Financial Statements
June 30, 2024

Pasadena Area Community College District

PASADENA CITY COLLEGE

EideBailly

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Independent Auditor's Report

Board of Trustees
Pasadena Area Community College District
Pasadena, California

Report on the Audit of the Financial Statements

Opinions

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

Restatement

As discussed in Note 14 to the financial statements, the discretely presented component unit was not included in the June 30, 2023 financial statements of the District. Accordingly, Pasadena City College Foundation, Inc. is now properly presented as a discretely presented component unit in the June 30, 2024 financial statements. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14 and other required supplementary schedules on pages 71 through 79 as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, including the Schedule of Expenditures of Federal Awards, as required by 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), and other supplementary information listed in the table of contents, 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Expenditures of Federal Awards and other supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2024 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.

Eide Bailly LLP

Rancho Cucamonga, California
December 6, 2024

INTRODUCTION

This section of our annual financial report offers a narrative overview and analysis of the financial activities of the Pasadena Area Community College District (the District) for the year ended June 30, 2024. This analysis is presented with comparative information from the years ended June 30, 2024 and June 30, 2023 to highlight changes from one year to the next. This section of our report should be read in conjunction with the basic financial statements, including footnotes. Responsibility for the completeness and accuracy of this information rests with the District management.

USING THIS ANNUAL REPORT

As required by generally accepted accounting principles, the annual report consists of three basic financial statements that provide information on the District's activities as a whole; the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

The Pasadena Area 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 College and Universities*. The statements allow for the presentation of financial activity and results of operations which focuses on the District as a whole. The government-wide financial statements present the overall results of operations whereby all of 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 (net short-term spendable 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. This approach is intended to summarize and simplify the user's analysis of the cost of various District services to student and the public. The Statement of Cash Flows provides an analysis of the sources and uses of cash within the operations of the District.

As recommended by the California Community Colleges Chancellor's Office, the District follows the Business-Type Activity (BTA) model for financial statement reporting purposes.

FINANCIAL HIGHLIGHTS

- The District ended the year with a General Unrestricted Fund Balance of $53,860,029 which consists of primarily of one-time carry over funds. It is important to note that the carryover balance is one-time in nature and not a recurring funding source. Though a portion of the carryover balance is set aside to meet the State Chancellor's Office recommended reserve level of five percent ($11.1 million), Pasadena Area Community College District board policy requires an eighteen percent ($39.9 million) General Unrestricted Fund Balance. These reserves are specifically designated to address uncertainties and fluctuations in State funding, ensure the District's fiscal stability, and maintain a healthy cash reserve to support short-term operational needs.

- Salaries and benefits of the Academic, Classified, and Administrative salaries of District employees represent 91.33% of the total General Unrestricted Fund Expenditures (excluding any transfers). This represents an increase of 1.64% from the prior year percentage of 89.85%.

- The District provided Federal, State, and local student financial aid including fee waivers to qualifying District Students in the amount of approximately $70.0 million. This represents an increase of approximately $7.3 million from the 2022-2023 fiscal year. This aid is provided through grants, loans, scholarships, and tuition reductions from the Federal Government, State Chancellor's Office, and local funding.

- The District's primary funding source is apportionment received from the State of California, which is primarily based on the calculation of Full-Time Equivalent Students (FTES). For the 2023-2024 fiscal year, the District reported a total of 20,828 FTES, reflecting an increase of 2,803 FTES compared to the 2022-2023 fiscal year. The Student Center Funding Formula FTES was calculated based on P-2 data, which showed 23,399.14 FTES. With the sunset of the Emergency Protection for Apportionment Calculation under California Code of Regulations, Title 5, Section 58146, the funded FTES for fiscal year 2023-2024 is now determined based on a 3-year average of FTES from fiscal years 2021-2022, 2022-2023 and 2023-2024.

- The District reports a liability for its proportionate share of Net Pension Liability (NPL) as a result of GASB Statements No. 68 and No. 71, which requires that the District report its proportionate share of the net pension liabilities, pension expense, and deferred inflows and outflows of resources. As a result of implementing GASB Statement No. 68, the District's aggregate net pension liability as of June 30, 2024 was approximately $173.4 million. This represents an increase of $8.3 million in our proportionate share of Net Pension Liability from fiscal year 2022-2023.

- During the 2017-2018 fiscal year, the District established an irrevocable trust under Governmental Accounting Standards Board (GASB) Statement No. 74 with Public Agency Retirement Services (PARS) to fund other postemployment benefit (OPEB) liabilities. In fiscal year 2023-2024, the District has fully funded the OPEB trust, ensuring postemployment benefits for both current and future eligible retirees.

- During the 2017-2018 fiscal year, the District established an irrevocable pension stability trust with Public Agency Retirement Services (PARS) to assist in stabilizing the District's funding for the growing liabilities of the State Teachers' Retirement System (STRS) and Public Employees' Retirement System (PERS). As of June 30, 2024, the District has contributed a total of $4.0 million to this trust.

- The District's Change in Net Position for the current fiscal year shows an increase of $64.9 million, largely driven by the financial resources generated from the sale of Series A bonds under Measure PCC. Thanks to voter approval of Measure PCC, the District is now able to initiate construction and modernization projects across the campus, in alignment with the Facilities Master Plan approved by the Board of Trustees.

THE DISTRICT AS A WHOLE

Net Position

Condensed financial information is as follows:

Table 1

	2024	2023	Change
Assets			
Cash and investments	$ 410,737,651	$ 335,376,813	$ 75,360,838
Accounts receivable, net	40,586,629	42,198,480	(1,611,851)
Other current assets	262,619	304,634	(42,015)
Lease receivables	1,275,019	511,718	763,301
Net OPEB asset	1,294,337	-	1,294,337
Capital assets, net	232,554,373	200,289,778	32,264,595
Total assets	686,710,628	578,681,423	108,029,205
Deferred Outflows of Resources	58,323,413	53,638,056	4,685,357
Liabilities			
Accounts payable and accrued liabilities	168,697,702	208,643,035	(39,945,333)
Current portion of long-term liabilities	26,206,392	8,318,886	17,887,506
Noncurrent portion of long-term liabilities	343,651,541	268,740,032	74,911,509
Total liabilities	538,555,635	485,701,953	52,853,682
Deferred Inflows of Resources	28,318,635	33,364,416	(5,045,781)
Net Position			
Net investment in capital assets	131,869,027	114,104,618	17,764,409
Restricted	141,054,510	106,365,947	34,688,563
Unrestricted deficit	(94,763,766)	(107,217,455)	12,453,689
Total net position	$ 178,159,771	$ 113,253,110	$ 64,906,661

Assets

Total assets increased approximately $108.0 million, a percentage increase of 18.7%. The major changes affecting total assets are listed below:

- Cash and investments increased approximately $75.4 million, primarily due to the receipt of proceeds from the sale of Series A, Measure PCC bond.
- Accounts receivable decreased approximately $1.6 million, primarily due to a recalculation of the Education Protection Account (EPA) in June to address a delay and shortfall in State income tax receipts. This marks the second instance in which the Chancellor's Office has made this type of adjustment.

Liabilities

Total liabilities increased by approximately $52.9 million, a percentage increase of 10.9%. The major changes affecting total liabilities are listed below:

- Current liabilities decreased by approximately $40.0 million, primarily due to more timely payments to vendors and the June recalculation of the Education Protection Account (EPA), which reduced accounts payable liabilities by $8.5 million. Fiscal year 2023-2024 marks the second year in which the State Chancellor's Office revised the EPA calculation in June, just before the fiscal year-end. It is important to note that this shift does not affect actual revenue or obligations; rather, it represents a change in accounting categories and the timing of revenue recognition for the District. Additionally, the District earned more grant funds during the fiscal year, which led to a reduction of approximately $31.5 million in unearned grant funds. The majority of this reduction was due to increased distributions to sub-awardees from the District's two largest grants (Los Angeles Regional Consortium and Micro Nano Technology Education Center grants).
- Noncurrent liabilities increased by $92.8 million, reflecting the net impact of several factors. This includes an increase in long-term obligations due to the issuance of Series A Measure PCC bonds of $122 million, and a decrease in obligations from the full repayment of the Certificate of Participation, totaling $28.8 million.

Deferred Outflows/Deferred Inflows of Resources

Pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, the District recognized deferred outflows and inflows of resources related to pensions in the District wide financial statements. Refer to Note 12 for the District's deferred outflows and inflows of resources related to pensions.

In addition to assets, the District reported a separate section for 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 outflow of resources (expense/expenditure) until then.

In addition to liabilities, the District reported 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 an inflow of resources (revenue) until that time.

Operating Results for the Year

The results of this year's operations for the District as a whole are reported in the Statement of Revenues, Expenses and Changes in Net Position on page 16.

Table 2

	2024	2023	Change
Operating Revenues			
Tuition and fees	$ 26,208,392	$ 18,967,068	$ 7,241,324
Grants and contracts, noncapital	110,719,561	91,754,380	18,965,181
Total operating revenues	136,927,953	110,721,448	26,206,505
Operating Expenses			
Salaries and benefits	204,422,671	177,666,741	26,755,930
Supplies, services, equipment, and maintenance	107,988,931	88,884,995	19,103,936
Student financial aid	63,984,361	62,302,140	1,682,221
Depreciation and amortization	8,690,247	9,587,372	(897,125)
Total operating expenses	385,086,210	338,441,248	46,644,962
Operating loss	(248,158,257)	(227,719,800)	(20,438,457)
Nonoperating Revenues (Expenses)			
State apportionments	130,653,002	117,322,176	13,330,826
Property taxes	79,881,988	61,015,195	18,866,793
Student financial aid grants	60,998,030	55,535,067	5,462,963
State revenues	12,751,191	12,480,755	270,436
Net interest income (expense)	7,394,238	4,165,144	3,229,094
Other nonoperating revenues	2,805,455	3,443,485	(638,030)
Total nonoperating revenue (expenses)	294,483,904	253,961,822	40,522,082
Other Revenues	18,581,014	14,232,382	4,348,632
Change in net position	$ 64,906,661	$ 40,474,404	$ 24,432,257

The operating revenue for the District is specifically defined as revenues from users of the colleges' facilities and programs. Excluded from the operating revenues are the components of the primary source of District funding. The District's primary revenue sources are local property taxes, student enrollment fees, State apportionment, and Education Protection Plan, which increased in fiscal year 2023-2024. Property taxes levied and received from property within the District's boundaries increased by approximately $18.9 million during the year. Because these revenue sources are not from the direct users of the educational services (students), they are considered nonoperating revenues. As a result, the operating loss of $248.2 million is balanced by the other funding sources. Total District expenses were less than the total District revenues by $64.9 million for the year ended June 30, 2024.

Grant and contract revenues relate primarily to student financial aid and to specific Federal and State grants received for programs serving the students and programs of the District. These grant and program revenues are restricted to allowable expenses related to the programs.

During 2023-2024, the District's investment income was $12.4 million and interest expense was $5.0 million. Interest income is primarily derived from cash held in the Los Angeles County Treasury. Interest income has increased approximately $3.2 million from the 20223-20234 fiscal year due to an increase in the interest rate yield.

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:

Table 3

Year ended June 30, 2024:

	Salaries and Employee Benefits	Supplies, Material, and Other Expenses and Services	Student Financial Aid	Equipment, Maintenance, and Repairs	Depreciation and Amortization	Total
Instructional activities	$ 108,783,812	$ 3,569,860	$ -	$ 478,376	$ -	$ 112,832,048
Academic support	15,962,530	5,697,464	-	410,680	-	22,070,674
Student services	36,380,218	5,943,051	-	56,681	-	42,379,950
Plant operations and maintenance	10,578,534	6,059,519	-	-	-	16,638,053
Instructional support services	26,549,306	67,859,639	-	173,822	-	94,582,767
Community services	1,780,198	2,781,530	-	24,589	-	4,586,317
Ancillary services and auxiliary operations	4,353,739	2,500,492	-	1,435	-	6,855,666
Physical property and related acquisitions	34,334	1,310,964	-	11,120,829	-	12,466,127
Student aid	-	-	63,984,361	-	-	63,984,361
Unallocated depreciation and amortization	-	-	-	-	8,690,247	8,690,247
Total	$ 204,422,671	$ 95,722,519	$ 63,984,361	$ 12,266,412	$ 8,690,247	$ 385,086,210

Changes in Cash Position

The Statement of Cash Flows provides information about cash receipts and payments during the year. This statement also assists users in assessing the District's ability to meet its obligations as they come due and its need for external financing.

Table 4

	2024	2023	Change
Net Cash Flows from			
Operating activities	$ (310,358,112)	$ (177,043,648)	$(133,314,464)
Noncapital financing activities	262,246,215	241,263,984	20,982,231
Capital financing activities	113,177,775	(7,640,844)	120,818,619
Investing activities	14,698,034	(1,941,096)	16,639,130
Net Increase in Cash and Cash Equivalents	79,763,912	54,638,396	25,125,516
Cash and Cash Equivalents, Beginning of Year	323,169,202	268,530,806	54,638,396
Cash and Cash Equivalents, End of Year	$ 402,933,114	$ 323,169,202	$ 79,763,912

The primary operating receipts are student tuition and fees. The primary operating expense of the District is the payment of salaries and benefits to instructional and classified support staff. Noncapital financing activities include receipts from State apportionment and property taxes. Capital financing activities relate to the spending of the 2021 COP proceeds.

While State apportionment and property taxes are the primary source of noncapital related revenue, the GASB accounting standards require that this source of revenue is nonoperating as it comes from the general resources of the State and not from the primary users of the District's programs and services (students). The District depends upon this funding as the primary source of funds to continue the current level of operations.

