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FEATHER RIVER COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2023

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FEATHER RIVER COMMUNITY COLLEGE DISTRICT
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CWDL

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Feather River Community College District
Quincy, California

Report on Audit of Financial Statements

Opinions
We have audited the accompanying financial statements of the business-type activities of Feather River Community College District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

CWDL, Certified Public Accountants

San Diego, California
December 6, 2023

This discussion and analysis of Feather River Community College District's financial statements provides an overview of the District's financial activities for the year ended June 30, 2023. Management has prepared the financial statements and the related footnote disclosures along with this discussion and analysis. These financial statements and this discussion and analysis reflect the financial activities of the Feather River Community College District. In accordance with Statement No. 14, as amended by Statement No. 39 of the Governmental Accounting Standards Board (GASB), the financial data of the Foundation have been discretely presented with that of the District in these financial statements.

FINANCIAL HIGHLIGHTS

The District closed the year with unrestricted general fund net position of $17.8 million, or 82% of operating expenses. Net position for the District does not equate to cash reserves as it includes receivables and prepaid items. This was an improvement of $5.4 million over the prior year.

Overview of the Financials

These financial statements communicate the financial condition and operational results of Feather River Community College District. Our statements are presented using the terminology and classifications of activity that conform to the Governmental Accounting Standards Board's Statements of Financial Accounting.

Financial Statements

The three basic financial statements included in this report are: the Statement of Net Position; the Statement of Revenues, Expenses, and Change in Net Position; and the Statement of Cash Flows.

- The **Statement of Net Position** presents the financial position as of the end of the fiscal year (June 30) and includes all assets and liabilities of the District. The difference between total assets and total liabilities is one measure of financial health or position, while the change in net assets is a useful indicator of whether the financial condition is improving or deteriorating. Over time, increases or decreases in the District's net assets can be useful in assessing whether its financial health is improving.

- The **Statement of Revenues, Expenses, and Change in Net Position** presents the operating results of the District. The purpose of the statement is to present the revenues received by the District, both operating and non-operating, the expenses paid by the District, operating and non-operating, and any other revenues, expenses, gains and losses. Thus, this statement presents the District's results of operations. Changes in total net position are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. Generally, operating revenues are earned for providing goods and services to the various customers and constituencies of the District. Operating expenses are those expenses incurred to acquire or produce the goods and services provided in return for the operating revenues and to fulfill the mission of the District. Non-operating revenues are those received or pledged for which goods and services are not provided. For example, state appropriations are non-operating revenues because they are provided by the State Legislature to the District without the Legislature directly receiving commensurate goods and services for the revenues.

FINANCIAL HIGHLIGHTS, continued

Financial Statements, continued

- The Statement of Cash Flows presents cash-related activities during the fiscal year, thereby reconciling the beginning and end-of-year cash balances contained in the Statement of Net Position. Like those required of for-profit entities, this statement segregates the activities of the organization into three categories: cash flows from operations, investing, and financing activities. This statement provides data that supplements information contained in the Statement of Revenues, Expenses, and Change in Net Position (e.g., it adjusts for the effects of accrual accounting, removes certain non-cash activities such as depreciation, and discloses cash generated or used by operating activities, investments, and new financing).

Statement of Net Position

The Statement of Net Position includes all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions.

- Cash and cash equivalents reflect operating cash on hand. Restricted cash and cash equivalents reflects cash held for restricted purposes by legislation, by contract, or by grantor agency. This includes cash for capital outlay projects, debt repayment, and future post-retirement benefits. Most of the cash and cash equivalents balances are held at the Plumas County Treasurer's office in accordance with Education Code Section 84000. More information on cash can be found in the footnotes to the financial statements.

- Accounts receivable are accounts payable to the District from students and other sources.

- Capital assets are those fixed assets for which the acquisition cost exceeds the thresholds set forth in the District's Board Policies regarding depreciable assets. Such assets are then depreciated over their useful lives. The financial statements reflect the cost of capital assets, net of accumulated depreciation.

- Accounts payable consist mainly of amounts owed to suppliers for various operating purchases, to employees for accrued vacation, and to vendors for purchases of capital assets.

- Unearned revenues are amounts received but not yet earned by the District. The unearned revenues were made up of mostly state categorical programs with allowable carryover.

CONDENSED DISTRICT-WIDE FINANCIAL INFORMATION IS AS FOLLOWS:

Condensed Statement of Net Position as of June 30, 2023 and 2022

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	2023	2022	Change
Current assets	$ 36,008,143	$ 24,037,906	$ 11,970,237
Non-current assets	18,470,755	14,773,695	3,697,060
Deferred outflow of resources	5,731,278	3,105,987	2,625,291
Total Assets and Deferred Outflows of Resources	60,210,176	41,917,588	18,292,588
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current liabilities	18,804,978	8,678,224	10,126,754
Non-current liabilities	18,661,119	11,287,961	7,373,158
Deferred inflows of resources	1,711,216	6,330,000	(4,618,784)
Total Liabilities and Deferred Inflows of Resources	39,177,313	26,296,185	12,881,128
NET POSITION			
Invested in capital assets, net of related debt	12,205,802	12,569,137	(363,335)
Restricted	5,208,706	13,016	5,195,690
Unrestricted	3,618,355	3,039,250	579,105
Total Net Position	$ 21,032,863	$ 15,621,403	$ 5,411,460

Net Position – the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources – is one way to measure the financial health of the District. Significant changes in the District's net position were comprised of the following:

- An increase of $12.2 million in unrestricted and restricted cash.
- A $0.6 million increase in capital and right-of-use leased assets.
- A $2.6 million increase to deferred outflows resulting from changes in the net pension liability.
- Long-term debt (LTD) in total, which includes both current and non-current portions, increased by $7.6 million from the prior year. The increase in comparison to prior year was primarily due to an increase in lease liabilities of $1.0 million and an increase in the pension liability of $6.9 million related to the actuarial study with a measurement date of June 30, 2022.
- Deferred Inflows of Resources for pensions decreased by $4.6 million related to changes in the net pension liability.
- Net investment in capital assets represents the District's investment in physical facilities, land, and capital improvements. The 2022-23 balance reflected a 2.7% decrease from the prior year balance in the amount of $12.6 million to $12.2 million.

Statement of Revenues, Expenses, and Changes in Net Position for the Years Ended June 30, 2023 and 2022

	2023	2022	Change
OPERATING REVENUES			
Tuition and fees (net)	$ 2,661,953	$ 873,805	$ 1,788,148
Grants and contracts	5,943,979	9,440,830	(3,496,851)
Auxiliary enterprise sales, net	272,419	188,259	84,160
Total Operating Revenues	8,878,351	10,502,894	(1,624,543)
OPERATING EXPENSES			
Salaries and benefits	16,563,556	15,340,295	1,223,261
Supplies, materials, and other operating expenses	8,811,837	6,502,599	2,309,238
Financial aid	4,032,818	3,913,140	119,678
Depreciation and amortization	1,099,572	805,580	293,992
Total Operating Expenses	30,507,783	26,561,614	3,946,169
Operating Loss	(21,629,432)	(16,058,720)	(5,570,712)
NON-OPERATING REVENUES (EXPENSES)			
State apportionments, noncapital	11,787,932	9,518,849	2,269,083
Local property taxes, noncapital	8,477,992	7,194,333	1,283,659
State taxes and other revenues, noncapital	2,300,322	556,449	1,743,873
Federal grants and contracts	1,396,244	2,432,196	(1,035,952)
Federal PELL revenues	1,215,664	1,031,772	183,892
Investment income	761,003	37,778	723,225
Other non-operating revenues	752,735	-	752,735
Total Non-Operating Revenues (Expenses)	26,691,892	20,771,377	5,920,515
OTHER REVENUES (EXPENSES)			
State apportionments, capital	349,000	832,075	(483,075)
Change in Net Position	5,411,460	5,544,732	(133,272)
NET POSITION -- BEGINNING OF YEAR	15,621,403	10,076,671	5,544,732
NET POSITION -- END OF YEAR	$ 21,032,863	$ 15,621,403	$ 5,411,460

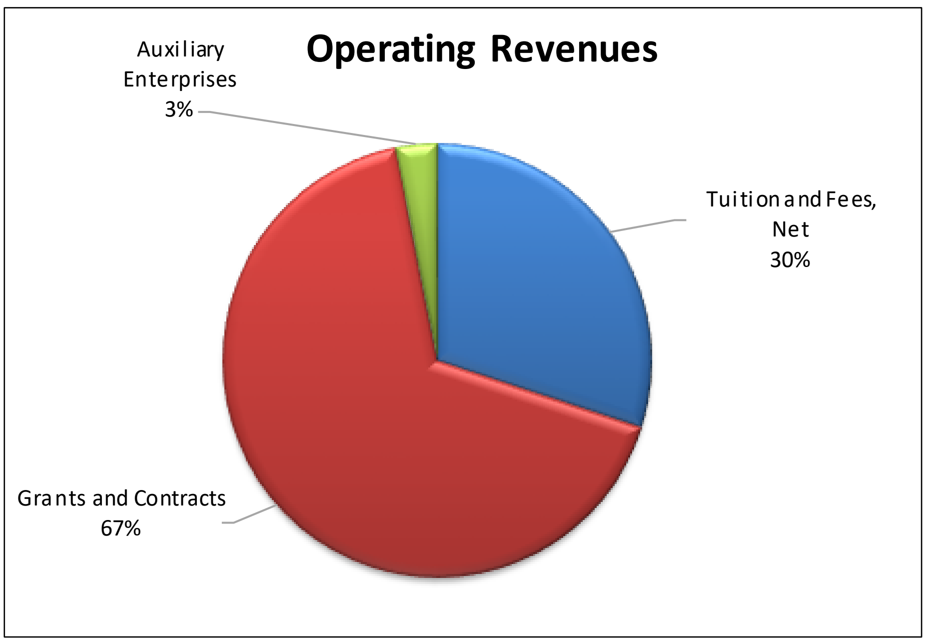
The Statement of Revenues, Expenses, and Change in Net Position presents the operating results of the District, as well as the non-operating revenues and expenses. Annual state appropriations, while budgeted for operations, are considered non-operating revenues according to Generally Accepted Accounting Principles (GAAP).

General Fund Revenues by Source

Revenues are recorded in three categories; operating revenues, non-operating revenues and capital revenues. Operating revenues include tuition and fees, grants and contracts, revenues from auxiliary enterprises and interest. Non-operating revenues are comprised of state apportionment, local property taxes, non-capital federal grants and contracts, state taxes, interest income, and other. Capital revenues consist of state apportionments, local property taxes, and grants & gifts. Overall revenues were $35.9 million ($8.9 million in operating revenues, $26.7 million in non-operating revenues, and $348 thousand in capital revenues). This was a net increase of approximately $3.8 million.

State apportionment revenue increased by $2.9 million or 30% over the 2021-22 year. Local property tax apportionment increase by $685 thousand, or 10%, in comparison to the prior year.

The District received a 8.22% cost of living adjustment (COLA) in the 2022-2023 fiscal year. The District is not eligible for any Growth Funding for the 2022-2023 fiscal year.



