Financial Statements
June 30, 2025

West Hills Community College District

Independent Auditor's Report

To the Board of Trustees
West Hills Community College District
Coalinga, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of West Hills Community College District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of West Hills Community College District, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Adoption of New Accounting Standard

As discussed in Note 2 and Note 14 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences,* for the year ended June 30, 2025. Accordingly, a restatement has been made to the business-type activities net position as of July 1, 2024, to restate beginning net position. Our opinions are not modified with respect to this matter.

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Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13 and other required supplementary schedules as listed in the table of contents on pages 63 through 69 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Eide Bailly LLP

Ontario, California
January 28, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis provides an overview of the financial position and activities of the West Hills Community College District (the District) for the year ended June 30, 2025. This discussion has been prepared by management and should be read in conjunction with the financial statements and notes thereto which follow this section.

In June 1999, the Government Accounting Standards Board (GASB) issued Statement No. 34, *"Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments,"* which established a new reporting format for annual financial statements of governmental entities. In November 1999, GASB issued Statement No. 35, *"Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities,"* which applies these new reporting standards to public colleges and universities such as the District. The following discussion and analysis provides an overview of the District's financial activity. This report presents this information in a comparative format. Responsibility for the completeness and fairness of this information rests with the District.

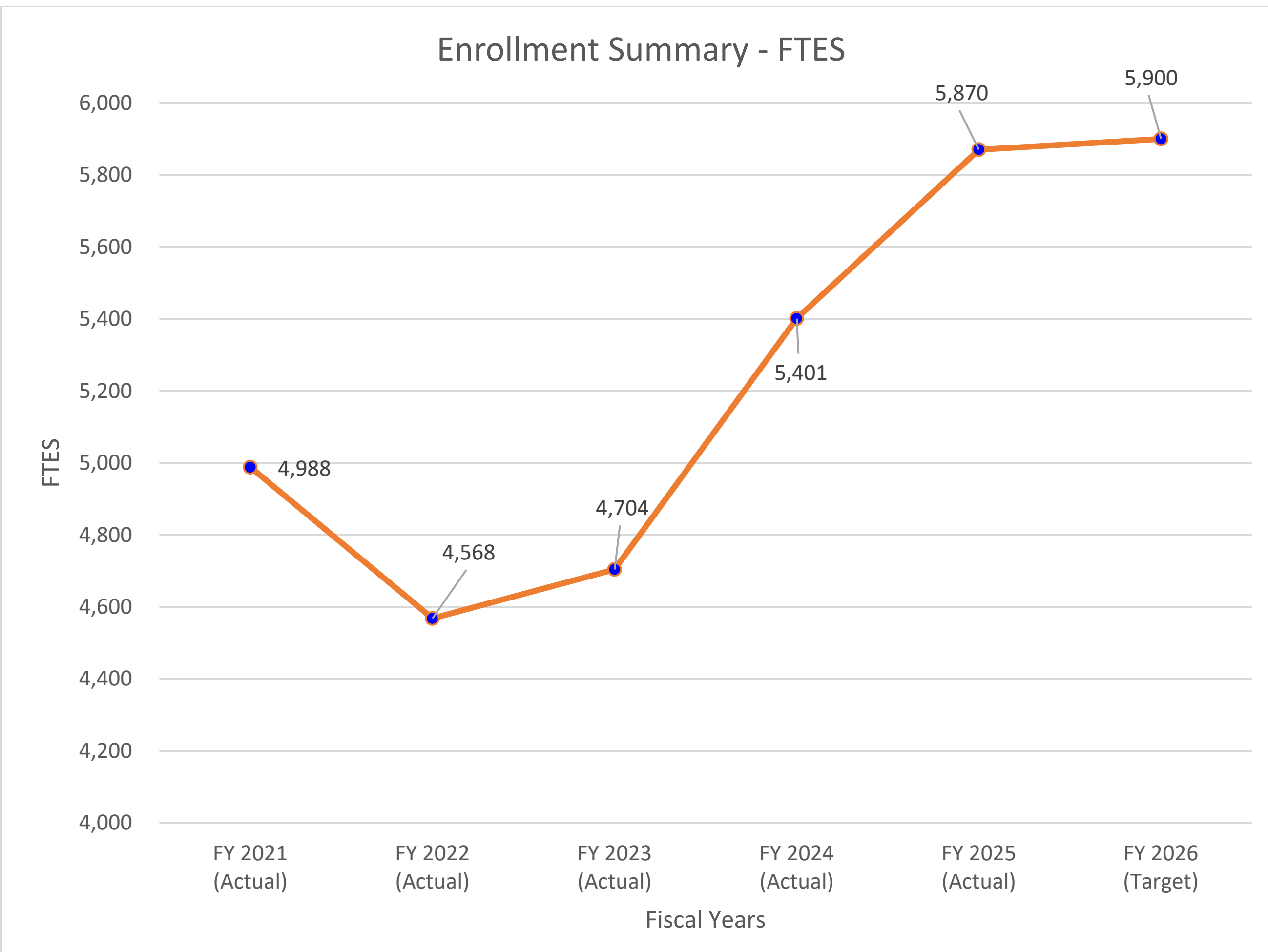
USING THIS ANNUAL REPORT

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

The focus of the Statement of Net Position is designed to be similar to bottom line results for the District. This statement combines and consolidates current financial resources (net short-term spendable resources) with capital assets, deferred outflows of resources, deferred inflows of resources, and long-term liabilities. The Statement of Revenues, Expenses, and Changes in Net Position focuses on the costs of the District's operational activities, which are supported mainly by property taxes and by State and other revenues. This approach is intended to summarize and simplify the user's analysis of the cost of various District services to students and the public. The Statement of Cash Flows provides an analysis of the sources and uses of cash within the operations of the District.