CAPITAL ASSETS

As of June 30, 2024, the District had approximately $232.6 million invested in net capital assets. Total capital assets of $425.1 million consist of land, construction in progress, buildings and improvements, vehicles, equipment, right-to-use leased assets, and right-to-use subscription IT assets. These assets have accumulated depreciation/amortization of $192.5 million. In fiscal year 2023-24, there were total asset additions in the amount of $42.4 million, which primarily includes costs for the Sarafian Building Replacement Project, and depreciation/amortization expense of $8.7 million.

Note 7 to the financial statements provides additional information on capital assets. A comparison of capital assets, net of depreciation and amortization, is summarized below:

Table 5

	2024	2023	Net Change
Land and construction in progress	$ 73,761,279	$ 37,880,235	$ 35,881,044
Buildings and improvements, net	148,695,036	152,331,347	(3,636,311)
Furniture and equipment, net	7,762,924	5,532,287	2,230,637
Right-to-use leased assets, net	313,718	1,510,018	(1,196,300)
Right-to-use subscription IT assets, net	2,021,416	3,035,891	(1,014,475)
Total capital assets, net	$ 232,554,373	$ 200,289,778	$ 32,264,595

Long-Term Liabilities including OPEB and Pensions

Long-term liabilities consist primarily of general obligation bonds, leases, subscription-based IT arrangements, aggregate net pension liability, and the net other postemployment benefits (OPEB) liability. At June 30, 2024, the District had approximately $188.5 million in liability outstanding due to the issuance of general obligation bonds. At June 30, 2024, the District's aggregate net pension liability was approximately $173.4 million. Note 11 to the financial statements provides additional information on the District's aggregate net pension liability.

The District is also obligated to employees of the District for vacation and load banking benefits.

Notes 8, 9, and 11 in the financial statements provides additional information on long-term liabilities. A summary of long-term liabilities is presented below.

Table 6

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
General obligation bonds	$ 58,422,380	$ 138,843,461	$ (8,730,048)	$ 188,535,793
COPs	30,365,597	-	(30,365,597)	-
Leases	1,601,094	392,147	(1,672,523)	320,718
Subscription-based IT arrangements	2,452,605	-	(918,159)	1,534,446
Aggregate net OPEB liability	9,177,994	-	(8,708,055)	469,939
Aggregate net pension liability	165,122,487	8,817,940	(490,796)	173,449,631
Other long-term liabilities	9,916,761	412,569	(4,781,924)	5,547,406
Total long-term liabilities	$ 277,058,918	$ 148,466,117	$ (55,667,102)	$ 369,857,933
Amount due within one year				$ 26,206,392

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revises its budget to accommodate unanticipated changes in revenues and expenditures. The Board of Trustees adopted the final amendment to the budget for the 2023-2024 fiscal year on June 18, 2024.

The District's adopted budget for the unrestricted General Fund projected total income of $218,160,071 and total expenses (excluding interfund transfers and other outgo) of $210,292,224. The actual total income was $227,173,976, while total expenses amounted to $196,889,060.

ECONOMIC FACTORS AFFECTING THE FUTURE OF PASADENA AREA COMMUNITY COLLEGE DISTRICT

The financial strength and stability of the District is closely aligned with California's economic position as State apportionments, State Mandated Cost Reimbursements, and property taxes allocated to the District represent approximately 83% of the unrestricted General Fund income.

The enacted State budget projects significant multi-year deficits, with a $45 billion shortfall in 2024-2025 and $30 billion in 2025-2026. To address these deficits, the State has implemented cuts across various government operations, reduced program funding, and paused new investments. However, the budget largely shielded K-14 education from major cuts, with no significant reductions to Proposition 98 funding. To maintain education funding and ensure fiscal stability, the State opted to draw on reserves and operational savings.

The enacted State budget includes a withdrawal of $8.4 billion from the Proposition 98 Rainy Day Fund, along with a moderate 1.08% Cost of Living Adjustment (COLA) for apportionment and select state-funded categorical programs. Additionally, the budget provides approximately $28.1 million in ongoing Proposition 98 General Fund support to accommodate 0.5% enrollment growth.

The budget also includes apportionment deferrals, with a $446.4 million deferral for the Student Centered Funding Formula (SCFF) from the 2023-2024 to the 2024-2025 fiscal year, followed by another $243.7 million deferral from 2024-2025 to 2025-2026. If these deferrals occur, they could create cash flow challenges for the California Community College system. Fortunately, the District has a healthy cash reserve but remains vigilant, closely monitoring apportionment payments, and is prepared to respond if these deferrals come to fruition.

The 2021 Budget Act extends hold harmless (minimum revenue) provision through fiscal year 2024-2025, under which districts will earn at least their 2017-2018 total computational revenue adjusted by COLA each year. The 2022 Budget Act extended the revenue protections in a modified form. Fiscal year 2024-2025 funding will represent its new "floor," below which it cannot drop. Starting in 2025-2026, districts will be funded at their SCFF generated amount that year or their "floor" (2024-2025 funding amount), whichever is higher. This modified hold harmless provision will no longer include adjustments to reflect cumulative cost of living adjustments over time, so a District's hold harmless amount will not grow.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, please contact Pasadena Area Community College District, 1570 East Colorado Boulevard, Pasadena, California 91106, or call (626) 585-7170.

Assets	
Cash and cash equivalents	$ 4,407,525
Investments	406,330,126
Accounts receivable	32,956,506
Student receivables, net	7,630,123
Prepaid expenses	256,038
Inventories	6,581
Lease receivables	1,275,019
Net other postemployment benefits (OPEB) asset	1,294,337
Capital assets not being depreciated or amortized	73,761,279
Capital assets, net of accumulated depreciation and amortization	158,793,094
Total assets	686,710,628
Deferred Outflows of Resources	
Deferred outflows of resources related to debt refunding	1,446,459
Deferred outflows of resources related to OPEB	1,948,814
Deferred outflows of resources related to pensions	54,928,140
Total deferred outflows of resources	58,323,413
Liabilities	
Accounts payable	50,029,583
Accrued interest payable	3,391,214
Unearned revenue	115,276,905
Long-term liabilities	
Long-term liabilities other than OPEB and pensions, due within one year	26,206,392
Long-term liabilities other than OPEB and pensions, due in more than one year	169,731,971
Net other postemployment benefits (OPEB) liability	469,939
Aggregate net pension liability	173,449,631
Total liabilities	538,555,635
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	6,722,494
Deferred inflows of resources related to pensions	20,397,157
Deferred inflows of resources related to leases	1,198,984
Total deferred inflows of resources	28,318,635
Net Position	
Net investment in capital assets	131,869,027
Restricted for	
Debt service	29,276,234
Capital projects	69,399,829
Educational programs	9,171,792
Other activities	33,206,655
Unrestricted deficit	(94,763,766)
Total net position	$ 178,159,771

Operating Revenues	
Tuition and fees	$ 35,097,708
Less: Scholarship discounts and allowances	(8,889,316)
Net tuition and fees	26,208,392
Grants and contracts, noncapital	
Federal	14,568,839
State	95,604,418
Local	546,304
Total grants and contracts, noncapital	110,719,561
Total operating revenues	136,927,953
Operating Expenses	
Salaries	150,628,693
Employee benefits	53,793,978
Supplies, materials, and other operating expenses and services	95,722,519
Student financial aid	63,984,361
Equipment, maintenance, and repairs	12,266,412
Depreciation and amortization	8,690,247
Total operating expenses	385,086,210
Operating Loss	(248,158,257)
Nonoperating Revenues (Expenses)	
State apportionments, noncapital	130,653,002
Local property taxes, levied for general purposes	51,705,406
Taxes levied for other specific purposes	28,176,582
Federal and State financial aid grants	60,998,030
State taxes and other revenues	12,751,191
Investment income	13,202,763
Interest expense on capital related debt	(5,001,105)
Investment income on capital asset-related debt, net	(807,420)
Other nonoperating revenue	2,805,455
Total nonoperating revenues (expenses)	294,483,904
Income Before Other Revenues	46,325,647
Other Revenues	
State revenues, capital	18,581,014
Change In Net Position	64,906,661
Net Position, Beginning of Year	113,253,110
Net Position, End of Year	$ 178,159,771

Cash Flows from Operating Activities	
Tuition and fees	$ 17,310,087
Federal, state, and local grants and contracts, noncapital	66,997,600
Payments to or on behalf of employees	(210,223,611)
Payments to vendors for supplies and services	(120,457,827)
Payments to students for scholarships and grants	(63,984,361)
Net cash flows from operating activities	(310,358,112)
Cash Flows from Noncapital Financing Activities	
State apportionments	123,959,218
Federal and state financial aid grants	67,972,198
Property taxes - nondebt related	51,705,406
State taxes and other apportionments	14,801,625
Other nonoperating	3,807,768
Net cash flows from noncapital financing activities	262,246,215
Cash Flows from Capital Financing Activities	
Purchase of capital assets	(42,935,203)
Proceeds from capital debt	138,843,461
State revenue, capital	31,672,859
Property taxes - related to capital debt	28,176,582
Principal paid on capital debt	(37,192,322)
Interest paid on capital debt	(5,881,252)
Interest received on capital asset-related debt	493,650
Net cash flows from capital financing activities	113,177,775
Cash Flows from Investing Activities	
Proceeds from sales and maturities of investments	4,403,074
Change in fair market value of cash in county	(5,312,990)
Interest received from investments	15,607,950
Net cash flows from investing activities	14,698,034
Change In Cash and Cash Equivalents	79,763,912
Cash and Cash Equivalents, Beginning of Year	323,169,202
Cash and Cash Equivalents, End of Year	$ 402,933,114

Reconciliation of Net Operating Loss to Net Cash Flows from Operating Activities	
Operating Loss	$ (248,158,257)
Adjustments to reconcile operating loss to net cash flows from operating activities	
Depreciation and amortization expense	8,690,247
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources	
Accounts receivable	906,003
Student receivables, net	(1,060,181)
Lease receivables	(763,301)
Inventories	729
Prepaid expenses	41,286
Net OPEB asset	(1,294,337)
Deferred outflows of resources related to OPEB	756,236
Deferred outflows of resources related to pensions	(5,648,606)
Accounts payable	(1,603,754)
Unearned revenue	(52,428,130)
Compensated absences	194,305
Load banking	218,264
Claims liability	(4,781,924)
Net OPEB liability	(8,708,055)
Aggregate net pension liability	8,327,144
Deferred inflows of resources related to leases	725,343
Deferred inflows of resources related to OPEB	351,601
Deferred inflows of resources related to pensions	(6,122,725)
Total adjustments	(62,199,855)
Net cash flows from operating activities	$ (310,358,112)
Cash and Cash Equivalents Consist of the Following:	
Cash on hand and in banks	$ 4,407,525
Cash in county treasury	398,525,589
Total cash and cash equivalents	$ 402,933,114
Noncash Transactions	
Amortization of deferred outflows of resources related to debt refunding	$ 207,013
Amortization of debt premiums	$ 3,005,645
Recognition of lease liabilities arising from obtaining right-to-use leased assets	$ 392,147

Assets	
Current assets	
Cash and cash equivalents	$ 711,944
Student loan receivables	27,102
Promises to give	566,561
Total current assets	1,305,607
Noncurrent assets	
Investments	72,774,128
Beneficial interest in assets held by the Foundation for California Community Colleges	2,247,560
Student loan receivables, net	641,028
Promises to give, net	590,597
Land held for sale	10,850
Total noncurrent assets	76,264,163
Total assets	$ 77,569,770
Liabilities and Net Assets	
Current Liabilities	
Accounts payable	$ 990,129
Net assets	
Without donor restrictions	36,437,545
With donor restrictions	40,142,096
Total net assets	76,579,641
Total liability and net assets	$ 77,569,770

	Without Donor Restriction	With Donor Restriction	Total
Revenues			
Contributions	$ 1,452,118	$ 2,768,324	$ 4,220,442
Flea market revenues	487,584	-	487,584
In-kind donations	226,649	-	226,649
Donated facilities	99,200	-	99,200
Other revenues	-	2,374	2,374
Assets released from restrictions	3,249,763	(3,249,763)	-
Total revenues	5,515,314	(479,065)	5,036,249
Expenses			
Program	4,388,745	-	4,388,745
Management and general	472,212	-	472,212
Fundraising	511,233	-	511,233
Total expenses	5,372,190	-	5,372,190
Other Income			
Investment income, net of fees	3,789,013	3,333,761	7,122,774
Change in beneficial interest in assets held by the Foundation for California Community College	-	137,975	137,975
Total other income	3,789,013	3,471,736	7,260,749
Change in Net Assets	3,932,137	2,992,671	6,924,808
Net Assets - Beginning of Year	32,505,408	37,149,425	69,654,833
Net Assets - End of Year	$ 36,437,545	$ 40,142,096	$ 76,579,641

Cash Flows from Operating Activities	
Contributions	$ 3,699,942
Flea market revenues	487,584
Interest and dividends, net of fees	163,035
Other revenues	2,374
Reimbursements to the District on behalf of employees	(942,230)
Payments for college support	(1,869,544)
Payments to students for scholarships and grants	(1,515,882)
Payments to vendors for supplies and services	(632,817)
Net cash flows from operating activities	(607,538)
Cash Flows from Investing Activities	
Purchases of investments	(18,403,454)
Proceeds from sales and maturities of investments	15,295,113
Net cash flows from investing activities	(3,108,341)
Cash Flows from Financing Activities	
Collections of contributions restricted for long-term purposes	651,510
Disbursement of student loans receivable	(120,000)
Collections on student loans receivable	36,220
Net cash flows from capital financing activities	567,730
Change In Cash and Cash Equivalents	(3,148,149)
Cash and Cash Equivalents, Beginning of Year	3,860,093
Cash and Cash Equivalents, End of Year	$ 711,944
Reconciliation of Change in Net Assets to Cash Flows from Operating Activities	
Change in Net Assets	$ 6,924,808
Adjustments to reconcile change in net assets to cash flows from operating activities	
Contributions restricted for long-term purposes	(651,510)
Discount on promises to give	(26,919)
Allowance for uncollectible student loans	43,783
Distributions from beneficial interest in assets held by the Foundation for California Community Colleges	102,468
Change in beneficial interest in assets held by the Foundation for California Community Colleges	(240,443)
Realized gains on investments	(1,759,978)
Unrealized gains on investments	(5,199,761)
Changes in operating assets and liabilities	
Promises to give	157,929
Accounts payable	42,085
Net cash flows from operating activities	$ (607,538)

	Retiree OPEB Trust
Assets	
Investments	$ 35,813,871
Net Position	
Restricted for postemployment benefits other than pensions	$ 35,813,871

	Retiree OPEB Trust
Additions	
District contributions	$ 9,995,769
Interest and investment income	2,539,660
Total additions	12,535,429
Deductions	
Benefit payments	1,328,882
Administrative expenses	64,604
Total deductions	1,393,486
Change in Net Position	11,141,943
Net Position - Beginning of Year	24,671,928
Net Position - End of Year	$ 35,813,871

Note 1 - Organization

Pasadena Area Community College District (the District) was established in 1967 as a political subdivision of the State of California and is a comprehensive, public, two-year institution offering educational services to residents of the surrounding area. The District operates under a locally elected seven-member Board of Trustees form of government, which establishes the policies and procedures by which the District operates. The Board must approve the annual budgets for the General Fund, special revenue funds, and capital project funds, but these budgets are managed at the department level. Currently, the District operates one college and two education centers located within Pasadena and Rosemead. 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.