General Fund Expenditures by Type

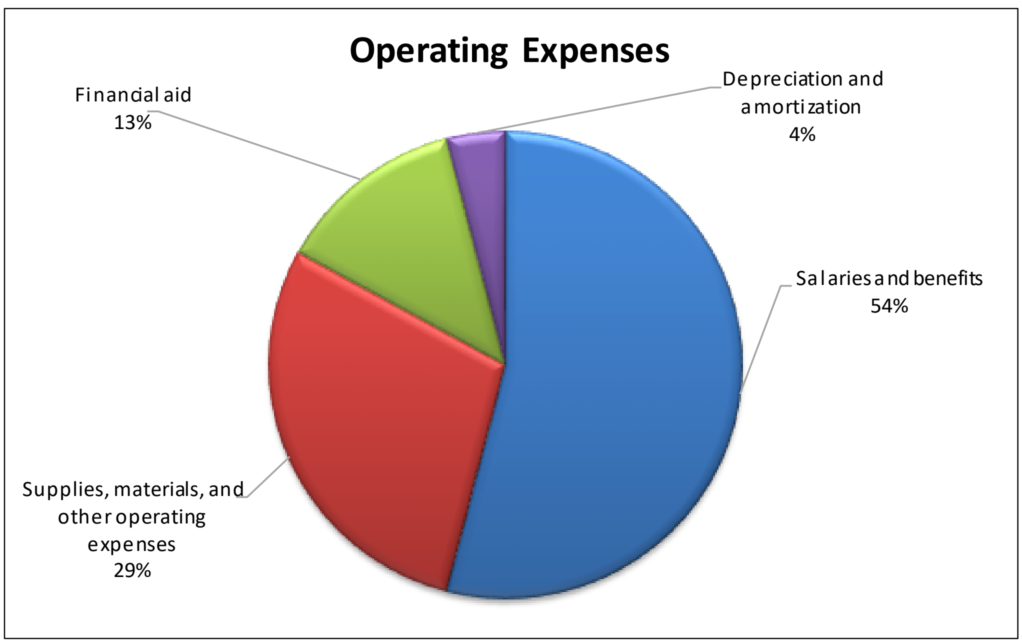
Expenses are recorded as operating and non-operating expenses. All expenses except some debt related capital expenses are categorized as operating expenses. Operating expenses reflect depreciation and financial aid expenses. Overall expenses were $30.5 million. This was $3.9 million more than expenses for the prior year.

Expenses for employee salaries increase by $655 thousand or 6% and statutory benefits increased by $568 thousand or 15%. The increase in salaries was primarily due COLA and step increases while the increase in benefits was mostly due to positions being filled on a permanent basis.

The cost of supplies, materials, and other operating expenses and services increased by $2.8 million or 43%. Student aid decreased by $143 thousand, or 4% from prior year.

Depreciation expense increased from the prior year by $64 thousand or 8%.

The District has no long-term lease/debt obligations as of June 30, 2023.



Condensed Statement of Cash Flows for the Years Ended June 30, 2023 and 2022

CASH PROVIDED BY (USED IN)	2023	2022	Change
Operating activities	$ (14,098,107)	$ (15,819,075)	$ 1,720,968
Noncapital financing activities	25,930,889	20,733,599	5,197,290
Capital and related financing activities	(387,237)	(835,486)	448,249
Investing activities	761,003	37,778	723,225
Net Increase (Decrease) in Cash and Cash Equivalents	12,206,548	4,116,816	8,089,732
CASH -- BEGINNING OF YEAR	23,537,713	19,420,897	4,116,816
CASH -- END OF YEAR	$ 35,744,261	$ 23,537,713	12,206,548

The previous schedule has been prepared from the Statement of Cash Flows presented in the basic financial statements. This statement provides information about cash receipts and cash payments during the fiscal year. It also helps users assess the District's ability to generate positive net cash flows and its ability to meet its obligations as they come due.

The primary operating activities contributing to cash flow are student tuition and fees and Federal, State, and local grants and contracts, while the primary operating activity using cash flow throughout the year is the payment of salaries and benefits.

Even though State apportionment and property taxes are the primary source of District revenue (and cash flow), GASB accounting standards require that these sources of revenue be shown as nonoperating revenue since they come from the general resources of the State and not from the primary users of the District's programs and services (students). Nevertheless, the District depends upon this funding as the primary source of funds to continue operations.

Capital Assets and Long-Term Debt

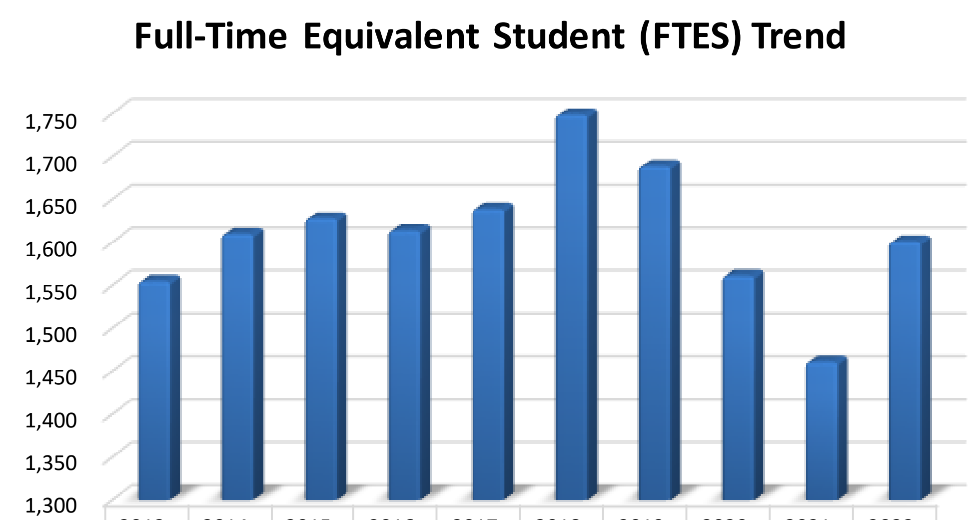
In accordance with GAAP, the District recorded $824 thousand in depreciation expense for the fiscal year and reflected a liability for compensated absences (accrued vacation not used at June 30) of $797 thousand.

The GASB 68 requirements relate only to accounting and financial reporting of the liability, not the actual funding of the liability. The District's share of the CalSTRS and CalPERS total liability represents $16.2 million pension liability, an increase of $7.0 million. Changes related to deferred inflows and outflows consisted of an increase of $2.8 million in Deferred Outflows and a decrease of Deferred Inflows of $4.6 million. These changes are all based on the CalSTRS and CalPERS June 30, 2022 actuarial measurement date.

For additional information concerning Capital Assets and Long-Term Debt, see footnotes to the financial statements.

Enrollment Highlights

Full-time Equivalent Students (FTES) reported prior to the final recalculation apportionment by the State was 1,601, which represented an increase of 140 FTES in the 2022-23 fiscal year. This is a 10% increase from the prior year. In the calculation of the funded FTES, the Student Centered Funding Formula uses a three year average of the District's reported Full-time Equivalent Students. The final allocation of funds from the State has not taken place yet. As of the State's Second Principal Apportionment calculation, the Chancellor's Office will reduce districts' FTES funding to no more than the growth target, unless sufficient funds are available to fund FTES above the targeted growth. The projected growth target is currently 0% for FRCCD.



	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
FTES	1,555	1,610	1,628	1,614	1,639	1,749	1,689	1,561	1,461	1,601

ECONOMIC FACTORS THAT MAY AFFECT THE FUTURE

Recent reports have stated Califorina could face a $58 billion deficit over the next few years, which has the potential to impact the State similarly to the great recession of 2008. Feather River College needs to remain responsive to financial pressures by having sound fiduciary practices, integrated strategic planning, and a collaborative governance approach to the budget process. The District evaluates its strategic planning and processes and incorporates these priorities as they relate to the college's mission. This integrated planning process along with the necessary supporting and prioritized budget requests will offer funding for quality educational programs that students need to further their educational pursuits. This integrated process will also enhance the financial health and viability of the District going into the future. A strong net position, prudent expenditure decisions, and flexibility, will certainly help the District in continuing to provide a quality educational experience for the students that are seeking degrees, transfers, and job enhancing skills.

ECONOMIC FACTORS THAT MAY AFFECT THE FUTURE, continued

While the economy was better than expected last year, enrollment at our District is still down from pre-pandemic rates. Community College funding is predominately based on enrollment. If enrollment does not rebound by the time the state's "hold harmless" ends in fiscal year 2025, the District's funding will be significantly impacted.

Over the next few years, District contribution rates for the Public Employees Retirement System (PERS) are predicted to increase to 30%. The District has set aside funds to help support the rising costs of STRS and PERS and will continue to monitor the situation and set aside more funding if necessary, while also looking at other options to fund the increase such as a trust account.

Looking ahead, the District is faced with many funding challenges as we strive to serve the county resident population with aging facilities. For this reason, the District is pursuing funding for structure renovations and new construction to replace aging buildings. The District has submitted proposals to the State of California so that prioritization and evaluations of the District's construction needs can be addressed if future state funds become available. The District is setting aside money into a capital outlay fund, and making significant investments each year as the state funding becomes less likely. There is currently a need for capital investment in things like transportation vehicles, a water storage supply structure, and student housing. With large building projects potentially on the horizon with funding from the State, as well as restricted Block Grant funding, the District will need to prioritize projects in order to maximize the use of the funds and projects completed.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Feather River Community College District.

