Tracking document implemented by January 1, 2025; contract language must be negotiated with a potential completion date of July 1, 2025.

Current Status: Resolved fiscal year 2024-25.