FINANCIAL HIGHLIGHTS - ATTENDANCE

State apportionments, noncapital, local property taxes, and tuition and fees are all components of the community college apportionment funding model. The model is comprised of a base allocation, an amount per credit Full-Time Equivalent Students (FTES), noncredit FTES, and an enhanced amount per qualifying noncredit FTES for career development and college preparation courses. An important aspect of the community college apportionment funding model is the inverse relationship between State apportionment and local property taxes. Thus, our funding essentially comes from enrollment fees and local property taxes with the difference made up by State apportionment. Actual FTES in fiscal year 2024-2025 were 5,870. The target FTES for fiscal year 2025-2026 is 5,900. FTES are generated at the District's Coalinga and Lemoore Colleges, the Firebaugh Center and various satellite locations.



FINANCIAL HIGHLIGHTS

The main sources of revenue for the district are state apportionment ($55.9 million), property taxes ($16.7 million), noncapital grants and contracts ($35.0 million) and tuition fees ($2.2 million). The state funded COLA for fiscal year 2024-25 was 1.07%. The increased revenue generated by the COLA was used to pay for salary increases, as well as, increased operational costs.

The primary expenditure of the District is for the salaries and benefits of the Academic, Classified, and Administrative salaries of District employees. Salary and benefits paid out of the governmental funds for the 2024-2025 fiscal year were approximately $74.3 million although the reported amount is $68.6 million. This is due mostly to entries as a result of the increase in the net pension liability deferred outflows of resources balances. The pension liability is adjusted based upon market performance. In addition to the costs for current employees’ insurance coverage, the District provides insurance benefits to retirees meeting plan eligibility requirements.

The District continues several construction and modernization projects throughout the District. These projects will be funded through various financial vehicles, including district capital funds and various maintenance and construction projects funded through the State Chancellor’s Office.

The District provides student financial aid to qualifying students of the District in the amount of approximately $28.6 million. This aid is provided through grants, loans from the Federal government, State Chancellor’s Office, and local funding.

The State Chancellor’s Office recommends reserve levels of two months of cash in reserve, or 16.67% of unrestricted General Fund expenditures be set aside for economic uncertainties. The District exceeded the recommended reserve level set forth in Administrative Procedure 6305.

Condensed financial information is as follows:

Net Position - As of June 30, 2025 and 2024

	2025	2024*	Change
Assets			
Cash, cash equivalents, and investments	$ 124,429,524	$ 114,685,808	$ 9,743,716
Receivables, net	12,127,151	21,341,741	(9,214,590)
Prepaid expenses	939,850	1,379,248	(439,398)
Lease receivables	1,444,291	1,375,515	68,776
Other postemployment benefits (OPEB) asset, net	6,187,143	3,193,832	2,993,311
Capital assets, net	178,805,013	162,431,384	16,373,629
Total assets	323,932,972	304,407,528	19,525,444
Deferred Outflows of Resources	25,179,176	20,804,033	4,375,143
Liabilities			
Accounts payable and accrued liabilities	35,916,165	38,709,000	(2,792,835)
Current portion of long-term liabilities	7,701,397	6,647,482	1,053,915
Noncurrent portion of long-term liabilities	138,464,934	132,890,286	5,574,648
Total liabilities	182,082,496	178,246,768	3,835,728
Deferred Inflows of Resources	9,663,923	10,545,746	(881,823)
Net Position			
Net investment in capital assets	114,043,265	93,418,655	20,624,610
Restricted	51,212,230	46,996,368	4,215,862
Unrestricted deficit	(7,889,766)	(3,995,976)	(3,893,790)
Total net position	$ 157,365,729	$ 136,419,047	$ 20,946,682

* Amounts have not been restated for the effects of the implementation of GASB Statement No. 101. See Note 14 for further information.

Operating Results for the Years Ended June 30, 2025 and 2024

	2025	2024*	Change
Operating Revenues			
Tuition and fees, net	$ 2,216,360	$ 2,008,649	$ 207,711
Grants and contracts, noncapital	35,036,992	30,883,402	4,153,590
Total operating revenues	37,253,352	32,892,051	4,361,301
Operating Expenses			
Salaries and benefits	68,602,365	62,182,366	6,419,999
Supplies, services, equipment, and maintenance	21,928,536	15,728,608	6,199,928
Student financial aid	28,568,956	24,492,555	4,076,401
Depreciation and amortization	8,914,843	9,030,911	(116,068)
Total operating expenses	128,014,700	111,434,440	16,580,260
Operating loss	(90,761,348)	(78,542,389)	(12,218,959)
Nonoperating Revenues			
State apportionments	55,945,207	49,317,713	6,627,494
Property taxes	16,683,529	16,464,505	219,024
Student financial aid grants	25,417,761	22,379,744	3,038,017
State revenues	1,843,951	2,283,413	(439,462)
Net investment income	2,676,428	282,986	2,393,442
Other nonoperating revenues	1,496,351	7,179,263	(5,682,912)
Total nonoperating revenues (losses)	104,063,227	97,907,624	6,155,603
Net Other Revenues	15,835,085	5,598,910	10,236,175
Change in net position	$ 29,136,964	$ 24,964,145	$ 4,172,819

* Expenses for the year ended June 30, 2024 were not restated for the effects of the implementation of GASB Statement No. 101. See Note 14 for further information.

Generally, operating revenues, including tuition and fees and grants and contracts, noncapital, 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 earned and to fulfill the mission of the District. Nonoperating revenues are those received or pledged for which goods and services are not provided; for example, state appropriations are nonoperating because they are provided by the legislature to the District without the legislature directly receiving commensurate goods and services for those revenues. As a result, the operating loss of $90.8 million is mostly balanced by the state general apportionment sources resulting in an increase in the District's Net Position of $29.1 million.

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

The interest income is primarily the result of cash held at the Fresno County Treasurer. The interest expense relates to interest payments on the long-term liabilities which are described in Note 8 of the financial statements.

The District is recording the depreciation and amortization expense related to capital, leased and subscription IT assets. The detail of the changes in capital assets for the year is included in the notes to the financial statements as Note 7.