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS		
Current Assets:		
Cash and investments	$	30,568,671
Accounts receivable, net		5,294,911
Inventory		74,299
Prepaid expenditures and other assets		70,262
Total Current Assets		36,008,143
Noncurrent Assets:		
Restricted cash and investments		5,175,590
Right-of-use leased assets, net		1,064,054
Capital assets, net		12,231,111
Total Noncurrent Assets		18,470,755
TOTAL ASSETS		54,478,898
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows - pensions		5,731,278
TOTAL DEFERRED OUTFLOWS OF RESOURCES		5,731,278
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$	60,210,176
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued expenses	$	4,659,074
Unearned revenue		13,083,451
Long-term debt, current portion		1,062,453
Total Current Liabilities		18,804,978
Noncurrent Liabilities:		
Net OPEB liability		1,645,464
Net pension liability		16,191,684
Long-term debt, non-current portion		823,971
Total Noncurrent Liabilities		18,661,119
TOTAL LIABILITIES		37,466,097
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions		1,711,216
TOTAL DEFERRED INFLOWS OF RESOURCES		1,711,216
NET POSITION		
Net investment in capital assets		12,205,802
Restricted for:		
Capital projects		5,208,706
Unrestricted		3,618,355
TOTAL NET POSITION		21,032,863
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$	60,210,176

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

OPERATING REVENUES	
Tuition and fees (gross)	$ 3,565,071
Less: Scholarship discounts and allowances	(903,118)
Net tuition and fees	2,661,953
Grants and contracts, noncapital:	
Federal	1,824,716
State	4,119,263
Auxiliary enterprise sales, net	272,419
TOTAL OPERATING REVENUES	8,878,351
OPERATING EXPENSES	
Salaries	12,097,802
Employee benefits	4,465,754
Supplies, materials, and other operating expenses	8,811,837
Financial aid	4,032,818
Depreciation and amortization	1,099,572
TOTAL OPERATING EXPENSES	30,507,783
OPERATING LOSS	(21,629,432)
NON-OPERATING REVENUES (EXPENSES)	
State apportionments, noncapital	11,787,932
Local property taxes, noncapital	8,477,992
State taxes and other revenues, noncapital	2,300,322
Federal grants and contracts, non-capital	1,396,244
Federal Pell revenues	1,215,664
Interest and investment income (loss), net	761,003
Other non-operating income	752,735
TOTAL NON-OPERATING REVENUES	26,691,892
LOSS BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	5,062,460
OTHER REVENUES, EXPENSES, GAINS AND LOSSES	
State apportionments, capital	349,000
TOTAL OTHER REVENUES, EXPENSES, GAINS AND LOSSES	349,000
CHANGE IN NET POSITION	5,411,460
NET POSITION -- BEGINNING OF YEAR	15,621,403
NET POSITION -- END OF YEAR	$ 21,032,863

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	$ 2,661,953
Grants and contracts	9,618,742
Payments to or on behalf of employees	(17,090,065)
Payments to vendors for supplies and services	(5,748,248)
Payment to students	(4,032,818)
Foundation loan	219,910
Auxiliary enterprise sales and charges	272,419
Net Cash Used by Operating Activities	(14,098,107)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State apportionments	11,787,932
Local property taxes	8,477,992
State taxes and other revenues	2,300,322
Federal and State financial aid grants	1,396,244
Pell grants	1,215,664
Other non-operating revenues	752,735
Net Cash Provided by Non-capital Financing Activities	25,930,889
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Net purchase and sale of capital assets	(1,660,600)
State revenue, capital projects	349,000
Principal paid on leases	924,363
Net Cash Used by Capital and Related Financing Activities	(387,237)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income (expense)	761,003
Net Cash Provided by Investing Activities	761,003
NET INCREASE IN CASH AND CASH EQUIVALENTS	12,206,548
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	23,537,713
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 35,744,261

RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating loss	$	(21,629,432)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation and amortization expense		1,099,572
Changes in Assets and Liabilities:		
Accounts receivable, net		(3,087,021)
Inventory		36,026
Prepaid expenditures		(68,636)
Due from Foundation/District		219,910
Deferred outflows - pensions		(2,799,194)
Deferred outflows - OPEB		173,903
Accounts payable and accrued liabilities		3,096,199
Deferred revenue		6,761,784
Compensated absences		48,379
Net OPEB liability		(301,497)
Net pension liability		6,970,684
Deferred inflows - pensions		(4,618,784)
Total Adjustments		7,531,325
Net Cash Flows From Operating Activities	$	(14,098,107)
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	$	30,568,671
Restricted cash and equivalents		5,175,590
Total Cash and Cash Equivalents	$	30,568,671

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
DISCRETELY PRESENTED COMPONENT UNIT
FEATHER RIVER COLLEGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

ASSETS		
Current assets:		
Cash and cash equivalents	$	1,104,552
Investments, current		560,019
Accounts receivable		15,000
Operating lease receivable, current		308,004
Total current assets		1,987,575
Noncurrent assets:		
Investment, noncurrrent		53,527
Operating lease receivable		778,017
Non-depreciable capital assets		455,056
Depreciable capital assets, net		2,269,032
Horses and livestok, net of acculualted depreciation of $244,263		184,248
Deposits		1,900
Total noncurrent assets		3,741,780
Total assets	$	5,729,355
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	$	1,115
Total current liabilities		1,115
Noncurrent liabilities:		
Deferred Rent		1,086,021
Total noncurrent liabilities		1,086,021
Total liabilities		1,087,136
NET ASSETS		
Net assets without donor restrictions		3,251,613
Net assets with donor restrictions		1,390,606
Total net assets		4,642,219
Total liabilities and net assets	$	5,729,355

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
DISCRETELY PRESENTED COMPONENT UNIT
FEATHER RIVER COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	$ -	$ 289,128	$ 289,128
Registration fees	150	-	150
Contributions by Feather River College	284,000	-	284,000
Rental income	881	-	881
Investment income	584	28,547	29,131
Other operating income	11,671	11,020	22,691
Gain on sale of horses/livestock	-	263,415	263,415
Fish sales, net	-	3,673	3,673
Fundraising income, net	-	144,415	144,415
Net assets released for restrictions	542,497	(542,497)	-
Total Support and Revenue	839,783	197,701	1,037,484
EXPENSES			
Program			
Fitness center operations	13,472	-	13,472
College housing operations	277,851	-	277,851
Scholarships granted	54,894	-	54,894
Support services			
General and administrative	513,165	-	513,165
Total Expenses	859,382	-	859,382
Change in Net Assets	(19,599)	197,701	178,102
Net Assets - Beginning of Year	3,271,212	1,192,905	4,464,117
Net Assets - End of Year	$ 3,251,613	$ 1,390,606	$ 4,642,219

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
DISCRETELY PRESENTED COMPONENT UNIT
FEATHER RIVER COLLEGE FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$	178,102
Reconciliation to net cash provided (used) by operating activities:		
Depreciation		693,689
Gain on sale or horses		(263,415)
Effect on changes in:		
Tenant deposit payable		(25,939)
Accounts payable		(280,833)
Net Cash Provided (Used) by Operating Activities		301,604
CASH FLOWS FROM INVESTING ACTIVITES		
Purchase of fixed assets		(372,132)
Purchase of investments		1,036,831
Proceeds from sale of investments		377,932
Purchase of horses and livestock		(159,817)
Proceeds from sale of horses and livestock		45,300
Net Cash Provided (Used) in Investing Activities		928,114
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term debt		(787,022)
Payments on leases		(247,077)
Net Cash Provided (Used) by Financing Activities		(1,034,099)
Net Increase (Decrease) in Cash and Cash Equivalents		195,619
Cash and Cash Equivalents - Beginning of Year		908,933
Cash and Cash Equivalents - End of Year	$	1,104,552

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

Feather River Community College District (the "District") is a political subdivision of the State of California and provides educational services to the local residents of the surrounding area. While the District is a political subdivision of the state, it is not a component unit of the state in accordance with the provisions of Governmental Accounting Standards Board (GASB) Codification Section (Cod. Sec.) 2100.101. The District is classified as a state instrumentality under Internal Revenue Code Section 115, and is therefore exempt from federal taxes.

The decision to include potential component units in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America and GASB Cod. Sec. 2100.101. The three criteria for requiring a legally separate, tax-exempt organization to be presented as a component unit are the "direct benefit" criterion, the "entitlement/ability to access" criterion, and the "significance" criterion. The District identified the Feather River Community College Foundation, Inc. (the "Foundation") as its potential component unit.

The Foundation is a nonprofit, tax-exempt organization. The purpose of the Foundation is to provide supportive services and specialized programs for the general benefit of the District and the District's various organizations. The Foundation's funds consist of the following:

General - As a service to college affiliated organizations and projects, the Foundation performs fund-raising activities, provides scholarships, and acts as a collecting and disbursing agent for special activities of certain campus organizations.

Feather River Fitness and Recreation - As a service to students and the community, the Fitness and Recreation Center provides exercise facilities on a fee basis.

Feather River College Residence Halls - As a service to students, the Feather River College Residence Halls provide housing for students.

The District applied the criteria for identifying component units in accordance with GASB Cod. Sec. 2100.138 and, therefore, the District has classified the Foundation as a component unit that will be discretely presented in the District's financial statements. The Foundation also issues a stand-alone audited financial report, which can be obtained from the District or 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. Under this model, the District's financial statements provide a comprehensive entity-wide perspective of the District's financial position and activities. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when the obligation has been incurred. All significant intra-agency transactions have been eliminated.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Cash and Cash Equivalents
For the purposes of the financial statements, cash equivalents are defined as financial instruments with an original maturity of three months or less. Funds invested in the Plumas County Treasury are considered cash equivalents.

Restricted Cash, Cash Equivalents and Investments
Cash that is externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets, is classified as noncurrent assets in the Statement of Net Position.

Fair Value of Investments
The District records its investment in funds held by Plumas County Treasury at fair value. Changes in fair value are reported as revenue in the Statement of Revenues, Expenses and Change in Net Position. The fair value of investments, including the Plumas County Treasury external investment pool, at June 30, 2023 approximated their carrying value.

The Foundation's investments are valued at their fair value based upon quoted market prices, when available, or estimates of fair value in the Statement of Financial Position and unrealized and realized gains and losses are included in the Statement of Activities. Fair values of investments in county and state investment pools are determined by the pool sponsor.

Accounts Receivable
Receivables consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff, the majority of each residing in the State of California. Receivables also include amounts due from the Federal Government, State and Local Governments, or private sources, in connection with reimbursements of allowable expenditures made pursuant to the District's grants and contracts. The District provides an allowance for doubtful accounts as an estimation of amounts that may not be received. The allowance is based on management's estimates and historical analysis.

Foundation receivables are amounts due from students for housing in the residence halls. An allowance for doubtful accounts is established for accounts that management believes are uncollectible. At June 30, 2023 no allowance for doubtful accounts was deemed necessary.

Inventory
Inventory consists of cafeteria food, textbooks and educational supplies at the Campus Center, which are valued using the retail method. Inventories are stated at the lower of cost (first in, first out) or market.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Capital Assets and Depreciation

apital assets are recorded at the date of acquisition, or the acquisition value at the date of donation in the case of gifts. For equipment, the District's capitalization policy included all items with a unit cost of $5,000 or more, and estimated useful life of greater than one year. The Foundation's policy is to capitalize property and equipment greater than $500. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from 5 - 30 years depending on asset type.

Leases

The district is a lessee for leases of property and equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes lease liabilities with an individual value of $5,000 or more.

At the commencement of a lease, the District initially 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 lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Amortization is computed using the straight-line method over the estimated useful life or remaining lease term. Buildings are amortized over 5 years of which 4 years remain on the lease upon adoption of GASB Statement No. 87 on July 1, 2021.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The District has recognized a deferred outflow of resources relate to recognition of the net pension liability and total OPEB liability reported in the Statement of Net Position.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time. The District has recognized a deferred inflow of resources related to the recognition of the net pension liability reported which is in the Statement of Net Position.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

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

On-Behalf Payments
GASB Statement No. 24 requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees of another legally separate entity be recognized as revenue and expenditures by the employer government. The State of California makes direct on-behalf payments for retirement benefits to the State Teachers' and Public Employees' Retirement System on behalf of all Community Colleges in California. The government-wide conversion entries relating to the pension reporting requirements of GASB Statement No. 68 rely on Local Education Agencies (LEAs) having recognized the state's on-behalf pension contribution in their funds. Prior to the issuance of GASB Statement No. 68, the District recorded this entry at the consolidation entry level for GASB Statement No. 35 business-type activity reporting.

