COMPTON COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2024

COMPTON COMMUNITY COLLEGE DISTRICT
TABLE OF CONTENTS
JUNE 30, 2024

FINANCIAL SECTION

REQUIRED SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION

OTHER INDEPENDENT AUDITORS' REPORTS

FINDINGS AND QUESTIONED COSTS SECTION

UNAUDITED SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Compton Community College District
Compton, California

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of Compton Community College District (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Other Matters

Required Supplementary Information

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

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

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

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

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 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.

San Diego, California
March 14, 2025

INTRODUCTION

We are pleased to submit the Annual Financial Report of Compton Community College District for the fiscal year ending June 30, 2024. The District is responsible for the accuracy, completeness and fairness of the financial statements presented and all accompanying disclosures. We believe the report and its information are accurate and complete in all material aspects in disclosing the financial position and results of operations of Compton Community College as of June 30, 2024.

College Description

The District was established in 1927 and serves the communities of Compton, Willowbrook, Enterprise, Carson, Lynwood, and Paramount, as well as portions of Athens, Bellflower, Downey, Dominguez, Lakewood, Long Beach and South Gate. Currently, approximately 305 full and part-time faculty teach more than 43 degree programs and 47 certificate programs. Students in our college may complete the two years of a baccalaureate degree and transfer to upper division study at a university or complete a certificated vocational program and move directly to the work force.

After many successful years, some of which were challenging, in June 2006, the Accrediting Commission for Community and Junior Colleges (ACCJC) announced its decision to revoke Compton College's accreditation. In August 2006, the El Camino Community College District Board of Trustees approved a Memorandum of Understanding to provide educational and related support services to Compton Community College District residents. Through this agreement, the students of Compton Community College District and residents of the surrounding Communities continued to have access to university transfer and career and technical education opportunities, as well as financial aid, basic skills courses and related support services.

The Accrediting Commission for Community and Junior Colleges granted initial accreditation status to Compton College at its June 7, 2017 meeting; the action established Compton College as an accredited college within the El Camino Community College District.

On August 27, 2018, Compton College received notification from the Accrediting Commission for Community and Junior Colleges that its Substantive Change Proposal had been approved. This document outlined the transition of control of Compton College to Compton Community College District.

On August 29, 2018, the California Community Colleges Chancellor issued Executive Order 2018-01 declaring Compton College will operate as an independent college under the authority of the Compton Community College District Board of Trustees effective June 7, 2019, at 11:59 p.m. A Special Board meeting was held at 11:59 p.m. on June 7, 2019, commemorating the moment Compton College began to operate as an independent college and concluded the collaborative partnership between Compton Community College and the El Camino Community College District. Courses are currently offered under the authority of the Compton Community College District, and all students earning degrees or certificates at Compton College will be issued a Compton College diploma.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

FINANCIAL HIGHLIGHTS

- At the end of fiscal year 2023-2024 the District's Unrestricted General Fund Balance is $17.9 million this amount decreased by $1.2 million over fiscal year 2023. The amount is well above the ten percent reserve required by the Unrestricted General Fund Board Policy.

- The total FTES total compared to prior year has increased along with the overall count which is lower than pre-pandemic levels. The lingering effects of the pandemic, which drew students away from community colleges, the declining population in the service area and growing economic pressures to make decisions such as taking care of families and dependents or going into the workforce before the completion of their studies continue to impact enrollment. In addition, the separation of the partnership with El Camino Community College District has negatively impacted enrollment.

- The most recent actuarial report of the District is dated September 8, 2023 with a valuation date of June 30, 2023 and a measurement date of June 30, 2023. The District's total Other Post Employment Benefit (OPEB) Liability is $14.6 million and the Net OPEB liability as of June 30, 2023 is $1.4 million.

FINANCIAL HIGHLIGHTS - LIABILITIES

The District continues to make annual debt service payments on the Line of Credit liability owed to the State of California. This is a liability paid from the Unrestricted Resources of our General Fund.

The State of California strongly recommended that districts plan for significant pension rate increases that are to occur over the next several years. In 2016, the District created a Pension Trust Stabilization Fund for the purpose of funding future employer contributions. During the 2024 fiscal year, $200,000 was contributed to the trust.

FINANCIAL HIGHLIGHTS - LIABILITIES

Similarly, the District also committed to funding its Other Postemployment Benefits Obligation. In 2013, the District created an OPEB Trust. During the 2024 fiscal year, $250,000 was contributed to the OPEB Trust. Further information is included within this report within the MD&A section under Long-term Liabilities including OPEB and Pensions and in the Notes to the Financial Statements.

FINANCIAL HIGHLIGHTS – CAPITAL OUTLAY AND CAPITAL ADDITIONS

Several construction and modernization projects at the district are in progress. The project listed below is funded both through State Capital Outlay construction revenues and through the District's voter approved General Obligation Bonds.

Instructional Building #2

Additionally, the following major projects listed below continue in progress and are funded solely by the District's voter approved General Obligation Bonds.

Student Services Building
Administration Building Renovation

The District anticipates completing Instructional Building #2, Student Services Building, and Administration Building Renovation during 2024-2025. These facilities will enhance the student experience at Compton Community College District.

In 2021, the California State Legislature passed Senate Bill 169, establishing the Higher Education Student Housing and Capacity Expansion Grant Program. This program, supported by the California General Fund, allowed community college districts to apply for student housing construction grants for inclusion in the 2022-23 and 2023-24 California Budgets. Compton CCD's Affordable Student Housing application was approved in the 2022-23 California Budget. The District received $80.3 million to construct housing on campus, with construction anticipated to begin in the 2024-25 fiscal year.

In response to the State's recent structural budget deficit, the 2023-24 California Budget proposed shifting the financing of approved projects to a Statewide Lease-Revenue Bond. The 2024-25 California Budget included Compton CCD's Student Housing project, along with twelve other community colleges, within this bond.

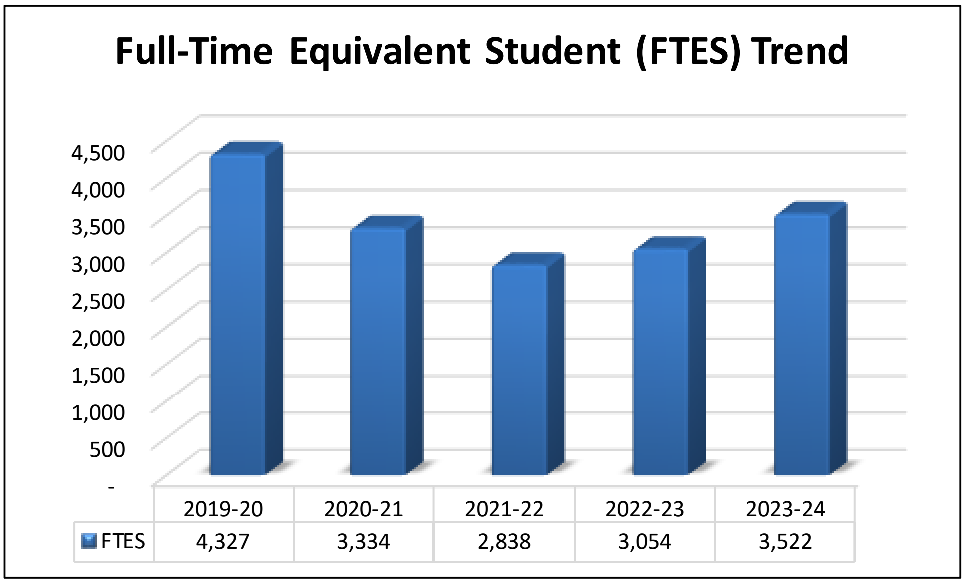
The Statewide Lease-Revenue Bond (Government Code Sections 15820.200 - 15820.206) outlines the roles of the State Public Works Board, the California Community Colleges Board of Governors, and the participating districts. It also details the requirements for bond preparation work, interim financing, operating agreements, and bond compliance for each project.

At the end of FY 2024, Affordable Student Housing funds were held by the District. The plan is to build a 251-bed student affordable housing complex, slated to open Summer 2027.

FINANCIAL HIGHLIGHTS – CAPITAL OUTLAY AND CAPITAL ADDITIONS, continued

Full-Time Equivalent Students Growth/Declines

Over the past five years, Full-Time Equivalent Students (FTES) averaged approximately 3,415 FTES during that period. It is important to note that the District formally ended its partnership with El Camino Community College District on June 7, 2019. One of the expected outcomes was an initial decline in FTES, and now the COVID-19 pandemic. However, FTES has started to increase slightly since the end of the pandemic. Management continues to implement the enrollment management plan and expects FTES to rebound over the next four years.



STATEMENT OF NET POSITION

The Statement of Net Position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the District as of the end of the fiscal year, and was prepared using the accrual basis of accounting, which is similar to the accounting basis used by most private-sector organizations. The Statement of Net Position is a point of time financial statement whose purpose is to present to the reader a fiscal snapshot of the District. The Statement of Net Position presents end-of-year data concerning assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

From the data presented, the reader of the Statement of Net Position can determine the assets available to continue operations of the District. The reader is also able to determine how much the District owes vendors and employees. Finally, the Statement of Net Position provides a picture of the net position and its availability for expenditure by the District.

STATEMENT OF NET POSITION, continued

The difference between total assets, deferred outflows of resources, and total liabilities and deferred inflows of resources (net position) is one indicator of the current financial condition of the District. The change in net position is an indicator of whether the overall financial condition has improved or worsened during the year. Assets and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical cost, less accumulated depreciation.

The net position is divided into three major categories. The first category, net investment in capital assets, provides the equity amount in property, plant, and equipment owned by the District. The second category is expendable restricted net position. This net position is available for expenditure by the District but must be spent for purposes as determined by external entities and or donors that have placed time or purpose restrictions on the use of these funds. The final category is unrestricted net position, which represents the remaining net position balance, this can be utilized for any purpose as determined by the governing board who retains the power to place internal restrictions on the unrestricted net position.

Current assets increased by 28%, primarily due to an increase in cash from the issuance of the Election 2014, Series 2024B general obligation bonds.

Deferred outflows of resources related to debt refunding, Other Postemployment Benefits (OPEB), and pensions decreased by approximately 9% from the prior year.

Deferred inflows of resources related to Other Postemployment Benefits (OPEB) and pensions decreased by approximately 17% from the prior year.

A summary of the Statement of Net Position as of June 30, 2024 and June 30, 2023, is below

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	2024	2023	Change
Current assets	$ 204,170,315	$ 159,860,155	$ 44,310,160
Non-current assets	196,099,141	195,446,150	652,991
Deferred outflows of resources	21,685,997	23,718,865	(2,032,868)
Total Assets and Deferred Outflows of Resources	421,955,453	379,025,170	42,930,283
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current liabilities	124,336,462	114,342,588	9,993,874
Non-current liabilities	200,681,244	181,687,550	18,993,694
Deferred inflows of resources	4,797,952	5,755,940	(957,988)
Total Liabilities and Deferred Inflows of Resources	329,815,658	301,786,078	28,029,580
NET POSITION			
Invested in capital assets, net of related debt	72,515,438	67,024,676	5,490,762
Restricted	32,759,084	23,567,233	9,191,851
Unrestricted	(13,134,727)	(13,352,817)	218,090
Total Net Position	$ 92,139,795	$ 77,239,092	$ 14,900,703

STATEMENT OF NET POSITION, continued

- The Statement of Cash Flows contained within these financial statements provides greater detail regarding the sources and uses of cash and the net decrease in cash during fiscal year 2023-2024. Cash and Investments increased approximately $42.1 million primarily due to an increase of cash from the issuance of the general obligation bonds.

- Capital and right-to-use leased assets had a net increase of approximately $7.3 million. Depreciation and amortization expense of approximately $6.7 million was recognized during 2023-2024. The capital and right-to-use leased asset section of this discussion and analysis provides greater detail.

- Accounts payable are amounts due as of the fiscal year-end for goods and services received as of June 30, 2024. Total accounts payable are approximately $13.0 million; most significant within this account is approximately $2.0 million due to capital construction related expenditures.

