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SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT MEASURE H GENERAL OBLIGATION BONDS

AUDIT REPORT

June 30, 2025

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SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
MEASURE H GENERAL OBLIGATION BONDS
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JUNE 30, 2025

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SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
MEASURE H GENERAL OBLIGATION BONDS
CITIZENS' BOND OVERSIGHT COMMITTEE MEMBERS
JUNE 30, 2025

The Board of Trustees of the Shasta-Tehama-Trinity Joint Community College District (the "District") established the Citizens' Bond Oversight Committee (CBOC). The CBOC shall perform only the following duties: (1) inform the public concerning the District's expenditure of bond proceeds, (2) review quarterly expenditure reports produced by the District to ensure that (a) bond proceeds were expended only for the purposes set forth in the Measure H General Obligation Bonds; and (b) no bond proceeds were used for any teacher or administrative salaries or other operating expenses and (3) present to the Board, in public session, an annual written report which shall include the following: a statement indicating whether the District is in compliance with the requirements of Article XIIIA, Section 1(b)(3) of the *California Constitution*; and a summary of the CBOC's proceedings and activities for the preceding year.

The CBOC for Measure H General Obligation Bonds members for the fiscal year then ended June 30, 2025 were composed of the following members:

Members	Position	Representing
Star Alfaro	Chair	College Support Organization
Todd Jones	Member	Taxpayers' Association
Michael Logan	Vice Chair	Business Representative
Staci Wadley	Member	Senior Citizens' Representative
Robert Adams	Member	At-Large Representative
Rick Fauss	Member	At-Large Representative
Raymond Nicholas	Member	At-Large Representative
Bruce Kilpatrick	Member	At-Large Representative
Jessica Sarver	Member	Shasta College Student Representative

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Shasta-Tehama-Trinity Joint Community College District's (the "District") Measure H General Obligation Bonds and the related notes to financial statements as of and for the fiscal year then ended June 30, 2025, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure H General Obligation Bonds of the District, as of June 30, 2025, and the changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the District's Measure H General Obligation Bonds and do not purport to, and do not present fairly the financial position of the District as of June 30, 2025, and the changes in financial position for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 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 judgement 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 judgement, 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 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, and grant agreements and other matters specific to the Measure H General Obligation Bonds. 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 Measure H General Obligation Bonds' 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 specific to the Measure H General Obligation Bonds.

Report of Other Legal and Regulatory Requirements

In accordance with the requirements of Proposition 39, as incorporated in Section 1(b)(3)C of Article XIII A of the California Constitution, we have issued our performance audit dated December 3, 2025, on our consideration of the District's compliance with the requirements of Proposition 39 as it directly relates to the Measure H General Obligation Bonds. That report is an integral part of our audit of the Measure H General Obligation Bonds of the District, as of and for the fiscal year ended June 30, 2025, and should be considered in assessing the results of our financial audit.

CWDL, Certified Public Accountants

San Diego, California
December 3, 2025

FINANCIAL SECTION

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
MEASURE H GENERAL OBLIGATION BONDS
BALANCE SHEET
JUNE 30, 2025

ASSETS		
Cash and cash equivalents	$	41,400,496
Receivables		15,019,678
Total Assets		56,420,174
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable		2,641,288
Due to other funds		18,287
Total Liabilities		2,659,575
Fund Balance		
Restricted for capital projects		53,760,599
Total Fund Balance		53,760,599
Total Liabilities and Fund Balance	$	56,420,174

The accompanying notes to financial statements are an integral part of this statement.

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
MEASURE H GENERAL OBLIGATION BONDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2025

REVENUES		
Interest income	$	1,276,768
Other income		12,171,545
Total Revenues		13,448,313
EXPENDITURES		
Facilities acquisition and construction		15,706,713
Total Expenditures		15,706,713
Excess/(Deficiency) of Revenue Over/(Under) Expenditures		(2,258,400)
Net Change in Fund Balance		(2,258,400)
Restricted Fund Balance, July 1, 2024		56,018,999
Restricted Fund Balance, June 30, 2025	$	53,760,599

The accompanying notes to financial statements are an integral part of this statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