Note 2 - Summary of Significant Accounting Policies

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, as defined by accounting principles generally accepted in the United States of America and established by the Governmental Accounting Standards Board (GASB). The financial reporting entity consists of the primary government (the District), as well as its component unit, Pasadena City College Foundation, Inc. (the Foundation). The Foundation is a separate, not for profit organization, and the District does provide and receive direct benefits to and from the Foundation. The Board of Directors for the Foundation is elected independent of any District's Board of Trustee's appointments. The Board of Directors is responsible for approving the Foundation budget and accounting and finance related activities The financial activities of the Foundation have been discretely presented. The Foundation’s separate financial statements may be requested through the Foundation.

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. Fiduciary activities are excluded from the primary government financial statements. 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.

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. 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 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 are 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. The District provides for an allowance for uncollectable 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 $1,290,413 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.

Inventories

Inventories consist primarily of bookstore merchandise, cafeteria food, and supplies held for resale to the students and faculty of the colleges. Inventories are stated at cost, utilizing the weighted average method. The cost is recorded as an expense as the inventory is consumed rather than when purchased.

Capital Assets, Depreciation, and Amortization

Capital assets are long-lived assets of the District as a whole and include land, construction in progress, buildings, building and land 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 using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings and land improvements, 50 years; site improvements, 20 years; equipment, 5 to 15 years.

The District records the value of intangible right-to-use assets based on the underlying leased asset in accordance with GASB Statement No. 87, *Leases*. The right-to-use intangible asset is amortized each year for the term of the contract or useful life of the underlying asset.

The District records the value of right-to-use subscription IT assets based on the underlying subscription asset in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The right-to-use subscription IT asset is amortized each year for the term of the contract or useful life of the underlying asset.

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 District also participates in "load banking" with eligible academic employees whereby the employee may teach extra courses in one period in exchange for time off in another period. The liability for this benefit is reported on the 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 school members who retire after January 1, 1999. At retirement, each member will receive 0.004 year of service credit for each day of unused sick leave. Retirement credit for unused sick leave is applicable to all 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.

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 related to debt refunding, for OPEB related items, and for pension related items. The deferred outflows of resources related to debt refunding resulted from the difference between the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. 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 leases, 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. At the time of commencement of the lease term, 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.

The District recognizes a lease receivable and a deferred inflow of resources in the government-wide financial statements. At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Subscription-based IT Arrangements

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

Pensions

For purposes of measuring the aggregate 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.

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 Plan and the CalSTRS Medicare Premium Payment (MPP) Program and additions to/deductions from the District Plan and the MPP’s fiduciary net position have been determined on the same basis as they are reported by the District Plan and the MPP. For this purpose, the District Plan and the MPP recognize 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 will be paid primarily by the General Fund.

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 statement of net position and the revenue is recognized. Unearned revenue is primarily composed of amounts received for tuition and fees prior to the end of the fiscal year that are related to the subsequent fiscal year and amounts received from Federal and State grants received before the eligibility requirements are met.

Noncurrent Liabilities

Noncurrent liabilities include bonds payable, leases, subscription-based IT arrangements, certificates of participation, compensated absences, load banking, and claims 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 and amortization and deferred outflows of resources associated with debt refunding, 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 report $141,054,510 of restricted net position, and the fiduciary fund financial statements report $35,813,871 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, and noncapital Federal, State, and local grants and contracts.

- **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.

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.

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 a General Obligation Bond in 2002 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 Discount and Allowances

Tuition and fee revenue is reported net of scholarship discounts and allowances. Fee waivers approved by the California Community College Board of Governors are included within the scholarships, 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* 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 difference could be material.

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 and fiduciary funds has been eliminated respectively in the consolidation process of the basic financial statements. Balances owing between the primary government and the fiduciary funds are not eliminated in the consolidation process.

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 and fiduciary funds has been eliminated respectively in the consolidation process of the basic financial statements. Balances transferred between the primary government and the fiduciary funds are not eliminated in the consolidation process.

Adoption of New Accounting Standard

Implementation of GASB Statement No. 100

As of July 1, 2023, the District adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*. The implementation of this standard requires additional presentation and disclosure requirements for accounting changes and error corrections. The financial statements have been updated to conform to the presentation requirements related to the accounting change in the financial statements for the year ended June 30, 2024. Additional disclosures required by this standard are included in Note 14.

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 corporation 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 - In accordance with the California Community College Chancellor's Office *Budget and Accounting Manual*, the District maintains substantially all of its cash in the County Treasury as part of the common investment pool. The District is considered to be an involuntary participant in the external investment pool. 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.

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	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	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

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements rather than the general provisions of the California *Government Code*. 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, 2024, consist of the following:

	Primary Government	Fiduciary Fund
Cash on hand and in banks	$ 3,715,452	$ -
Cash in revolving	692,073	-
Investments	406,330,126	35,813,871
Total deposits and investments	$ 410,737,651	$ 35,813,871

Interest Rate Risk and Credit 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 primarily investing in the Los Angeles County Investment Pool and mutual funds. 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.

Investment Type	Fair Value	Weighted Average Days to Maturity	Credit Rating
Los Angeles County Investment Pool	$ 398,525,589	668	Not rated
Mutual funds	42,411,661	No maturity	Not rated
Money market funds	82,396	No maturity	Not rated
U.S. Treasury Bills	588,239	142	AA+
Municipal bonds	172,598	875	A
Corporate bonds	146,647	626	BBB+
Agency Securities	92,780	787	AA+
CMO and Asset-Backed Securities	124,087	1,675	Not rated
Total	$ 442,143,997		

Custodial Credit Risk - Deposits and Investments

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 $6.3 million 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.

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 $42.6 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:

		Fair Value Measurements Using	
Investment Type	Fair Value	Level 1 Inputs	Level 2 Inputs
Mutual funds	$ 42,411,661	$ 42,411,661	$ -
U.S. Treasury Bills	588,239	-	588,239
Municipal bonds	172,598	-	172,598
Corporate bonds	146,647	-	146,647
Agency securities	92,780	-	92,780
CMO and asset-backed securities	124,087	-	124,087
Total	$ 43,536,012	$ 42,411,661	$ 1,124,351

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

Note 5 - Accounts Receivable

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

Federal Government	
Categorical aid	$ 8,352,741
State Government	
Apportionment	13,020,281
Categorical aid	1,778,345
Lottery	1,613,693
State construction	2,377,073
Local Sources	
Pasadena City College Foundation	398,429
Interest	4,326,264
Other local sources	1,089,680
Total	$ 32,956,506
Student receivables	$ 8,920,536
Less: allowance for bad debt	(1,290,413)
Student receivables, net	$ 7,630,123

Note 6 - Lease Receivables

The District's lease receivables as of June 30, 2024 are summarized below:

Lease Receivables	Balance, July 1, 2023	Additions	Deductions	Balance, June 30, 2024
Rose Parade Seating Lease	$ 206,611	$ -	$ (206,611)	$ -
Primo Nosh Lease	305,107	-	(62,694)	242,413
Rose Parade Seating Lease (2)	-	1,217,556	(184,950)	1,032,606
Total	$ 511,718	$ 1,217,556	$ (454,255)	$ 1,275,019

Rose Parade Seating Lease (2)

The District leases use of its property to American United Sales Corporation, dba Sharp Seating Company, for the purpose of parking recreational vehicles, buses and private vehicles; and building grandstands on and around New Year's Day for the Tournament of Roses Parade. The lease term extends until June 18, 2027, with two additional one-year extension options. Annual lease payments are due no later than January 13th of each year. During the fiscal year, the District recognized $202,926 in lease revenue and $45,050 in interest revenue related to this agreement. Additionally, for the previous lease which terminated as of March 24, 2024, the District the District recognized $183,941 in lease revenue and $8,388 in interest revenue.

Primo Nosh Lease

The District leases use of its facilities to Primo Nosh Chefs, Inc. for the purpose of providing food service operations to the District. The lease term extends until March 6, 2026. At the end of the lease term, that District has an option to exercise two one year extensions at their sole election. Lease payments are due by the 7th of each month. During the fiscal year, the District recognized $105,346 in lease revenue and $159,306 in interest revenue related to these agreements.

Note 7 - Capital Assets

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

	Balance July 1, 2023	Additions	Deductions	Balance, June 30, 2024
Capital Assets Not Being Depreciated or Amortized				
Land	$ 12,270,718	$ 13,298,221	$ -	$ 25,568,939
Construction in progress	25,609,517	25,968,860	(3,386,037)	48,192,340
Total capital assets not being depreciated or amortized	37,880,235	39,267,081	(3,386,037)	73,761,279
Capital Assets Being Depreciated and Amortized				
Land improvements	23,426,896	975,685	-	24,402,581
Buildings and improvements	283,031,553	2,011,905	-	285,043,458
Furniture and equipment	34,309,246	3,182,421	-	37,491,667
Right-to-use leased buildings and improvements	2,112,688	-	(2,112,688)	-
Right-to-use leased equipment	108,298	392,147	(108,298)	392,147
Right-to-use subscription IT assets	3,983,882	-	(8,932)	3,974,950
Total capital assets being depreciated or amortized	346,972,563	6,562,158	(2,229,918)	351,304,803
Total capital assets	384,852,798	45,829,239	(5,615,955)	425,066,082
Less Accumulated Depreciation and Amortization				
Land improvements	(18,261,298)	(668,531)	-	(18,929,829)
Buildings and improvements	(136,162,970)	(5,658,204)	-	(141,821,174)
Furniture and equipment	(28,479,793)	(1,248,950)	-	(29,728,743)
Right-to-use leased buildings and improvements	(624,328)	-	624,328	-
Right-to-use leased equipment	(86,640)	(100,087)	108,298	(78,429)
Right-to-use subscription IT assets	(947,991)	(1,014,475)	8,932	(1,953,534)
Total accumulated depreciation and amortization	(184,563,020)	(8,690,247)	741,558	(192,511,709)
Total capital assets,net	$ 200,289,778	$ 37,138,992	$ (4,874,397)	$ 232,554,373

Note 8 - 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	Additions	Deductions	Balance, June 30, 2024	Due in One Year
General obligation bonds	$ 51,995,000	$ 130,000,000	$ (7,305,000)	$ 174,690,000	$ 25,320,000
Premium on issuance	6,427,380	8,843,461	(1,425,048)	13,845,793	-
Certificates of participation	28,785,000	-	(28,785,000)	-	-
Premium on issuance	1,580,597	-	(1,580,597)	-	-
Lease liability	1,601,094	392,147	(1,672,523)	320,718	74,769
Subscription-based IT arrangements	2,452,605	-	(918,159)	1,534,446	811,623
Compensated absences	4,052,237	194,305	-	4,246,542	-
Load banking	1,082,600	218,264	-	1,300,864	-
Claims liability	4,781,924	-	(4,781,924)	-	-
Total	$ 102,758,437	$ 139,648,177	$ (46,468,251)	$ 195,938,363	$ 26,206,392

Description of Long-Term Liabilities

Payments on the general obligation bonds are made by the Bond Interest Redemption Fund with local property tax collections. Payments for the leases and subscription-based IT arrangements will be made by the fund for which the sites and equipment were intended for. The compensated absences and load banking are paid by the fund for which the employees' salaries are paid from. The Internal Service fund makes payments for the claims liability.

General Obligation Bonds

2014 General Obligation Refunding Bonds

During April 2014, the District issued the $16,980,000 2014 General Obligation Refunding Bonds, Series A. Amounts paid to the refunded bond escrow agent in excess of outstanding debt at the time of payment are recorded as deferred charges on refunding on the statement of net position and are amortized to interest expense over the life of the liability.

The bonds have a final maturity to occur on August 1, 2026, with interest rates from 2.00% to 5.00%. The net proceeds of $19,812,097 (representing the principal amount of $16,980,000 plus premium on issuance of $2,832,097) from the issuance were used to advance refund a portion of the District's outstanding 2002 General Obligation Bonds, Series 2006B and pay the costs associated with the issuance of the refunding bonds. At June 30, 2024, the principal balance outstanding was $5,835,000. Unamortized premium received on issuance of the bonds amounted to $551,838 as of June 30, 2024.

2016 General Obligation Refunding Bonds

During May 2016, the District issued the 2016 General Obligation Refunding Bonds in the amount of $33,995,000. Amounts paid to the refunded bond escrow agent in excess of outstanding debt at the time of payment are recorded as deferred charges on refunding on the statement of net position and are amortized to interest expense over the life of the liability.