- Bonds payable had a net increase of $31.0 million primarily due to the issuance of $35 million of the Election 2014, Series 2024B general obligation bonds. Repayment is made from property tax collections occurring over the next 30 years. More information on Long-term liabilities can be found in the Notes to the Financial Statements.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses, and Changes in Net Position present the financial results of the District's operations, as well as its nonoperating activities. The distinction between these two activities involves the concepts of exchange and non-exchange. Operating activities are those in which a direct payment or exchange is made for the receipt of specified goods or services. For example, tuition fees paid by the student are considered an exchange for instructional services. The receipt of State apportionments and property taxes, however, do not include this exchange relationship between the payment and receipt of specified goods or services. These revenues and related expense are classified as nonoperating activities. It is because of the methodology used to categorize between operating and nonoperating combined with the fact that the primary source of funding that supports the District's instructional activities comes from State apportionment and local property taxes, that the results of the District's operations will result in a net operating loss.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION, continued

The Statement of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2024 and June 30, 2023, is summarized below:

OPERATING REVENUES	**2024**	**2023**	**Change**
Tuition and fees (net)	$ 1,443,299	$ 1,329,283	$ 114,016
Grants and contracts	12,544,233	22,876,847	(10,332,614)
Total Operating Revenues	13,987,532	24,206,130	(10,218,598)
OPERATING EXPENSES			
Salaries and benefits	47,812,229	40,675,093	7,137,136
Supplies, services, equipment, maintenance and other operating expenses	17,690,415	23,076,216	(5,385,801)
Financial aid	11,779,877	7,878,803	3,901,074
Depreciation and amortization	6,670,555	7,006,200	(335,645)
Total Operating Expenses	83,953,076	78,636,312	5,316,764
Operating Loss	(69,965,544)	(54,430,182)	(15,535,362)
NON-OPERATING REVENUES (EXPENSES)			
State apportionments, noncapital	35,127,433	35,335,702	(208,269)
Local property taxes, noncapital	7,891,710	7,366,396	525,314
Local property taxes and revenues, capital	13,935,569	7,582,319	6,353,250
State taxes and other revenues, noncapital	6,600,319	5,400,710	1,199,609
Federal grants and contracts	11,054,209	9,410,488	1,643,721
Investment income	3,931,850	(538,714)	4,470,564
Interest and investment income, capital	4,630,694	(2,553,178)	7,183,872
Interest expense and costs of issuing capital asset-related debt	(3,937,965)	(5,025,676)	1,087,711
Other non-operating revenues	1,082,556	288,165	794,391
Total Non-Operating Revenues (Expenses)	80,316,375	57,266,212	23,050,163
OTHER REVENUES (EXPENSES)			
State grants, capital	4,514,744	3,443,626	1,071,118
Change in Net Position	14,865,575	6,279,656	8,585,919
NET POSITION -- BEGINNING OF YEAR	77,239,092	74,445,282	2,793,810
PRIOR PERIOD ADJUSTMENTS	35,128	(3,485,846)	3,520,974
NET POSITION -- END OF YEAR	$ 92,139,795	$ 77,239,092	$ 14,900,703

- The primary components of tuition and fees are the $46 per unit enrollment fee that is charged to all students registering for classes and the additional $282 per unit fee that is charged to all nonresident students.

- Personnel costs accounted for 57.0% of operating expenses in fiscal year 2024. Supplies, materials, and other operating expenses accounted for 21.1% of the operating expense in fiscal year 2024. The remaining balance of operating expenses is for financial aid, depreciation and amortization expense.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION, continued

- The primary revenue sources of the District's nonoperating revenue are: State apportionment, local property taxes, other State funding, and interest income. The amount of State general apportionment received by the District is dependent upon the number of FTES generated and reported to the State, less amounts received from education protection account (EPA), enrollment fees, local property taxes. Increases in any of these latter three revenue categories leads to a corresponding decrease in State support through apportionment. Compton Community College District is held harmless through the 2025-2026 fiscal year for any decline in FTES.

- State capital apportionments consist of amounts received for capital outlay construction projects.

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

Functional Classifications	Salaries and Employee Benefits	Supplies, Material, and Other Expenses and Services	Financial Aid	Equipment, Maintenance, and Repairs	Depreciation and Amortization	Total
Instruction	$ 19,435,988	$ 902,422	$ -	$ 51,004	$ -	$ 20,389,414
Academic Support	3,136,644	303,103	-	279,876	-	3,719,623
Student Services	10,044,776	3,065,736	-	47,626	-	13,158,138
Operation and Maintenance of Plant	2,394,512	4,258,581	-	955	-	6,654,048
Institutional Support	1,528,859	139,385	-	29,421	-	1,697,665
Student Aid	-	-	11,779,877	-	-	11,779,877
Other Outgo	-	2,199,042	-	-	-	2,199,042
Depreciation	-	-	-	-	6,670,555	6,670,555
Community Services and Economic Development	1,207,697	166,473	-	23,432	-	1,397,602
Student Couseling and Guidance	1,735,200	155,277	-	50,908	-	1,941,385
General Institutional Support Services	5,723,986	3,431,480	-	7,977	-	9,163,443
Planning, Policymaking and Coordinations	737,703	443,972	-	-	-	1,181,675
Auxiliary Operations and Ancilary Services	1,866,864	2,133,745	-	-	-	4,000,609
	$ 47,812,229	$ 17,199,216	$ 11,779,877	$ 491,199	$ 6,670,555	$ 83,953,076

STATEMENT OF CASH FLOWS

The Statement of Cash Flows provides information about cash receipts and cash payments during the fiscal year. This Statement also assists users assessing the District's ability to generate positive cash flows, meet liabilities as they come due, and the need for external financing. The primary operating expense of the District is the payment of salaries and benefits to faculty, administrators, and classified staff.

The Statement of Cash Flows is divided into five parts. The first part reflects operating cash flows and shows the net cash used by the operating activities of the District. The second part details cash received for nonoperating, non-investing, and non-capital financing purposes. The third part shows cash flows from capital and related financing activities. This part deals with the cash used for the acquisition and construction of capital and related items. The fourth part provides information from investing activities and the amount of interest received. The last section reconciles the net cash used by operating activities to the operating loss reflected on the Statement of Revenues, Expenses, and Changes in Net Position.

STATEMENT OF CASH FLOWS, continued

The Statement of Cash Flows for the fiscal years ended June 30, 2024 and June 30, 2023, is summarized below:

CASH PROVIDED BY (USED IN)	**2024**	**2023**	**Change**
Operating activities	$ (68,462,862)	$ 48,012,608	$ (116,475,470)
Noncapital financing activities	61,756,227	57,914,760	3,841,467
Capital and related financing activities	44,841,172	(44,910,347)	89,751,519
Investing activities	3,931,850	(538,714)	4,470,564
Net Increase (Decrease) in Cash and Cash Equivalents	42,066,387	60,478,307	(18,411,920)
CASH -- BEGINNING OF YEAR	151,757,889	91,279,582	60,478,307
CASH -- END OF YEAR	$ 193,824,276	$ 151,757,889	$ 42,066,387

CAPITAL AND RIGHT-TO-USE LEASED ASSETS

As of June 30, 2024, the District had approximately $280.5 million in capital and right-to-use leased assets; less $84.4 million in accumulated depreciation and amortization. At June 30, 2024, the District's net capital and right-to-use leased assets were approximately $196.1 million. The District spent approximately $7.3 million on capital assets during the year, the majority of which relates to bond projects. Depreciation and amortization expense totaled approximately $6.7 million during the year.

Projects are recorded as construction in progress until the project is completed at which time the cost of the building and/or improvements will be recorded to the depreciable Building and Improvement category.

Additional information related to capital and right-to-use leased assets can be found in Note 6 of the financial statements.

	2024	**2023**	**Change**
Capital Assets not being depreciated	$ 60,390,629	$ 53,078,971	$ 7,311,658
Capital Assets being depreciated	219,925,609	219,913,721	11,888
Accumulated depreciation	(84,244,900)	(77,640,753)	(6,604,147)
Right-of-use leased assets	199,508	199,508	-
Accumulated amortization	(171,705)	(105,297)	(66,408)
Total	$ 196,099,141	$ 195,446,150	$ 652,991

LONG-TERM LIABILITIES INCLUDING OPEB AND PENSIONS

Long-term liabilities consist primarily of general obligation bonds, note payable, lease liability, claims liability, aggregate net pension liability, and the aggregate net other postemployment benefits (OPEB) liability. At June 30, 2024, the District had approximately $213.5 million liabilities outstanding.

The District's notes payable decreased from its principal payment reducing the liability due to the State in the amount of approximately $1.6 million outstanding. This note is repaid in annual installments, in accordance with obligation requirements.

As of June 30, 2024, the aggregate net pension liability was approximately $41.4 million versus approximately $41.2 million last year, an increase of approximately $252 thousand, or 0.6%. The aggregate net OPEB liability was approximately $1.4 million versus approximately $3.4 million last year, a decrease of approximately $2.0 million, or 59.4%.

The District is also obligated for compensated absences and claims liabilities.

Notes 7-10 in the financial statements provides additional information on long-term liabilities.

A summary of long-term liabilities is presented below:

	2024	2023	Change
General obligation bonds	$ 160,848,311	$ 129,836,753	$ 31,011,558
Bond premium	6,106,513	3,189,294	2,917,219
Note payable	2,110,573	3,706,896	(1,596,323)
Lease liability	28,975	96,820	(67,845)
Compensated absences	1,139,559	1,454,846	(315,287)
Claims liability	518,261	518,261	-
Net OPEB liability	1,380,233	3,399,548	(2,019,315)
Net pension liability	41,400,818	41,149,300	251,518
Total Long-term liabilities	$ 213,533,243	$ 183,351,718	$ 30,181,525

ECONOMIC FACTORS THAT MAY AFFECT THE FUTURE

The Compton Community College District's economic condition is heavily influenced by those of the State of California. The state provides funding for the California Community College Chancellor's Office, which in turn funds the District's General Funds revenues from State apportionments, local property taxes including redevelopment agency allocations, and the Education Protection Account (EPA). Additionally, enrollment fees paid by students, adds to the District's general apportionment.

The State of California adopted its 2023-24 budget as per statutory law on time for the thirteenth consecutive year. The 23-24 state budget increased funding for community colleges through a combination of ongoing and one-time funds. This includes a COLA increase of 8.22% to the student centered funding formula and various categorical programs, as well as a one-time investment to support college efforts to increase student retention rates and enrollment. However, the budget also reduced allocations of deferred maintenance funds from 2022-23.

Projected increases to Public Employees Retirement System (PERS) and State Teachers Retirement System (STRS) will impact the District's budget in future years. The PERS employer contribution rate has increased yearly from 20.70% in FY20-21, to 22.91% in FY21-22, to 25.37% in FY22-23, to 26.68% in FY23-24. The STRS employer contribution rate increased yearly from 16.15% in FY20-21, to 16.92% in FY21-22, to 19.10% in FY 22-23, but remained flat at 19.10% for FY23-24. STRS rates are expected to increase in the coming years. This large increase in retirement contributions will continue to present challenges for community colleges.

In response to the disruptions of the COVID-19 pandemic, the state has made fiscal stability a top priority. While the temporary protections under the COVID-19 Emergency Conditions Allowance expires at the end of 2021-2022, the 2021 Budget Act extended the Student-Centered Funding Formula (SCFF) existing minimum revenue (hold harmless) provision by one year, through 2024-2025. Under this provision, districts will earn at least their 2017-2018 total computational revenue, adjusted by COLA each year, if applicable.

Specific to the District, the trailer bill to the Budget provides Compton Community College District with special statutory authority for additional protections. These additional protections 1) apply COLA to the basic allocation rates and FTES rates used to compute the SB361 hold harmless provision through 2025-26, and 2) through 2024-25, provide a SB361 hold harmless amount not less than the total amount that the district would receive if the level of attendance of FTES was the same level of attendance as in the 2017-18 fiscal year. This provision was included to assist the District with the transition from its partnership with El Camino Community College District. The District will continue to monitor their total computational revenue (TCR) in future planning and make expenditure adjustments as needed.

Other Factors That May Affect the Future

The concern for community colleges is that currently the economic condition of the State is unpredictable and the outlook for cost of living remains high with rising inflation that is expected to continue into the near future. This, along with rising pension costs and forecasted decreases in college enrollments provides critical concerns for the community colleges.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. For inquiries about this report or additional financial information, submit questions to the Vice President, Administrative Services, Compton Community College District, 1111 East Artesia Boulevard, Compton, California 90221.