Shasta-Tehama-Trinity Joint Community College District (the "District") accounts for its Measure H General Obligation Bond Funds' ("Bond Funds") financial transactions in accordance with policies and procedures of the State Chancellor's Office's California Community Colleges Budget and Accounting Manual. The accounting policies of the Measure H Bond Funds conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies:

The financial statements include only the District' Measure H General Obligation Bond Funds Resources of the District. The funds were established to account for the expenditures of general obligation bonds issued under the General Obligation Bonds. The authorized issuance amount of the bonds is $139,000,000. These financial statements are not intended to present fairly the financial position and results of operations of the District in compliance with accounting principles generally accepted in the United States of America.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The financial statements represent the Bond Funds of the District and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

C. Cash and Cash Equivalents

For the purpose of the financial statements, cash equivalents are defined as financial instruments with an original maturity of three months or less. Funds invested in the Shasta County Treasury are considered cash equivalents.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Due From/To District

The amount(s) due from/to other funds of the district. At any point in time, the total due from other funds amount reported across all funds must equal the amount due to other funds reported across all funds.

E. Restricted Fund Balance

Restricted fund balance includes resources which are legally or contractually restricted by external third parties. Fund balance is restricted for capital projects of the Bond Funds in accordance with the Bond Project List for Measure H General Obligation Bonds.

F. Accounting Estimates

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

G. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents as of June 30, 2025 consisted of $41,400,496.

Credit Risk: In accordance with *Education Code* Section 41001, the Bond Funds maintain all of their cash in the Shasta County Treasury. The County Treasurer of Shasta County acts as the Bond Funds Fiscal Agent. The County pools these funds with those of other districts in the County and invests the cash. These pooled funds are carried at fair value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

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

NOTE 2 – CASH AND CASH EQUIVALENTS, continued

In accordance with applicable State laws, the Shasta County Treasurer may invest in derivative securities. However, at June 30, 2025, the Shasta County Treasurer has represented that the Treasurer's pooled investment fund contained no derivatives or other investments with similar risk profiles

Investments Authorized by Debt Agreements: Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the *California Government Code* or the District's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment in One Issuer
County Pooled Investment Fund	None	None	None

Disclosures Relating to Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

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

Investment Type	Weighted Average Maturity (In Days)
Shasta County Investment Pool	610 days

Concentration of Credit Risk: The District's investment policy places limits on the amount it may invest in any one issuer. At June 30, 2025, the District had no concentration of credit risk.

NOTE 3 – INTERFUND TRANSACTIONS

As of June 30, 2025, the Bond Funds had interfund payables of $18,287 due to the General Fund. Interfund receivables and payables are paid and cleared in the subsequent period.

NOTE 4 – REVENUES

Interest income is earned from cash held in the County Treasury. As of June 30, 2025, the Bond Funds had generated total interest income of $1,276,768. Of this amount, $584,780 was attributable to principal resulting from the issuance of non-taxable bonds and $691,988 was attributable to principal resulting from the issuance of taxable bonds.

Other income amounting to $12,171,545 is earned from State funding reimbursements on building and library renovations.

NOTE 5 – PURPOSE OF BOND ISSUANCE

Bond Authorization: By approval of the proposition for Bond Funds by at least 55% of the registered voters voting on the proposition at the election held on November 8, 2016, Shasta-Tehama-Trinity Joint Community College District was authorized to issue and sell bonds of up to $139,000,000 in aggregate principal amount.

Purpose of Bonds: The proceeds of the Bonds may be used:

> *"To improve college classrooms and facilities providing education and job training opportunities for students, local residents/ veterans, renovate and expand science, technology, engineering and math labs, training facilities and programs for fire, law enforcement, emergency medical, welding, manufacturing/automotive jobs, upgrade electrical systems, acquire, construct/repair classrooms, facilities, sites/equipment, shall Shasta-Tehama-Trinity Joint Community College District issue $139,000,000 in bonds at legal rates, requiring citizens' oversight, independent audits, all funds used locally?"*

As required by the California Constitution, the proceeds from the sale of bonds will be used only for the construction, reconstruction, rehabilitation or replacement of school facilities including the furnishing and equipping of school facilities and not for any other purpose, including teacher and administrative salaries and other school operating expenses.