The bonds have a final maturity to occur on August 1, 2031, with interest rates from 2.00% to 5.00%. The net proceeds of $40,771,030 (representing the principal amount of $33,995,000 plus premium on issuance of $6,776,030) from the issuance were used to advance refund a portion of the District's outstanding 2002 General Obligation Bonds, Series 2006B, advance a portion of the District's outstanding 2002 General Obligation Bonds, Series 2009D, and pay the costs associated with the issuance of the refunding bonds. At June 30, 2024, the principal balance outstanding was $22,600,000. Unamortized premium received on issuance of the bonds amounted to $3,234,214 as of June 30, 2024.

2020 General Obligation Refunding Bonds

During February 2020, the District issued the 2020 General Obligation Refunding Bonds in the amount of $22,165,000. Amounts paid to the refunded bond escrow agent in excess of outstanding debt at the time of payment are recorded as deferred charges on refunding on the statement of net position and are amortized to interest expense over the life of the liability.

The bonds have a final maturity to occur on August 1, 2027, with interest rate of 4.00%. The net proceeds from the issuance were used to refund on a current basis the District's outstanding 2002 General Obligation Bonds, Series 2009E and pay the costs associated with the issuance of the refunding bonds. At June 30, 2024, the principal balance outstanding was $16,255,000. Unamortized premium received on issuance of the bonds amounted to $1,531,181 as of June 30, 2024.

2023 Series A-1 General Obligation Bonds

During July 2023, the District issued the 2023 Series A-1 General Obligation Bonds in the amount of $118,930,000. The bonds were issued to construct, improve, furnish and equip District facilities and to prepay all of the District's outstanding 2021 Certificates of Participation.

The bonds have a final maturity to occur on August 1, 2052, with interest rates of 4.00% to 5.00%. At June 30, 2024, the principal balance outstanding was $118,930,000. Unamortized premium received on issuance of the bonds amounted to $8,528,560 as of June 30, 2024.

2023 Series A-2 General Obligation Bonds

During July 2023, the District issued the 2023 Series A-2 General Obligation Bonds in the amount of $11,070,000. The bonds were issued to construct, improve, furnish and equip District facilities.

The bonds have a final maturity to occur on August 1, 2024, with interest rate of 5.30%. At June 30, 2024, the principal balance outstanding was $11,070,000.

Debt Maturity

General Obligation Bonds

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2023	Issued	Redeemed	Bonds Outstanding June 30, 2024
4/2/2014	8/1/2026	2.00%-5.00%	$ 16,980,000	$ 7,600,000	$ -	$ (1,765,000)	$ 5,835,000
5/12/2016	8/1/2031	2.00%-5.00%	33,995,000	25,075,000	-	(2,475,000)	22,600,000
2/26/2020	8/1/2027	4.00%	22,165,000	19,320,000	-	(3,065,000)	16,255,000
7/18/2023	8/1/2052	4.00%-5.00%	118,930,000	-	118,930,000	-	118,930,000
7/18/2023	8/1/2024	5.30%	11,070,000	-	11,070,000	-	11,070,000
				$ 51,995,000	$ 130,000,000	$ (7,305,000)	$ 174,690,000

The bonds mature through 2053 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2025	$ 25,320,000	$ 7,506,705	$ 32,826,705
2026	25,550,000	6,255,325	31,805,325
2027	9,270,000	5,426,225	14,696,225
2028	7,140,000	5,060,275	12,200,275
2029	2,775,000	4,854,250	7,629,250
2030-2034	13,265,000	22,334,000	35,599,000
2035-2039	10,060,000	20,033,000	30,093,000
2040-2044	18,175,000	16,557,125	34,732,125
2045-2049	29,370,000	10,685,000	40,055,000
2050-2053	33,765,000	2,821,500	36,586,500
Total	$ 174,690,000	$ 101,533,405	$ 276,223,405

Certificates of Participation

On March 10, 2021, the District issued Certificates of Participation in the amount of $28,785,000 with an interest rate of 4.00%. Proceeds from the Certificates were used to finance the design, demolition and construction of the Sarafian Building Project. At June 30, 2024, the outstanding principal balance was paid in full.

Lease Liability

The District has entered into agreements to lease various facilities and equipment. The District's liability for lease agreements is summarized below:

Leases	Balance, July 1, 2023	Additions	Deductions	Balance, June 30, 2024
PUSD Northwest Site	$ 1,577,676	$ -	$ (1,577,676)	$ -
Cannon Copiers	23,418	-	(23,418)	-
Cannon Copiers (2)	-	392,147	(71,429)	320,718
Total	$ 1,601,094	$ 392,147	$ (1,672,523)	$ 320,718

The District has entered into an agreement to lease copiers for a period of five years. Under the terms of the lease, the District makes monthly payments of $7,325, which amounted to total principal and interest costs of $87,899 for the year ending June 30, 2024. At June 30, 2024, the District has recognized right-to-use leased assets net of accumulated amortization of $313,718 and a lease liability of $320,718 related to this agreement. During the fiscal year, the District recorded $100,087 in amortization expense and $16,470 in interest expense for the leased copiers. The District used a discount rate of 4.58% based on the incremental borrowing rate for financing over a similar time period.

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

Fiscal Year	Principal	Interest	Total
2025	$ 74,769	$ 13,129	$ 87,898
2026	78,266	9,633	87,899
2027	81,926	5,973	87,899
2028	85,757	2,142	87,899
Total	$ 320,718	$ 30,877	$ 351,595

Subscriptions-Based IT Arrangements (SBITAs)

The District has entered into fifteen SBITAs related to school management software with subscription terms ranging from 25 to 60 months. At June 30, 2024, the District has recognized right-to-use subscription assets net of accumulated amortization of $2,021,416 and a SBITA liability of $1,534,446 related to these agreements. During the fiscal year, the District recorded $1,014,475 in amortization expense and $104,968 in interest expense for the leased copiers. The subscription liabilities were valued using discount rates ranging from 4.34% to 4.40% based on the incremental borrowing rate for financing over a similar time period.

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

Fiscal Year	Principal	Interest	Total
2025	$ 811,623	$ 69,623	$ 881,246
2026	673,021	32,374	705,395
2027	49,802	2,237	52,039
Total	$ 1,534,446	$ 104,234	$ 1,638,680

Note 9 - Aggregate Net Other Postemployment Benefit (OPEB) Liability/(Asset)

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

OPEB Plan	Aggregate Net OPEB Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ (1,294,337)	$ 1,948,814	$ 6,722,494	$ (8,853,387)
Medicare Premium Payment (MPP) Program	469,939	-	-	(41,168)
Total	$ (824,398)	$ 1,948,814	$ 6,722,494	$ (8,894,555)

The details of each plan are as follows:

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 Public Agency Retirement Services (PARS), Irrevocable Trust Management Services.

Plan Membership

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

Inactive employees or beneficiaries currently receiving benefits payments	42
Active employees	922
Total	964

Retiree Health Benefit OPEB Trust

The Retiree Health Benefit OPEB Trust (the Trust) is an irrevocable governmental trust pursuant to Section 115 of the IRC for the purpose of funding certain postemployment benefits other than pensions. The Trust is administered by PARS as directed by the investment alternative choice selected by the District. The District retains the responsibility to oversee the management of the Trust, including the requirement that investments and assets held within the Trust continually adhere to the requirements of the California *Government Code* Section 53600.5 which specifies that the trustee's primary role is to preserve capital, to maintain investment liquidity, and to protect investment yield. As such, the District acts as the fiduciary of the Trust. The financial activity of the Trust has been discretely presented. Separate financial statements are not prepared for the Trust.

Benefits Provided

The Plan provides medical 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, the Faculty Association (FA), the local California Service Employees Association (CSEA), and unrepresented groups. The voluntary contributions are based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually through the agreements with the District, FA, CSEA, and the unrepresented groups. For the measurement period ending June 30, 2024, the District contributed $9,995,769 to the Plan, of which $1,126,754 was used for current premiums, $202,128 represented the effect of the implicit rate subsidy, and $8,666,887 was used to fund the OPEB trust.

Investment

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, 2024:

Asset Class	Target Allocation
Domestic Equity	24.0%
International Equity	12.0%
REITs	2.0%
Global Infrastructure	2.0%
Investment Grade Fixed Income	55.5%
High Yield Fixed Income	4.5%

Rate of Return

For the year ended June 30, 2024, the annual money-weighed rate of return on investments, net of investment expense, was 9.66%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Asset of the District

The District's net OPEB asset of $1,294,337 was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The components of the net OPEB asset of the District at June 30, 2024, were as follows:

Total OPEB liability	$ 34,519,534
Plan fiduciary net position	(35,813,871)
Net OPEB asset	$ (1,294,337)
Plan fiduciary net position as a percentage of the total OPEB liability	103.75%

Actuarial Assumptions

The total OPEB liability as of June 30, 2024 was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2023 and rolling forward the total OPEB liability to June 30, 2024. The following assumptions were applied to all periods in the measurement, unless otherwise specified:

Salary increases	2.80%
Investment rate of return	7.26%
Healthcare cost trend rates	8.00% for 2025, decreasing to 4.50% for 2039 and after

The discount rate was based on the expected long-term rate of return for the PARS Vanguard's Conservative Strategy.

Mortality rates for certificated management, classified management, CFT Local 6525 (classified), confidential and supervisors was based on SOA Pub-2010 General Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2021.

Mortality rates for faculty was based on SOA Pub-2010 Teachers Headcount Weighted Mortality Table fully generational using Scale MP-2021. Mortality rates for Police officers Association employees were based on Pub-2010 Public Safety Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2021. Mortality rates for surviving spouses of District employees was based on SOA Pub-2010 Contingent Survivors Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2021.

The actuarial assumptions used in the June 30, 2023 valuation were based on census data provided as of June 30, 2023.

The long-term expected rate of return on OPEB plan investments was 7.26% as of June 30, 2024,and 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.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.26%. 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.

Changes in the Net OPEB Liability/(Asset)

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance, June 30, 2023	$ 33,338,815	$ 24,671,928	$ 8,666,887
Service cost	1,800,037	-	1,800,037
Interest	2,103,539	-	2,103,539
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(1,874,728)	-	(1,874,728)
Contributions - employer	-	9,995,769	(9,995,769)
Expected investment income	-	2,539,660	(2,539,660)
Changes of assumptions	480,753	-	480,753
Benefit payments	(1,328,882)	(1,328,882)	-
Administrative expense	-	(64,604)	64,604
Net change in total OPEB liability	1,180,719	11,141,943	(9,961,224)
Balance, June 30, 2024	$ 34,519,534	$ 35,813,871	$ (1,294,337)

The investment rate of return was changed from 6.10% to 7.26%, and the healthcare costs trend rate changed from 7.00% to 8.00% since the previous valuation. There were no changes in benefit terms since the previous valuation.

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate

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

Discount Rate	Net OPEB Liability/(Asset)
1% decrease (6.26%)	$ 1,032,673
Current discount rate (7.26%)	(1,294,337)
1% increase (8.26%)	(3,485,749)

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability/(asset) of the District, as well as what the District's net OPEB liability/(asset) would be if it were calculated using healthcare cost trend rates that are one percent lower or higher than the current healthcare costs trend rates:

Healthcare Cost Trend Rates	Net OPEB Liability/(Asset)
1% decrease (7.00%, decreasing to 3.50%)	$ (4,686,636)
Current healthcare cost trend rate (8.00%, decreasing to 4.50%)	(1,294,337)
1% increase (9.00%, decreasing to 5.50%)	2,645,413

Deferred Outflows/Inflows of Resources Related to OPEB

At June 30, 2024, 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 expected and actual experience	$ 486,461	$ 3,464,232
Changes of assumptions	1,106,612	3,258,262
Net difference between projected and actual earnings on OPEB plan investments	355,741	-
Total	$ 1,948,814	$ 6,722,494

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on OPEB plan investments will be amortized over a closed five-year period and will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ 190,661
2026	481,178
2027	(160,857)
2028	(155,241)
Total	$ 355,741

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 10 years and will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ (1,421,636)
2026	(806,700)
2027	(807,915)
2028	(765,935)
2029	(473,792)
Thereafter	(853,443)
Total	$ (5,129,421)

Medicare Premium Payment (MPP) Program

Plan Description

The Medicare Premium Payment (MPP) Program is administered by the California State Teachers' Retirement System (CalSTRS). The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan (OPEB) established pursuant to Chapter 1032, Statutes 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefits Fund (THBF).

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022 annual actuarial valuation report, Medicare Premium Payment 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.

Benefits Provided

The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the State Teachers Retirement Plan (STRP) Defined Benefit (DB) Program who were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A. The payments are made directly to the Centers for Medicare and Medicaid Services (CMS) on a monthly basis.

The MPP Program is closed to new entrants as members who retire after July 1, 2012, are not eligible for coverage under the MPP Program.

The MPP Program is funded on a pay-as-you go basis from a portion of monthly District benefit payments. In accordance with California *Education Code* Section 25930, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

Net OPEB Liability and OPEB Expense

At June 30, 2024, the District reported a liability of $469,939 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating districts, actuarially determined. The District's proportionate share for the measurement period ending June 30, 2023 and June 30, 2022, was 0.1549%, and 0.1552%,respectively, resulting in a net decrease in the proportionate share of 0.0003%.

For the year ended June 30, 2024, the District recognized OPEB expense of $(41,168).