COMPTON COMMUNITY COLLEGE DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

ASSETS		
Current Assets:		
Cash and investments	$	193,824,276
Accounts receivable, net		9,548,249
Prepaid expenditures and other assets		797,790
Total Current Assets		204,170,315
Noncurrent Assets:		
Right-of-use assets, net		27,803
Capital assets, net		196,071,338
Total Noncurrent Assets		196,099,141
TOTAL ASSETS		400,269,456
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding		6,578,820
Deferred outflows - OPEB		1,096,419
Deferred outflows - pensions		14,010,758
TOTAL DEFERRED OUTFLOWS OF RESOURCES		21,685,997
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$	421,955,453
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued expenses	$	12,999,875
Accrued interest		1,956,098
Other current loans		113,299
Unearned revenue		96,394,561
Due to other funds		20,630
Long-term debt, current portion		12,851,999
Total Current Liabilities		124,336,462
Noncurrent Liabilities:		
Net OPEB liability		1,380,233
Net pension liability		41,400,818
Long-term debt, non-current portion		157,900,193
Total Noncurrent Liabilities		200,681,244
TOTAL LIABILITIES		325,017,706
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to OPEB		633,282
Deferred inflows related to pensions		4,164,670
TOTAL DEFERRED INFLOWS OF RESOURCES		4,797,952
NET POSITION		
Net investment in capital assets		72,515,438
Restricted for:		
Debt service		16,635,953
Capital projects		3,435,893
Educational programs		433,961
Other special purpose		12,253,277
Unrestricted		(13,134,727)
TOTAL NET POSITION		92,139,795
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$	421,955,453

COMPTON COMMUNITY COLLEGE DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

OPERATING REVENUES	
Tuition and fees (gross)	$ 3,222,942
Less: Scholarship discounts and allowances	(1,779,643)
Net tuition and fees	1,443,299
Grants and contracts, noncapital:	
Federal	926,654
State	10,029,858
Local	1,587,721
TOTAL OPERATING REVENUES	13,987,532
OPERATING EXPENSES	
Salaries	34,101,231
Employee benefits	13,710,998
Supplies, services, equipment, maintenance, and other operating expenses	17,690,415
Financial aid	11,779,877
Depreciation and amortization	6,670,555
TOTAL OPERATING EXPENSES	83,953,076
OPERATING LOSS	(69,965,544)
NON-OPERATING REVENUES (EXPENSES)	
State apportionments, noncapital	35,127,433
Local property taxes, noncapital	7,891,710
Local property taxes, capital	13,935,569
State taxes and other revenues, noncapital	6,600,319
Federal and State financial aid grants	11,054,209
Interest and investment income (loss), noncapital	3,931,850
Interest and investment income (loss), capital	4,630,694
Interest expense, capital	(3,937,965)
Other non-operating income	1,082,556
TOTAL NON-OPERATING REVENUES	80,316,375
GAIN (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	10,350,831
OTHER REVENUES, EXPENSES, GAINS AND LOSSES	
State revenues, capital	4,514,744
TOTAL OTHER REVENUES, EXPENSES, GAINS AND LOSSES	4,514,744
CHANGE IN NET POSITION	14,865,575
NET POSITION -- BEGINNING OF YEAR	77,239,092
PRIOR PERIOD ADJUSTMENTS	35,128
NET POSITION -- END OF YEAR	$ 92,139,795

COMPTON COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	$ 1,443,299
Grants and contracts	6,078,669
Payments to or on behalf of employees	(49,569,000)
Payments to vendors for supplies and services	(14,635,953)
Payment to students	(11,779,877)
Net Cash Provided by Operating Activities	(68,462,862)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State apportionments	35,127,433
Local property taxes	7,891,710
State taxes and other revenues	6,600,319
Federal and State financial aid grants	11,054,209
Other non-operating revenues	1,082,556
Net Cash Provided by Non-capital Financing Activities	61,756,227
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Net purchase and sale of capital assets	(7,323,546)
Proceeds from debt issuance	38,608,131
State revenue, capital projects	4,514,744
Local property taxes on capital related debt	13,935,569
Interest earned on capital related debt	4,630,694
Principal paid on capital debt	(5,584,765)
Interest paid on capital debt	(3,939,655)
Net Cash Used by Capital and Related Financing Activities	44,841,172
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income (expense)	3,931,850
Net Cash Provided by Investing Activities	3,931,850
NET INCREASE IN CASH AND CASH EQUIVALENTS	42,066,387
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	151,757,889
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 193,824,276

COMPTON COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating loss	$ (69,965,544)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation and amortization expense	6,670,555
Changes in Assets and Liabilities:	
Accounts receivable, net	(2,056,198)
Prepaid expenditures	(187,575)
Deferred outflows - pensions	(641,979)
Deferred outflows - OPEB	1,994,125
Accounts payable and accrued liabilities	3,242,037
Due to other funds	-
Deferred revenue	(4,409,366)
Compensated absences and load banking	(315,287)
Supplemental Employee Retirement Plan	(67,845)
Net OPEB liability	(2,019,315)
Net pension liability	251,518
Deferred inflows - pensions	(465,697)
Deferred inflows - OPEB	(492,291)
Total Adjustments	1,502,682
Net Cash Flows From Operating Activities	$ (68,462,862)

COMPTON COMMUNITY COLLEGE DISTRICT
FIDUCIARY FUND
STATEMENT OF NET POSITION
JUNE 30, 2024

	Retiree OPEB Trust
ASSETS	
Investments	$ 13,203,826
NET POSITION	
Restricted for OPEB	$ 13,203,826

See accompanying notes to financial statements

COMPTON COMMUNITY COLLEGE DISTRICT
FIDUCIARY FUND
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

	Retiree OPEB Trust
ADDITIONS	
District contributions	$ 850,000
Interest and investment income	500,354
Net realized and unrealized gains (losses)	567,295
Total additions	1,917,649
DEDUCTIONS	
Administrative expenses	100,490
Total deductions	100,490
CHANGE IN NET POSITION	1,817,159
NET POSITION -- BEGINNING OF YEAR	11,386,667
NET POSITION -- END OF YEAR	$ 13,203,826

NOTE 1 – ORGANIZATION

Compton Community College District (the District) is located in the city of Compton, Los Angeles County, California. Compton Community College was established in 1927 as a component of the Compton Union High School District. At that time, State law authorized high school and unified school districts to offer education through a junior college accredited program. In 1950, voters approved a bond issue separating the college from the high school district. The District administers operations of one College campus. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61. The District is classified as a Public Educational Institution under Internal Revenue Code Section 115 and is, therefore, exempt from Federal taxes.

Financial Reporting Entity

The District has adopted accounting policies to determine whether certain organizations, for which the District is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the District. The three components used to determine the presentation are: providing a "direct benefit", the "environment and ability to access/influence reporting", and the "significance" criterion. As defined by accounting principles generally accepted in the United States of America and established by the Governmental Accounting Standards Board, the financial reporting entity consists of the District. The District has identified no component units.

The District has analyzed the financial and accountability relationship with the Foundation for the Compton Community College District (the Foundation) in conjunction with the GASB Statement No. 61 criteria. The Foundation is a separate, not for profit organization, and the District does provide and receive direct benefits to and from the Foundation. However, it has been determined that all criteria under GASB Statement No. 61 have not been met to require inclusion of the Foundation's financial statements in the District's annual report. Information on the Foundation may be requested through the Compton Community College District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB. This presentation provides a comprehensive government-wide perspective of the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, activities, and cash flows and replaces the fund group perspective previously required. The District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. The significant accounting policies followed by the District in preparing these financial statements are in accordance with accounting principles generally accepted in the United States of America as promulgated by GASB. Additionally, the District's policies comply with the California Community Colleges Chancellor's Office *Budget and Accounting Manual*. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All material intra-agency and intra-fund transactions have been eliminated.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. The District considers revenues to be available if they are collected within one year after year-end, except for property taxes, which are considered available if collected within 60 days.

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

Expenses are recorded on the accrual basis as they are incurred, when goods are received, or services are rendered.

Cash and Cash Equivalents
The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances and other investments for purposes of the Statement of Cash Flows.

Investments
Investments are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value, including money market investments and participating interest-earning investment contracts with original maturities greater than one year, are stated at cost or amortized cost.

The District’s investment in the County treasury is measured at fair value on a recurring basis, which is determined by the fair value per share of the underlying portfolio determined by the program sponsor. Positions in this investment pool is not required to be categorized within the fair value hierarchy.

Accounts Receivable
Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. The District provides for an allowance for uncollectible accounts as an estimation of amounts that may not be received. This allowance is based upon management's estimates and analysis. The allowance was estimated at $2,932,844 for the year ended June 30, 2024.

Prepaid Expenses
Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. The cost of prepaid items is recorded as an expense when consumed rather than when purchased.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Capital Assets and Depreciation

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

Depreciation of capital assets is computed and recorded utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 50 years; portables, 15 years; improvements, 10 years; equipment, 10 years; vehicles, 8 years; and technology, 3 years.

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 2024.

Compensated Absences and Load Banking

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-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 liability for this benefit is reported on the government-wide financial statements.

Sick leave is accumulated without limit for each employee based upon negotiated contracts. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, retirement credit for unused sick leave is applicable to all classified members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Retirement credit for unused sick leave is applicable to all academic employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full time.

Debt Premiums

Debt premiums are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. All other bond issuance costs are expensed when incurred.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Deferred Outflows of Resources and Deferred Inflows of Resources
In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense until then. The District reports deferred outflows of resources for OPEB and pension related items. The deferred amounts related to OPEB and pension related items are associated with differences between expected and actual earnings on plan investments, changes of assumptions, and other OPEB and pension related changes.

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

Leases
The District recognizes a lease liability and an intangible right-to-use leased asset in the government-wide financial statements. The District measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The right-to-use leased asset is initially measured as the initial amount of the lease liability, plus certain initial direct costs. Subsequently, the right-to-use leased asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Postemployment Benefits Other Than Pensions (OPEB)
For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District OPEB Plan and CalSTRS Medicare Premium Payment (MPP) Program and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the District OPEB Plan and MPP. For this purpose, the District OPEB Plan and MPP 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.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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.

Noncurrent Liabilities
Noncurrent liabilities include general obligation bonds, capital leases, compensated absences, compensatory time, load banking, PARS supplemental retirement plan, the aggregate net OPEB liability, and the aggregate net pension liability with maturities greater than one year.

Net Position
Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position related to net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements reported $42,566,476 of restricted net position.

Operating and Nonoperating Revenues and Expenses

Classification of Revenues - The District has classified its revenues as either operating or nonoperating. Certain significant revenue streams relied upon for operation are classified as nonoperating as defined by GASB. Classifications are as follows:

> **Operating revenues** - Operating revenues include activities that have the characteristics of exchange transactions such as tuition and fees, net of scholarship discounts and allowances, Federal, State, and local grants and contracts, and sales and services of auxiliary enterprises.
>
> **Nonoperating revenues** - Nonoperating revenues include activities that have the characteristics of nonexchange transactions such as State apportionments, property taxes, investment income, and other revenue sources defined by GASB Statements.

Classification of Expenses - Nearly all of the District's expenses are from exchange transactions and are classified as either operating or nonoperating 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, operating expenses, and student financial aid.
>
> **Nonoperating expenses** - Nonoperating expenses include interest expense and other expenses not directly related to the services of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

Property Taxes
Secured property taxes attach as an enforceable lien on property as of January 1. The County Assessor is responsible for assessment of all taxable real property. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of Los Angeles bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

The voters of the District passed General Obligation Bond measures in November 2002 and 2014 for the acquisition, construction, and remodeling of certain District property. As a result of the passage of the Bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are assessed, billed, and collected as noted above and remitted to the District when collected.

Scholarship Discounts and Allowances
Tuition and fee revenue is reported net of scholarships discount and allowances. Fee waivers approved by the California Community College Board of Governors are included within the 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 enrollment fees and the amount that is paid by students or third parties making payments on the students' behalf.

Financial Assistance Programs
The District participates in federally funded Pell Grants, Supplemental Educational Opportunity Grants (SEOG), and Federal Work-Study programs, as well as other programs funded by the Federal government and State of California. Financial aid provided to the student in the form of cash is reported as an operating expense in the Statement of Revenues, Expenses, and Changes in Net Position. Federal financial assistance programs are audited in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Interfund Activity

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund activity within the primary government has been eliminated in the consolidation process of the basic financial statements.

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

Adoption of New Accounting Standards

The following GASB Pronouncements were adopted by the District during the year ended June 30, 2024:

GASB Statement No. 100 – In June 2022, GASB issued Statement No. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement is effective for periods beginning after June 15, 2023.

Management has determined that the adoption of the new accounting standard did not have any material impact on the financial statements of the District

Upcoming GASB Pronouncements

The Governmental Accounting Standards Board (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. 101 – In June 2022, GASB issued Statement No. 101, Compensated Absences. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for periods beginning after December 15, 2023.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Upcoming GASB Pronouncements, 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. This statement is effective for periods beginning after June 15, 2024.

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.

NOTE 3 – DEPOSITS AND INVESTMENTS

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

Investment in County Treasury - The District deposits substantially all receipts and collections of monies with their County Treasurer. The fair value of the District's investment in the pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

NOTE 3 – DEPOSITS AND INVESTMENTS, continued

General Authorizations

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

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

Authorized Under Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of debt agreements, rather than the general provisions of the California Government Code. These provisions allow for the acquisition of investment agreements with maturities of up to 30 years.

Summary of Deposits and Investments

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

	District
Cash on hand and in banks	$ 877,987
Cash in revolving	275,000
Investments	192,671,289
Total Deposits and Investments	$ 193,824,276

NOTE 3 – DEPOSITS AND INVESTMENTS, continued

Interest Rate Risk
Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the Los Angeles County Treasury Investment Pool, mutual funds and equities.

Credit Risk
Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the U.S. Treasury Notes, Mutual funds, and the Los Angeles County Investment Pool are not required to be rated, nor have they been rated as of June 30, 2024.