Compensated Absences
Compensated absences are recorded as a liability of the District when earned by employees. This liability is for earned but unused benefits.

Accumulated Sick Leave
Sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expenditure or expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits for certain STRP and PERF B employees when the employee retires.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

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

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

Restricted net position: Restricted expendable net position include resources in which the District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. The restriction for legally restricted programs represents the portion of net position restricted to specific program expenditures. Nonexpendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. At June 30, 2023, there is no balance of nonexpendable restricted net position.

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

When an expense is incurred that can be paid using either restricted or unrestricted resources, the District first applies the expense toward restricted resources, then to unrestricted resources.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Operating and Nonoperating Revenues and Expenses

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

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

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

> **Operating expenses** - Operating expenses are necessary costs to provide the services of the District and include employee salaries and benefits, supplies, operating expenses, and student financial aid.
>
> **Nonoperating expenses** - Nonoperating expenses include interest expense and other expenses not directly related to the services of the District.

State Apportionments
Certain current year apportionments from the State are based on various financial and statistical information of the previous year. Any prior year corrections due to a recalculation will be recorded in the year computed by the State.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Property Taxes

All property taxes are levied and collected by the Tax Assessor of the County of Plumas and paid upon collection to the various taxing entities including the District. Secured taxes are levied on July 1 and are due in two installments on November 1 and February 1, and become delinquent on December 10 and April 10, respectively. The lien date for secured and unsecured property taxes is March 1 of the preceding fiscal year.

Contributions

Contributions are recognized as revenues in the period received. Unconditional promises to give (pledges) are recognized as revenue when the commitment is communicated to the Foundation. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of donation. Contributions are considered available for unrestricted use unless specifically restricted by the donor. Event revenues received in advance are deferred and recognized in the period as the events occur.

Scholarship Discounts and Allowances

Student tuition and fee revenue is reported net of allowances and fee waivers approved by the Board of Governors through the California Promise Grant in the Statement of Revenues, Expenses and Change in Net Position. Scholarship discounts and allowances represent the difference between stated charges for goods and services provided by the District and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants and other federal, state and nongovernmental programs, are recorded as revenues in the District's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the District has recorded a scholarship discount and allowance.

Estimates

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

Financial Assistance Programs

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

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

Change in Accounting Principles Implementation of GASB Statement No. 96

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

New Accounting Pronouncements

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

GASB Statement No. 99 – In April 2022, GASB issued Statement No. 99, Omnibus 2022. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The statement addresses various practice issues, including: (a) clarification of provisions in Statement No. 87, Leases, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives, (b) disclosures related to nonmonetary transactions; clarification of provisions in Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, as amended, related to the focus of the government-wide financial statements, (c) terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, and (d) terminology used in Statement 53 to refer to resource flows statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

New Accounting Pronouncements , continued
A portion of this statement was effective upon issuance, while the remaining portions of this statement were effective for periods beginning after June 15, 2022 and for periods beginning after June 15, 2023. The District has implemented the requirements that were effective upon issuance but has not yet determined the impact on the financial statements for the requirements of this statement that are not yet effective.

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

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

NOTE 2 – CASH AND INVESTMENTS

Cash, cash equivalents and investments at June 30, 2023, consisted of the following:

		District
Cash in County Treasury	$	35,598,716
Cash on hand and in banks		145,545
Total Deposits and Investments	$	35,744,261

Deposits - Custodial Credit Risk

The District limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC) and are collateralized by the respective financial institution. At June 30, 2022, the carrying amount of the District cash on hand and in banks was $145,545, of which all was FDIC insured.

Cash in County Treasury

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Plumas County Treasurer's Investment Fund. The District is considered to be an involuntary participant in an external investment pool. The District's investment in the pool is reported in the financial statements at amounts based upon the District's pro-rata share of the fair value 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.

Custodial Credit Risk

The California Government Code requires California banks and savings and loan associations to secure the District's deposits by pledging government securities as collateral. The market value of pledged securities must equal 110 percent of an agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of 150 percent of an agency's total deposits and collateral is considered to be held in the name of the District. All cash held by financial institutions is entirely insured or collateralized.

NOTE 2 – CASH AND INVESTMENTS, continued

Under provision of the District's policy, and in accordance with Sections 53601 and 53602 of the California Government Code, the District may invest in the following types of investments:

- Securities of the U.S. Government, or its agencies
- Small Business Administration Loans
- Negotiable Certificates of Deposit
- Bankers' Acceptances
- Commercial Paper
- Local Agency Investment Fund (State Pool) Deposits
- Passbook Savings Account Demand Deposits
- Repurchase Agreements

Interest Rate Risk

The District does not have a formal investment policy that limits cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2023, the District has no significant interest rate risk related to cash and investments held.

Credit Risk

The District does not have a formal investment policy that limits its investment choices other than the limitations of state law.

Concentrations of Credit Risk

The District does not place limits on the amount it may invest in any one issuer. At June 30, 2023, the District had no concentrations of credit risk.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2023 consisted of the following:

Federal sources	$	428,354
State sources		133,180
Local and other, net		4,733,377
Total	$	5,294,911

The allowance for doubtful accounts of $795,157 is maintained at an amount that management considers sufficient to fully reserve and provide for possible uncollectability of student fees receivable.

NOTE 4 – CAPITAL AND LEASED ASSETS

Capital asset activity for the District for the year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023
Capital Assets Not Being Depreciated				
Land	$ 1,330,261	$ -	$ -	$ 1,330,261
Total Capital Assets Not Being Depreciated	1,330,261	-	-	1,330,261
Capital Assets Being Depreciated				
Land improvements	476,563	-	-	476,563
Buildings and improvements	18,720,586	32,986	-	18,753,572
Equipment	7,002,668	453,325	-	7,455,993
Total Capital Assets Being Depreciated	26,199,817	486,311	-	26,686,128
Total Capital Assets	27,530,078	486,311	-	28,016,389
Less: Accumulated Depreciation				
Land improvements	463,889	4,056	-	467,945
Buildings and improvements	9,660,129	490,087	-	10,150,216
Equipment	4,836,923	330,194	-	5,167,117
Total Accumulated Depreciation	14,960,941	824,337	-	15,785,278
Net Capital Assets	12,569,137	(338,026)	-	12,231,111
Right-to-use Assets				
Leased buildings	210,000	1,174,289		1,384,289
Total Right-to-use Assets	210,000	1,174,289	-	1,384,289
Less: Accumulated Amortization				
Leased buildings	45,000	275,235	-	320,235
Total Accumulated Amortization	45,000	275,235	-	320,235
Net Right-to-use Assets	165,000	899,054	-	1,064,054
Net Capital and Right-to-use Assets	$ 12,734,137	$ 561,028	$ -	$ 13,295,165

NOTE 5 – UNEARNED REVENUES

Unearned revenue for the District consisted of the following:

Federal and State revenue	$ 8,659,577
Local revenue	3,504,127
Student tuition and fees	919,747
Total	$ 13,083,451

NOTE 6 – LONG-TERM LIABILITIES

A schedule of changes in the District's long-term debt for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023	Amounts Due in One Year
Compensated absences	$ 748,682	$ 48,379	$ -	$ 797,061	$ 797,061
Lease liabilities	165,000	1,172,328	247,965	1,089,363	265,392
Net pension liability	9,221,000	6,970,684	-	16,191,684	-
Net OPEB liability	1,946,961	-	301,497	1,645,464	-
Total	$ 12,081,643	$ 8,191,391	$ 549,462	$ 19,723,572	$ 1,062,453

Lease liability

In September 2014, the District entered into an agreement with the Foundation to make bi-annual lease payments for the use and operations of the Meadows Form Facilities. The bi-annual lease payments are $15,000 and continues through September 2026. An implicit rate of 2% was used in the calculation of the present value of the lease liability.

In October 2015, the District entered into an agreement with the Foundation to make annual lease payment for the use and operations of the Pines Student Housing. The annual lease payment of $15,000 and continues through October 2025. An implicit rate of 2% was used in the calculation of the present value of the lease liability.

During fiscal year 2022-23, the District entered into an agreement with the Foundation for the use and operations of the Hillside Student Housing. The term of the new agreement runs through June 30, 2027, and automatically renews each fiscal year on July 1 for a term of one year unless termination notice is given by either party twelve months in advance of the termination date. The District has exclusive responsibility of management operations of the Hillside Apartments, and the Foundation shall be the owner and operator. The District will pay the Foundation $150,000 in annual rent, plus an additional amount of $60,000 per year that must be held in a Capital Reserve Account at the Foundation. An implicit rate of 5% was used in the calculation of the present value of the lease liability.

During fiscal year 2022-23, the District enterd into an agreement with the Foundation for the use of the Fitness Center. The term of the new agreement runs through June 30, 2027. The District will pay annual payments of $48,000. An implicit rate of 5% was used in the calculation of the present value of the lease liability.

The annual requirements to amortize the leases outstanding as of June 30, 2023 are as follows:

Fiscal Year	Principal	Interest	Total
2024	$ 265,392	$ 42,608	$ 308,000
2025	277,641	35,359	313,000
2026	280,415	22,585	303,000
2027	265,915	9,586	275,500
Total	$ 1,089,363	$ 110,138	$ 1,199,500

NOTE 7 – AGGREGATE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY

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

OPEB Plan	Net OPEB Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Non-Peralta Group	$ -	$ -	$ -	$ 19,347
Peralta Group	$ 1,645,464	$ -	$ -	$ (146,941)

Non-Peralta Group

Plan Description
In addition to the pension benefits described in Note 8, the District provides postemployment health care benefits under a single employer defined benefit OPEB plan to eligible retirees and their spouses through an implicit rate subsidy for all retirees who elect to purchase benefits at the District's negotiated insurance premium rates. The plan does not issue separate financial statements.

The Feather River Community College District's Retiree Health Care Plan (Plan) is calculated on a prorated basis, up to a maximum of 10 years, based on years of service. The District operates the single-employer defined benefit OPEB Plan on a pay-as-you-go basis and pays a set amount each month towards the cost of the medical coverage. Any costs in excess of this amount will be paid by the retiree. If the eligible employee remains in the Plan after the age of 64, the retirees must pay 100% of their premiums resulting in no liability for the District. Although the plan has no segregated assets, for employees hired before August 1, 1994, a fund was established in 1995-96 to accumulate funds to pay for the District's share of future medical premiums of eligible future retirees. The District's Governing Board has the authority to establish or amend the benefit terms offered by the Plan. The District's Governing Board also retains the authority to establish the requirements for paying the Plan benefits as they come due. As of June 30, 2023, the District has not accumulated assets in a qualified trust for the purpose of paying the benefits related to the District's Total OPEB Liability.

As of June 30, 2023, no employees are eligible to enroll into the plan.

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

	Number of Participants
Inactive Employees Receiving Benefits	3
	3

Benefits Provided
Benefits are available to faculty, classified staff and management. Spouses and dependents of eligible retirees are also eligible for medical coverage. Benefits include $359 per month once an eligible employee reaches 50 years old, however benefits are stopped once a participant reaches 65 years old.