Statement of Cash Flows for the Years Ended June 30, 2025 and 2024

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

	2025	2024*	Change
Net Cash Flows from			
Operating activities	$ (85,112,145)	$ (72,402,312)	$ (12,709,833)
Noncapital financing activities	97,194,917	87,775,343	9,419,574
Capital financing activities	(7,730,966)	6,084,186	(13,815,152)
Investing activities	5,391,910	2,751,600	2,640,310
Change in Cash and Cash Equivalents	9,743,716	24,208,817	(14,465,101)
Cash and Cash Equivalents, Beginning of Year	114,685,808	90,476,991	24,208,817
Cash and Cash Equivalents, End of Year	$ 124,429,524	$ 114,685,808	$ 9,743,716

* Cash flows from operating activities for the year ended June 30, 2024 were not restated for the effects of the implementation of GASB Statement No. 101. See Note 14 for further information.

The primary operating receipts are student tuition and fees and Federal, State, and local grants and contracts. The primary operating expense of the District is the payment of salaries and benefits to instructional and classified support staff, as well as District administrators.

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

Functional Expenditures

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

Year ended June 30, 2025:

	Salaries and Employee Benefits	Supplies, Material, and Other Expenses and Services	Student Financial Aid	Equipment, Maintenance, and Repairs	Depreciation and Amortization	Total
Instructional activities	$ 25,560,655	$ 2,101,165	$ -	$ 2,295	$ -	$ 27,664,115
Instructional administration	2,553,017	573,815	-	256	-	3,127,088
Instructional support services	2,147,008	174,878	-	418	-	2,322,304
Student services	14,076,826	3,032,784	-	2,215	-	17,111,825
Plant operations and maintenance	2,838,657	6,996,749	-	121,832	-	9,957,238
Planning, policymaking, and coordinations	2,779,083	791,339	-	392	-	3,570,814
Institutional support services	5,549,809	340,783	-	(424)	-	5,890,168
Community services	3,128,246	449,738	-	9,147	-	3,587,131
Ancillary services and auxiliary operations	9,089,053	6,004,959	-	686	-	15,094,698
Student aid	-	-	28,568,956	-	-	28,568,956
Physical property and related acquisitions	880,011	1,319,360	-	6,149	-	2,205,520
Unallocated depreciation and amortization	-	-	-	-	8,914,843	8,914,843
Total	$ 68,602,365	$ 21,785,570	$ 28,568,956	$ 142,966	$ 8,914,843	$ 128,014,700

Capital Assets

As of June 30, 2025, the District had approximately $178.8 million invested in net capital assets. Total capital assets of $292.5 million consist of land, construction in progress, buildings and improvements, equipment, right-to-use leased and right-to-use SBITA assets. These assets have accumulated depreciation and amortization of $113.7 million. In fiscal year 2024-2025, there were capital asset additions in the amount of $26.2 million, which primarily includes costs for the Firebaugh Center Expansion project, and net depreciation/amortization expense of $8.9 million. We present more detailed information regarding our capital and leased assets in Note 7 of the financial statements.

	2025	2024	Change
Land and construction in progress	$ 36,939,670	$ 15,274,892	$ 21,664,778
Buildings and land improvements, net	133,261,611	139,701,282	(6,439,671)
Furniture and equipment, net	7,471,719	6,567,397	904,322
Right-to-use leased assets, net	179,511	114,071	65,440
Right-to-use subscription IT assets, net	952,502	773,742	178,760
Total capital assets, net	$ 178,805,013	$ 162,431,384	$ 16,373,629

Long-Term Liabilities including OPEB and Pensions

At June 30, 2025, the District had $146.2 million in outstanding long-term liabilities compared to $139.5 million at June 30, 2024. We present more detailed information regarding our long-term liabilities in Notes 8, 9, and 11 to the financial statements.

	2025	2024*	Change
General obligation bonds	$ 64,194,321	$ 68,751,979	$ (4,557,658)
Certificates of participation	10,770,000	11,220,000	(450,000)
Premium on issuance	3,618,545	3,945,549	(327,004)
Compensated absences	10,836,042	2,263,799	8,572,243
Net OPEB liability	114,007	119,090	(5,083)
Aggregate net pension liability	55,146,080	51,850,615	3,295,465
Other liabilities	1,487,336	1,386,736	100,600
Total long-term liabilities	$ 146,166,331	$ 139,537,768	$ 6,628,563
Amount due within one year	$ 7,701,397		

* Amounts have not been restated for the effects of the implementation of GASB Statement No. 101. See Note 14 for further information.

At June 30, 2025, the District has a net other postemployment benefit liability (OPEB) of $114,007 compared to $119,090 at June 30, 2024, a net decrease of $5,083 or 4.3%.

At June 30, 2025, the District has an aggregate net pension liability of $55,146,080 compared to $51,850,615 at June 30, 2024, a net increase of $3,295,465 or 6.4%.

ECONOMIC FACTORS AFFECTING THE FUTURE OF WEST HILLS COMMUNITY COLLEGE DISTRICT

Fiscal year 2024–25 marked a continued recovery from the COVID-19 pandemic, with sustained enrollment growth across the District. Full-Time Equivalent Students (FTES) increased to 5,870, up from 5,401 in FY 2023–24, exceeding the enrollment target established by the District. Overall enrollment has continued to trend upward and has now returned to pre-pandemic levels, demonstrating renewed student demand and institutional stability. Despite this growth, the District recorded 37 unfunded FTES in FY 2024–25, creating additional fiscal pressure without corresponding revenue. In recognition of both enrollment volatility and external fiscal risks, the district has implemented multi-year budget projections and scenario-planning tools to proactively evaluate potential funding fluctuations, safeguard reserves, and support long-term financial sustainability.

At the state level, California is projecting multi-year revenue shortfalls driven by stock market volatility, the fiscal impact of federal tariffs, potential federal funding reductions, and increasing state-level cost pressures. These factors represent structural challenges rather than one-time disruptions, limiting the State's flexibility in future budget cycles. To address these budgetary challenges, the State is relying on a combination of fund transfers, use of reserves, expenditure reductions, and payment deferrals, many of which shift fiscal risk to future years. The estimated State budget deficit is projected to range from $12 billion to $18 billion in fiscal year 2025–26, with an additional projected shortfall of approximately $2.9 billion in fiscal year 2026–27, signaling continued uncertainty for higher education funding.