Actuarial Methods and Assumptions

The June 30, 2023 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total OPEB liability to June 30, 2023, using the assumptions listed in the following table:

Measurement Date	June 30, 2023
Valuation Date	June 30, 2022
Experience Study	July 1, 2015 thorugh June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	3.65%
Medicare Part A Premium Cost Trend Rate	4.50%
Medicare Part B Premium Cost Trend Rate	5.40%

For the valuation as of June 30, 2022, 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 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.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 179 or an average of 0.13% of the potentially eligible population (138,780).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2023, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

As the MPP Program is funded on a pay-as-you-go basis, the OPEB plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, the MPP Program used the Bond Buyer's 20-Bond GO Index from Bondbuyer.com as of June 30, 2023, as the discount rate, which was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate as of June 30, 2023, was 3.65%, which is an increase of 0.11% from 3.54% as of June 30, 2022.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net OPEB liability calculated using the current discount rate, as well as what the net 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	Net OPEB Liability
1% decrease (2.65%)	$ 510,727
Current discount rate (3.65%)	469,939
1% increase (4.65%)	434,474

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Medicare Costs Trend Rates

The following presents the District's proportionate share of the net OPEB liability calculated using the Medicare costs trend rates, as well as what the net OPEB liability would be if it were calculated using Medicare costs trend rates that are one percent lower or higher than the current rates:

Medicare Costs Tred Rates	Net OPEB Liability
1% decrease (3.50% Part A and 4.40% Part B)	$ 432,391
Current Medicare costs trend rates (4.50% Part A and 5.40% Part B)	469,939
1% increase (5.50% Part A and 6.40% Part B)	512,330

Note 10 - Risk Management

Property and Liability Insurance Coverages

The District is exposed to various risks of loss related to torts and liability; theft of, damage to and destruction of assets; errors and omissions and injuries to employees. The District obtains coverage for these risks as a member of Statewide Association of Community Colleges (SWACC) Joint Powers Authority (JPA) and Schools Association for Excess Risk (SAFER). Participation in the JPA is limited to community college districts that can meet the JPA's selection criteria. The District has liability coverage up to $25,000,000; SWACC is responsible for the first $1,000,000, and all excess layers covered by SAFER. The District's property coverage is $250,250,000; SWACC is responsible for the first $250,000 of each property claim, $250,000,000 reinsurance sits on top, for a total of 250,250,000. This Districts coverage is subject to a $10,000 self-insured retention for breach of contract claims, $5,000 for student professional liability claims, $25,000 for property claims, and $50,000 for liability claims. The District participates in a JPA to provide excess insurance coverage above the self-insured retention level. Settled claims have not exceeded the coverage provided by the JPA in any of the past three fiscal years.

Workers' Compensation

For fiscal year 2023-2024, the District participated in the Schools Alliance for Workers' Compensation Excess Group Purchase (SAWCX II) Joint Powers Authority (JPA), an insurance purchasing pool. The District is self-insured insured for the first $500,000 of each workers' compensation claim. 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 based on its individual rate. Total savings are then calculated, and each participant's individual performance is compared to the overall saving.

Claims Liability

The District was self-insured for workers' compensation claims for the period of January 1, 1983 through June 30, 2021. As of July 1, 2023, the District reported a claims liability of $4,781,924 for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. As of June 30, 2024, the District has transferred their loss portfolio to the SAWCX II JPA for all current and future claims from the self-insured period.

Note 11 - 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 California State Teachers' Retirement System (CalSTRS) and classified employees are members of California Public Employees' Retirement System (CalPERS).

For the fiscal year ended June 30, 2024, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Aggregate Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 79,744,324	$ 26,841,597	$ 14,586,978	$ 10,548,318
CalPERS - Schools Pool	78,913,489	26,417,390	3,645,806	11,955,866
CalPERS - Miscellaneous Pool	1,627,839	681,309	12,900	119,282
District-sponsored Medical and Dental for Qualifying Employees	13,163,979	987,844	2,151,473	(490,796)
Total	$ 173,449,631	$ 54,928,140	$ 20,397,157	$ 22,132,670

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

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:

Hire date	On or before December 31, 2012	On or after 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 $15,038,558.

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:

The net pension liability, including State share:

District's proportionate share of net pension liability	$ 79,744,324
State's proportionate share of net pension liability associated with the District	38,207,748
Total	$ 117,952,072

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 0.1047% and 0.1034%, respectively, resulting in a net increase in the proportionate share of 0.0013%.

For the year ended June 30, 2024, the District recognized pension expense of $10,548,318. In addition, the District recognized pension expense and revenue of $5,197,309 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
Pension contributions subsequent to measurement date	$ 15,038,558	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	4,733,362	10,320,252
Differences between projected and actual earnings on pension plan investments	341,338	-
Differences between expected and actual experience in the measurement of the total pension liability	6,266,590	4,266,726
Changes of assumptions	461,749	-
Total	$ 26,841,597	$ 14,586,978

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

The deferred outflows/(inflows) of resources related to the difference between projected and actual earning on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ (2,508,818)
2026	(3,931,757)
2027	6,461,255
2028	320,658
Total	$ 341,338

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is seven years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ (624,871)
2026	(819,004)
2027	(1,196,126)
2028	(936,082)
2029	(850,589)
Thereafter	1,301,395
Total	$ (3,125,277)

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2022 and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior 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
Discount rate	7.10%
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.

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 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 current and future valuation, CalSTRS independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2023, 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%

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 of 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:

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 133,764,741
Current discount rate (7.10%)	79,744,324
1% increase (8.10%)	34,874,072

California Public Employees' Retirement System (CalPERS) - Schools Pool

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, and the Schools Pool Actuarial Valuation. These reports 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 adjustment 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:

Hire date	On or before December 31, 2012	On or after 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%	8.00%
Required employer contribution rate	26.68%	26.68%

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 $11,231,205.

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

As of June 30, 2024, the District reported a net pension liability for its proportionate share of the CalPERS net pension liability totaling $78,913,489. 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 0.2180% and 0.2267%, respectively, resulting in a net decrease in the proportionate share of 0.0087%.

For the year ended June 30, 2024, the District recognized pension expense of $11,955,866. 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
Pension contributions subsequent to measurement date	$ 11,231,205	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	241,807	2,433,811
Differences between projected and actual earnings on pension plan investments	8,429,088	-
Differences between expected and actual experience in the measurement of the total pension liability	2,879,777	1,211,995
Changes of assumptions	3,635,513	-
Total	$ 26,417,390	$ 3,645,806

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

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ 1,572,353
2026	931,501
2027	5,662,913
2028	262,321
Total	$ 8,429,088

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.8 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ 1,539,648
2026	1,251,585
2027	320,058
Total	$ 3,111,291

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior 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
Discount rate	6.90%
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 rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

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

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
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%)

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 the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. 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 expected rate of return on the School Employer Pool investments 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:

Discount Rate	Net Pension Liability
1% decrease (5.90%)	$ 114,088,506
Current discount rate (6.90%)	78,913,489
1% increase (7.90%)	49,842,137

California Public Employees' Retirement System (CalPERS) – Miscellaneous Pool

Plan Description

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

A full description of the pension plans regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022, annual actuarial valuation report, Miscellaneous Risk 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 Miscellaneous Risk Pool is closed to new entrants and no current employees are covered by the plan.

The CalPERS School Employer Pool provisions and benefits in effect at June 30, 2024, are summarized as follows:

Hire date	On or before December 31, 2012	On or after 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	60	60
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required unfunded liability payment to CalPERS	$ 110,119	$ -

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. Because the District no longer has any active employees for this Plan, contributions are made for the unfunded accrued liability payments only. The contributions for the year ended June 30, 2024 was $110,119.

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

As of June 30, 2024, the District reported a net pension liability for its proportionate share of the CalPERS Miscellaneous Risk Pool net pension liability totaling $1,627,839. 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 0.0326% and 0.0344%, respectively, resulting in a net decrease in the proportionate share of 0.0018%.

For the year ended June 30, 2024, the District recognized pension expense of $119,282 for CalPERS Miscellaneous Risk Pool. 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
Pension contributions subsequent to measurement date	$ 110,119	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	126,190	-
Differences between projected and actual earnings on pension plan investments	263,562	-
Differences between expected and actual experience in the measurement of the total pension liability	83,158	12,900
Changes of assumptions	98,280	-
Total	$ 681,309	$ 12,900

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

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ 48,671
2026	29,106
2027	178,223
2028	7,562
Total	$ 263,562

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.8 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ 152,246
2026	109,813
2027	32,669
Total	$ 294,728

Actuarial Methods and Assumptions

Total pension liability for the Miscellaneous Risk Pool was determined by applying updated procedures to a financial reporting actuarial valuation as of June 30, 2022 and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022 used the following methods and assumptions, applied to all prior 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
Discount rate	6.90%
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 rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

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

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
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%)

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 Miscellaneous Risk 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:

Discount Rate	Net Pension Liability
1% decrease (5.90%)	$ 2,626,980
Current discount rate (6.90%)	1,627,839
1% increase (7.90%)	805,460

District-Sponsored Medical and Dental for Qualifying Employees Plan

Plan Description

The District administers and contributes to a single-employer defined benefit pension plan for eligible retirees upon retirement from the District and reaching the age of 65. An annual payment of $1,900 is contributed by the District to eligible retirees of CFT Local 6525. An annual payment of $1,440 is contributed by the District to all other eligible retirees. This plan is subject to the reporting requirements under GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*.

As of June 30, 2024, there are no assets accumulated in a trust that meets the criteria in GASB Statement No. 73, paragraph 4.

Plan Membership

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

Inactive employees or beneficiaries currently receiving benefits payments	465
Inactive employees entitled to but not yet receiving benefits payments	52
Active employees	906
Total	1,423

Benefits Provided

The District provides an annual payment of $1,440 or $1,900 to eligible retirees to help offset the costs of healthcare coverage. To be eligible for the benefit, regular full-time employees of the District, excluding hourly and adjunct employees, must have completed at least 14 years of service to the District, with the exception that classified employees who are members of CFT Local 6525, who must have at least 20 years of service to be eligible. Benefits take effect upon the eligible retiree reaching the age of 65. There is no requirement for the contributions to be spent on health insurance and is treated as taxable income to the retiree and is thus considered to be a pension plan rather than a retiree health benefit plan falling within the scope of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The benefit is paid in full during the first year of eligibility and there are no spousal or survivor benefits paid under this plan.

This benefit is payable in addition to pension benefits that may be payable under one of the District's other pension plans (CalPERS, CalSTRS, or a supplemental employee retirement plan).

The District-Sponsored Medical and Dental for Qualifying Employees Plan provisions and benefits in effect at June 30, 2024, are summarized as follows:

	CFT Local #6525	All Other Regular, Full-Time Employees
Benefit formula	$1,900	$1,440
Benefit vesting schedule	20 years of service	14 years of service
Benefit payments	Annual for life	Annual for life
Vesting age	65	65
Required employee contribution rate	None	None
Required employer contribution rate	$1,900 per retiree	$1,440 per retiree

Contributions

The District provides an annual contribution of $1,440 or $1,900 to all eligible retirees in the plan. Total District contributions for the year ended June 30, 2024 were $827,252, inclusion of an implicit subsidy.

Changes in the Total Pension Liability (TPL)

	Total Pension Liability
Balance at June 30, 2023	$ 13,654,775
Service cost	331,669
Interest	495,408
Changes of assumptions	(490,621)
Benefit payments	(827,252)
Net change in total pension liability	(490,796)
Balance at June 30, 2024	$ 13,163,979

There was a change in the discount rate from 3.65% to 3.93% since the previous valuation. There were no changes in benefit terms since the previous valuation.

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

For the year ended June 30, 2024, the District recognized pension expense of $(490,796). 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
Differences between expected and actual experience	$ 388,629	$ -
Changes of assumptions	599,215	2,151,473
Total	$ 987,844	$ 2,151,473

The deferred outflows/(inflows) of resources related to differences between expected and actual experience in the measurement of the total pension liability and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 6 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ 106,982
2026	(291,118)
2027	(291,118)
2028	(291,118)
2029	(397,257)
Total	$ (1,163,629)

Actuarial Methods and Assumptions

The total pension liability as of June 30, 2024 was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2023, and rolling forward the total pension liability to June 30, 2024. The financial reporting actuarial valuation as of June 30, 2023, used the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Actuarial cost method	Entry age
Discount rate	3.93%

The mortality tables used were PubS.H-2010 Projected with mortality improvements using Mortality Improvement Scale MP-2021.

The actuarial assumptions used in the June 30, 2023 valuation were based on census data as of June 30, 2023.

Discount Rate

The discount rate used to measure the total pension liability was 3.93%. The discount rate was based on the Bond Buyer 20-Bond General Obligation Index as of June 30, 2024.

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

Discount Rate	Total Pension Liability
1% decrease (2.93%)	$ 15,048,794
Current discount rate (3.93%)	13,163,979
1% increase (4.93%)	11,613,135

Accumulation Program for Part-Time and Limited Services Employees (APPLE)

Plan Description

The Accumulation Program for Part-Time and Limited Service Employees (APPLE) is a defined contribution plan qualifying under Section 401(a) and 501 of the Internal Revenue Code. This plan covers part-time, seasonal, and temporary employees and those employees not covered by Section 3121(b)(7)(F) of the Internal Revenue Code. The benefit provisions and contribution requirements of the plan members and the District are established and may be amended by APPLE Administration Committee.

Funding Plan

Contributions of 3.75% of covered compensation of eligible employees are made by the employee. Total required contribution rate is 7.50%, 3.75% represents the District's contribution, and the remaining 3.75% is contributed by the employee. Total District contributions were made in the amount of $577,843 during the fiscal year.

CalSTRS/CalPERS Irrevocable Trust

During the year ended June 30, 2018, 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 special revenue fund of the District. As of June 30, 2024, the balance of the trust was $6,597,789.