NOTE 7 – AGGREGATE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

Contributions: California Government Code specifies that the District's contribution requirements for covered employees are established and may be amended by the Governing Board. Retirees participating in the group insurance plans offered by the District are required to contribute 100% of the active premiums. In future years, contributions are assumed to increase at the same rate as premiums. The District's premium rates being charged to these retirees are lower than the expected cost for a retiree population under age 65. Thus, an implicit subsidy exists as a result of this difference between the actual cost and the true retiree cost.

There were no contributions to the plan for the year ended June 30, 2023. Employees are not required to contribute to the OPEB plan.

Total OPEB Liability of the District
The District's total OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of June 30, 2022.

Actuarial Assumptions
The total OPEB liability as of June 30, 2022 was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2021 and rolling forward the total OPEB liability to June 30, 2021. The following assumptions were applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Actuarial cost methods	Entry age actuarial cost method
Inflation rate	2.50%
Investment rate of return	3.54%
Health care cost trend rate	4.00%
Payroll increase	2.75%
Mortality	For classified employees the 2017 CalPERS mortality for miscellaneous and school employees were used.

Discount Rate
Given the District's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 3.54%. The interest assumption reflects a municipal bond rate. The Bond Buyer 20 Index at June 30, 2022 resulting in a rate of 3.54% was used.

NOTE 7 – AGGREGATE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

Changes in the Total OPEB Liability

	Increase/(Decrease)		
	Total OPEB Liability (a)	Total Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance July 1, 2022	$ 8,784	$ -	$ 8,784
Changes for the year:			
Employer contributions	-	28,131	(28,131)
Expected minus actual benefit payr	19,347	-	19,347
Benefit payments	(28,131)	(28,131)	-
Net change	(8,784)	-	(8,784)
Balance June 30, 2023	$ -	$ -	$ -

Changes of economic assumptions reflect a change in the discount rate from 2.16% to 3.54% since the previous valuation. There were no changes to benefit terms since the previous valuation.

NOTE 7 – AGGREGATE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

Peralta Group

Plan Description

In addition to the pension benefits described in Notes 9 and 10, and the Non-Peralta Plan noted above, the District provides retiree and dependent benefits to employees and retirees, eligible under the Peralta 18 Agreement. The Peralta 18 Agreement obligates District funds for the ten years following an eligible employee's retirement. In each eligible fiscal year, the District allocates a set amount of funds to the Peralta fund. These funds are calculated based on the difference of the vacating faculty member's salary and their replacement or equivalent. The annual obligation is subject to change based upon employee turnover. After ten years of payment, per eligible retiree, the District's obligation is absolved. The District contributions are put into a separate County Treasury fund which is managed by the Peralta Trustee. The fund is not an irrevocable trust and therefore are not considered assets of the Peralta Group Plan. The fund does not issue separate financial statements. The District serves as a processing center for monthly health benefit costs as well as individual payments for Medicare Part B.

The District's Governing Board has the authority to establish or amend the benefit terms offered by the Plan. The District's Governing Board also retains the authority to establish the requirements for paying the Plan benefits as they come due. As of June 30, 2023, the District has not accumulated assets in a qualified trust for the purpose of paying the benefits related to the District's Total OPEB Liability.

Plan Membership

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

	Number of Participants
Inactive Employees Receiving Benefits	14
Active Employees	1
	15

Benefits Provided

The benefits valued in this report are those provided in accordance with a legal settlement. The benefits are, basically, medical benefits provided to retirees with at least 10 years of service who retire at age 55 or older.

Contributions

California Government Code specifies that the District's contribution requirements for covered employees are established and may be amended by the Governing Board. Retirees participating in the group insurance plans offered by the District are required to contribute 100% of the active premiums. In future years, contributions are assumed to increase at the same rate as premiums. The District's premium rates being charged to these retirees are lower than the expected cost for a retiree population under age 65. Thus, an implicit subsidy exists as a result of this difference between the actual cost and the true retiree cost.

There were no contributions to the plan for the year ended June 30, 2023. Employees are not required to contribute to the OPEB plan.

NOTE 7 – AGGREGATE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

Total OPEB Liability of the District

The District's total OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of June 30, 2022.

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Actuarial cost methods	Entry age actuarial cost method
Inflation rate	2.50%
Investment rate of return	3.54%
Health care cost trend rate	4.00%
Payroll increase	2.75%
Mortality	For certificated employees the 2020 CalSTRS mortality tables were used.

Discount Rate

Given the District's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 3.54%. The interest assumption reflects a municipal bond rate. The Bond Buyer 20 Index at June 30, 2022 resulting in a rate of 3.54% was used.

Changes in the Total OPEB Liability

	Increase/(Decrease)		
	Total OPEB Liability (a)	Total Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance July 1, 2022	$ 1,938,177	$ -	$ 1,938,177
Changes for the year:			
Interest on TOL	40,532	-	40,532
Employer contributions	-	145,772	(145,772)
Change in assumptions	(209,835)	-	(209,835)
Experience gains/losses	22,362	-	22,362
Benefit payments	(145,772)	(145,772)	-
Net change	(292,713)	-	(292,713)
Balance June 30, 2023	$ 1,645,464	$ -	$ 1,645,464

Changes of economic assumptions reflect a change in the discount rate from 2.16% to 3.54% since the previous valuation. There were no changes to benefit terms since the previous valuation.

NOTE 7 – AGGREGATE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

	Rate 1% Lower (2.54%)	Discount Rate (3.54%)	Rate 1% Higher (4.54%)
Net OPEB liability	$ 1,798,897	$ 1,645,464	$ 1,545,960

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

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

	Trend Rate 1% Lower (3.00%)	Healthcare Cost Trend Rate (4.00%)	Trend Rate 1% Higher (5.00%)
Net OPEB liability	$ 1,508,716	$ 1,645,464	$ 1,789,750

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

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

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	$ 4,086,035	$ 1,556,853	$ 1,335,762	$ 221,778
CalPERS	12,105,649	4,174,425	375,454	1,626,592
Total	$ 16,191,684	$ 5,731,278	$ 1,711,216	$ 1,848,370

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

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, 2020, 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, 2023, are summarized as follows:

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

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

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, 2023, are presented above, and the District's total contributions were $789,905.

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

District's proportionate share of the net pension liability	$ 4,086,035
State's proportionate share of the net pension liability associated with the District	2,046,298
Total	$ 6,132,333

The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2022 and June 30, 2021, was 0.006% and 0.005%, respectively, resulting in a net increase in the proportionate share of 0.001%.

For the year ended June 30, 2022, the District recognized pension expense of $221,778. In addition, the District recognized pension expense and revenue of ($153,047) for support provided by the State. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	$ -	$ 199,945
Differences between expected and actual experience	3,352	306,317
Changes in assumptions	202,486	-
Net changes in proportionate share of net pension liability	561,110	829,500
District contributions subsequent to the measurement date	789,905	-
Total	$ 1,556,853	$ 1,335,762

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.

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, continued
The net difference between projected and actual earnings on plan investments is amortized over a five-year period on a straight-line basis. All other deferred outflows of resources and deferred inflows of resources are amortized over the expected average remaining service life (EARSL) of the plan participants. The EARSL for the STRP for the June 30, 2022 measurement date is seven years.

The remaining amount will be recognized to pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ (157,998)
2025	(341,444)
2026	(420,475)
2027	407,512
2028	(42,355)
Thereafter	(14,054)
	$ (568,814)

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, 2021, and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021, used the following methods and assumptions, applied to all prior periods included in the measurement:

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

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

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

Actuarial Methods and Assumptions, continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance-PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2023, are summarized in the following table:

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

*20-year average

Discount Rate

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

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Plan's net pension liability	$ 6,939,602	$ 4,086,035	$ 1,716,715

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees' Retirement System (CalPERS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2020, annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/forms-publications.

Benefits Provided

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

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

	School Employer Pool (CalPERS)	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.000%	7.000%
Required employer contribution rate	25.370%	25.370%

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

Contributions
Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2023, are presented above, and the total District contributions were $1,505,759.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions
As of June 30, 2023, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $12,105,649. The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2022 and June 30, 2021, was 0.035% and 0.034%, respectively, resulting in a net increase in the proportionate share of 0.001%.

For the year ended June 30, 2023, the District recognized pension expense of $1,626,592. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	$ 1,429,349	$ -
Differences between expected and actual experience	54,711	301,204
Changes in assumptions	895,508	-
Net changes in proportionate share of net pension liability	289,098	74,250
District contributions subsequent to the measurement date	1,505,759	-
Total	$ 4,174,425	$ 375,454

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.

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions, continued
The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The net difference between projected and actual earnings on plan investments is amortized over a five-year period on a straight-line basis.

All other deferred outflows of resources and deferred inflows of resources are amortized over the expected average remaining service life (EARSL) of the plan participants. The EARSL for the CalPERS Schools Pool Plan for the June 30, 2022 measurement date is 4.1 years. The remaining amount will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ 559,098
2025	485,201
2026	362,635
2027	886,278
	$ 2,293,212

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, 2021, and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021, used the following methods and assumptions, applied to all prior periods included in the measurement:

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

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

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

Actuarial Methods and Assumptions, continued

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

*An expected inflation of 2.30% used for this period.
**Figures are based on the 2021-22 Asset Liability Management study.

Discount Rate

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

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Plan's net pension liability	$ 17,487,222	$ 12,105,649	$ 7,657,975

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

On Behalf Payments
The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS for the fiscal year ended June 30, 2023, which amounted to $328,264. Contributions are no longer appropriated in the annual *Budget Act* for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. No contributions were made for CalPERS for the year ended June 30, 2023. 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 9 – COMMITMENTS AND CONTINGENCIES

Contingent Liabilities
The District is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the District.

The District has received Federal and State funds for specific purposes that are subject to review or audit by the grantor agencies. Although such audits could result in expenditure disallowances under terms of the grants, it is management's opinion that any required reimbursements or future revenue offsets subsequently determined will not have a material effect on the District's financial statements.

Construction Commitments
As of June 30, 2023, the District had no outstanding construction commitments on construction contracts.

NOTE 10 – PARTICIPATION IN PUBLIC ENTITY RISK POOLS AND JOINT POWERS AUTHORITIES

The District is a member of the Northern California Community Colleges Self Insurance Authority (NCCCSIA), Tri-County Schools Insurance Group (TRI-SIG), Statewide Association of Community Colleges (SWACC), Protected Insurance Programs for Schools Joint Powers Authority (PIPS), and Schools Association for Excess Risk Joint Powers Authority (SAFER). The relationship between the District and the joint powers authorities are such that the joint powers authorities are not component units of the District for financial reporting purposes.

The JPAs are governed by boards consisting of a representative from each member district. The boards control the operations of the JPAs, including the selection of management and approval of operating budgets, independent of any influence by the member district beyond their representation on the governing board. The District pays a premium commensurate with the level of coverage requested.