Fiscal year 2025–26 also includes a “re-benching” of the Proposition 98 funding split. Under this change, funding for Transitional Kindergarten will be removed prior to calculating the Proposition 98 allocation. This adjustment is estimated to result in an ongoing reduction of approximately $230 million to California Community College funding statewide. As this reduction is ongoing rather than one-time, it compounds existing fiscal pressures and underscores the importance of conservative revenue assumptions, disciplined expenditure controls, and long-term financial planning at the district level.

Proposition 55, which established an income tax increase on high-income taxpayers, is scheduled to expire in 2030. Revenues generated by Proposition 55 represent several billion dollars annually for the State and serve as a significant component of ongoing education funding. The scheduled sunset of this revenue source introduces a long-term structural risk to the State’s fiscal framework, particularly for education programs reliant on Proposition 98 funding. California’s long-term economic stability will depend heavily on sustained job creation that generates reliable income and sales tax revenues. In this context, West Hills Community College District is well positioned to play a critical role in supporting the region’s economic engine by providing workforce training and re-training programs aligned with private-sector needs, regional labor market demand, and emerging industries. In fact, at the last State of the District in January 2026, the Chancellor highlighted our focus on economic development as one of the goals for the WHCCD moving forward.

West Hills Community College District continues to take a conservative and disciplined approach to budget development in anticipation of ongoing fiscal uncertainty. These risks include potential additional state revenue declines, the increasing reliance on one-time resources to support ongoing expenditures, payment deferrals from the State Chancellor’s Office, and the possibility of future deficit factors. To mitigate these risks, the District closely monitors expenditures, limits structural cost growth, and carefully evaluates all vacant positions prior to replacement to ensure alignment with institutional priorities and long-term affordability. Consistent with its long history of prudent fiscal management, the WHCCD remains committed to maintaining financial stability while continuing the relentless pursuit of student success, ensuring that limited resources are strategically directed toward instructional quality, student support services, and equitable access.

In summary, while enrollment recovery and workforce demand present opportunities for growth, the district continues to operate within an environment of significant fiscal uncertainty. Ongoing state budget deficits, structural funding risks such as the anticipated expiration of Proposition 55, the re-benching of Proposition 98, federal funding concerns, and the potential for payment deferrals and deficit factors underscore the importance of continued fiscal prudence. The District’s conservative budgeting practices, multi-year financial planning, and disciplined cost controls position the WHCCD to remain financially stable while adapting to changing state and economic conditions. By balancing responsible stewardship of public resources with a sustained commitment to student success and workforce preparation, West Hills Community College District is well positioned to navigate future fiscal challenges while fulfilling its mission and serving as a vital contributor to regional and statewide economic recovery.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If there any questions about this report or need any additional financial information, contact Shanna Ahrens, Vice Chancellor of Business and Fiscal Services, at West Hills Community College District, 275 Phelps Ave., Coalinga, California 93210, or e-mail at shannaahrens@whccd.edu.

Assets	
Cash and cash equivalents	$ 10,714,943
Investments	113,714,581
Accounts receivable	11,038,194
Student receivables, net	1,088,957
Prepaid expenses	939,850
Lease receivables	1,444,291
Net other postemployment benefits (OPEB) asset - District Plan	6,187,143
Capital assets not being depreciated or amortized	36,939,670
Capital assets, net of accumulated depreciation and amortization	141,865,343
Total assets	323,932,972
Deferred Outflows of Resources	
Deferred outflows of resources related to debt refunding	546,112
Deferred outflows of resources related to OPEB	788,856
Deferred outflows of resources related to pensions	23,844,208
Total deferred outflows of resources	25,179,176
Liabilities	
Accounts payable	14,324,794
Accrued interest payable	1,083,442
Unearned revenue	20,507,929
Long-term liabilities	
Long-term liabilities other than OPEB and pensions, due within one year	7,701,397
Long-term liabilities other than OPEB and pensions, due in more than one year	83,204,847
Net OPEB liability - Medicare Premium Payment Plan	114,007
Aggregate net pension liability	55,146,080
Total liabilities	182,082,496
Deferred Inflows of Resources	
Deferred inflows of resources related to leases	1,444,291
Deferred inflows of resources related to OPEB	3,410,347
Deferred inflows of resources related to pensions	4,809,285
Total deferred inflows of resources	9,663,923
Net Position	
Net investment in capital assets	114,043,265
Restricted for	
Debt service	9,980,081
Capital projects	41,014,959
Other activities	217,190
Unrestricted deficit	(7,889,766)
Total net position	$ 157,365,729

Operating Revenues	
Tuition and fees	$ 6,811,898
Less: Scholarship discounts and allowances	(4,595,538)
Net tuition and fees	2,216,360
Grants and contracts, noncapital	
Federal	8,532,126
State	25,643,580
Local	861,286
Total grants and contracts, noncapital	35,036,992
Total operating revenues	37,253,352
Operating Expenses	
Salaries	49,058,543
Employee benefits	19,543,822
Supplies, materials, and other operating expenses and services	21,785,570
Student financial aid	28,568,956
Equipment, maintenance, and repairs	142,966
Depreciation and amortization	8,914,843
Total operating expenses	128,014,700
Operating Loss	(90,761,348)
Nonoperating Revenues (Expenses)	
State apportionments, noncapital	55,945,207
Local property taxes, levied for general purposes	9,369,500
Taxes levied for other specific purposes	7,314,029
Federal and state financial aid grants	25,417,761
State taxes and other revenues	1,843,951
Investment income, net	5,286,574
Interest expense on capital related debt	(3,118,326)
Investment income on capital asset-related debt, net	508,180
Other nonoperating revenues	1,496,351
Total nonoperating revenues (expenses)	104,063,227
Income Before Other Revenues (Losses)	13,301,879
Other Revenues (Losses)	
State revenues, capital	17,286,737
Loss on disposal of capital assets	(1,451,652)
Total other revenues (losses)	15,835,085
Change In Net Position	29,136,964
Net Position, Beginning of Year, as previously reported	136,419,047
Adjustment (Note 14)	(8,190,282)
Net Position, Beginning of Year, as restated	128,228,765
Net Position, End of Year	$ 157,365,729