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

Investment Type	Fair Value	Weighted Average Days to Maturity	Credit Rating
Los Angeles County Investment Pool	$ 187,519,704	507 days	AAAf/S1
Mutual funds	9,908,631	No maturity	Not rated
Equities	10,318,223	No maturity	Not rated
Total	$ 207,746,558		

Custodial Credit Risk

Deposits
This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2024, the District's bank balance of approximately $878 thousand was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

NOTE 3 – DEPOSITS AND INVESTMENTS, continued

Investments
This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. As of June 30, 2024, the District's investment balance of approximately $20.2 million was exposed to custodial credit risk because it was uninsured, unregistered and held by the brokerage firm which is also the counterparty for these securities. The District's investment policy limits the amount of securities that can be held by counterparties to no more than 10% of total investments in one issuer for commercial paper, mutual funds and money market mutual funds and 30% for Banker's Acceptance.

NOTE 4 – FAIR VALUE MEASUREMENTS

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

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

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

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

The District's fair value measurements are as follows at June 30, 2024:

Investment Type	Fair Value	Fair Value Measurements Using Level 1 Inputs
Mutual funds	$ 9,908,631	$ 9,908,631
Equities	10,318,223	10,318,223
Total	$ 20,226,854	

All assets have been valued using a market approach, which uses prices and other relevant information generated by market transaction involving identical or comparable assets or group of assets.

NOTE 5 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2024 consisted of the following:

	Primary Government
Federal Government	
Categorical aid	$ 889,191
State Government	
Categorical aid	601,852
Lottery	199,806
Local Sources	
Other local sources	4,481,732
Subtotal	6,172,581
Student receivables	5,350,636
Less: allowance for bad debt	(1,974,968)
Total receivables, net	$ 9,548,249

NOTE 6 – CAPITAL AND RIGHT ASSETS

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

	Balance July 01, 2023	Additions	Deductions	Balance June 30, 2024
Governmental Activities:				
Capital assets not being depreciated				
Land	$ 2,324,000	$ -	$ -	$ 2,324,000
Construction in progress	50,754,971	7,311,658	-	58,066,629
Total Capital Assets not Being Depreciated	53,078,971	7,311,658	-	60,390,629
Capital assets being depreciated				
Land improvements	77,270,257	-	-	77,270,257
Buildings and improvements	131,645,869	-	-	131,645,869
Furniture and equipment	10,997,595	11,888	-	11,009,483
Total Capital Assets Being Depreciated	219,913,721	11,888	-	219,925,609
Total Capital Assets	272,992,692	7,323,546	-	280,316,238
Less Accumulated Depreciation				
Land improvements	34,998,171	2,251,494	-	37,249,665
Buildings and improvements	33,206,809	3,991,899	-	37,198,708
Furniture and equipment	9,435,773	360,754	-	9,796,527
Total Accumulated Depreciation	77,640,753	6,604,147	-	84,244,900
Capital Assets, net	195,351,939	719,399	-	196,071,338
Right-of-use leased assets				
Equipment	199,508	-	-	199,508
Less Accumulated Amortization				
Equipment	105,297	66,408	-	171,705
Right-to-use leased assets, net	94,211	(66,408)	-	27,803
Capital Assets and Right-of-Use Leased Assets, Net	$ 195,446,150	$ 652,991	$ -	$ 196,099,141

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS SUMMARY

The changes in the District's long-term liabilities other than OPEB and pensions during the year ended June 30, 2024 consisted of the following:

	Balance July 1, 2023	Adjustment	Additions	Reductions	Balance June 30, 2024	Amounts Due in One Year
General obligation bonds	$ 129,836,753	$ -	$ 36,021,558	$ 5,010,000	$ 160,848,311	$ 10,595,000
Bond premium	3,189,294	-	3,608,131	690,912	6,106,513	594,874
Note payable	3,706,896	-	-	1,596,323	2,110,573	1,633,150
Lease liability	96,820	-	-	67,845	28,975	28,975
Compensated absences	1,454,846	-	-	315,287	1,139,559	-
Claims liability	518,261	-	-	-	518,261	-
Total	$ 138,802,870	$ -	$ 39,629,689	$ 7,680,367	$ 170,752,192	$ 12,851,999

Description of Long-Term Liabilities

The general obligation bonds are paid from property tax collections and are accounted for by the Los Angeles County Treasurer by the Bond Interest and Redemption Fund. The note payable is an advance apportionment appropriated by the State. Repayment is made from the unrestricted resources of the General Fund. The lease liability will be paid from the General Fund. Compensated absences are paid from the resources of the fund from which the employee liability was created. The claims liability is paid from resources generated by the charging of workers' compensation benefit expenditures in each fund that incurs payroll expenditures.

General Obligation Bonds

Election 2002 General Obligation Bonds - Measure CC

General obligation bonds were approved by a local election in November 2002 under Proposition 39. The funds are designated to repair and renovate academic classrooms and job training facilities; upgrade safety security systems, electrical capacity, computer technology, energy efficiency, and leaky roofs; relieve student overcrowding; and repair, renovate, construct, acquire and equip classrooms, facilities and sites. The total amount approved by the voters was $100,000,000. Interest rates on the bonds range from 2.52% to 6.65%. At June 30, 2024, $99,996,761 had been issued and $24,918,311 was outstanding with a premium balance of $507,594.

Election 2014 General Obligation Bonds - Measure C

General obligation bonds were approved by a local election in November 2014 under Proposition 39. The total amount approved by the voters was $100,000,000. The funds are designated to be used to update aging classrooms and buildings; repair deteriorating gas and sewer lines, electrical wiring and leaky roofs; improve classroom technology and handicapped accessibility; upgrade campus safety and repair, construct, and acquire facilities and equipment. Interest rates on the bonds range from 4.00% to 5.00%. At June 30, 2024, $73,000,000 had been issued and $50,720,000 was outstanding with a premium balance of $4,868,353.

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS SUMMARY, continued

General Obligation Bonds, continued

2012 General Obligation Refunding Bonds
On October 4, 2012, the District issued the 2012 General Obligation Refunding Bonds in the amount of $14,470,000 with interest rates ranging from 2.00% to 5.00%, depending on the maturity of the related bonds. The Bonds were issued at a premium of $1,677,513 to advance refund and defease a portion of the District's 2002 General Obligation Series 2004A Bonds maturing on and after July 1, 2028, and to pay all legal, financial, and contingent costs in connection with the issuance of the Bonds. The Refunding Bonds defeased $14,510,000 of the old debt with a final maturity date of July 1, 2022. The Bonds are payable semiannually on January 1 and July 1 of each year.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $1,447,380. This difference, reported in the accompanying financial statements as a deferred charge on refunding, is being charged to operations through the year 2024 using the straight-line method. The Bonds were fully matured at June 30, 2024.

2014 General Obligation Refunding Bonds
On March 18, 2014, the District issued the 2014 General Obligation Refunding Bonds in the amount of $17,010,000 with interest rates ranging from 1.00% to 5.00%, depending on the maturity of the related bonds. The Bonds were issued at a premium of $1,802,271 to advance refund and defease a portion of the District's 2002 General Obligation Series 2004A Bonds maturing on and after July 1, 2025, and to pay all legal, financial, and contingent costs in connection with the issuance of the Bonds. The Refunding Bonds defeased $18,030,000 of the old debt with a final maturity date of July 1, 2025. The Bonds are payable semiannually on January 1 and July 1 of each year.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $450,434. This difference, reported in the accompanying financial statements as a deferred charge on refunding, is being charged to operations through the year 2026 using the straight-line method. The outstanding principal balance of these Bonds at June 30, 2024, was $5,450,000 with a premium balance of $163,843.

2015 General Obligation Refunding Bonds
On October 6, 2015, the District issued the 2015 General Obligation Refunding Bonds in the amount of $13,100,000 with interest rates ranging from 2.00% to 5.00%, depending on the maturity of the related bonds. The Bonds were issued at a premium of $1,841,849 to advance refund and defease a portion of the District's 2002 General Obligation Series 2009B Bonds maturing on and after August 1, 2020, and to pay all legal, financial, and contingent costs in connection with the issuance of the Bonds. The Refunding Bonds defeased $12,005,000 of the old debt with a final maturity date of August 1, 2028. The Bonds are payable semiannually on January 1 and July 1 of each year.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $2,606,682. This difference, reported in the accompanying financial statements as a deferred charge on refunding, is being charged to operations through the year 2029 using the straight-line method. The outstanding principal balance of these Bonds at June 30, 2024, was $4,075,000 with a premium balance of $566,723.

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS SUMMARY, continued

General Obligation Bonds, continued

2020 General Obligation Refunding Bonds
On May 21, 2020, the District issued the 2020 General Obligation Refunding Series A and Series B Crossover Bonds in the amount of $41,205,000 with interest rates ranging from 2.00% to 3.53%, depending on the maturity of the related bonds. The Series 2020A Refunding Bonds were to advance refund and defease a portion of the District's 2002 General Obligation Series 2002C, Series 2002D, Series 2012C. and Series 2013D Bonds, and to pay all legal, financial, and contingent costs in connection with the issuance of the Bonds. The Series 2020B Refunding Crossover Bonds will be redeemed to refund a portion of the District's 2002 General Obligation Series 2013D Bonds at the Crossover date of August 1, 2023; therefore the refunding is not considered a current refunding. The Refunding Bonds defeased $12,005,000 of the old debt with a final maturity date of August 1, 2038. The Bonds are payable semiannually on February 1 and August 1 of each year, commencing August 1, 2020.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $4,128,469. This difference, reported in the accompanying financial statements as a deferred charge on refunding, is being charged to operations through the year 2040 using the straight-line method. The outstanding principal balance of these Bonds at June 30, 2024 was $40,825,000.

2021 General Obligation Refunding Bonds
On November 30, 2021, the District issued the 2021 General Obligation Refunding Bonds in the amount of $38,965,000 with interest rates ranging from 0.45% to 3.12%, depending on the maturity of the related bonds. The Bonds were issued to advance refund and defease a portions of the District's 2022 General Obligation Refunding Bonds, 2014 General Obligation Refunding Bonds, 2015 General Obligation Bonds, 2002 General Obligation 2018E Bonds, 2014 General Obligation 2018A Bonds, and to pay all legal, financial, and contingent costs in connection with the issuance of the Bonds. The Refunding Bonds defeased $33,275,000 of the old debt with a final maturity date of August 1, 2038. The Bonds are payable semiannually on February 1 and August 1 of each year.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $5,252,303. This difference, reported in the accompanying financial statements as a deferred charge on refunding, is being charged to operations through fiscal year 2039 using the straight-line method. In addition, the refunding resulted in an economic gain of $1,770,243 based on the difference between the present value of the existing debt service requirements and the new debt service requirements discounted at 2.48%. The outstanding principal balance of these Bonds at June 30, 2024, was $34,860,000.

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS SUMMARY, continued

General Obligation Bonds, continued

Debt Maturity – General Obligation Bonds

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2023	Issued	Accreted Interest	Redeemed	Bonds Outstanding June 30, 2024
3/22/2012	8/1/2036	2.59-6.65%	$ 15,001,122	$ 12,901,042	$ -	$ 509,840	$ 455,000	$ 12,955,882
11/13/2013	8/1/2038	2.52-6.62%	16,554,972	80,754	-	69,246	150,000	-
3/18/2014	7/1/2025	1.00-5.00%	17,010,000	5,615,000	-	-	165,000	5,450,000
10/6/2015	8/1/2028	2.00-5.00%	13,100,000	4,715,000	-	-	640,000	4,075,000
10/17/2018	8/1/2040	4.00-5.00%	12,440,677	11,844,957	-	442,472	325,000	11,962,429
10/17/2018	8/1/2043	4.00-5.00%	38,000,000	15,910,000	-	-	190,000	15,720,000
5/21/2020	8/1/2039	2.00-3.53%	9,895,000	9,595,000	-	-	80,000	9,515,000
5/21/2020	8/1/2038	2.51-3.46%	31,310,000	31,310,000	-	-	-	31,310,000
11/30/2021	8/1/2038	0.45-3.12%	38,965,000	37,865,000	-	-	3,005,000	34,860,000
2/14/2024	8/1/2043	4.00-5.00%	35,000,000	-	35,000,000		-	35,000,000
				$ 129,836,753	$ 35,000,000	$ 1,021,558	$ 5,010,000	$ 160,848,311

The Election 2002 Measure CC General Obligation Bonds mature through fiscal year 2041 as follows:

Fiscal Year	Principal	Accreted Interest	Current Interest to Maturity	Total
2025	$ 806,646	$ 263,354	$ 64,750	$ 1,134,750
2026	639,474	315,526	41,750	996,750
2027	486,821	368,179	27,250	882,250
2028	500,696	434,304	16,625	951,625
2029	290,975	114,025	5,625	410,625
2030-2034	3,198,054	8,706,946	-	11,905,000
2035-2039	1,668,029	5,686,971	-	7,355,000
2040-2041	7,686,218	13,403,782	-	21,090,000
Accreted Interest	9,641,398	(9,641,398)		-
Total	$ 24,918,311	$ 19,651,689	$ 156,000	$ 44,726,000