Member districts share surpluses and deficits proportionate to their participation in the JPAs. The JPAs are independently accountable for their fiscal matters and maintain their own accounting records. Budgets are not subject to any approval other than that of the governing board.

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years. There have been no significant reductions in insurance coverage from coverage in the prior year.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

The following schedule details the functional classifications of the operating expenses reported in the statement of revenues, expenses and change in net position for the year ended June 30, 2023.

	Salaries	Employee Benefits	Supplies, Materials, Other Operating Expenses and Services	Student Financial Aid and Scholarships	Depreciation and Amortization	Total
Instruction	$ 5,455,723	$ 1,712,418	$ 3,494,070	$ 53,515	$ -	$ 10,715,726
Academic Support	653,667	237,182	82,802	-	-	973,651
Student Services	2,810,092	1,122,807	770,665	171,726	-	4,875,290
Operation and Maintenance						-
of Plant	661,221	330,996	1,024,257	-	-	2,016,474
Institutional Support	1,661,093	726,344	2,166,370	28,205	-	4,582,012
Community Services and						-
Economic Development	7,304	703	2,552	-	-	10,559
Auxiliary Operations	848,702	335,304	994,023	-	-	2,178,029
Student Aid	-	-	-	3,779,372	-	3,779,372
Other Outgo	-	-	277,098	-	-	277,098
Depreciation	-	-	-	-	1,099,572	1,099,572
	$ 12,097,802	$ 4,465,754	$ 8,811,837	$ 4,032,818	$ 1,099,572	$ 30,507,783

NOTE 12 – RELATED PARTY TRANSACTIONS

The Foundation is economically dependent on the District and the financial statements of the Foundation may not necessarily be indicative of the conditions or results of operations which would have existed had the Foundation been operated as an unaffiliated entity.

The Foundation and the District have entered into an agreement regarding the Feather River Fitness and Recreation Center whereby the District shall reimburse the Foundation for the cost of insurance and to repay the debt created by its purchase. During fiscal year 2022-23. the Foundation and District entered into a new agreement related to the Fitness Center commending on July 1, 2022 and ending June 30, 2027, for $48,000 in annual rents payable in monthly installments of $4,000. The Foundation shall establish a Capital Reserve Account for maintenance and improvements commencing on July 1, 2022, and contribute $2,000 a month (or half of each rent payment) to this account until the balance is equal to or greater than $200,000.

During fiscal year 2022-23, the Foundation and District entered into an agreement associated with the Hillside Apartments. The term of the new agreement runs through June 30, 2027, and automatically renews each fiscal year on July 1 for a term of one year unless termination notice is given by either party twelve months in advance of the termination date. The District has exclusive responsibility of management operations of the Hillside Apartments, and the Foundation shall be the owner and operator. The District will pay the Foundation $150,000 in annual rent, plus an additional amount of $60,000 per year that must be held in a Capital Reserve Account at the Foundation.

NOTE 12 – RELATED PARTY TRANSACTIONS, continued

The Foundation and the District entered into an agreement where the District agrees to a bi-annual lease payment for the operations of the Meadows dorm facility payable to the Foundation. For the fiscal year ended June 30, 2023, the value of the contribution was $30,000.

The Foundation and the District entered into an agreement where the District agrees to a annual lease payment for the operations of the Pines Student Housing payable to the Foundation. For the fiscal year ended June 30, 2023, the value of the contribution was $15,000.

NOTE 13 – SUBSEQUENT EVENTS

The District evaluated subsequent events from June 30, 2023 through December 6, 2023, the date the financial statements were issued. The District concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2023

	Non-Peralta Group					
	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	$ -	$ 655	$ 483	$ 1,247	$ 1,060	$ 1,032
Interest	-	2,835	5,198	6,066	7,474	8,126
Change in assumptions	-	-	6,744	1,446	(2,725)	-
Experience gains/losses	-	(108,514)	-	18,134	-	-
Expected minus actual benefit payments	19,347	(9,598)	(3,027)	-	-	-
Benefit payments	(28,131)	(19,823)	(31,901)	(40,344)	(45,558)	(43,806)
Net change in total OPEB liability	(8,784)	(134,445)	(22,503)	(13,451)	(39,749)	(34,648)
Total OPEB liability, beginning of year	8,784	143,229	165,732	179,183	218,932	253,580
Total OPEB liability, end of year (a)	$ -	$ 8,784	$ 143,229	$ 165,732	$ 179,183	$ 218,932
Plan fiduciary net position						
Employer contributions	$ 28,131	$ 19,823	$ 31,901	$ 40,344	$ 45,558	$ 43,806
Expected benefit payments	(28,131)	(19,823)	(31,901)	(40,344)	(45,558)	(43,806)
Change in plan fiduciary net position	-	-	-	-	-	-
Fiduciary trust net position, beginning of year	-	-	-	-	-	-
Fiduciary trust net position, end of year (b)	$ -	$ -	$ -	$ -	$ -	$ -
Net OPEB liability (asset), ending (a) - (b)	$ -	$ 8,784	$ 143,229	$ 165,732	$ 179,183	$ 218,932
Covered payroll	$ -	$ -	$ -	$181,673	$220,132	$384,859
Net OPEB asset as a percentage of covered payroll	0%	0%	0%	91%	81%	57%

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

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2023

	Peralta Group					
	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	$ -	$ -	$ -	$ 5,235	$ 5,570	$ 5,421
Interest	40,532	39,398	58,176	57,977	71,877	68,050
Change in assumptions	(209,835)	107,735	197,183	40,576	(49,629)	-
Experience gains/losses	22,362	64,195	-	(109,263)	-	-
Expected minus actual benefit payments	-	18,718	18,179	11,629	-	-
Benefit payments	(145,772)	(146,657)	(143,664)	(143,332)	(128,876)	(123,919)
Net change in total OPEB liability	(292,713)	83,389	129,874	(137,178)	(101,058)	(50,448)
Total OPEB liability, beginning of year	1,938,177	1,854,788	1,724,914	1,852,092	1,953,150	2,003,598
Total OPEB liability, end of year (a)	$ 1,645,464	$ 1,938,177	$ 1,854,788	$ 1,714,914	$ 1,852,092	$ 1,953,150
Plan fiduciary net position						
Employer contributions	$ 145,772	$ 146,657	$ 143,664	$ 143,332	$ 128,876	$ 123,919
Expected benefit payments	(145,772)	(146,657)	(143,664)	(143,332)	(128,876)	(123,919)
Change in plan fiduciary net position	-	-	-	-	-	-
Fiduciary trust net position, beginning of year	-	-	-	-	-	-
Fiduciary trust net position, end of year (b)	$ -	$ -	$ -	$ -	$ -	$ -
Net OPEB liability (asset), ending (a) - (b)	$ 1,645,464	$ 1,938,177	$ 1,854,788	$ 1,714,914	$ 1,852,092	$ 1,953,150
Covered payroll	$ 205,941	$ 193,520	$ 169,910	$ 169,505	$ 161,550	$ 156,893
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*
Net OPEB asset as a percentage of covered payroll	799%	1002%	1092%	1012%	1146%	1245%

*The OPEB plan is not administered through a trust and contributions are not made based on a measure of pay. Therefore, no measure of pay

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

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2023

	Reporting Fiscal Year (Measurement Date)				
CalSTRS	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)
District's proportion of the net pension liability	0.006%	0.005%	0.006%	0.007%	0.006%
District's proportionate share of the net pension liability	$ 4,086,035	$ 2,379,000	$ 6,151,000	$ 5,963,000	$ 5,793,000
State's proportionate share of the net pension liability associated with the District	2,046,298	1,416,000	3,361,000	3,253,000	3,317,000
Total	$ 6,132,333	$ 3,795,000	$ 9,512,000	$ 9,216,000	$ 9,110,000
District's covered - employee payroll	$ 3,861,200	$ 3,048,805	$ 3,986,754	$ 3,549,502	$ 3,362,072
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	106%	78%	154%	168%	172%
Plan fiduciary net position as a percentage of the total pension liability	81%	87%	72%	73%	71%

	Reporting Fiscal Year (Measurement Date)				
CalPERS	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)
District's proportion of the net pension liability	0.035%	0.034%	0.033%	0.032%	0.033%
District's proportionate share of the net pension liability	$ 12,105,649	$ 6,842,000	$ 10,162,000	$ 9,215,000	$ 8,913,000
District's covered - employee payroll	$ 5,386,971	$ 4,827,493	$ 4,770,421	$ 4,379,142	$ 4,415,660
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	225%	142%	213%	210%	202%
Plan fiduciary net position as a percentage of the total pension liability	70%	81%	70%	70%	71%

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

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2023

	Reporting Fiscal Year (Measurement Date)			
CalSTRS	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
District's proportion of the net pension liability	0.1174%	0.1135%	0.1341%	0.1182%
District's proportionate share of the net pension liability	$ 108,591,245	$ 91,798,380	$ 90,277,985	$ 69,056,755
State's proportionate share of the net pension liability associated with the District	64,241,663	52,259,180	47,747,102	41,699,450
Total	$ 172,832,908	$ 144,057,560	$ 138,025,087	$ 110,756,205
District's covered - employee payroll	$ 3,319,706	$ 3,262,488	$ 3,044,155	$ 2,991,000
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	3271%	2814%	2966%	2309%
Plan fiduciary net position as a percentage of the total pension liability	69%	70%	74%	77%

	Reporting Fiscal Year (Measurement Date)			
CalPERS	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
District's proportion of the net pension liability	0.0330%	0.0330%	0.0330%	0.0340%
District's proportionate share of the net pension liability	$ 7,902,000	$ 6,451,000	$ 4,808,000	$ 3,360,000
District's covered - employee payroll	$ 4,221,123	$ 3,917,620	$ 3,611,827	$ 3,554,000
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	187%	165%	133%	95%
Plan fiduciary net position as a percentage of the total pension liability	72%	74%	79%	83%

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

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2023

	Reporting Fiscal Year				
CalSTRS	2023	2022	2021	2020	2019
Statutorily required contribution	$ 789,905	$ 652,929	$ 492,382	$ 681,735	$ 577,504
District's contributions in relation to the statutorily required contribution	789,905	652,929	492,382	681,735	577,504
District's contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 4,135,628	$ 3,861,200	$ 3,048,805	$ 3,986,754	$ 3,549,502
District's contributions as a percentage of covered-employee payroll	19.10%	16.91%	16.15%	17.10%	16.27%

	Reporting Fiscal Year				
CalPERS	2023	2022	2021	2020	2019
Statutorily required contribution	$ 1,505,759	$ 1,234,155	$ 999,291	$ 940,727	$ 791,311
District's contributions in relation to the statutorily required contribution	1,505,759	1,234,155	999,291	940,727	791,311
District's contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 5,935,195	$ 5,386,971	$ 4,827,493	$ 4,770,421	$ 4,379,142
District's contributions as a percentage of covered-employee payroll	25.37%	22.91%	20.70%	19.72%	18.07%

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

	Reporting Fiscal Year			
CalSTRS	2018	2017	2016	2015
Statutorily required contribution	$ 485,147	$ 417,619	$ 350,065	$ 270,321
District's contributions in relation to the statutorily required contribution	485,147	417,619	350,065	270,321
District's contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 3,362,072	$ 3,319,706	$ 3,262,488	$ 3,044,155
District's contributions as a percentage of covered-employee payroll	14.43%	12.58%	10.73%	8.88%

	Reporting Fiscal Year			
CalPERS	2018	2017	2016	2015
Statutorily required contribution	$ 685,752	$ 586,314	$ 464,238	$ 425,112
District's contributions in relation to the statutorily required contribution	685,752	586,314	464,238	425,112
District's contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 4,415,660	$ 4,221,123	$ 3,917,620	$ 3,611,827
District's contributions as a percentage of covered-employee payroll	15.53%	13.89%	11.85%	11.77%

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

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

- *Changes of Assumptions* - The changes of economic assumptions reflect a change in the discount rate from 2.16% to 3.54% since the previous valuation.