Operating Activities	
Tuition and fees	$ 2,237,801
Federal, state, and local grants and contracts, noncapital	31,354,226
Payments to or on behalf of employees	(72,932,248)
Payments to vendors for supplies and services	(17,202,968)
Payments to students for scholarships and grants	(28,568,956)
Net cash flows from operating activities	(85,112,145)
Noncapital Financing Activities	
State apportionments	53,616,448
Federal and state financial aid grants	25,767,155
Property taxes - nondebt related	9,554,311
State taxes and other apportionments	1,742,740
Other nonoperating	6,514,263
Net cash flows from noncapital financing activities	97,194,917
Capital Financing Activities	
Purchase of capital assets	(28,068,536)
State revenue, capital	21,726,859
Property taxes - related to capital debt	7,314,029
Principal paid on capital debt	(6,224,113)
Interest paid on capital debt	(2,987,385)
Interest received on capital asset-related debt	508,180
Net cash flows from capital financing activities	(7,730,966)
Investing Activities	
Change in fair market value of cash in county treasury	(482,113)
Interest received from investments	5,874,023
Net cash flows from investing activities	5,391,910
Change In Cash and Cash Equivalents	9,743,716
Cash and Cash Equivalents, Beginning of Year	114,685,808
Cash and Cash Equivalents, End of Year	$ 124,429,524

Reconciliation of Net Operating Loss to Net Cash Flows from Operating Activities	
Operating Loss	$ (90,761,348)
Adjustments to reconcile operating loss to net cash flows from operating activities	
Depreciation and amortization expense	8,914,843
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources	
Accounts receivable	(180,131)
Student receivables, net	(270,796)
Prepaid expenses	439,398
Lease receivables	(68,776)
Deferred outflows of resources related to OPEB	98,147
Deferred outflows of resources related to pensions	(4,506,056)
Accounts payable	4,635,763
Unearned revenue	(3,210,398)
Compensated absences	381,961
Net OPEB asset - District Plan	(2,993,311)
Net OPEB liability - MPP Plan	(5,083)
Aggregate net pension liability	3,295,465
Deferred inflows of resources related to leases	68,776
Deferred inflows of resources related to OPEB	525,732
Deferred inflows of resources related to pensions	(1,476,331)
Total adjustments	5,649,203
Net cash flows from operating activities	$ (85,112,145)
Cash and Cash Equivalents Consist of the Following:	
Cash on hand and in banks	$ 10,714,943
Cash in county treasury	113,714,581
Total cash and cash equivalents	$ 124,429,524
Noncash Transactions	
Amortization of deferred outflows of resources related to debt refunding	$ 32,766
Amortization of debt premiums	$ 327,004
Accretion of interest on capital appreciation bonds	$ 528,342
Recognition of lease liabilities arising from obtaining right-to-use leased assets	$ 151,315
Recognition of subscription-based IT arrangement liabilities arising from obtaining right-to-use subscription IT assets	$ 637,398

	Retiree OPEB Trust
Assets	
Investments	$ 25,428,812
Accounts receivable	12,500
Total assets	25,441,312
Net Position	
Restricted for postemployment benefits other than pensions	$ 25,441,312

	Retiree OPEB Trust
Additions	
District contributions	$ 2,244,793
Interest and investment income	633,820
Net realized and unrealized gains	1,722,776
Total additions	4,601,389
Deductions	
Benefit payments	678,249
Administrative expenses	18,593
Total deductions	696,842
Change in Net Position	3,904,547
Net Position - Beginning of Year	21,536,765
Net Position - End of Year	$ 25,441,312

Note 1 - Organization

The West Hills Community College District (the District) is a political subdivision of the State of California and is a comprehensive, public, two-year institution offering postsecondary education to the students of Coalinga-Huron Unified School District, Lemoore Union High School District, Riverdale Joint Unified School District, Golden Plains Unified School District, Firebaugh-Las Deltas Unified School District, Reef-Sunset Unified School District, and Mendota Unified School District. The District maintains a Coalinga Campus, a Lemoore Campus, and the North District Center in Firebaugh. The District operates under a locally elected seven-member Board of Trustees form of government and provides higher education in the County of Fresno. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61. The District is classified as a Public Educational Institution under Internal Revenue Code Section 115 and is, therefore, exempt from Federal taxes.

Note 2 - Summary of Significant Accounting Policies

Financial Reporting Entity

The District has adopted accounting policies to determine whether certain organizations, for which the District is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the District as defined by accounting principles generally accepted in the United States of America and established by the Government Accounting Standards Board (GASB). The basic criteria for including a component unit are (1) the economic resources held or received by the other entity are entirely or almost entirely for the direct benefit of the District, (2) the District is entitled to, or has the ability to otherwise access, a majority of the economic resources held or received by the other entity, and (3) the other entity's resources to which the District is entitled or has the ability to otherwise access are significant to the District. If any of these criteria are not met, the final criterion for including a component unit is whether the other entity is closely related to, or financially integrated with, the District. The financial reporting entity consists of the primary government, the District, and the following component unit:

- West Hills Financing Corporation

The West Hills Financing Corporation (the Corporation) is a legally separate organization and a component unit of the District. The Corporation was formed to obtain new market tax credits and financing instruments specifically for the acquisition and construction of capital assets for the District. The Board of Trustees of the Corporation is the same as the Board of Trustees of the District. The financial activity has been "blended" or consolidated within the financial statements of the District as if the activity was the District's. Individually prepared financial statements are not prepared for the Corporation.