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS SUMMARY, continued

General Obligation Bonds, continued

The Election 2014 Measure C General Obligation Bonds mature through fiscal year 2044 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2025	$ 5,485,000	$ 2,039,287	$ 7,524,287
2026	5,585,000	1,926,925	7,511,925
2027	2,110,000	1,734,550	3,844,550
2028	1,470,000	1,645,050	3,115,050
2029	1,315,000	1,575,425	2,890,425
2030-2034	4,800,000	7,151,750	11,951,750
2035-2039	7,040,000	5,683,250	12,723,250
2040-2044	22,915,000	2,459,425	25,374,425
Total	$ 50,720,000	$ 24,215,662	$ 74,935,662

The General Obligation Refunding Bonds mature through fiscal year 2040 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2025	$ 4,040,000	$ 2,517,815	$ 6,557,815
2026	4,365,000	2,336,170	6,701,170
2027	4,555,000	2,190,886	6,745,886
2028	4,795,000	2,083,503	6,878,503
2029	5,075,000	1,970,415	7,045,415
2030-2034	21,755,000	8,291,682	30,046,682
2035-2039	39,320,000	3,991,885	43,311,885
2040	1,305,000	23,053	1,328,053
Total	$ 85,210,000	$ 23,405,409	$ 108,615,409

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS SUMMARY, continued

Note Payable

Assembly Bill 318 appropriated $30 million to the Board of Governors of the California Community Colleges as an emergency apportionment to finance, among other things, activities described in Article 5 of Chapter 5, Part 46 of the Education Code. The balance available to the District is $12,103,200. The financing does not constitute a borrowing, but is instead an advance apportionment subject to repayment with interest. During the 2015-2016 year, the District was able to negotiate and obtain a refinancing of a lower interest rate associated with this advance. The interest rate paid by the District prior to this refinance ranged 1.377% to 5.214%. After the refinancing, the interest rate on the remaining balance is 2.307%, resulting in a savings of $966,000 in interest payments for the District. At June 30, 2024, the District had received $17,896,800 with $2,110,573 outstanding.

Fiscal Year	Principal	Current Interest to Maturity	Total
2025	$ 733,151	$ 48,691	$ 781,842
2026	743,292	31,777	775,069
2027	634,130	14,629	648,759
Total	$ 2,110,573	$ 95,097	$ 2,205,670

Lease Liability

The District entered an agreement to lease copiers for three years, beginning December 1, 2021, with one successive term of one year. The one successive term is deemed reasonably certain not to be exercise, the total term is three years. Under the terms of the lease, the District paid monthly payments of $5,846, which amounted to total principal and interest costs of $40,922. The annual interest rate charged on the lease is 3.50%. At June 30, 2022, the District has recognized a right-to-use leased asset of $199,508 and a lease liability of $162,335 related to this agreement. During the fiscal year, the District recorded $67,845 in principal expense and $2,307 in interest expense for the right-to-use leased copiers.

The remaining principal and interest payment requirements for the lease obligation debt as of June 30, 2024 are as follows:

Fiscal year	Principal	Interest	Total
2025	$ 28,975	$ 254	$ 29,229
Total	$ 28,975	$ 254	$ 29,229

NOTE 8 – AGGREGATE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY

For the fiscal year ended June 30, 2024, the District reported an aggregate net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Net OPEB Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 1,380,233	$ 1,096,419	$ 633,282	$ (407,763)

District Plan

Plan Administration

The District's governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses.

Management of the plan is vested in the District management. Management of the trustee assets is vested with the Compton Community College District Retirement Board of Authority.

Plan Membership

At June 30, 2023, the valuation date, the Plan membership consisted of the following:

	Number of Participants
Inactive Employees Receiving Benefits	86
Active Employees	120
	206

Benefits Provided

The Plan provides medical, vision, and dental insurance benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The District's governing board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

Contributions

The contribution requirements of Plan members and the District are established and may be amended by the District and the District's bargaining units. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by management and the District's governing board. For the measurement period of June 30, 2023, the District contributed $954,601 to the Plan, of which $704,701 was used for current premiums, and $250,000 was transferred to the District's OPEB irrevocable trust.

NOTE 8 – AGGREGATE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the governing board by a majority vote of its members. It is the policy of the District to pursue an investment strategy that reduces risks through the prudent diversification for the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, expect for liquidity purposes, and aims to refrain from dramatically shifting asset class allocation over short time spans. The following was the governing board's adopted asset allocation policy as of June 30, 2023.

Asset Class	Percentage of Portfolio	Assumed Gross Return
All Fixed Income	55%	4.25%
Real Estate Investment Trusts	4%	7.25%
All Domestic Equities	22%	7.25%
All International Equities	19%	7.25%

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2021.

Rate of Return

For the year ended June 30, 2022, the annual money-weighed rate of return on investments, net of investment expense, was (21.82%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Total OPEB Liability of the District

The District's total OPEB liability of $14,584,059 was measured as of June 30, 2023, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of June 30, 2023.

NOTE 8 – AGGREGATE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

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

Valuation date	June 30, 2023
Measurement date	June 30, 2023
Actuarial cost methods	Entry age actuarial cost method
Inflation rate	2.50%
Investment rate of return	5.60%
Health care cost trend rate	4.00%
Payroll increase	2.75%

The discount rate was based on an index of 20-year General Obligation municipal bonds rated AA or higher.

Mortality rates were based on the 2020 CalSTRS Mortality Table for certificated employees and the 2021 CalPERS Active Mortality for All Employees Table for classified employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actual experience study as of June 2021.

Discount Rate
The discount rate used to measure the total OPEB liability was 5.60%. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

NOTE 8 – AGGREGATE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

Changes in the Total OPEB Liability

	Increase/(Decrease)		
	Total OPEB Liability (a)	Total Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance July 1, 2022	$ 14,676,497	$ 11,386,667	$ 3,289,830
Changes for the year:			
Service cost	344,475	-	344,475
Interest on TOL	816,086	-	816,086
Employer contributions	-	1,478,616	(1,478,616)
Change in assumptions	(31,854)	-	(31,854)
Expected investment income	-	658,640	(658,640)
Experience gains/losses	(669,619)	-	(669,619)
Investment gains/losses	-	409,009	(409,009)
Administrative expense	-	(100,490)	100,490
Expected benefit payments	(551,526)	(628,616)	77,090
Net change	(92,438)	1,817,159	(1,909,597)
Balance June 30, 2023	$ 14,584,059	$ 13,203,826	$ 1,380,233

There were no changes to benefit terms or economic assumptions since the previous valuation.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate
The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

	Discount Rate 1% Lower (4.60%)	Discount Rate (5.60%)	Discount Rate 1% Higher (6.60%)
Net OPEB liability	$ 3,340,070	$ 1,380,233	$ (243,161)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate
The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percent lower or higher than the current healthcare costs trend rate:

	Trend Rate 1% Lower (3.00%)	Healthcare Cost Trend Rate (4.00%)	Trend Rate 1% Higher (5.00%)
Net OPEB liability	$ (484,648)	$ 1,380,233	$ 3,679,964

NOTE 8 – AGGREGATE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

Deferred Outflows/Inflows of Resources Related to OPEB

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB for the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings on plan investments	$ 965,959	$ -
Differences between expected and actual experience	63,222	610,530
Change in assumptions	67,238	22,752
District contributions subsequent to the measurement date	250,000	-
	$ 1,346,419	$ 633,282

The deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to differences between expected and actual experience in the measurement of the total OPEB liability and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits as of the beginning of the measurement period. The EARSL for the measurement period is 3.2 years and will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ (50,426)
2026	71,589
2027	523,775
2028	(81,801)
	$ 463,137

NOTE 9 – RISK MANAGEMENT

Property and Liability Insurance Coverages

The District is exposed to various risks of loss related to torts and liability; theft, damage, and destruction of assets; errors and omissions and injuries to employees. The District obtains coverage for these risks as a member of a joint powers authority. The District has coverage up to $50,000,000 for liability and tort risks. This coverage is subject to a $50,000 self-insured retention. The District carries replacement coverage on its buildings and furniture and equipment with limits of $250,250,000 (total pool value) with a $50,000 self-insurance retention. A property and equipment audit performed by the Joint Powers Authority is used to identify the aforementioned exposures. However, claims against the property coverage would use current replacement value to respond to a covered event.

Joint Powers Authority Risk Pools

During fiscal year ended June 30, 2024, the District contracted with the Statewide Association of Community Colleges (SWACC) Joint Powers Authority for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2023-2024, the District participated in the Protected Insurance Program for Schools (PIPS) Joint Powers Authority (JPA), an insurance purchasing pool. The intent of the JPA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the JPA. The workers' compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in the JPA. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall saving. A participant will then either receive money from or be required to contribute to the "equity-pooling fund.

Employee Medical Benefits, continued

The District has contracted with Self-Insured Schools of California (SISC III) to provide medical plans to faculty and other eligible District employees. SISC III is a shared risk pool. Rates are set through an annual calculation process. The District pays a monthly contribution which is placed in a common fund from which claim payments are made for all participating districts. Claims are paid for all participants regardless of the claims flow. The Board of Directors has the right to return monies to a district subsequent to the settlement of all expenses and claims if a district withdraws from the pool.

Also offered are vision and dental benefits. Dental benefits are provided through California Schools Dental Coalition, a Joint Powers Authority. Vision benefits are provided through California Schools Vision Coalition, a Joint Powers Authority.

NOTE 10 – 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, 2024, the District reported its proportionate share of the aggregate 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	$ 16,537,727	$ 4,931,812	$ 2,244,136	$ 1,926,287
CalPERS	24,863,091	9,078,946	1,920,534	3,919,392
Total	$ 41,400,818	$ 14,010,758	$ 4,164,670	$ 5,845,679

California State Teachers' Retirement System (CalSTRS)

Plan Description

The District contributes to the State Teachers' Retirement Plan (STRP) administered by 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, 2022, 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.

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS, 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% of final compensation for each year of credited service.

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

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

The STRP Defined Benefit Program provisions and benefits in effect at June 30, 2024, are summarized as follows:

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

Contributions

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and are detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with California Assembly Bill 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2024, are presented above, and the District's total contributions were $3,006,679.

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS, continued

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

At June 30, 2024, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	$	16,537,727
State's proportionate share of the net pension liability associated with the District		7,923,833
Total	$	24,461,560

The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2023 and June 30, 2022, was 0.022% and 0.022%, respectively, resulting in no change in the proportionate share.

For the year ended June 30, 2024, the District recognized pension expense of $1,926,287. In addition, the District recognized pension expense and revenue of ($115,069) for support provided by the State. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	$ 69,963	$ -
Differences between expected and actual experience	1,299,684	884,636
Changes in assumptions	95,760	-
Net changes in proportionate share of net pension liability	459,726	1,359,500
District contributions subsequent to the measurement date	3,006,679	-
Total	$ 4,931,812	$ 2,244,136

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS, 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 Ended June 30,		Deferred Outflows/(Inflows) of Resources
2025	$	(846,239)
2026		(1,138,071)
2027		1,153,623
2028		130,353
2029		164,717
Thereafter		216,614
	$	(319,003)

Actuarial Methods and Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 2015, through June 30, 2018
Actuarial cost method	Entry Age Normal
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

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

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS, continued

Actuarial Methods and Assumptions, continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance-PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2024, are summarized in the following table:

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

*20-year 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%. 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%) and assuming that contributions, benefit payments, and administrative expense occurred midyear. Based on these assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Plan's net pension liability	$ 27,740,717	$ 16,537,727	$ 7,232,338

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees' Retirement System (CalPERS)

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022, annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/forms-publications.

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

The CalPERS School Employer Pool provisions and benefits in effect at June 30, 2024, 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	26.68%	26.68%

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS, continued

Contributions
Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2024, are presented above, and the total District contributions were $3,695,158.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions
As of June 30, 2024, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $24,863,091. The net pension liability was measured as of June 30, 2023. 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, 2023 and June 30, 2022, was 0.069% and 0.075%, respectively, resulting in a net decrease in the proportionate share of 0.006%.

For the year ended June 30, 2024, the District recognized pension expense of $3,919,392. At June 30, 2024, 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	$ 2,655,734	$ -
Differences between expected and actual experience	907,324	381,861
Changes in assumptions	1,145,432	-
Net changes in proportionate share of net pension liability	675,298	1,538,673
District contributions subsequent to the measurement date	3,695,158	-
Total	$ 9,078,946	$ 1,920,534

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS, 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 Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ 1,163,578
2026	924,295
2027	1,646,204
2028	(270,823)
	$ 3,463,254

Actuarial Methods and Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2022 and rolling forward the total pension liability to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
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

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90% of Scale MP-2016.