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

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

- *Changes of Assumptions* - The discount rate decreased from 7.15% to 6.90% since the previous valuation for CalPERS. There were no changes since the previous valuation for CalSTRS.

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

SUPPLEMENTARY INFORMATION

The Feather River Community College District is located in Quincy, California. Geographically, the District encompasses all of Plumas County with the exception of the southeastern corner of the County, near Calpine, California.

The District provides first two years of instruction transferable to accredited four-year colleges and universities as well as vocational and technical education. In addition, the District offers a four-year bachelor's degree program.

The Board of Trustees and District Administration for the fiscal year ended June 30, 2023 were composed of the following members:

GOVERNING BOARD

NAME	OFFICE	TERM EXPIRES
Mr. Guy McNett	President	December 2026
Dr. Dana Ware	Vice President	December 2024
Dr. John Sheehan	Member	December 2024
Ms. Paula Johnston	Member	December 2026
Ms. Abigail Marshall	Member	December 2026

ADMINISTRATION

Dr. Kevin Trutna
President
District Superintendent

Morgan Turner
Vice President of Business Services
Chief Financial Officer

Dr. Derek Lerch
Vice President of Instruction
Chief Instructional Officer

Carlie McCarthy
Vice President of Student Services
Chief Student Services Officer

AUXILIARY ORGANIZATIONS IN GOOD STANDING

AUXILIARY NAME	DIRECTOR'S NAME	ESTABLISHMENT AND MASTER AGREEMENT DATE
Feather River College Foundation	Kris Miravalle, President	Established June 30, 1988 and has a signed master agreement revised on May 19, 2016.

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Grant Number	Total Program Expenditures
U.S. DEPARTMENT OF EDUCATION			
Direct Program			
Student Financial Assistance Cluster			
Federal Pell Grant Program	84.063	31060	$ 1,396,244
Federal Pell Grant Program Administrative Allowance	84.063	31060	133,244
Federal Pell Grant Program Administrative Allowance Carryover	84.063	31060	9,775
Federal Supplemental Educational Opportunity Grant (FSEOG)	84.007	31070	44,668
Federal Work Study (FWS)	84.033	30240	29,077
Federal Direct Student Loans	84.268	31040	738,230
Subtotal Student Financial Aid Cluster			2,351,238
TRIO Cluster			
Student Support Services	84.042A	P042A201391	288,027
Talent Search	84.044	P044A160606-20	315,025
Upward Bound	84.047A	P047A170007-20	327,337
Subtotal TRIO Cluster			930,389
Higher Education Emergency Relief Fund			
COVID-19 HEERF III ARP - Student Aid	84.425E	31065	386,744
COVID-19 HEERF III ARP - Institutional	84.425F	P425e203570	362,820
Subtotal Higher Education Emergency Relief Fund			749,564
Passed through California Community Colleges Chancellor's Office			
Higher Education Institutional Aid	84.031A	27303/27525A	48,101
Passed through California Community Colleges Chancellor's Office			
Career and Technical Education - Basic Grants to States	84.048A	09-C01-015	77,049
Total U.S. Department of Education			4,156,341
U.S. DEPARTMENT OF AGRICULTURE			
Passed through Plumas County			
Forest Reserve	10.665	30120	171,496
Passed through California Department of Education			
Child and Adult Care Food Program	10.558	32-1488-5-A	9,671
Total U.S. Department of Agriculture			181,167
U.S. DEPARTMENT OF COMMERCE			
Passed through Butte College			
Department of Commerce - CCCAOE - Occupational Development	11.000	n/a	1,243
Total U.S. Department of Commerce			1,243
NATIONAL SCIENCE FOUNDATION			
Direct Program			
Collaborative Research: Enabling Transfer Student Access to Engineering	47.076	n/a	30,928
NSF LSAMP Louis Stokes B2B Alliance	47.076	n/a	44,522
Total National Science Foundation			75,450
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through California Community Colleges Chancellor's Office:			
Temporary Assistance for Needy Families (TANF)	93.667	n/a	15,205
Passed through Yuba Community College			
Child Development Training	93.575	n/a	7,217
Total Department of Health and Human Services			22,422
Total Federal Programs			$ 4,436,623

n/a - Pass-through entity identifying number not applicable.

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

	Program Revenues				
	Cash Received	Accounts Receivable (Payable)	Deferred Income	Total Revenue	Program Expenditures
TTIP Tech C/O	$ 259	$ -	$ 259	$ -	$ -
State COVID Block Grant	1,231,351	-	835,250	396,101	396,101
IELM Block Grant	600,000	-	461,999	138,001	138,001
IELM Block Grant C/O	219,731	-	19,266	200,465	200,465
Shasta CPL	2,000	-	1,793	207	207
ISP Tutor and Mentor Grant	17,000	-	13,462	3,538	3,538
Rising Scholars	172,000	-	93,985	78,015	78,015
NFNRC PIC Marketing	1,114	-	1,114	-	-
NFNRC PIC Mktg & Outreach	40,000	-	14,392	25,608	25,608
NFNRC PIC CTE WF Training	28,000	-	28,000	-	-
NFNRC PIC Prof Dev CTE Fac	10,000	-	10,000	-	-
Lottery/Inst. Materials C/O	683,507	-	509,004	174,503	174,503
Perkins	-	14,987	-	14,987	14,987
SWP Prof Dev	795	-	795	-	-
SWP TAP K-14	150,045	(18,839)	-	131,206	131,206
SWP Butte	225,000	-	105,316	119,684	119,684
SNC FRC Wathershed Grant	-	34,185	-	34,185	34,185
SWP State Funding	360,773	-	360,773	-	-
SWP Local	38,848	-	-	38,848	38,848
21/22 Local SWP (State Funds)	438,546	-	45,894	392,652	392,652
Strong Workforce	320,189	-	319,605	584	584
SWP Regional Funding (Butte Funds)	9,241	-	-	9,241	9,241
2122 Regional SWP (Butte Funds)	345,803	-	104,877	240,926	240,926
Boating Safety	-	22,335	-	22,335	22,335
AEBG 19-20	150,145	-	14,965	135,180	135,180
AEGB C/O	14,010	-	253	13,757	13,757
Go Teach	90,572	-	16,377	74,195	74,195
Go Teach C/O	22,535	-	5	22,530	22,530
Zero Textbook	200,000	-	200,000	-	-
Undocumented Resource Lias.	59,555	-	59,555	-	-
Undocumented Resource Lias. C/O	89,591	-	88,657	934	934
Basic Needs	153,725	-	153,584	141	141
Food & Housing Support	324,287	-	287,272	37,015	37,015
Basic Needs C/O	136,410	-	56,550	79,860	79,860
NextUP	90,812	-	87,076	3,736	3,736
SEA	934,967	-	494,027	440,940	440,940
SEA Carryover	570,235	-	-	570,235	570,235
LGTBQ+	44,857	-	39,189	5,668	5,668
LEAP	212,558	-	204,298	8,260	8,260
CalFresh Outreach	21,640	-	16,190	5,450	5,450
Retention & Enrollment Outreach	301,542	-	185,947	115,595	115,595
CalWorks C/O	122,252	-	32,718	89,534	89,534
CalWorks	130,114	-	129,081	1,033	1,033
CARE	54,901	-	49,072	5,829	5,829
CARE	42,597	-	24	42,573	42,573
Library Services Platform	5,482	-	5,482	-	-
Child Develop.	245,603	-	-	245,603	245,603
Child Care Food	1,698	-	-	1,698	1,698
DSPS	221,863	-	42,061	179,802	179,802
DSPS C/O	21,825	-	8,614	13,211	13,211
Mental Health St. Funding	89,246	-	89,246	-	-
Mental Health St. Funding C/O	141,366	-	73,515	67,851	67,851
Cal Grants	90,958	59,170	-	150,128	150,128
College Promise Program Scholarship	154,224	-	60,982	93,242	93,242
FTSSG	544,060	-	240,828	303,232	303,232
Early Action Emergency	299,549	-	-	299,549	299,549
Emergency F/A Suppl.	8,651	-	8,151	500	500
R2T4	3,715	-	3,715	-	-
Subtotal	10,489,747	111,838	5,573,218	5,028,367	5,028,367

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

	Program Revenues				
	Cash Received	Accounts Receivable (Payable)	Deferred Income	Total Revenue	Program Expenditures
BALANCE FORWARD	10,489,747	111,838	5,573,218	5,028,367	5,028,367
Finish Line	125,000	-	-	125,000	125,000
Financial Aid Technology Grant	40,195	-	38,907	1,288	1,288
F/A Tech C/O	73,884	-	73,884	-	-
Veteran's Resource Center	19,656	-	19,656	-	-
Veteran's Resource Center C/O	58,684	-	58,684	-	-
Veteran's Program	1,429	-	1,429	-	-
EOPS A	36,773	-	-	36,773	36,773
EOPS	324,222	-	107,669	216,553	216,553
EOPS Part B C/O	30,079	-	1	30,078	30,078
EOPS part C	37,265	-	-	37,265	37,265
Guided Pathways	124,289	-	123,970	319	319
Guided Pathways - C/O	68,858	-	13,452	55,406	55,406
URGF Lottery	381,505	-	-	381,505	381,505
FT Faculty Hiring	253,796	-	-	253,796	253,796
Maintenance Allowance	3,554	-	-	3,554	3,554
8629 - Other General Cat. Progs	108,241	-	-	108,241	108,241
Mandated Costs	54,686	-	-	54,686	54,686
Equal Employment Opportunity	263,318	-	252,731	10,587	10,587
Eeo Best Practices	208,333	-	208,333	-	-
Culturally Competent Facutly	50,435	-	50,435	-	-
Staff Development	199	-	199	-	-
CCCO Professional	15,123	-	15,123	-	-
VAMA Campus Safety	5,748	-	1,501	4,247	4,247
Block Grant Maint & Repairs	1,445,072	-	1,445,072	-	-
Block Grant Def Maint	494,117	-	143,304	350,813	350,813
Prop 39 Clean Energy Funds	39,680	-	39,680	-	-
Student Housing Planning Grant	349,000	-	-	349,000	349,000
TTIP TCO C/O	8,039	-	8,039	-	-
Rural Technology Assistance Grant	25,441	-	24,844	597	597
Systemwide Tech & Data Security	50,000	-	50,000	-	-
Local & ystemwide Tech & Data Security	300,000	-	287,960	12,040	12,040
Total	$ 15,486,368	$ 111,838	$ 8,538,091	$ 7,060,115	$ 7,060,115