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

Basis of Accounting

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

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. For the District, operating revenues consist primarily of student fees and noncapital grants and contracts. Nonexchange transactions, in which the District receives value without directly giving equal value in return, include State apportionments, property taxes, Federal and State grants, entitlements, and donations are classified as nonoperating revenue. Federal and State grants received to provide direct grants to students are classified as nonoperating revenues because the District does not generally receive any direct benefit from the grants. Revenue from Federal and State grants and entitlements are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements may include time and/or purpose requirements. Property tax revenues are recognized in the fiscal year in which they are received. State apportionment revenue is earned based upon criteria set forth from the California Community College Chancellor's Office and includes reporting of full-time equivalent students (FTES). The corresponding apportionment revenue is recognized in the period the FTES are generated.

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

Cash and Cash Equivalents

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

Investments

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

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

Accounts Receivable

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students. The District provides for an allowance for uncollectible accounts as an estimation of amounts that may not be received. This allowance is based upon management's estimates and analysis. The allowance was estimated at $2,637,181 for the fiscal year ended June 30, 2025.

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.

Lease Receivables

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

Capital Assets, Depreciation, and Amortization

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

Depreciation of capital assets is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 25 to 50 years; improvements, 25 to 50 years; furniture and equipment, 5 to 10 years; vehicles, 5 to 10 years.

Right-to-use leased assets are recognized at the lease commencement date and represent the District's right to use an underlying asset for the lease term. Right-to-use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the leased asset into service. Right-to-use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method.

Right-to-use subscription IT assets are recognized at the subscription commencement date and represent the District's right to use the underlying IT asset for the subscription term. Right-to-use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right-to-use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method.

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 2025.

Compensated Absences

Compensated absences are accrued as a liability as the benefits are earned for leave balances that are more likely than not to be used for compensated leave or settled through cash or noncash means. The entire compensated absence liability is reported on the government-wide Statement of Net Position. Compensated absences include vacation leave and sick leave.

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

Debt Premiums

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

Deferred Outflows of Resource and Deferred Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense until then. The District reports deferred outflows of resources related to debt refunding, for OPEB related items and for pension related items. The deferred outflows of resources related to debt refunding resulted from the difference between the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts for OPEB and pension related items are associated with differences between expected and actual earnings on plan investments, changes of assumptions, and other OPEB and pension related changes.

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

Lease Liabilities

Lease liabilities represent the District's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments is discounted based on a borrowing rate determined by the District.

Subscription-based IT Liabilities (SBITA) Arrangements

SBITA liabilities represent the District's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of the subscription payments is discounted based on a borrowing rate determined by the District.

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Unearned Revenue

Unearned revenue arises 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 the qualifying expenses. In subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the financial statements and the revenue is recognized. Unearned revenue is primarily composed of (1) amounts received for tuition and fees prior to the end of the fiscal year that are related to the subsequent fiscal year and (2) amounts received from Federal and State grants received before the eligibility requirements are met.

Noncurrent Liabilities

Noncurrent liabilities include general obligation bonds, lease liability, subscription-based IT arrangements, financed purchases, certificates of participation, compensated absences, the net OPEB liability – Medicare Premium Payment Plan, and the aggregate net pension liability with maturities greater than one year.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position related to net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balance of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report $51,212,230 of restricted net position, and the fiduciary fund financial statements report $25,441,312 of restricted net position.

Operating and Nonoperating Revenues and Expenses

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

- **Operating revenues** - Operating revenues include activities that have the characteristics of exchange transactions such as tuition and fees, net of scholarship discounts and allowances, noncapital Federal, State, and local grants and contracts.

- **Nonoperating revenues** - Nonoperating revenues include activities that have the characteristics of nonexchange transactions such as State apportionments, property taxes, investment income, and other revenue sources defined by GASB.

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

- **Operating expenses** - Operating expenses are necessary costs to provide the services of the District and include employee salaries and benefits, supplies, operating expenses, and student financial aid.

- **Nonoperating expenses** - Nonoperating expenses include interest expense and other expenses not directly related to the services of the District.

State Apportionments

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

Property Taxes

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

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

Scholarship Discounts and Allowances

Tuition and fee revenue is reported net of scholarship discounts and allowances. Fee waivers approved by the California Community College Board of Governors are included within the scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances represent the difference between stated charges for enrollment fees and the amount that is paid by students or third parties making payments on the students' behalf.

Financial Assistance Programs

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

Estimates

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

Interfund Activity

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund activity within the primary government and fiduciary funds has been eliminated respectively in the consolidation process of the basic financial statements. Balances owing between the primary government and the fiduciary funds are not eliminated in the consolidation process.

Operating transfers between funds of the District are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use restricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Operating transfers within the primary government and fiduciary funds have been eliminated respectively in the consolidation process of the basic financial statements. Balances transferred between the primary government and the fiduciary funds are not eliminated in the consolidation process.

Adoption of New Accounting Standard

Implementation of GASB Statement No. 101

As of June 30, 2025, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. The effect of the implementation of this standard on beginning net position is disclosed in Note 14.

Implementation of GASB Statement No. 102

As of June 30, 2025, the District adopted GASB Statement No. 102, *Certain Risk Disclosures*, which requires management to evaluate whether there are risks related to a government's vulnerabilities due to certain concentrations or constraints that require disclosure. There was not a significant effect on the District's financial statements as a result of the implementation of this standard.

Note 3 - Deposits and Investments

Policies and Practices

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

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

General Authorizations

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

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

Authorized Under Debt Agreements

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

Summary of Deposits and Investments

Deposits and investments as of June 30, 2025, consist of the following:

	Primary Government	Fiduciary Fund
Cash on hand and in banks	$ 10,713,679	$ -
Cash in revolving	1,264	-
Investments	113,714,581	25,428,812
Total deposits and investments	$ 124,429,524	$ 25,428,812

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the Fresno County Investment Pool and mutual funds. The District's investment in the Fresno County Investment Pool and mutual funds are not required to be rated, nor have they been rated.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Investment Type	Fair Value	Weighted Average Maturity in Years	Credit Rating
Mutual Funds	$ 25,428,812	No maturity	Not rated
Fresno County Investment Pool	113,714,581	1.93	Not rated
Total	$ 139,143,393		

Custodial Credit Risk

Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California *Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2025, approximately $8.7 million of the District's bank balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. As of June 30, 2025, the District's investment balance of approximately $24.9 million was exposed to custodial credit risk because it was uninsured, unregistered and held by the brokerage firm which is also the counterparty for these securities. The District does not have a policy limiting the amount of securities that can be held by counterparties.