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS, continued

Actuarial Methods and Assumptions, continued

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

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Plan's net pension liability	$ 35,945,603	$ 24,863,091	$ 15,703,647

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS, continued

CalSTRS/CalPERS Irrevocable Trust

During the 2016 fiscal year, the District established an irrevocable trust for the purpose of funding future employer contributions associated with the CalSTRS and CalPERS pension plans. Funds deposited into this trust are not considered "plan assets" for GASB Statement No. 68 reporting; therefore, the balance of the irrevocable trust is not netted against the net pension liability shown on the Statement of Net Position. The balance and activity of the trust is recorded as a fund of the District. The District contributed $200 thousand to the trust for the year ended June 30, 2024. As of June 30, 2024, the balance of the trust was $5,151,585.

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 for the fiscal year ended June 30, 2024, which amounted to $1,267,406. 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. No contributions were made for CalPERS for the year ended June 30, 2024. 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.

NOTE 11 – PARTICIPATION IN PUBLIC ENTITY RISK POOLS AND JOINT POWERS AUTHORITIES

The District is a member of the Statewide Association of Community Colleges (SWACC) and the Protected Insurance Program for Schools and Community Colleges (PIPS) Joint Powers Authority. The District pays annual premiums for its property liability and excess workers' compensation coverage. The relationship between the District and each Joint Powers Authority (JPA) is such that they are not component units of the District for financial reporting purposes.

The JPAs have budgeting and financial reporting requirements independent of member units, and their financial statements are not presented in these financial statements; however, transactions between the JPAs and the District are included in these statements. Audited financial statements are available from the respective entities.
The District's share of year-end assets, liabilities, or fund equity has not been calculated.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Grants

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2024.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2024.

Line of Credit

As mentioned above in Note 7, the District was appropriated $30 million from Assembly Bill 318 through the Board of Governors of the California Community Colleges. While a portion of these funds remain available to the District, the District currently has no plans to further drawdown funding from this appropriation.

Construction Commitments

As of June 30, 2024, the District had approximately $76.3 million in commitments with respect to unfinished capital projects.

NOTE 13 – SUBSEQUENT EVENTS

The District evaluated subsequent events from June 30, 2024 through March 11, 2025, the date the financial statements were issued. The District is engaged in negotiations with the Faculty Union regarding compensation for the period July 1, 2022, through June 30, 2025. We believe it will be possible to complete those negotiations by June 30, 2025, though there is no guarantee this will occur. Both parties' salary proposals are retroactive to the year in question, meaning that, regardless of when negotiations are completed, the salary proposals will apply retroactively.

The District has been engaged in negotiations with the Compton Community College Federation of Employees (Certificated) regarding salary and other items since March 2023. In the course of those negotiations, the District has proposed to increase the regular faculty salary schedule by 6% (effective July 1, 2022), 3% (effective July 1, 2023), and 2% (effective July 1, 2024), and to increase the adjunct faculty salary schedule by 6% (effective July 1, 2022), 3% (effective July 1, 2023), and 5% (effective July 1, 2024). This proposal would increase faculty compensation during the 2023-2024 year by $2,687,064. Implementation of any negotiated salary increase may not occur until negotiations are fully complete (including resolution of non-salary items), and a resultant agreement has been ratified by the Faculty Union's membership and the District's Board. That said, assuming the salary increase proposed by the District is formalized, implementation would be retroactive to the indicated dates, though the implementation date of that retroactive increase remains uncertain.

NOTE 13 – SUBSEQUENT EVENTS, continued

In addition, The District is at an impasse with the Compton Community College Federation of Employees (Classified). The District commissioned a Compensation Study early 2024. A one range salary increase effective July 1, 2022 was proposed to the Union based on the study. The cost for the proposed range increase is $319,752 in FY2023-24. Negotiations are ongoing with the Compton Community College Federation of Employees (Classified).

REQUIRED SUPPLEMENTARY INFORMATION

COMPTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2024

	Reporting Fiscal Year (Measurement Date)			
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
Total OPEB liability				
Service cost	$ 344,475	$ 335,255	$ 539,396	$ 524,960
Interest	816,086	781,856	893,593	827,247
Change in assumptions	(31,854)	-	1,075,829	-
Experience gains/losses	(669,619)	105,909	(2,996,738)	127,991
Benefit payments	(551,526)	(575,320)	(488,671)	(578,591)
Net change in total OPEB liability	(92,438)	647,700	(976,591)	901,607
Total OPEB liability, beginning of year	14,676,497	14,028,797	15,005,388	14,103,781
Total OPEB liability, end of year (a)	$ 14,584,059	$ 14,676,497	$ 14,028,797	$ 15,005,388
Plan fiduciary net position				
Employer contributions	$ 1,478,616	$ 1,825,320	$ 2,622,706	$ 4,328,591
Expected investment income	658,640	-	557,808	353,615
Investment gains/losses	409,009	(2,715,969)	1,848,033	259,726
Administrative expense	(100,490)	(112,564)	(85,684)	(44,060)
Benefit payments	(628,616)	(575,320)	(488,671)	(578,591)
Change in plan fiduciary net position	1,817,159	(1,578,533)	4,454,192	4,319,281
Fiduciary trust net position, beginning of year	11,386,667	12,965,200	8,511,008	4,191,727
Fiduciary trust net position, end of year (b)	$ 13,203,826	$ 11,386,667	$ 12,965,200	$ 8,511,008
Net OPEB liability (asset), ending (a) - (b)	$ 1,380,233	$ 3,289,830	$ 1,063,597	$ 6,494,380
Covered payroll	$ 26,999,637	$ 31,351,152	$ 27,113,738	$ 25,662,059
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	91%	78%	92%	57%
Net OPEB asset as a percentage of covered payroll	5%	10%	4%	25%

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

COMPTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2024

	Reporting Fiscal Year (Measurement Date)		
	2020 (2019)	2019 (2018)	2018 (2017)
Total OPEB liability			
Service cost	$ 523,763	$ 571,280	$ 608,696
Interest	795,329	740,494	687,184
Change in assumptions	768,607	-	-
Experience gains/losses	(9,805)	-	-
Benefit payments	(542,933)	(422,378)	(453,237)
Net change in total OPEB liability	1,534,961	889,396	842,643
Total OPEB liability, beginning of year	12,568,820	11,679,424	10,836,781
Total OPEB liability, end of year (a)	$ 14,103,781	$ 12,568,820	$ 11,679,424
Plan fiduciary net position			
Employer contributions	$ 1,292,932	$ 672,378	$ 1,203,237
Expected investment income	229,255	186,175	295,644
Investment gains/losses	(35,555)	27,664	-
Administrative expense	(31,886)	(28,168)	(22,667)
Benefit payments	(542,933)	(422,378)	(453,237)
Other	-	-	-
Change in plan fiduciary net position	911,813	435,671	1,022,977
Fiduciary trust net position, beginning of year	3,279,914	2,844,243	1,821,266
Fiduciary trust net position, end of year (b)	$ 4,191,727	$ 3,279,914	$ 2,844,243
Net OPEB liability (asset), ending (a) - (b)	$ 9,912,054	$ 9,288,906	$ 8,835,181
Covered payroll	$ 24,004,599	$ 2,290,820	$ 22,192,701
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	30%	26%	24%
Net OPEB asset as a percentage of covered payroll	41%	41%	40%

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

COMPTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2024

	Reporting Fiscal Year (Measurement Date)				
CalSTRS	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)
District's proportion of the net pension liability	0.022%	0.022%	0.024%	0.024%	0.023%
District's proportionate share of the net pension liability	$ 16,537,727	$ 15,421,091	$ 10,947,073	$ 23,378,082	$ 20,555,654
State's proportionate share of the net pension liability associated with the District	7,923,833	7,722,927	5,508,142	12,051,404	11,214,481
Total	$ 24,461,560	$ 23,144,018	$ 16,455,215	$ 35,429,486	$ 31,770,135
District's covered - employee payroll	$ 15,025,990	$ 15,858,322	$ 15,139,257	$ 13,990,573	$ 13,653,071
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	110%	97%	72%	167%	151%
Plan fiduciary net position as a percentage of the total pension liability	81%	81%	87%	72%	73%

	Reporting Fiscal Year (Measurement Date)				
CalPERS	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)
District's proportion of the net pension liability	0.069%	0.075%	0.075%	0.071%	0.066%
District's proportionate share of the net pension liability	$ 24,863,091	$ 25,728,209	$ 15,323,159	$ 21,810,989	$ 19,165,783
District's covered - employee payroll	$ 11,762,101	$ 11,255,417	$ 10,522,802	$ 10,014,026	$ 9,255,049
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	211%	229%	146%	218%	207%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	81%	70%	70%

COMPTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2024

	Reporting Fiscal Year (Measurement Date)				
CalSTRS	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
District's proportion of the net pension liability	0.024%	0.025%	0.026%	0.026%	0.027%
District's proportionate share of the net pension liability	$ 22,325,730	$ 23,297,882	$ 21,272,244	$ 17,432,301	$ 15,664,559
State's proportionate share of the net pension liability associated with the District	12,782,525	13,782,830	12,109,909	9,219,766	9,458,937
Total	$ 35,108,255	$ 37,080,712	$ 33,382,153	$ 26,652,067	$ 25,123,496
District's covered - employee payroll	$ 13,827,554	$ 13,597,782	$ 13,665,051	$ 12,759,399	$ 11,939,418
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	161%	171%	156%	137%	131%
Plan fiduciary net position as a percentage of the total pension liability	71%	69%	70%	74%	77%

	Reporting Fiscal Year (Measurement Date)				
CalPERS	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
District's proportion of the net pension liability	0.064%	0.064%	0.066%	0.062%	0.063%
District's proportionate share of the net pension liability	$ 17,007,822	$ 15,293,531	$ 13,018,832	$ 9,114,629	$ 7,143,796
District's covered - employee payroll	$ 8,365,147	$ 8,169,859	$ 8,205,368	$ 6,862,365	$ 6,605,812
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	203%	187%	159%	133%	108%
Plan fiduciary net position as a percentage of the total pension liability	71%	72%	74%	79%	83%

COMPTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2024

	Reporting Fiscal Year				
CalSTRS	2024	2023	2022	2021	2020
Statutorily required contribution	$ 3,006,679	$ 2,869,964	$ 2,683,228	$ 2,444,990	$ 2,392,388
District's contributions in relation to the statutorily required contribution	3,006,679	2,869,964	2,683,228	2,444,990	2,392,388
District's contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 15,741,775	$ 15,025,990	$ 15,858,322	$ 15,139,257	$ 13,990,573
District's contributions as a percentage of covered-employee payroll	19.10%	19.10%	16.92%	16.15%	17.10%

	Reporting Fiscal Year				
CalPERS	2024	2023	2022	2021	2020
Statutorily required contribution	$ 3,695,158	$ 2,984,045	$ 2,578,616	$ 2,178,220	$ 1,974,866
District's contributions in relation to the statutorily required contribution	3,695,158	2,984,045	2,578,616	2,178,220	1,974,866
District's contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 13,849,918	$ 11,762,101	$ 11,255,417	$ 10,522,802	$ 10,014,026
District's contributions as a percentage of covered-employee payroll	26.68%	25.37%	22.91%	20.70%	19.72%

COMPTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2024

	Reporting Fiscal Year				
CalSTRS	2019	2018	2017	2016	2015
Statutorily required contribution	$ 2,222,720	$ 1,995,316	$ 1,710,601	$ 1,466,260	$ 1,132,413
District's contributions in relation to the statutorily required contribution	2,222,720	1,995,316	1,710,601	1,466,260	1,132,413
District's contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 13,653,071	$ 13,827,554	$ 13,597,782	$ 13,665,051	$ 12,752,399
District's contributions as a percentage of covered-employee payroll	16.28%	14.43%	12.58%	10.73%	8.88%

	Reporting Fiscal Year				
CalPERS	2019	2018	2017	2016	2015
Statutorily required contribution	$ 1,671,647	$ 1,299,191	$ 1,134,630	$ 972,090	$ 807,769
District's contributions in relation to the statutorily required contribution	1,671,647	1,299,191	1,134,630	972,090	807,769
District's contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 9,255,049	$ 8,365,147	$ 8,169,859	$ 8,205,368	$ 6,862,365
District's contributions as a percentage of covered-employee payroll	18.06%	15.53%	13.89%	11.85%	11.77%

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Changes in the District's Net OPEB Liability and Related Ratios
This schedule presents information on the District's changes in the total OPEB liability, including beginning and ending balances and the total OPEB liability. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* - There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* - There were no changes of assumptions since the previous valuation.

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

- *Changes in Benefit Terms* - There were no changes in benefit terms since the previous valuations for either CalSTRS or CalPERS.
- *Changes of Assumptions* - There were no changes in assumptions since the previous valuation for either CalSTRS or CalPERS.