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of $6,111,388 (10.828% of annual payroll). Contributions are no longer appropriated in the annual *Budget Act* for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Note 12 - Participation in Public Entity Risk Pools and Joint Powers Authorities

The District is a member of the Statewide Association of Community Colleges (SWACC) and Schools Alliance for Workers' Compensation Excess Group Purchase (SAWCX II) Joint Powers Authority JPAs. The District pays SWACC and SAWCXII annual premiums for its property liability, health, and workers' compensation coverage. Each JPA is governed by a board consisting of a representative from each member district. Each governing board controls the operations of its JPA independent of any influence by the District beyond the District's representation on the governing boards. The relationship between the District and the JPA is such that it is not a component unit of the District for financial reporting purposes.

Note 13 - Commitments and Contingencies

Grants

The District receives 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 is 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.

Construction Commitments

At June 30, 2024, the District had approximately $13.5 million in commitments with respect to unfinished capital projects. The projects are funded through a combination of general obligation bond issuance and capital project apportionments from the California State Chancellor's Office.

Note 14 - Restatement

During the year ended June 30, 2024, the District identified that Pasadena City College Foundation, Inc., a discretely presented component unit of the District, was not presented in the June 30, 2023 financial statements. The beginning balance of the discretely presented component unit financial statements as of July 1, 2023 has been corrected to present the discretely presented component unit.

Discretely Presented Component Unit	
Net Assets - Beginning, as Previously Reported	$ -
Addition of discretely presented component unit	69,654,833
Net Assets - Beginning, as Restated	$ 69,654,833

Required Supplementary Information
June 30, 2024

Pasadena Area Community College District

	2024	2023	2022	2021
Total OPEB Liability				
Service cost	$ 1,800,037	$ 1,677,748	$ 1,645,959	$ 1,655,025
Interest	2,103,539	1,834,708	1,772,182	1,722,967
Difference between expected and actual experience	(1,874,728)	645,895	(308,321)	(2,263,297)
Changes of assumptions	480,753	(3,012,722)	-	1,347,870
Benefit payments	(1,328,882)	(2,124,583)	(1,781,100)	(1,257,732)
Net change in total OPEB liability	1,180,719	(978,954)	1,328,720	1,204,833
Total OPEB Liability - Beginning	33,338,815	34,317,769	32,989,049	31,784,216
Total OPEB Liability - Ending (a)	$ 34,519,534	$ 33,338,815	$ 34,317,769	$ 32,989,049
Plan Fiduciary Net Position				
Contributions - employer	$ 9,995,769	$ 9,424,583	$ 4,781,100	$ 1,257,732
Expected investment income	2,539,660	1,074,120	(2,309,531)	2,163,969
Benefit payments	(1,328,882)	(2,124,583)	(1,781,100)	(1,257,732)
Administrative expense	(64,604)	(45,485)	(42,384)	(37,379)
Net change in plan fiduciary net position	11,141,943	8,328,635	648,085	2,126,590
Plan Fiduciary Net Position - Beginning	24,671,928	16,343,293	15,695,208	13,568,618
Plan Fiduciary Net Position - Ending (b)	$ 35,813,871	$ 24,671,928	$ 16,343,293	$ 15,695,208
Net OPEB Liability (Asset) - Ending (a) - (b)	$ (1,294,337)	$ 8,666,887	$ 17,974,476	$ 17,293,841
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	103.75%	74.00%	47.62%	47.58%
Covered Payroll	$ 86,053,948	$ 83,710,066	$ 81,831,582	$ 79,641,442
Net OPEB Liability (Asset) as a Percentage of Covered Payroll	(1.50%)	10.35%	21.97%	21.71%
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021

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

	2020	2019	2018
Total OPEB Liability			
Service cost	$ 1,488,553	$ 1,670,370	$ 2,102,668
Interest	1,714,076	1,623,517	1,189,667
Difference between expected and actual experience	(1,028,194)	6,997	(46,340)
Changes of assumptions	(907,074)	-	(3,493,635)
Benefit payments	(1,259,116)	(1,557,337)	(1,373,478)
Net change in total OPEB liability	8,245	1,743,547	(1,621,118)
Total OPEB Liability - Beginning	31,775,971	30,032,424	31,653,542
Total OPEB Liability - Ending (a)	$ 31,784,216	$ 31,775,971	$ 30,032,424
Plan Fiduciary Net Position			
Contributions - employer	$ 1,259,116	$ 3,557,337	$ 11,373,478
Expected investment income	820,027	789,545	10,578
Benefit payments	(1,259,116)	(1,557,337)	(1,373,478)
Administrative expense	(28,401)	(23,131)	-
Net change in plan fiduciary net position	791,626	2,766,414	10,010,578
Plan Fiduciary Net Position - Beginning	12,776,992	10,010,578	-
Plan Fiduciary Net Position - Ending (b)	$ 13,568,618	$ 12,776,992	$ 10,010,578
Net OPEB Liability (Asset) - Ending (a) - (b)	$ 18,215,598	$ 18,998,979	$ 20,021,846
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	42.69%	40.21%	33.33%
Covered Payroll	$ 80,769,736	$ 114,727,786	$ 111,386,200
Net OPEB Liability (Asset) as a Percentage of Covered Payroll	22.55%	16.56%	17.98%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018

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

	2024	2023	2022	2021
Annual money-weighted rate of return, net of investment expense	9.66%	5.84%	(13.67%)	15.63%

	2020	2019	2018
Annual money-weighted rate of return, net of investment expense	6.18%	7.45%	0.11%

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

Year ended June 30,	2024	2023	2022	2021
Proportion of the net OPEB liability	0.1549%	0.1552%	0.1788%	0.1970%
Proportionate share of the net OPEB liability	$ 469,939	$ 511,107	$ 713,113	$ 834,849
Covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Proportionate share of the net OPEB liability as a percentage of its covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	(0.96%)	(0.94%)	(0.80%)	(0.71%)
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020

Year ended June 30,	2020	2019	2018
Proportion of the net OPEB liability	0.2036%	0.1970%	0.1954%
Proportionate share of the net OPEB liability	$ 758,204	$ 754,150	$ 821,853
Covered payroll	N/A[1]	N/A[1]	N/A[1]
Proportionate share of the net OPEB liability as a percentage of its covered payroll	N/A[1]	N/A[1]	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	(0.81%)	(0.40%)	0.01%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017

[1] As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP program; therefore the covered payroll disclosure is not applicable.

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

	2024	2023	2022	2021	2020
CalSTRS					
Proportion of the net pension liability	0.1047%	0.1034%	0.1189%	0.1131%	0.1151%
Proportionate share of the net pension liability	$ 79,744,324	$ 71,837,087	$ 54,127,170	$109,563,221	$103,947,383
State's proportionate share of the net pension liability associated with the District	38,207,748	35,975,732	27,234,693	56,479,853	56,710,237
Total	$117,952,072	$107,812,819	$ 81,361,863	$166,043,074	$160,657,620
Covered payroll	$ 67,210,010	$ 62,362,340	$ 61,749,084	$ 63,727,830	$ 63,056,499
Proportionate share of the net pension liability as a percentage of its covered payroll	118.65%	115.19%	87.66%	171.92%	164.85%
Plan fiduciary net position as a percentage of the total pension liability	81%	81%	87%	72%	73%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
CalPERS - Schools Pool					
Proportion of the net pension liability	0.2180%	0.2267%	0.2320%	0.2290%	0.2197%
Proportionate share of the net pension liability	$ 78,913,489	$ 78,018,988	$ 47,169,940	$ 70,276,266	$ 64,034,102
Covered payroll	$ 38,273,165	$ 34,896,093	$ 33,410,338	$ 33,556,955	$ 30,517,916
Proportionate share of the net pension liability as a percentage of its covered payroll	206.18%	223.58%	141.18%	209.42%	209.82%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	81%	70%	70%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
CalPERS - Miscellaneous Pool					
Proportion of the net pension liability	0.0326%	0.0344%	0.0501%	0.0331%	0.0316%
Proportionate share of the net pension liability	$ 1,627,839	$ 1,611,637	$ 950,434	$ 1,394,783	$ 1,356,900
Covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Proportionate share of the net pension liability as a percentage of its covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Plan fiduciary net position as a percentage of the total pension liability	78%	78%	90%	78%	75%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019

[1] As of June 30, 2018, the District no longer operates the Bookstore. The required employer contributions are made for the unfunded accrued liability payments only.

	2019	2018	2017	2016	2015
CalSTRS					
Proportion of the net pension liability	0.1098%	0.1079%	0.1049%	0.1220%	0.1160%
Proportionate share of the net pension liability	$100,885,824	$ 99,788,463	$ 84,925,050	$ 82,135,280	$ 67,786,920
State's proportionate share of the net pension liability associated with the District	57,761,852	59,034,012	48,353,434	43,440,392	40,933,080
Total	$158,647,676	$158,822,475	$133,278,484	$125,575,672	$108,720,000
Covered payroll	$ 65,140,457	$ 59,175,731	$ 54,376,431	$ 54,725,507	$ 51,472,000
Proportionate share of the net pension liability as a percentage of its covered payroll	154.87%	168.63%	156.18%	150.09%	131.70%
Plan fiduciary net position as a percentage of the total pension liability	71%	69%	70%	74%	77%
Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS - Schools Pool					
Proportion of the net pension liability	0.2111%	0.2127%	0.2259%	0.2295%	0.2236%
Proportionate share of the net pension liability	$ 56,272,597	$ 50,775,459	$ 44,615,390	$ 33,828,527	$ 25,384,044
Covered payroll	$ 28,013,611	$ 27,273,488	$ 27,621,423	$ 23,320,559	$ 23,477,000
Proportionate share of the net pension liability as a percentage of its covered payroll	200.88%	186.17%	161.52%	145.06%	108.12%
Plan fiduciary net position as a percentage of the total pension liability	71%	72%	74%	79%	83%
Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS - Miscellaneous Pool					
Proportion of the net pension liability	0.0312%	0.0296%	0.0301%	0.0306%	0.0310%
Proportionate share of the net pension liability	$ 1,174,023	$ 1,188,974	$ 844,426	$ 642,798	$ 613,542
Covered payroll	$ 560,725	$ 692,875	$ 445,964	$ 402,360	$ 396,471
Proportionate share of the net pension liability as a percentage of its covered payroll	209.38%	171.60%	189.35%	159.76%	154.75%
Plan fiduciary net position as a percentage of the total pension liability	78%	75%	74%	79%	83%
Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

	2024	2023	2022	2021	2020
CalSTRS					
Contractually required contribution	$ 15,038,558	$ 12,837,112	$ 10,551,708	$ 9,972,477	$ 10,897,459
Less contributions in relation to the contractually required contribution	(15,038,558)	(12,837,112)	(10,551,708)	(9,972,477)	(10,897,459)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 78,735,906	$ 67,210,010	$ 62,362,340	$ 61,749,084	$ 63,727,830
Contributions as a percentage of covered payroll	19.10%	19.10%	16.92%	16.15%	17.10%
CalPERS -Schools Pool					
Contractually required contribution	$ 11,231,205	$ 9,709,902	$ 7,994,695	$ 6,915,940	$ 6,617,767
Less contributions in relation to the contractually required contribution	(11,231,205)	(9,709,902)	(7,994,695)	(6,915,940)	(6,617,767)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 42,095,971	$ 38,273,165	$ 34,896,093	$ 33,410,338	$ 33,556,955
Contributions as a percentage of covered payroll	26.680%	25.370%	22.910%	20.700%	19.721%
CalPERS - Miscellaneous Pool					
Contractually required contribution	$ 110,119	$ 157,359	$ 146,496	$ 86,268	$ 76,320
Less contributions in relation to the contractually required contribution	(110,119)	(157,359)	(146,496)	(86,268)	(76,320)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Contributions as a percentage of covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]	N/A[1]

[1] As of June 30, 2018, the District no longer operates the Bookstore. The required employer contributions are made for the unfunded accrued liability payments only.

	2019	2018	2017	2016	2015
CalSTRS					
Contractually required contribution	$ 10,265,598	$ 9,399,768	$ 7,444,307	$ 5,834,591	$ 4,859,625
Less contributions in relation to the contractually required contribution	(10,265,598)	(9,399,768)	(7,444,307)	(5,834,591)	(4,859,625)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 63,056,499	$ 65,140,457	$ 59,175,731	$ 54,376,431	$ 54,725,507
Contributions as a percentage of covered payroll	16.28%	14.43%	12.58%	10.73%	8.88%
CalPERS -Schools Pool					
Contractually required contribution	$ 5,512,146	$ 4,350,794	$ 3,787,742	$ 3,272,310	$ 2,745,063
Less contributions in relation to the contractually required contribution	(5,512,146)	(4,350,794)	(3,787,742)	(3,272,310)	(2,745,063)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 30,517,916	$ 28,013,611	$ 27,273,488	$ 27,621,423	$ 23,320,559
Contributions as a percentage of covered payroll	18.062%	15.531%	13.888%	11.847%	11.771%
CalPERS - Miscellaneous Pool					
Contractually required contribution	$ 59,772	$ 53,824	$ 66,225	$ 41,711	$ 49,611
Less contributions in relation to the contractually required contribution	(59,772)	(53,824)	(66,225)	(41,711)	(49,611)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	N/A[1]	$ 560,725	$ 692,875	$ 445,964	$ 402,360
Contributions as a percentage of covered payroll	N/A[1]	9.599%	9.558%	9.353%	12.330%

[1] As of June 30, 2018, the District no longer operates the Bookstore. The required employer contributions are made for the unfunded accrued liability payments only.