Note 4 - Fair Value Measurements

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

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

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

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

The District's fair value measurements are as follows at June 30, 2025:

Investment Type	Fair Value	Fair Value Measurements Using Level 1 Inputs
Mutual Funds	$ 25,428,812	$ 25,428,812

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

Note 5 - Accounts Receivable

Accounts receivable as June 30, 2025, consisted of the following:

	Primary Government	Fiduciary Fund
Federal Government		
Categorical aid	$ 2,938,804	$ -
State Government		
Apportionment	3,429,252	-
Categorical aid	1,411,112	-
Lottery	314,569	-
Other state sources	238,920	-
Local Sources		
Interest	877,932	-
Property taxes	135,171	-
Other local sources	1,692,434	12,500
Total	$ 11,038,194	$ 12,500
Student receivables	$ 3,726,138	
Less: allowance for bad debt	(2,637,181)	
Student receivables, net	$ 1,088,957	

Note 6 - Lease Receivables

The District has entered into a lease agreement with Lemoore Union High School District. The lease receivables are summarized below:

Lease Receivables	Balance, July 1, 2024	Additions	Deductions	Balance, June 30, 2025
Lemoore UHSD - Facilities Lease	$ 1,375,515	$ 960,800	$ (892,024)	$ 1,444,291

Lemoore Union High School District Facilities Lease

The District leases a portion of its facilities to Lemoore Union High School District for education purposes related to the operation of Lemoore Middle College High School. The lease agreement runs through June 30, 2040, however either party may terminate the agreement, for any reason, with 18 months' notice to the other party without penalty. The agreements allow for 5.0% annual COLA increases to the license payments. At termination, lessee will surrender possession of the facilities, including any fixtures to the District. During the fiscal year, the District recognized $892,024 in lease revenue and $38,785 in interest revenue related to this agreement. At June 30, 2025, the District recorded $1,444,291 in lease receivables and deferred inflows of resources for these arrangements. The District used an interest rate of 4.00%, based on the rates available to finance real estate over the same time period.

Note 7 - Capital Assets

Capital asset activity for the District for the year ended June 30, 2025, was as follows:

	Balance, July 1, 2024	Additions	Deductions	Balance, June 30, 2025
Capital Assets Not Being Depreciated or Amortized				
Land	$ 7,765,959	$ -	$ (495,000)	$ 7,270,959
Construction in progress	7,508,933	24,859,259	(2,699,481)	29,668,711
Total capital assets not being depreciated or amortized	15,274,892	24,859,259	(3,194,481)	36,939,670
Capital Assets Being Depreciated and Amortized				
Land improvements	39,309,076	72,862	(1,853,688)	37,528,250
Buildings and improvements	200,556,522	1,596,077	(3,437,281)	198,715,318
Furniture and equipment	15,247,456	2,122,694	(205,200)	17,164,950
Right-to-use leased equipment	326,769	151,315	(134,067)	344,017
Right-to-use subscription IT assets	1,468,624	637,398	(294,443)	1,811,579
Total capital assets being depreciated or amortized	256,908,447	4,580,346	(5,924,679)	255,564,114
Less Accumulated Depreciation and Amortization				
Land improvements	(20,864,252)	(1,081,639)	1,547,457	(20,398,434)
Buildings and improvements	(79,300,064)	(6,080,579)	2,797,120	(82,583,523)
Furniture and equipment	(8,680,059)	(1,208,112)	194,940	(9,693,231)
Right-to-use leased equipment	(212,698)	(85,875)	134,067	(164,506)
Right-to-use subscription IT assets	(694,882)	(458,638)	294,443	(859,077)
Total accumulated depreciation and amortization	(109,751,955)	(8,914,843)	4,968,027	(113,698,771)
Total capital assets, net	$ 162,431,384	$ 20,524,762	$ (4,151,133)	$ 178,805,013

Note 8 - Long-Term Liabilities other than OPEB and Pensions

The changes in the District's long-term liabilities other than OPEB and pensions during the year ended June 30, 2025 consisted of the following:

	Balance, July 1, 2024, as Restated	Additions	Deductions	Balance, June 30, 2025	Due in One Year
General obligation bonds	$ 68,751,979	$ 528,342	$ (5,086,000)	$ 64,194,321	$ 5,112,000
Premium on issuance	3,048,789	-	(277,184)	2,771,605	-
Certificates of participation	11,220,000	-	(450,000)	10,770,000	465,000
Premium on issuance	896,760	-	(49,820)	846,940	-
Financed purchases	467,208	-	(127,970)	339,238	132,311
Lease liability	128,969	151,315	(84,952)	195,332	67,965
Subscription-based IT arrangements	790,559	637,398	(475,191)	952,766	405,443
Compensated absences	10,454,081	381,961	-	10,836,042	1,518,678
Total	$ 95,758,345	$ 1,699,016	$ (6,551,117)	$ 90,906,244	$ 7,701,397

The change in compensated absences is presented as a net change.

Description of Long-Term Liabilities

Payments on the general obligation bonds are made by the Bond Interest Redemption Fund with local property tax collections. Payments on the certificates of participation and financed purchases are made by the District's Capital Projects Outlay Fund. Payments for the lease liability and subscription-based IT arrangements will be made by the fund for which the equipment or software was intended for.