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

SUPPLEMENTARY INFORMATION

Compton Community College District (the District) is located in the city of Compton, Los Angeles County, California. Compton Junior College was established in 1927 as a component of the Compton Union High School District. At that time, State law authorized high school and unified school districts to offer education through a junior college accredited program. In 1950, voters approved a bond issue separating the college from the high school district. The District administers operations of one College campus.

GOVERNING BOARD

NAME	OFFICE	TERM EXPIRES
Ms. Barbara J. Calhoun	President	2024
Mr. Andres Ramos	Vice President	2026
Juanita Doplemore	Clerk	2026
Dr. Sharoni Little	Member	2026
Ms. Sonia Lopez	Member	2024
Ms. Shoniqua Thomas	Student Trustee	2025

ADMINISTRATION

Dr. Keith Curry
President/Chief Executive Officer

Dr. Sheri Berger
Vice President, Academic Affairs

Dr. Abdul Nasser
Vice President, Administrative Services

Ms. Nicole Jones
Vice President, Student Services

Dr. Hyacinth Martinez
Vice President, Human Resources

AUXILIARY ORGANIZATIONS IN GOOD STANDING

AUXILIARY NAME	DIRECTOR'S NAME	ESTABLISHMENT AND MASTER AGREEMENT DATE

The District did not identify any auxiliary organizations in good standing.

COMPTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Grant Number	Total Program Expenditures
U.S. DEPARTMENT OF EDUCATION			
Direct Program			
Student Financial Assistance Cluster			
Federal Pell Grant Program	84.063	n/a	$ 7,842,185
Federal Supplemental Educational Opportunity Grant (FSEOG)	84.007	n/a	219,555
Federal Work Study (FWS)	84.033	n/a	223,726
Federal Direct Student Loans	84.268	n/a	1,232,901
Subtotal Student Financial Aid Cluster			9,518,367
TRIO Cluster			
Upward Bound Math and Science	84.047M	n/a	286,172
Subtotal TRIO Cluster			286,172
Passed through California Community Colleges Chancellor's Office			
Career and Technical Education Act (CTEA), Title I - Part C	84.048A	(1)	130,427
Total U.S. Department of Education			9,934,966
U.S. DEPARTMENT OF AGRICULTURE			
Passed through California Department of Education			
Child and Adult Food Care Program	10.558	04055-CACFP-19-CC-IC	55,231
Total U.S. Department of Agriculture			55,231
U.S. DEPARTMENT OF TREASURY			
Passed through California Community Colleges Chancellor's Office			
Coronavirus State and Local Fiscal Recovery Funds	21.027	n/a	1,244,845
Total U.S. Department of Treasury			1,244,845
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Child Care Development Cluster			
Passed through Yosemite Community College District:			
Child Development Training Consortium	93.575	22-23-4159	4,830
Passed through Foundation for California Community Colleges:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	13609	582,935
Subtotal Child Care Development Cluster			587,765
Passed through California Community Colleges Chancellor's Office:			
Temporary Assistance for Needy Families (TANF)	93.558	ESS 21-100-004	126,580
Foster and Kinship Care Education (FKCE)	93.658	(1)	128,895
Passed through Foundation for California Community Colleges:			
Youth Empowerment Strategies for Success - Independent Living	93.674	2481	2,689
Total Department of Health and Human Services			845,929
Total Federal Programs			$ 12,080,971

(1) - Pass-through entity identifying number not readily available.
n/a - Pass-through entity identifying number not applicable.

COMPTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

	Program Revenues				
	Cash Received	Accounts Receivable	Deferred Income	Total Revenue	Program Expenditures
Distance Education	$ 295,526	$ -	$ 229,791	$ 65,735	$ 65,735
Zero Textbook Cost	198,557	-	181,918	16,639	16,639
CCC Equitable Placement and Completion Grant	289,567	-	168,055	121,512	121,512
Guided Pathways	202,920	-	2,695	200,225	200,225
California Promise Grant	316,531	-	178,031	138,500	138,500
Academic Affairs	934,641	-	263,110	671,531	671,531
Strong Workforce Regional	546,820	-	-	546,820	546,820
Foster Kinship Care Education	107,453	21,455	-	128,908	128,908
Seamless Transfer of Ethnic Studies	48,695	-	30,355	18,340	18,340
MESA Program	826,301	-	562,161	264,140	264,140
EGADNP	74,014	-	27,520	46,494	46,494
Dsps	614,897	-	80,928	533,969	533,969
Basic Needs Centers	221,137	-	17,925	203,212	203,212
Basic Needs Services	317,808	-	294,004	23,804	23,804
Student Equity and Achievement	3,304,472	-	755,597	2,548,875	2,548,875
Re-entry Program	241,548	-	104,095	137,453	137,453
NextUp	162,504	-	94,448	68,056	68,056
Eops	1,497,667	-	37,183	1,460,484	1,460,484
Eops Care	649,961	-	45,277	604,684	604,684
Board Of Trustees	294,819	-	120,834	173,985	173,985
Trustee Fellowship	32,387	-	26,049	6,338	6,338
Equal Employment Opportunity	259,526	-	199,102	60,424	60,424
Innovation and Effectiveness	30,000	-	29,376	624	624
Culturally Compet. Faculty PD	25,406	-	14,406	11,000	11,000
EEO Best Practices	208,333	-	167,106	41,227	41,227
LGBTQ	92,681	-	76,250	16,431	16,431
California Volunteer	-	580,397	-	580,397	580,397
Veterans Education Outreach	82,654	-	57,954	24,700	24,700
Student Transfer Achievement Reform	565,217	-	530,717	34,500	34,500
CalWORKs	513,359	-	11,326	502,033	502,033
Basic Skill Reappropriation	19,400	-	16,714	2,686	2,686
Adult Education	2,277,362	-	1,700,470	576,892	576,892
Student Services	726,276	-	304,093	422,183	422,183
Cal Fresh Outreach	46,951	-	45,655	1,296	1,296
Mental Health Services Grant	312,610	-	209,636	102,974	102,974
Undocumented Liaisons	230,126	-	208,149	21,977	21,977
Learning-Aligned Employment Program	259,247	-	-	259,247	259,247
BFAP Augmentation	221,161	-	-	221,161	221,161
Financial Aid Technology Grant	43,292	-	12,811	30,481	30,481
Information Technology Service	872,449	-	431,927	440,522	440,522
Student Success Completion Grant	1,712,306	-	456,736	1,255,570	1,255,570
Student Housing (Construction)	76,753,885	-	75,774,834	979,051	979,051
Physical Plant & INST'L Support	51,755	-	51,755	-	-
	$ 96,482,221	$ 601,852	$ 83,518,993	$ 13,565,080	$ 13,565,080

COMPTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT – ANNUAL/ACTUAL ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2024

CATEGORIES	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2023 only)			
1. Noncredit	2.41	-	2.41
2. Credit	436.36	-	436.36
B. Summer Intersession (Summer 2024 - Prior to July 1, 2024)			
1. Noncredit	-	-	-
2. Credit	-	-	-
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	1,538.68	-	1,538.68
(b) Daily Census Contact Hours	270.82	-	270.82
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	37.92	-	37.92
(b) Credit	127.14	-	127.14
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Contact Hours	472.41	-	472.41
(b) Daily Census Contact Hours	635.96	-	635.96
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	3,521.70	-	3,521.70
Supplemental Information (subset of above information)			
E. In-service Training Courses	-	-	-
H. Basic Skills Courses and Immigrant Education			
1. Credit	6.77	-	6.77
2. Noncredit	30.84	-	30.84
Total Basic Skills FTES	37.61	-	37.61

COMPTON COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF THE ECS 84362 (50 PERCENT LAW) CALCULATION
FOR THE YEAR ENDED JUNE 30, 2024

		Activity (ESCA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6100			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
	Object/ TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Academic Salaries							
Instructional Salaries							
Contract or Regular	1100	$ 7,622,240	$ -	$ 7,622,240	$ 7,622,240	$ -	$ 7,622,240
Other	1300	3,923,991	-	3,923,991	3,923,991	-	3,923,991
Total Instructional Salaries		11,546,231	-	11,546,231	11,546,231	-	11,546,231
Non-Instructional Salaries							
Contract or Regular	1200	-	-	-	3,467,007	-	3,467,007
Other	1400	-	-	-	363,335	-	363,335
Total Non-Instructional Salaries		-	-	-	3,830,342	-	3,830,342
Total Academic Salaries		11,546,231	-	11,546,231	15,376,573	-	15,376,573
Classified Salaries							
Non-Instructional Salaries							
Regular Status	2100	-	-	-	7,822,041	-	7,822,041
Other	2300	-	-	-	632,307	-	632,307
Total Non-Instructional Salaries		-	-	-	8,454,348	-	8,454,348
Instructional Aides							
Regular Status	2200	883,237	-	883,237	883,237	-	883,237
Other	2400	183,825	-	183,825	183,825	-	183,825
Total Instructional Aides		1,067,062	-	1,067,062	1,067,062	-	1,067,062
Total Classsified Salaries		1,067,062	-	1,067,062	9,521,410	-	9,521,410
Employee Benefits	3000	6,802,312	-	6,802,312	12,041,686	-	12,041,686
Supplies and Materials	4000	-	-	-	465,202	-	465,202
Other Operating Expenses	5000	376,424	-	376,424	3,690,735	-	3,690,735
Equipment Replacement	6420	-	-	-	5,195	-	5,195
Total Expenditures Prior to Exclusions		19,792,029	-	19,792,029	41,100,801	-	41,100,801
Exclusions							
Activities to Exclude							
Inst. Staff-Retirees' Benefits and Incentives	5900	-	-	-	(52,485)	-	(52,485)
Std. Health Srvcs. Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	-	-	-
Non-inst.Staff-Retirees' Benefits and Incentives	6740	-	-	-	-	-	-
Object to Exclude							
Rents and Leases	5060	-	-	-	-	-	-
Lottery Expenditures							
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000						
Software	4100	-	-	-	-	-	-
Books, Magazines & Periodicals	4200	-	-	-	-	-	-
Instructional Supplies & Materials	4300	-	-	-	-	-	-
Non-inst. Supplies & Materials	4400	-	-	-	39,042	-	39,042
Total Supplies and Materials		-	-	-	39,042	-	39,042
Other Operating Expenses and Services	5000	-	-	-	1,301,152	-	1,301,152
Capital Outlay	6000						
Library Books	6300	-	-	-	29,421	-	29,421
Equipment	6400						
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	1,573	-	1,573
Total Equipment		-	-	-	1,573	-	1,573
Total Capital Outlay		-	-	-	30,994	-	30,994
Other Outgo	7000	-	-	-	480,022	-	480,022
Total Exclusions		$ -	$ -	$ -	$ 1,798,725	$ -	$ 1,798,725
Total for ECS 84362, 50% Law		$ 19,792,029	$ -	$ 19,792,029	$ 39,302,076	$ -	$ 39,302,076
Percent of CEE (Instructional Salary Cost/Total CEE)		50.36%	0.00%	50.36%	100.00%	0.00%	100.00%
50% of Current Expense of Education		$ -	$ -	$ -	$ 19,651,038	$ -	$ 19,651,038

COMPTON COMMUNITY COLLEGE DISTRICT
DETAILS OF THE EDUCATION PROTECTION ACCOUNT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2024

EPA Revenue	$ 5,185,656

Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	0100-5900	$ 5,185,656	$ -	$ -	$ 5,185,656
Total		$ 5,185,656	$ -	$ -	$ 5,185,656

See Note to Supplementary Information.

COMPTON COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

Total Fund Equity - District Funds Included in the Reporting Entity		
General Funds	$ 22,842,834	
Debt Service Funds	16,635,953	
Bond Construction Funds	43,400,096	
Capital Project Funds	3,435,893	
Child Development Fund	351,525	
Other Student and Trust Funds	523,065	
Internal Service Funds	1,023,296	
Pension Stabilization Fund	5,151,585	
Student Financial Aid Fund	759,442	$ 94,123,689
Total fund balances as reported in the CCFS-311		
Assets recorded within the statements of net position not included in the District fund financial statements:		
Capital assets	$ 280,316,238	
Accumulated depreciation	(84,244,900)	
Right-of-use leased assets	199,508	
Accumulated amortization	(171,705)	196,099,141
Unmatured Interest		(1,956,098)
Deferred outflows recorded within the statement of net position not included in the District fund financial statements:		
Deferred loss on refunding		6,578,820
Deferred outflows from OPEB		1,096,419
Deferred outflows from pensions		14,010,758
Liabilities recorded within the statements of net position not recorded in the District fund financial statements:		
General obligation bonds	$ (160,848,311)	
Bond premium	(6,106,513)	
Note payable	(2,110,573)	
Lease liability	(28,975)	
Compensated absences	(1,139,559)	
Net OPEB liability	(1,380,233)	
Net pension liability	(41,400,818)	(213,014,982)
Deferred inflows recorded within the statement of net position not included in the District fund financial statements:		
Deferred inflows from OPEB		(633,282)
Deferred inflows from pensions		(4,164,670)
Net Assets Reported Within the Statements of Net Position		$ 92,139,795

NOTE 1 – PURPOSE OF SCHEDULES

Organizational Structure

This schedule provides information about the District's governing board members, administration members and auxiliary organizations in good standing.