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT – ANNUAL/ACTUAL ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2023

CATEGORIES	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2022 only)			
1. Noncredit	0.11	-	0.11
2. Credit	205.23	-	205.23
B. Summer Intersession (Summer 2023 - Prior to July 1, 2023)			
1. Noncredit	-	-	-
2. Credit	252.74	-	252.74
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	411.11	-	411.11
(b) Daily Census Contact Hours	19.38	-	19.38
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	19.05	-	19.05
(b) Credit	202.75	-	202.75
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Contact Hours	328.10	-	328.10
(b) Daily Census Contact Hours	162.84	-	162.84
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	1,601.31	-	1,601.31
Supplemental Information (subset of above information)			
E. In-service Training Courses	20.27	-	20.27
F. Basic Skills Courses and Immigrant Education			
1. Credit	-	-	-
2. Noncredit	37.12	-	37.12
Total Basic Skills FTES	37.12	-	37.12

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF THE ECS 84362 (50 PERCENT LAW) CALCULATION
FOR THE YEAR ENDED JUNE 30, 2023

		Activity (ESCA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6100			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
	Object/ TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Academic Salaries							
Instructional Salaries							
Contract or Regular	1100	2,698,342	-	2,698,342	2,640,305	-	2,640,305
Other	1300	1,156,127	-	1,156,127	1,155,436	-	1,155,436
Total Instructional Salaries		3,854,469	-	3,854,469	3,795,741	-	3,795,741
Non-Instructional Salaries							
Contract or Regular	1200	-	-	-	731,426	-	731,426
Other	1400	-	-	-	25,826	-	25,826
Total Non-Instructional Salaries		-	-	-	757,252	-	757,252
Total Academic Salaries		3,854,469	-	3,854,469	4,552,993	-	4,552,993
Classified Salaries							
Non-Instructional Salaries							
Regular Status	2100	-	-	-	1,913,451	-	1,913,451
Other	2300	-	-	-	436,073	-	436,073
Total Non-Instructional Salaries		-	-	-	2,349,524	-	2,349,524
Instructional Aides							
Regular Status	2200	158,742	-	158,742	157,742	-	157,742
Other	2400	14,608	-	14,608	22,035	-	22,035
Total Instructional Aides		173,350	-	173,350	179,777	-	179,777
Total Classsified Salaries		173,350	-	173,350	2,529,301	-	2,529,301
Employee Benefits	3000	1,678,399	-	1,678,399	2,782,166	-	2,782,166
Supplies and Materials	4000	-	-	-	552,621	-	552,621
Other Operating Expenses	5000	1,834,964	-	1,834,964	2,824,288	-	2,824,288
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures Prior to Exclusions		7,541,182	-	7,541,182	13,241,369	-	13,241,369
Exclusions							
Activities to Exclude							
Inst. Staff-Retirees' Benefits and Incentives	5900	-	-	-	-	-	-
Std. Health Srvcs. Above Amount Collected	6441	-	-	-	67,989	-	67,989
Student Transportation	6491	-	-	-	105,360	-	105,360
Non-inst.Staff-Retirees' Benefits and Incentives	6740	-	-	-	-	-	-
Object to Exclude							
Rents and Leases	5060	-	-	-	122,088	-	122,088
Lottery Expenditures							
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000						
Software	4100	-	-	-	-	-	-
Books, Magazines & Periodicals	4200	-	-	-	27,003	-	27,003
Instructional Supplies & Materials	4300	-	-	-	364,829	-	364,829
Non-inst. Supplies & Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	391,832	-	391,832
Other Operating Expenses and Services	5000	-	-	-	-	-	-
Capital Outlay	6000						
Library Books	6300	-	-	-	-	-	-
Equipment	6400						
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay		-	-	-	-	-	-
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		$ -	$ -	$ -	$ 687,269	$ -	$ 687,269
Total for ECS 84362, 50% Law		$ 7,541,182	$ -	$ 7,541,182	$ 12,554,100	$ -	$ 12,554,100
Percent of CEE (Instructional Salary Cost/Total CEE)		60.07%	0.00%	60.07%	100.00%	0.00%	100.00%
50% of Current Expense of Education		$ -	$ -	$ -	$ 6,277,050	$ -	$ 6,277,050

See Note to Supplementary Information.

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
DETAILS OF THE EDUCATION PROTECTION ACCOUNT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2023

EPA Revenue	$ 822,683

Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	0100-5900	$ 822,683	$ -	$ -	$ 822,683
Total		$ 822,683	$ -	$ -	$ 822,683

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

Total Fund Equity - District Funds Included in the Reporting Entity		
General Funds	$ 17,764,143	
Capital Project Funds	5,208,706	
Child Development Fund	179,045	
Other funds	258,111	
Student Financial Aid Fund	31,203	
Total fund balances as reported in the CCFS-311		$ 23,441,208
Assets recorded within the statements of net position not included in the District fund financial statements:		
Capital assets	$ 28,016,389	
Accumulated depreciation	(15,785,278)	
Right-of-use leased assets	1,384,289	
Accumulated amortization	(320,235)	13,295,165
Deferred outflows recorded within the statement of net position not included in the District fund financial statements:		
Deferred outflows from pensions		5,731,278
Liabilities recorded within the statements of net position not recorded in the District fund financial statements:		
Lease liability	$ (1,089,363)	
Compensated absences	(797,061)	
Net OPEB liability	(1,645,464)	
Net pension liability	(16,191,684)	(19,723,572)
Deferred inflows recorded within the statement of net position not included in the District fund financial statements:		
Deferred inflows from pensions		(1,711,216)
Net Assets Reported Within the Statements of Net Position		$ 21,032,863

NOTE 1 – PURPOSE OF SCHEDULES

Organizational Structure

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

Schedule of Expenditures of Federal Awards

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2023. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the modified accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No Federal financial assistance has been provided to a subrecipient.

Indirect Cost Rate

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

Schedule of Expenditures of State Awards

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

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

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

Reconciliation of the ECS 84362 (50 Percent Law) Calculation

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

NOTE 1 – PURPOSE OF SCHEDULES, continued

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

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

OTHER INDEPENDENT AUDITORS' REPORTS

CWDL

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

Board of Trustees
Feather River Community College District
Quincy, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Feather River Community College District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 6, 2023.

Report on Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) 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. We did identify deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as finding 2023-001 and 2023-002 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

Purpose of This Report

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

CWDL, Certified Public Accountants

San Diego, California
December 6, 2023

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

Board of Trustees
Feather River Community College District
Quincy, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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

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

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

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

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

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

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

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

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

CWDL, Certified Public Accountants

San Diego, California
December 6, 2023

CWDL

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Trustees
Feather River Community College District
Quincy, California

Report on State Compliance

Opinion on State Compliance

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

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

Basis for Opinion

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

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on state compliance with the compliance requirements subject to audit in the 2022-2023 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Compliance Requirements Tested

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

Section 411 – SCFF Data Management Control Environment
Section 412 – SCFF Supplemental Allocation Metrics
Section 413 – SCFF Success Allocation Metrics
Section 421 – Salaries of Classroom Instructors (50 Percent Law)
Section 423 – Apportionment for Activities Funded From Other Sources
Section 424 – Student Centered Funding Formula Base Allocation: FTES
Section 425 – Residency Determination for Credit Courses
Section 426 – Students Actively Enrolled
Section 427 – Dual Enrollment (CCAP)
Section 430 – Scheduled Maintenance Program
Section 431 – Gann Limit Calculation
Section 444 – Apprenticeship Related and Supplemental Instruction (RSI) Funds
Section 475 – Disabled Student Programs and Services (DSPS)
Section 490 – Propositions 1D and 51 State Bond Funded Projects
Section 491 – Education Protection Account Funds
Section 492 – Student Representation Fee
Section 494 – State Fiscal Recovery Fund
Section 499 – COVID-19 Response Block Grant Expenditures

Purpose of this Report

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

CWDL, Certified Public Accountants

San Diego, California
December 6, 2023

FINDINGS AND QUESTIONED COSTS SECTION

Section I – Schedule of Audit Findings and Questioned Costs

FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified
Is a going concern emphasis-of-matter paragraph included in the auditors' report?	No
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	Yes
Non-compliance material to financial statements noted?	No

FEDERAL AWARDS

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

CFDA Numbers	Name of Federal Program of Cluster
84.007, 84.033 84.063, 84.268	Student Financial Aid Cluster
84.425E, 84.425F	Higher Education Emergency Relief Funds

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	Yes

STATE AWARDS

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

Section II – Financial Statement Findings

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

FINDING #2023-001 – INTERNAL CONTROLS OVER FINANICAL REPORTING (REVENUES)

Criteria
Cash and investments held in the County Treasury are subject to quarterly interest payments based on average daily balances held. These amounts should be recorded as received and an accrual should be made at the end of the fiscal year for the fourth quarter interest earned.

Condition
During our testing of interest revenues, we noted that the District had not received any interest revenues, nor did they have any information from the county for the fourth quarter interest accrual. Upon inquiry, we became aware that the County Treasurer had not remitted any interest apportionment during the fiscal year and had no way of providing a figure that matched what the District had estimated based upon using the average-monthly-balance method.

Cause
Per review of the facts and circumstances, it appears that the County Treasurer was not providing the District with quarterly revenues in a timely manner and did not provide them with information to support the annual interest apportionment.

Effect
The potential for material misstatement of revenues and receivables based on unknown figures related to the ongoing delinquency of interest apportionment. In addition, the County's failure to apportion interest quarterly, as required by the Plumas County Investment Policy and Guidelines, has resulted in the County retaining the compound interest that the District would have earned if interest had been apportioned as required.

Recommendation
We recommend that the District work with the County Treasurer to best ensure the county's ability to provide detailed information on interest earnings on the cash in county treasury.

District Response
We will continue to work with the County Treasurer to find resolution. We will seek appropriate outside counsel and remedies as necessary.

FINDING #2023-002 – INTERNAL CONTROLS OVER FINANICAL REPORTING (EXPENSES)

Criteria
Districts are required to encumber funds to ensure that any expenses paid by the District are available to be paid as expenses are incurred.

Condition
During our review of internal controls over cash disbursements, we became aware of instances where paychecks were returned due to processing issues between the County and their bank. We also found instances of unemployment taxes and PERS payments not remitted in a timely manner causing the district to incur late fees and interest.

Cause
County treasury did not make payments within a timely manner.

Effect
The District incurred various fees related to these issues.

Recommendation
We recommend that the District work with the County Treasurer to ensure all payments are remitted within a timely manner.

District Response
We will continue to work with the County Treasurer and Auditor to find resolution. We will seek appropriate outside counsel and remedies as necessary.

Section III – Federal Award Findings and Questioned Costs

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

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

Section IV – State Award Findings and Questioned Costs

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

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

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