	2024	2023	2022	2021
Total Pension Liability				
Service cost	$ 331,669	$ 265,209	$ 381,291	$ 372,572
Interest	495,408	435,296	322,561	311,750
Differences between expected and actual experiences	-	333,853	-	260,021
Changes of benefit terms	-	1,199,480	-	-
Changes of assumptions	(490,621)	(247,792)	(2,523,886)	474,336
Benefit payments	(827,252)	(725,093)	(676,420)	(652,610)
Net change in total pension liability	(490,796)	1,260,953	(2,496,454)	766,069
Total pension liability - beginning	13,654,775	12,393,822	14,890,276	14,124,207
Total pension liability - ending	$ 13,163,979	$ 13,654,775	$ 12,393,822	$ 14,890,276
Covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
District's total pension liability as a percentage of covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021

	2020	2019	2018
Total Pension Liability			
Service cost	$ 326,443	$ 252,560	$ 264,759
Interest	309,638	437,376	415,403
Differences between expected and actual experiences	216,306	42,980	8,617
Changes of benefit terms	-	-	-
Changes of assumptions	2,172,292	528,828	(407,100)
Benefit payments	(632,004)	(642,240)	(588,960)
Net change in total pension liability	2,392,675	619,504	(307,281)
Total pension liability - beginning	11,731,532	11,112,028	11,419,309
Total pension liability - ending	$ 14,124,207	$ 11,731,532	$ 11,112,028
Covered payroll	N/A[1]	N/A[1]	N/A[1]
District's total pension liability as a percentage of covered payroll	N/A[1]	N/A[1]	N/A[1]
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018

[1] Covered payroll is not a component of the TPL as benefit payments amounts are paid based solely the retiree's membership, or non-membership, in CFT Local 6525 at the time of retirement.

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

Note 1 - Purpose of Schedules

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

This schedule present information on the District's changes in the net OPEB liability/(asset), including beginning and ending balances, the Plan's fiduciary net position, and the net OPEB liability/(asset). 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 in Assumptions* – The discount rate was changed from 6.10% to 7.26%, and the healthcare costs trend rate changed from 7.00% to 8.00% since the previous valuation.

Schedule of OPEB Investment Returns

This schedule presents information on the annual money-weighted rate of return on OPEB plan investments. In future years, as data becomes available, ten years of information will be presented.

Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program

This schedule presents information on the District's proportionate share of the net OPEB liability – MPP Program and the plans' fiduciary net position. 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* – The plan rate of investment return assumption was changed from 3.54% to 3.65% since the previous valuation.

Schedule of the District's Proportionate Share of the Net Pension Liability

This schedule present information on the District's proportionate share of the net pension liability (NPL), the Plans' fiduciary net positions and, when applicable, the State's proportionate share of the NPL associated with the District.

- *Changes in Benefit Terms* - There were no changes in benefit terms for the CalSTRS, CalPERS Schools Pool, or CalPERS Miscellaneous Pool plans since the previous valuations.
- *Changes of Assumptions* - There were no changes in economic assumptions for the CalSTRS, CalPERS Schools Pool, or CalPERS Miscellaneous Pool plans since the previous valuations.

Schedule of District Contributions for Pensions

This schedule presents information on the District's required contributions, the amounts actually contributed, and any excess or deficiency related to the required contribution.

Schedule of Changes in the District - Sponsored Medical and Dental for Qualifying Employees Plan Total Pension Liability and Related Ratios

This schedule present information on the District's changes in the District - Sponsored Medical and Dental for Qualifying Employees Plan total pension liability, including beginning and ending balances and related ratios. 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 in Assumptions* – There was a change in the discount rate from 3.65% to 3.93% since the previous valuation.

Supplementary Information
June 30, 2024

Pasadena Area Community College District

Pasadena Area Community College District (the District) was established in 1967, and is located in Los Angeles County. There were no changes in the boundaries of the District during the current year. The District's college is accredited by the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges, which is one of six regional associations that accredit public and private schools, colleges, and universities in the United States.

Board of Trustees as of June 30, 2024

Member	Office	Term Expires
Alton Wang	President	November 2026
Steve Gibson	Vice President	November 2026
Ryan Liu	Clerk	November 2028
Kristine Kwong	Member	November 2026
Sandra Chen Lau	Member	November 2026
Tamara Silver	Member	November 2028
James Aragon	Member	November 2028

Administration as of June 30, 2024

Jose Gomez, Ph.D	Interim Superintendent/President
Laura Ramirez, Ed.D.	Assistant Superintendent/Vice President, Instruction
Candace D. Jones	Assistant Superintendent/Vice President, Business and Administrative Services
Robert S. Blizinski	Assistant Superintendent/Vice President, Human Resources
Brenda Ivelisse, Ph.D	Assistant Superintendent/Vice President, Student Services

Auxiliary Organizations in Good Standing

Pasadena College Foundation, established 1979
Master Agreement revised 2017
Frank Cardenas, Interim Executive Director

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures	Amounts Passed through to Subrecipients
U.S. Department of Education				
Student Financial Assistance Cluster				
Federal Pell Grant Program	84.063		$ 38,531,180	$ -
Federal Pell Grant Program Administrative Allowance	84.063		41,880	-
Federal Direct Student Loans	84.268		1,982,998	-
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		785,100	-
FSEOG Administrative Allowance	84.007		85,906	-
Federal Work-Study Program	84.033		533,044	-
Subtotal Student Financial Assistance Cluster			41,960,108	-
TRIO Cluster				
Student Support Services	84.042A		377,360	-
Talent Search	84.044A		149,163	-
Upward Bound	84.047A		630,400	-
Upward Bound Math and Science	84.047M		581,858	-
Subtotal TRIO Cluster			1,738,781	-
COVID-19: Higher Education Emergency Relief Funds, Student Aid Portion	84.425E		337,514	-
COVID-19: Higher Education Emergency Relief Funds, Institutional Portion	84.425F		2,969,717	-
Subtotal			3,307,231	-
STEM: Reaching the Next Level in HSI Excellence	84.031C		993,730	-
Safe Pathway to Degree Completion for Hispanic and Other At-Risk Students	84.031S		138,757	-
Opening Pathways to Institutionalize Equity	84.031S		770,390	-
Pathways to Completion for Hispanic Students	84.031S		945,508	-
Subtotal			2,848,385	-
Childcare Access Means Parents in School (CCAMPIS)	84.335A		561,930	-
Congressionally Funded Community Project (Family Resource Center)	84.116Z		92,452	-
Voices in STEM	84.120A		103,446	-
Passed through California Community Colleges Chancellor's Office				
Career and Technical Education Act (CTEA), Title I, Part C	84.048A	23-C01-770	962,362	-
Passed through California Department of Education				
Adult Basic Education & ELA	84.002A	14508	205,978	-
Adult Education: Integrated English Literacy and Civics Education	84.002A	14109	24,268	-
Adult Secondary Education (ASE)	84.002A	13978	103,966	-
Subtotal			334,212	-
Passed through The Regents of the University of California				
UCLA Title VI East Asia National Resource Center	84.015A	1240 G IA023	10,147	-
Total U.S. Department of Education			51,919,054	-
U.S. Department of the Treasury				
Passed through California Community Colleges Chancellor's Office				
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	[1]	2,987,800	-
Total U.S. Department of the Treasury			2,987,800	-

[1] Pass-Through Entity Identifying Number not available.

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures	Amounts Passed through to Subrecipients
National Science Foundation				
Research and Development Cluster				
Micro Nano Technology Education Center	47.076		$ 3,606,005	$ 897,090
Passed through The Regents of the University of California				
Future Manufacturing Program	47.074	2134772	65,120	-
Subtotal Research and Development Cluster			3,671,125	897,090
U.S. Department of Agriculture				
Passed through Los Angeles County Office of Education				
Forest Service Schools and Roads Cluster				
Forest Reserve	10.665	[1]	10,858	-
Subtotal Forest Service School and Roads Cluster			10,858	-
Passed through the California Department of Education				
Child Nutrition Cluster				
Summer Food Service Program for Children (SFSPC)	10.559	13004	7,805	-
Subtotal Child Nutrition Cluster			7,805	-
Passed through the California Department of Social Services				
Child and Adult Care Food Program	10.558	13666	32,090	-
Total U.S. Department of Agriculture			50,753	-
Small Business Administration				
Passed through Long Beach Community College District				
Small Business Development	59.037	CN99780.4/ CN99798.6	255,153	-
Equal Opportunity Grant	59.037	CN99823.9	28,688	-
Total Small Business Administration			283,841	-
U.S. Department of Health and Human Services				
Passed through California Community Colleges Chancellor's Office				
Foster and Kinship Care Education	93.658	[1]	22,996	-
Temporary Assistance for Needy Families (TANF)	93.558	[1]	65,303	-
Passed through the County of Los Angeles, Department of Public Social Services				
Temporary Assistance for Needy Families (TANF)	93.558	CCCP21009	71,419	-
Subtotal			136,722	-
CCDF Cluster				
Passed through California Department of Social Services				
Child Care and Development Block Grant	93.575	15136	22,024	-
COVID-19: Child Care and Development Block Grant	93.575	15554	1,586	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	13609	31,332	-
Subtotal CCDF Cluster			54,942	-
Total U.S. Department of Health and Human Services			214,660	-
Total Federal Financial Assistance			$ 59,127,233	$ 897,090

[1] Pass-Through Entity Identifying Number not available.

Program	Program Revenues					
	Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue	Total Revenue	Program Expenditures
AANHPI Asian American Native Hawaiian Pacific Islander	$ 280,297	$ -	$ -	$ 280,297	$ -	$ -
AB 104 - Adult Education Block Grant	1,061,334	-	-	4,978	1,056,356	1,056,356
AB 798 Textbook Affodability Program	8,349	-	-	8,349	-	-
AB 798 Textbook Affordability Program - Implementation	9,058	-	-	9,007	51	51
Associate Degree Nursing	182,400	-	-	28,212	154,188	154,188
Basic Needs	1,485,531	-	-	1,084,195	401,336	401,336
Basic Needs Services Support One Time	1,213,252	-	-	881,421	331,831	331,831
Basic Skills	559,539	-	-	-	559,539	559,539
Black LatinX Outreach & Enrollment	43,061	-	-	-	43,061	43,061
Black Stem	55,199	-	-	-	55,199	55,199
Bridges to Stem Cell Research	473,451	-	-	78,415	395,036	395,036
California Governor's Office GO_Biz - CIP	71,268	28,555	-	-	99,823	99,823
California Governor's Office GO_Biz - TAEP	128,369	44,425	-	-	172,794	172,794
Cal Grant A	142,500	-	-	-	142,500	142,500
Cal Grant B	5,017,292	7,395	-	-	5,024,687	5,024,687
Cal Grant C	3,676	-	-	-	3,676	3,676
CalFresh	102,032	-	-	101,238	794	794
California College Promise	3,540,920	-	-	1,676,302	1,864,618	1,864,618
Calworks	484,350	-	-	43,078	441,272	441,272
CHAFEE Grant	244,506	13,383	-	-	257,889	257,889
Child Development Consortium	27,661	-	-	3,855	23,806	23,806
Child Development Program - Child and Adult Care Food Program	1,002	310	-	-	1,312	1,312
Child Development Program - CCTR	361,174	-	-	232,729	128,445	128,445
Child Development Program - CCTR Stipend	34,224	-	-	32,742	1,482	1,482
Child Development Program - CCTR Cost of Care Plus	29,227	-	-	29,227	-	-
Child Development Program - California State Preschool Program	342,584	7,371	-	137,967	211,988	211,988
Child Development Program - California State Preschool Program Cost of Care Plus	13,338	-	-	4,213	9,125	9,125
Cooperative Agencies Foster Youth Ed Support (CAFYES)	1,124,176	-	-	124,836	999,340	999,340
Cooperative Agencies Resources For Education (CARE)	342,970	-	-	59,795	283,175	283,175
COVID-19 Recovery Block Grant	1,035,696	-	-	488,545	547,151	547,151
Culturally Response Pedagogy & Practices	300,000	-	-	185,700	114,300	114,300

Program	Program Revenues: Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue	Total Revenue	Program Expenditures
CTE: Strong Workforce - Local	$ 4,282,790	$ -	$ -	$ 2,164,394	$ 2,118,396	$ 2,118,396
CTE: Strong Workforce -Regional	7	1,239,099	-	-	1,239,106	1,239,106
Culturally Competent Faculty PD	22,841	-	-	-	22,841	22,841
Disabled Students Program and Services (DSPS)	2,767,089	-	-	652,851	2,114,238	2,114,238
Dream Resources	322,828	-	-	97,950	224,878	224,878
Early Action Supplemental Funding	741,690	-	-	244,315	497,375	497,375
EEO Best Practices	138,648	-	-	71,485	67,163	67,163
Equitable Placement, Support & Completion	784,017	-	-	512,267	271,750	271,750
Economic and Workforce Development (EWD): Chef	96,000	12,309	-	4,166	104,143	104,143
EWD: EV Charger Repair Tech	96,000	-	-	21,576	74,424	74,424
EWD: Film & TV Assistant	96,000	-	-	14,512	81,488	81,488
EWD: Sterile Process & Distribution Tech	96,000	-	-	54,250	41,750	41,750
EWD: Teacher	96,000	-	-	21,787	74,213	74,213
Extended Opportunity Program and Services (EOP&S)	2,569,222	-	-	101,086	2,468,136	2,468,136
Financial Aid Technology	129,396	-	-	-	129,396	129,396
Foster Care Education Program	47,498	244	-	-	47,742	47,742
Foster Youth Education Enrollment & Outreach	200,000	-	-	136,907	63,093	63,093
Guided Pathways	1,090,578	-	-	9,886	1,080,692	1,080,692
Hunger Free Campus	280	-	-	1	279	279
Innovation & Effectiveness PRT	788	-	-	-	788	788
Instructional Equipment	8,564,312	-	-	5,858,011	2,706,301	2,706,301
K-12 Pathway Coordinator	4,772,659	-	-	2,816,648	1,956,011	1,956,011
K-12 Strong Workforce Program	59,924,199	-	-	33,352,512	26,571,687	26,571,687
K14 Technical Assistance Providers	569,176	-	-	336,462	232,714	232,714
Los Angeles Regional Consortium (LARC) CAI Computer User Support	96,000	24,000	-	-	120,000	120,000
LARC RC&C Grant	1,889,944	12,977	-	-	1,902,921	1,902,921
LARC - Foundational Project - Industry Engagement & Employment Pipeline	2,003	-	-	-	2,003	2,003
LARC - Foundational Project - LA Employment Outcomes - EMSI	66,500	-	-	-	66,500	66,500
LARC - Foundational Project - LA Faculty Innovation Hub	72,906	-	-	-	72,906	72,906
LARC - Foundational Project - Regional Marketing Project - CCLA 19	480,049	-	-	-	480,049	480,049