NOTE 6 – GENERAL OBLIGATION BOND ISSUANCES

The Bonds represent an obligation of the District payable solely from ad valorem property taxes levied and collected by the Counties of Shasta, Tehama and Trinity, as well as small portions of Humboldt, Lassen and Modoc Counties, on properties within the District. The Boards of Supervisors of Shasta, Tehama and Trinity Counties along with Humboldt, Lassen and Modoc Counites have power and are obligated to annually levy ad valorem taxes for the payment of interest on, and principal of, the Bonds upon all property subject to taxation by the District without limitation of rate or amount, except as to certain personal property which is taxable at limited rates.

In September 2017, the District issued the 2016 General Obligation Bonds, Series A in the amount of $50,000,000. The bonds mature beginning on August 1, 2018 through August 1, 2042, with interest yields ranging from 0.70 to 3.32 percent.

NOTE 6 – GENERAL OBLIGATION BOND ISSUANCES, continued

In October 2019, the District issued the 2016 General Obligation Bonds, Series B and Series B-1 in the amounts of $20,000,000 and $20,000,000, respectively. The bonds mature beginning on August 1, 2021 through August 1, 2049, with interest yields ranging from 1.16 to 3.60 percent.

In December 2020, the District issued the 2016 General Obligation Bonds, Series C and Series C-1 in the amounts of $10,000,000 and $20,000,000, respectively. The bonds mature beginning on August 1, 2022 through August 1, 2049, with interest yields ranging from 0.21 to 3.18 percent.

In June 2023, the District issued the 2016 General Obligation Bonds, Series D in the amounts of $6,125,000, $2,400,000 and $10,475,000, respectively. The bonds mature beginning on August 1, 2024 through August 1, 2044, with interest yields ranging from 4.65 to 5.40 percent.

The general long-term liabilities maturity schedules for the 2016 General Obligation Bonds Series A are as follows:

Election of 2016 General Obligation Bonds, Series A

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 785,000	$ 1,576,750	$ 2,361,750
2027	895,000	1,543,150	2,438,150
2028	1,020,000	1,504,850	2,524,850
2029	1,150,000	1,455,700	2,605,700
2030	1,300,000	1,394,450	2,694,450
2031-2035	9,095,000	5,845,975	14,940,975
2036-2040	13,945,000	3,756,900	17,701,900
2041-2043	11,420,000	708,400	12,128,400
Subtotal	$ 39,610,000	$ 17,786,175	$ 57,396,175

The general long-term liabilities maturity schedules for the 2016 General Obligation Bonds Series B and Series B-1 are as follows:

Election of 2016 General Obligation Bonds, Series B and Series B-1

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 370,000	$ 1,311,950	$ 1,681,950
2027	420,000	1,296,150	1,716,150
2028	475,000	1,278,250	1,753,250
2029	530,000	1,258,150	1,788,150
2030	590,000	1,235,750	1,825,750
2031-2035	3,955,000	5,753,450	9,708,450
2036-2040	6,035,000	4,818,275	10,853,275
2041-2045	9,455,000	3,656,574	13,111,574
2046-2050	15,315,000	1,458,855	16,773,855
Subtotal	$ 37,145,000	$ 22,067,404	$ 59,212,404

NOTE 6 – GENERAL OBLIGATION BOND ISSUANCES, continued

The general long-term liabilities maturity schedules for the 2016 General Obligation Bonds Series C and Series C-1 are as follows:

Election of 2016 General Obligation Bonds, Series C and Series C-1

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	-	914,621	914,621
2027	140,000	913,679	1,053,679
2028	185,000	911,309	1,096,309
2029	245,000	907,574	1,152,574
2030	300,000	902,251	1,202,251
2031-2035	2,515,000	4,367,314	6,882,314
2036-2040	4,620,000	3,880,490	8,500,490
2041-2045	11,855,000	2,823,714	14,678,714
2046-2050	9,185,000	671,270	9,856,270
Subtotal	29,045,000	16,292,222	45,337,222

The general long-term liabilities maturity schedules for the 2016 General Obligation Bonds Series D are as follows:

Election of 2016 General Obligation Bonds, Series D

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	100,000	997,018	1,097,018
2027	155,000	990,005	1,145,005
2028	220,000	979,693	1,199,693
2029	280,000	965,943	1,245,943
2030	350,000	948,618	1,298,618
2031-2035	3,015,000	4,352,480	7,367,480
2036-2040	5,715,000	3,274,149	8,989,149
2041-2044	9,065,000	1,168,155	10,233,155
Subtotal	18,900,000	13,676,061	32,576,061

NOTE 7 – CONSTRUCTION COMMITMENTS

As of June 30, 2025, the District had $6,511,920 in outstanding encumbered commitments on Bond Funds construction contracts.