Schedule of Expenditures of Federal Awards

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2024. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the modified accrual basis of accounting. When applicable, 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. No Federal financial assistance has been provided to a subrecipient.

Indirect Cost Rate

The District has elected to use the 10% de minimis cost rate.

Schedule of Expenditures of State Awards

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

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

FTES is a measurement of the number of students attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis for making apportionments of State funds to community college districts. This schedule provides information regarding the attendance of students based on various methods of accumulating attendance data.

Reconciliation of the ECS 84362 (50 Percent Law) Calculation

ECS 84362 requires the District to expend a minimum of 50% of the unrestricted General Fund monies on salaries of classroom instructors. This is reported annually to the State Chancellor's Office. This schedule provides a reconciliation of the amount reported to the State Chancellor's Office and the impact of any audit adjustments and/or corrections noted during the audit.

NOTE 1 – PURPOSE OF SCHEDULES, continued

Details of the Education Protection Account Expenditures
This schedule provides information about the District's EPA revenue and summarizes the expenditures of EPA funds.

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

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*

Board of Trustees
Compton Community College District
Compton, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Compton Community College District (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 14, 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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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.

San Diego, California
March 14, 2025

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

Board of Trustees
Compton Community College District
Compton, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Compton 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, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Compton Community College District's compliance based on our audit

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

San Diego, California
March 14, 2025

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Trustees
Compton Community College District
Compton, California

<u>Report on State Compliance</u>

Opinion on State Compliance

We have audited Compton Community College District's (the District) compliance with the types of compliance requirements as identified in the 2023-24 California Community Colleges Chancellor's Office *Contracted District Audit Manual*, for the year ended June 30, 2024. The applicable state compliance requirements are identified in the table below.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the programs noted below that were audited for the year ended June 30, 2024.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the compliance requirements described in the 2023-24 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Our responsibilities under those standards and the compliance requirements are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

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 2023-24 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 of each applicable state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the 2023-24 California Community Colleges Chancellor's Office Contracted District Audit Manual, we:

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

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

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

Section 411 – SCFF Data Management Control Environment
Section 412 – SCFF Supplemental Allocation Metrics
Section 413 – SCFF Success Allocation Metrics
Section 421 – Salaries of Classroom Instructors (50 Percent Law)
Section 423 – Apportionment for Activities Funded From Other Sources
Section 424 – Student Centered Funding Formula Base Allocation: FTES
Section 425 – Residency Determination for Credit Courses
Section 426 – Students Actively Enrolled
Section 427 – Dual Enrollment (CCAP)
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 Response Block Grant Expenditures

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing over state laws and regulations based on the requirements described in the 2023-24 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

San Diego, California
March 14, 2025

FINDINGS AND QUESTIONED COSTS SECTION

Section I – Schedule of Audit Findings and Questioned Costs

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

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

CFDA Numbers	Name of Federal Program of Cluster
84.007, 84.033 84.063, 84.268	Student Financial Aid Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	No

STATE AWARDS

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

Section II – Financial Statement Findings

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

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

Section III – Federal Award Findings and Questioned Costs

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

There were no federal award findings or questioned costs identified during 2023-24.

Section IV – State Award Findings and Questioned Costs

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

There were no state award findings or questioned costs identified during 2023-24.

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

UNAUDITED SUPPLEMENTARY INFORMATION

COMPTON COMMUNITY COLLEGE DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEETS
JUNE 30, 2024

	General Unrestricted	Line of Credit General Unrestricted	General Restricted	Bond Interest and Redemption	Child Development	Capital Outlay Projects	Revenue Bond Construction	Internal Services
ASSETS								
Cash and equivalents	$ 19,816,713	$ 1,210,202	$ 15,499,392	$ 16,635,953	$ 733,945	$ 96,031,888	$ 35,687,599	$ 1,547,773
Accounts receivable, net	3,146,468	13,752	3,524,088	-	9,889	1,219,541	401,644	31,612
Prepaid assets	92,312	-	105,030	-	-	522,767	-	-
Other current assets	87,374	-	(9,693)	-	-	-	-	-
Due from other funds	-	-	-	-	-	27,784	7,832,816	-
Total Assets	$ 23,142,867	$ 1,223,954	$ 19,118,817	$ 16,635,953	$ 743,834	$ 97,801,980	$ 43,922,059	$ 1,579,385
LIABILITIES								
Accounts payable and accrued expenses	$ 5,387,352	$ -	$ 4,365,674	$ -	$ 385,127	$ 1,517,829	$ 494,179	$ 556,089
Deferred revenue	988,228	-	9,880,920	-	7,182	85,015,442	-	-
Current loans	-	-	-	-	-	-	-	-
Due to other funds	20,630	-	-	-	-	7,832,816	27,784	-
Total Liabilities	6,396,210	-	14,246,594	-	392,309	94,366,087	521,963	556,089
FUND EQUITY								
Restricted	-	-	4,872,223	16,635,953	351,525	3,435,893	43,400,096	1,023,296
Unrestricted	16,746,657	1,223,954	-	-	-	-	-	-
Total Fund Equity	16,746,657	1,223,954	4,872,223	16,635,953	351,525	3,435,893	43,400,096	1,023,296
Total Liabilities and Fund Equity	$ 23,142,867	$ 1,223,954	$ 19,118,817	$ 16,635,953	$ 743,834	$ 97,801,980	$ 43,922,059	$ 1,579,385

COMPTON COMMUNITY COLLEGE DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEETS
JUNE 30, 2024

	Associated Students	Student Representation Fee	Student Financial Aid	Scholarship and Loan	Payroll Clearing	Pension Stabilization Trust	Other Non-Fiduciary Trust	Total
ASSETS								
Cash and equivalents	$ 116,874	$ 18,135	$ 1,108,321	$ 85,652	$ 153,172	$ 5,151,585	$ 27,072	$ 193,824,276
Accounts receivable, net	289,234	21,076	889,191	973	-	-	781	9,548,249
Prepaid assets	-	-	-	-	-	-	-	720,109
Other current assets	-	-	-	-	-	-	-	77,681
Due from other funds	-	-	-	-	-	-	-	6,288,804
Total Assets	$ 406,108	$ 39,211	$ 1,997,512	$ 86,625	$ 153,172	$ 5,151,585	$ 27,853	$ 210,459,119
LIABILITIES								
Accounts payable and accrued expenses	$ -	$ 955	$ 625,298	$ 26,359	$ 159,274	$ -	$ -	$ 13,518,136
Deferred revenue	-	3,316	499,473	-	-	-	-	96,394,561
Current loans	-	-	113,299	-	-	-	-	113,299
Due to other funds	-	-	-	-	-	-	-	6,309,434
Total Liabilities	-	4,271	1,238,070	26,359	159,274	-	-	116,335,430
FUND EQUITY								
Restricted	406,108	34,940	759,442	60,266	-	5,151,585	27,853	76,159,180
Unrestricted	-	-	-	-	(6,102)	-	-	17,964,509
Total Fund Equity	406,108	34,940	759,442	60,266	(6,102)	5,151,585	27,853	94,123,689
Total Liabilities and Fund Equity	$ 406,108	$ 39,211	$ 1,997,512	$ 86,625	$ 153,172	$ 5,151,585	$ 27,853	$ 210,459,119

COMPTON COMMUNITY COLLEGE DISTRICT
GOVERNMENTAL FUNDS
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024

	General Unrestricted	Line of Credit General Unrestricted	General Restricted	Bond Interest and Redemption	Child Development	Capital Outlay Projects	Revenue Bond Construction	Internal Services
REVENUES								
Federal	$ 112,504	$ -	$ 771,880	$ -	$ 42,270	$ -	$ -	$ -
State	38,863,938	-	12,205,066	70,181	681,470	4,496,318	-	-
Local	13,695,571	101,154	1,878,832	14,122,170	37,829	3,191,986	(161,646)	827,235
Total Revenues	52,672,013	101,154	14,855,778	14,192,351	761,569	7,688,304	(161,646)	827,235
EXPENDITURES								
Academic salaries	15,483,455	-	2,705,253	-	158,210	-	-	-
Classified salaries	10,992,327	-	4,332,224	-	429,762	-	-	-
Employee benefits	12,664,675	-	2,568,895	-	281,423	-	-	-
Supplies and materials	471,932	-	1,501,660	-	24,833	-	-	-
Other operating expenses	4,196,494	-	2,742,331	-	1,815	862,855	153,322	1,322,063
Capital outlay	106,036	-	634,698	-	-	6,852,112	3,439,368	-
Other outgo	480,022	-	1,714,190	-	4,830	-	-	-
Debt Service - Principal	1,681,841	-	-	4,727,268	-	-	-	-
Debt Service - Interest and other issuance costs	-	-	-	3,150,439	-	-	-	-
Total Expenditures	46,076,782	-	16,199,251	7,877,707	900,873	7,714,967	3,592,690	1,322,063
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,595,231	101,154	(1,343,473)	6,314,644	(139,304)	(26,663)	(3,754,336)	(494,828)
OTHER FINANCING SOURCES (USES)								
Operating transfer in	1,152,618	-	5,467,163	20,576	150,000	2,550,000	-	400,000
Operating transfer out	(9,009,159)	-	(9,129)	(20,576)	-	270,000	-	(1,152,618)
Other sources	-	-	-	3,608,131	-	-	34,648,007	-
Total Other Financing Sources (Uses)	(7,856,541)	-	5,458,034	3,608,131	150,000	2,820,000	34,648,007	(752,618)
NET CHANGE IN FUND BALANCE	(1,261,310)	101,154	4,114,561	9,922,775	10,696	2,793,337	30,893,671	(1,247,446)
FUND BALANCE - BEGINNING	18,007,967	1,122,800	757,662	6,713,178	340,829	8,447,588	4,701,393	2,270,742
FUND BALANCE ADJUSTMENTS	-	-	-	-	-	(7,805,032)	7,805,032	-
FUND BALANCE - ENDING	$ 16,746,657	$ 1,223,954	$ 4,872,223	$ 16,635,953	$ 351,525	$ 3,435,893	$ 43,400,096	$ 1,023,296

COMPTON COMMUNITY COLLEGE DISTRICT
GOVERNMENTAL FUNDS
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024

	Associated Students	Student Representation Fee	Student Financial Aid	Scholarship and Loan	Payroll Clearing	Pension Stabilization Trust	Other Non-Fiduciary Trust	Total
REVENUES								
Federal	$ -	$ -	$ 9,452,947	$ -	$ -	$ -	$ -	$ 10,379,601
State	-	-	1,671,712	-	-	-	-	57,988,685
Local	39,218	15,209	261,665	7,159	4,260	463,882	-	34,484,524
Total Revenues	39,218	15,209	11,386,324	7,159	4,260	463,882	-	102,852,810
EXPENDITURES								
Academic salaries	-	-	-	-	-	-	-	18,346,918
Classified salaries	-	-	-	-	-	-	-	15,754,313
Employee benefits	-	-	-	-	-	-	-	15,514,993
Supplies and materials	-	-	-	-	-	-	-	1,998,425
Other operating expenses	155,136	21,863	20,060	-	-	-	24,193	9,500,132
Capital outlay	-	-	-	-	-	-	-	11,032,214
Other outgo	-	-	11,779,877	-	-	-	-	13,978,919
Debt Service - Principal	-	-	-	-	-	-	-	6,409,109
Debt Service - Interest and other issuance costs	-	-	-	-	-	-	-	3,150,439
Total Expenditures	155,136	21,863	11,799,937	-	-	-	24,193	95,685,462
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES	(115,918)	(6,654)	(413,613)	7,159	4,260	463,882	(24,193)	7,167,348
OTHER FINANCING SOURCES (USES)								
Operating transfer in	-	-	-	-	-	200,000	-	9,940,357
Operating transfer out	-	-	-	-	-	-	-	(9,921,482)
Other sources	-	-	-	-	-	-	-	38,256,138
Total Other Financing Sources (Uses)	-	-	-	-	-	200,000	-	38,275,013
NET CHANGE IN FUND BALANCE	(115,918)	(6,654)	(413,613)	7,159	4,260	663,882	(24,193)	45,442,361
FUND BALANCE - BEGINNING	486,898	41,594	1,173,055	53,107	(10,362)	4,487,703	52,046	48,681,328
FUND BALANCE ADJUSTMENTS	35,128	-	-	-	-		-	-
FUND BALANCE - ENDING	$ 406,108	$ 34,940	$ 759,442	$ 60,266	$ (6,102)	$ 5,151,585	$ 27,853	$ 94,123,689