Program	Program Revenues: Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue	Total Revenue	Program Expenditures
LGBTQ+ Support	$ 299,682	$ -	$ -	$ 256,720	$ 42,962	$ 42,962
Local Systemwide Technology & Data Security	623,510	-	-	301,120	322,390	322,390
Local Systemwide Technology & Data Security - One-Time	-	109,911	-	-	109,911	109,911
Los Angeles Regional Consortium (LARC)	434,610	-	-	434,610	-	-
Mental Health	914,513	-	-	512,817	401,696	401,696
MESA	861,049	-	-	584,243	276,806	276,806
Office Equity Diverstiry & Justice - SEA	362,824	-	-	-	362,824	362,824
Professional Development	68,820	-	-	66,114	2,706	2,706
Promise Scholars Program	17,851	-	-	17,851	-	-
Puente Project - SEA	91,650	-	-	-	91,650	91,650
Puente Project Berkeley	120,000	-	-	53,704	66,296	66,296
Regional Equity & Recovery Partnerships (RERP)	32,235	-	-	11,054	21,181	21,181
Retention and Enrollment - Outreach	1,249,557	-	-	710,154	539,403	539,403
Retention and Enrollment - Marketing	2,881,069	-	-	1,902,307	978,762	978,762
Rising Scholars Network (CORE)	252,784	-	-	59,326	193,458	193,458
Seamless Transfer of Ethnic Studies	48,695	-	-	-	48,695	48,695
SFAA Augmentation	756,543	-	-	15,003	741,540	741,540
SSSP - Credit - SEA	5,579,946	-	-	-	5,579,946	5,579,946
SSSP - Non Credit - SEA	579,917	-	-	-	579,917	579,917
Staff Diversity - AB1725	252,983	-	-	168,521	84,462	84,462
Student Equity - SEA	6,614,151	-	-	4,773,809	1,840,342	1,840,342
Student Financial Aid Administration	195,894	-	-	4	195,890	195,890
Student Success Completion Grant	16,026,176	-	-	6,611,759	9,414,417	9,414,417
Student Transfer Achievement Reform	565,217	-	-	555,217	10,000	10,000
Strong Workforce Program - Regional	-	278,366	-	-	278,366	278,366
Strong Workforce Program - LARC	51,084,674	-	-	24,894,200	26,190,474	26,190,474
Systemwide Technology & Data Security	493,415	-	-	450,003	43,412	43,412
Title IX - Trauma Informed Care - SEA	52,807	-	-	-	52,807	52,807
Veteran's Center	148,201	-	-	48,304	99,897	99,897
Zero Textbook Cost Program	665,000	-	-	653,659	11,341	11,341
Total state programs	$ 206,300,249	$ 1,778,345	$ 6,259,709	$ 95,046,666	$ 106,772,219	$ 106,772,219

CATEGORIES	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2023 Only)			
1. Noncredit*	343.54	-	343.54
2. Credit	1,186.43	-	1,186.43
B. Summer Intersession (Summer 2024 - Prior to July 1, 2024)			
1. Noncredit*	-	-	-
2. Credit	8.20	-	8.20
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	7,332.85	-	7,332.85
(b) Daily Census Contact Hours	896.50	-	896.50
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit*	1,266.55	-	1,266.55
(b) Credit	526.01	-	526.01
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Procedure Courses	5,883.00	-	5,883.00
(b) Daily Census Procedure Courses	3,388.61	-	3,388.61
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	20,831.69	-	20,831.69
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. In-Service Training Courses (FTES)	-	-	-
F. Basic Skills Courses and Immigrant Education			
1. Noncredit*	1,476.33	-	1,476.33
2. Credit	60.19	-	60.19
CCFS-320 Addendum			
CDCP Noncredit FTES	917.64	-	917.64
Centers FTES			
1. Noncredit*	764.61	-	764.61
2. Credit	457.82	-	457.82

* Including Career Development and College Preparation (CDCP) FTES.

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110 Reported Data	Audit Adjustments	Revised Data	ECS 84362 B Total CEE AC 0100 - 6799 Reported Data	Audit Adjustments	Revised Data
Academic Salaries							
Instructional Salaries							
Contract or Regular	1100	$ 41,252,895	$ -	$ 41,252,895	$ 42,095,619	$ -	$ 42,095,619
Other	1300	34,720,311	-	34,720,311	34,720,311	-	34,720,311
Total Instructional Salaries		75,973,206	-	75,973,206	76,815,930	-	76,815,930
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	14,743,486	-	14,743,486
Other	1400	-	-	-	802,902	-	802,902
Total Noninstructional Salaries		-	-	-	15,546,388	-	15,546,388
Total Academic Salaries		75,973,206	-	75,973,206	92,362,318	-	92,362,318
Classified Salaries							
Noninstructional Salaries							
Regular Status	2100	-	-	-	29,358,241	-	29,358,241
Other	2300	-	-	-	2,757,545	-	2,757,545
Total Noninstructional Salaries		-	-	-	32,115,786	-	32,115,786
Instructional Aides							
Regular Status	2200	-	-	-	-	-	-
Other	2400	173,539	-	173,539	173,539	-	173,539
Total Instructional Aides		173,539	-	173,539	173,539	-	173,539
Total Classified Salaries		173,539	-	173,539	32,289,325	-	32,289,325
Employee Benefits	3000	23,004,010	-	23,004,010	52,785,977	-	52,785,977
Supplies and Material	4000	-	-	-	1,506,465	-	1,506,465
Other Operating Expenses	5000	-	-	-	14,329,624	-	14,329,624
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures Prior to Exclusions		99,150,755	-	99,150,755	193,273,709	-	193,273,709

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Exclusions							
Activities to Exclude							
Instructional Staff - Retirees' Benefits and Retirement Incentives	5900	$ -	$ -	$ -	$ -	$ -	$ -
Student Health Services Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	-	-	-
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	6740	-	-	-	-	-	-
Objects to Exclude							
Rents and Leases	5060	-	-	-	44,929	-	44,929
Lottery Expenditures							-
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines, and Periodicals	4200	-	-	-	-	-	-
Instructional Supplies and Materials	4300	-	-	-	-	-	-
Noninstructional Supplies and Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	-	-	-

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110 Reported Data	Audit Adjustments	Revised Data	ECS 84362 B Total CEE AC 0100 - 6799 Reported Data	Audit Adjustments	Revised Data
Other Operating Expenses and Services	5000	$ -	$ -	$ -	$ 5,286,086	$ -	$ 5,286,086
Capital Outlay	6000						
Library Books	6300	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay							
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		-	-	-	5,331,015	-	5,331,015
Total for ECS 84362, 50% Law		$ 99,150,755	$ -	$ 99,150,755	$ 187,942,694	$ -	$ 187,942,694
% of CEE (Instructional Salary Cost/Total CEE)		52.76%		52.76%	100.00%		100.00%
50% of Current Expense of Education					$ 93,971,347		$ 93,971,346

Activity Classification	Object Code			Unrestricted
EPA Revenues:	8630			$ 20,048,567
Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	1000-5900	$ 20,048,567	$ -	$ -	$ 20,048,567
Total Expenditures for EPA		$ 20,048,567	$ -	$ -	$ 20,048,567
Revenues Less Expenditures					$ -

Amounts reported for governmental activities in the Statement of Net Position are different because		
Total fund balance		
General Funds	$ 63,031,821	
Special Revenue Funds	13,748,112	
Capital Project Funds	157,658,981	
Debt Service Funds	32,667,448	
Proprietary Funds	1,009,843	
Internal Service Funds	18,164,206	
Fiduciary Funds	35,813,871	
Total fund balance and retained earnings - all District funds		$ 322,094,282
Amounts held in trust on behalf of others (Retiree OPEB Trust)		(35,813,871)
Lease receivables and deferred inflows of resources related to leases are reported in the Statement of Net Position, but were not reported on the District's CCFS-311 report.		
Lease receivables	1,275,019	
Deferred inflows of resources related to leases	(1,198,984)	
		76,035
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	425,066,082	
Accumulated depreciation and amortization is	(192,511,709)	
Total capital assets, net		232,554,373
The net other postemployment benefits (OPEB) asset results from the difference between annual OPEB cost on the accrual basis and OPEB contributions in the governmental funds.		1,294,337
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the District's funds. Deferred outflows of resources at year-end consist of:		
Deferred outflows of resources related to debt refunding	1,446,459	
Deferred outflows of resources related to OPEB	1,948,814	
Deferred outflows of resources related to pensions	54,928,140	
Total deferred outflows of resources		58,323,413
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide statements, unmatured interest on long-term liabilities is recognized when it is incurred.		(3,391,214)

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
General obligation bonds	$ (188,535,793)	
Lease liability	(320,718)	
Subscription-based IT arrangements	(1,534,446)	
Compensated absences	(4,246,542)	
Load banking	(1,300,864)	
Aggregate net other postemployment benefits (OPEB) liability	(469,939)	
Aggregate net pension liability	(173,449,631)	
Total long-term liabilities		$ (369,857,933)
Deferred inflows of resources represent an acquisition of net position in a future period and is not reported in the District's funds. Deferred inflows of resources amount to and related to:		
Deferred inflows of resources related to OPEB	(6,722,494)	
Deferred inflows of resources related to pensions	(20,397,157)	
Total deferred inflows of resources		(27,119,651)
Total net position		$ 178,159,771

Note 1 - Purpose of Schedules

District Organization

This schedule provides information about the District's governing board members, administration members, and auxiliary organizations in good standing as of June 30, 2024.

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, except for subrecipient expenditures, which are recorded on the cash basis. 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.

Indirect Cost Rate
The District has not 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 *Education Code* Section 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.

Proposition 30 Education Protection Account (EPA) Expenditure Report

This schedule provides information about the District's EPA revenues and summarizes the expenditures of EPA revenues.

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.

Independent Auditor's Reports
June 30, 2024

Pasadena Area Community College District

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Trustees
Pasadena Area Community College District
Pasadena, 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 (*Government Auditing Standards*), the financial statements of the business-type activities, discretely presented component unit, and fiduciary activities of Pasadena Area 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 December 6, 2024.

Restatement

As discussed in Note 14 to the financial statements, the discretely presented component unit was not included in the June 30, 2023 financial statements of the District. Accordingly, Pasadena City College Foundation, Inc. is now properly presented as a discretely presented component unit in the June 30, 2024 financial statements. Our opinions are not modified with respect to this matter.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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.

Eide Bailly LLP

Rancho Cucamonga, California
December 6, 2024

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance Required by the Uniform Guidance

Board of Trustees
Pasadena Area Community College District
Pasadena, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Pasadena Area Community College District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of 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, Pasadena Area Community College District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

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Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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.

Eide Bailly LLP

Rancho Cucamonga, California
December 6, 2024

Independent Auditor's Report on State Compliance

To the Board of Trustees
Pasadena Area Community College District
Pasadena, California

Report on State Compliance

Opinion on State Compliance

We have audited Pasadena Area Community College District's (the District) compliance with the types of compliance requirements described in the 2023-2024 California Community Colleges Chancellor's Office *Contracted District Audit Manual* applicable to the state laws and regulations identified below for the year ended June 30, 2024.

In our opinion, Pasadena Area Community College District complied, in all material respects, with the compliance requirements referred to above that are applicable to the state laws and regulations identified 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 (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), and the 2023-2024 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's 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 2023-2024 California Community Colleges Chancellor's Office *Contracted District Audit Manual* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements listed in the table below.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the 2023-2024 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, we express no such opinion.

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 that we identify during the audit.

Compliance Requirements Tested

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

Section 411	SCFF Data Management Control Environment
Section 412	SCFF Supplemental Allocation Metrics
Section 413	SCFF Success Allocation Metrics
Section 421	Salaries of Classroom Instructors (50 Percent Law)
Section 423	Apportionment for Activities Funded From Other Sources
Section 424	Student Centered Funding Formula Base Allocation: FTES
Section 425	Residency Determination for Credit Courses
Section 426	Students Actively Enrolled
Section 427	Dual Enrollment (CCAP)
Section 430	Scheduled Maintenance Program
Section 431	Gann Limit Calculation
Section 444	Apprenticeship Related and Supplemental Instruction (RSI) Funds
Section 475	Disabled Student Programs and Services (DSPS)
Section 490	Proposition 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

The District reports no Apprenticeship Related and Supplemental Instruction (RSI) Funds programs for funding; therefore, the compliance requirements within this section were not applicable.

The State Fiscal Recovery Fund was included as a major federal program, as described in the summary of auditor's results; therefore, the compliance requirements within this section were not performed.

The final expenditure report for the COVID-19 Response Block Grant was submitted in the prior fiscal year; therefore, the compliance requirements within this section were not performed.

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the 2023-2024 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Rancho Cucamonga, California
December 6, 2024

Schedule of Findings and Questioned Costs
June 30, 2024

Pasadena Area Community College District

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance 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 Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a):	No

Identification of major programs

Name of Federal Program or Cluster	Federal Financial Assistance Listing
Student Financial Assistance Cluster	84.007, 84.033, 84.063, 84.268
TRIO Cluster	84.042A, 84.044A, 84.047A, 84.047M
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027

Dollar threshold used to distinguish between type A and type B programs:	$1,773,817
Auditee qualified as low-risk auditee?	Yes

State Compliance

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

None reported.

None reported.

None reported.

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.