SUPPLEMENTARY INFORMATION SECTION

LEGISLATIVE HISTORY

On November 7, 2000, California voters approved Proposition 39, the Smaller Classes, Safer Schools, and Financial Accountability Act. Proposition 39 amended portions of the California Constitution to provide for the issuance of general obligation bonds by school districts, community college districts, or county offices of education, "*for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities*", upon approval by 55% of the electorate.

Education Code Section 15278 provides additional accountability measures:

1. A requirement that the school district establish and appoint members to an independent citizens' oversight committee.
2. A requirement that the school district expend bond funds only for the purposes described in Section 1(b)(3) of Article XIII A of the California Constitution, and ensuring that no funds are used for any teacher or administrative salaries or other school operating expenses.
3. A requirement to conduct an annual independent performance audit required by Section 1(b)(3)C of Article XIII A of the California Constitution.
4. A requirement to conduct an annual independent financial audit required by Section 1(b)(3)D of Article XIII A of the California Constitution.

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT GENERAL OBLIGATION BONDS, MEASURE H

The Shasta-Tehama-Trinity Joint Community College District, California Election of Measure H General Obligation Bonds, Measure H were authorized at an election of the registered voters of the Shasta-Tehama-Trinity Joint Community College District held on November 8, 2016 at which more than fifty-five percent of the persons voting on the proposition voted to authorize the issuance and sale of $139,000,000 principal amount of general obligation bonds of the District. The Bonds are being issued to finance the acquisition, construction and modernization of certain District property and facilities. The Bonds are general obligations of the District, payable solely from ad valorem property taxes. A summary of the text of the ballot language was as follows:

> *"To improve college classrooms and facilities providing education and job training opportunities for students, local residents/ veterans, renovate and expand science, technology, engineering and math labs, training facilities and programs for fire, law enforcement, emergency medical, welding, manufacturing/automotive jobs, upgrade electrical systems, acquire, construct/repair classrooms, facilities, sites/equipment, shall Shasta-Tehama-Trinity Joint Community College District issue $139,000,000 in bonds at legal rates, requiring citizens' oversight, independent audits, all funds used locally?"*

SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT GENERAL OBLIGATION BONDS, MEASURE H, continued

The District's Board of Trustees developed the following objectives for the Measure H Bonds:

- Improve college classrooms and other facilities serving students at all campuses throughout the District, including:
    - Construct a Regional Public Safety Training Facility to provide programs for Fire, Law Enforcement and EMT
    - Create a new Veterans Support Center and a Tehama Student Services Building
    - Construct a new training facility for Career Technical Education (CTE) including Advanced Manufacturing, Welding, Automotive/Diesel and Computer Science
    - Modernization of Existing Spaces
    - Instructional and Student Support Facilities Construction
    - Technology Upgrades
    - Health and Safety Improvements
    - Infrastructure Improvements

FURTHER SPECIFICATIONS

No Administrator Salaries: Proceeds from the sale of bonds authorized by this measure shall be used only for the construction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities or the acquisition or lease of real property for school facilities and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

OTHER REPORT

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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*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure H General Obligation Bonds of Shasta-Tehama-Trinity Joint Community College District (the "District"), as of and for the fiscal year ended June 30, 2025, and the related notes to financial statements, which collectively comprise the District's basic financial statements of the Measure H General Obligation Bonds, 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 of the Measure H General Obligation Bonds, 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses 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 of the Measure H General Obligation Bonds 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 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 or on compliance for the Measure H General Obligation Bonds. 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 for the Measure H General Obligation Bonds. Accordingly, this communication is not suitable for any other purpose.

CWDL, Certified Public Accountants

San Diego, California
December 3, 2025

FINDINGS AND RESPONSES SECTION

This section identifies the deficiencies, 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
MEASURE H GENERAL OBLIGATION BONDS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025

There were no financial statement findings or questioned costs identified during 2023-24.