General Obligation Bonds

1998 General Obligation Bonds – Measure G

On November 3, 1998, the District voters authorized the issuance and sale of general obligation bonds totaling $19,000,000. Proceeds from the sale of the bonds were used to finance the construction of a new campus and for the alterations and additions to existing classrooms and other District facilities.

The bonds have a final maturity to occur on August 1, 2030, with interest rates from 2.00 to 5.00%. At June 30, 2025, the principal balance outstanding was $6,120,000, with an unamortized premium received on issuance of the bonds that amounted to $325,819.

2008 General Obligation Bonds – Measure Q (SFID #1 – Northern)

On June 3, 2008, the District voters authorized the issuance and sale of general obligation bonds totaling $11,800,000. Proceeds from the sale of the bonds were used to improve the quality of education, construct classrooms and a library; renovate existing classrooms and facilities; acquire land; improve energy efficiency; upgrade electrical systems to improve access to computers and technology; and make the District eligible for State matching funds.

The bonds have a final maturity to occur on August 1, 2037, with interest rates from 3.00 to 6.19%. At June 30, 2025, the principal balance outstanding was $9,323,048, with an unamortized premium received on issuance of the bonds that amounted to $635,552.

2008 General Obligation Bonds – Measure C (SFID #2 – Coalinga)

On November 4, 2008, the District voters authorized the issuance and sale of general obligation bonds totaling $11,600,000. Proceeds from the sale of the bonds were used to improve the quality of education; renovate and construct classrooms and educational facilities; acquire land; improve energy efficiency; upgrade electrical systems to improve access to computers and technology; and make the District eligible for up to $50.0 million in State matching funds.

The bonds have a final maturity to occur on August 1, 2038, with interest rates from 2.00 to 12.00%. At June 30, 2025, the principal balance outstanding was $7,925,000, with an unamortized premium received on issuance of the bonds that amounted to $279,950.

2008 General Obligation Bonds – Measure E (SFID #3 – Lemoore)

On November 4, 2008, the District voters authorized the issuance and sale of general obligation bonds totaling $31,000,000. Proceeds from the sale of the bonds will be used to improve the quality of education; construct and improve classrooms and educational facilities; acquire land; improve energy efficiency; upgrade electrical systems to improve access to computers and technology; and make the District eligible for up to $70.6 million in State matching funds.

The bonds have a final maturity to occur on August 1, 2041, with interest rates from 1.88 to 12.00%. At June 30, 2025, the principal balance outstanding was $20,621,273, with an unamortized premium received on issuance of the bonds that amounted to $705,730.

2012 General Obligation Bonds – Measure L (SFID #3 - Lemoore)

On November 6, 2012, the District voters authorized the issuance and sale of general obligation bonds totaling $12,655,000. Proceeds from the sale of the bonds were used to finance the renovation, equipping and construction of classrooms and college facilities, upgrade computer and technology systems for student access, and reduce overall borrowing costs.

The bonds have a final maturity to occur on August 1, 2045, with interest rates from 2.00 to 5.50%. At June 30, 2025, the principal balance outstanding was $11,855,000, with an unamortized premium received on issuance of the bonds that amounted to $581,521.

2014 General Obligation Bonds – Measure T

On November 4, 2014, the District voters authorized the issuance and sale of general obligation bonds totaling $20,000,000. Proceeds from the sale of the bonds will be used to increase student access to computers; maintain and upgrade educational software; keep pace with 21st century technological innovations; and significantly reduce borrowing costs.

The bonds have a final maturity to occur on August 1, 2028, with an interest rate of 5.00%. At June 30, 2025, the principal balance outstanding was $4,480,000, with an unamortized premium received on issuance of the bonds that amounted to $134,433.

2022 General Obligation Bonds – Measure K

On November 8, 2022, the District voters authorized the issuance and sale of general obligation bonds totaling $25,100,000. Proceeds from the sale of the bonds will be used to improve the Firebaugh Center, including updating classroom technology, improving energy efficiency and water conservation and upgrading campus security.

The bonds have a final maturity to occur on August 1, 2028, with an interest rate of 5.00%. At June 30, 2025, the principal balance outstanding was $3,870,000, with an unamortized premium received on issuance of the bonds that amounted to $108,600.

Debt Maturity

General Obligation Bonds

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2024	Issued	Accreted Interest	Redeemed	Bonds Outstanding June 30, 2025
Election 1998 - Measure G								
6/19/12	8/1/29	2.00%-3.50%	$ 3,080,000	$ 1,265,000	$ -	$ -	$ (195,000)	$ 1,070,000
6/11/15	8/1/30	2.00%-5.00%	10,395,000	5,770,000	-	-	(720,000)	5,050,000
Election 2008 - Measure Q								
11/12/08	8/1/33	3.41%-6.19%	3,839,677	1,348,307	-	84,741	-	1,433,048
6/11/15	8/1/28	3.00%-5.00%	2,270,000	1,765,000	-	-	(290,000)	1,475,000
6/21/22	8/1/37	3.46%-5.00%	6,875,000	6,595,000	-	-	(180,000)	6,415,000
Election 2008 - Measure C								
6/19/12	8/1/38	2.00%-12.00%	8,598,578	6,250,000	-	-	(200,000)	6,050,000
12/8/16	8/1/33	2.00%-5.00%	2,195,000	2,010,000	-	-	(135,000)	1,875,000
Election 2008 - Measure E								
3/9/11	8/1/38	5.00%-12.00%	12,343,908	5,908,672	-	443,601	(120,000)	6,232,273
12/8/16	8/1/41	2.00%-5.00%	14,455,000	13,340,000	-	-	(395,000)	12,945,000
11/10/21	8/1/31	1.88%	2,267,000	1,675,000	-	-	(231,000)	1,444,000
Election 2012 - Measure L								
1/27/16	8/1/45	2.00%-5.50%	12,655,000	12,025,000	-	-	(170,000)	11,855,000
Election 2014 - Measure T								
11/7/23	8/1/28	5.00%	5,800,000	5,800,000	-	-	(1,320,000)	4,480,000
Election 2022 - Measure K								
11/7/23	8/1/28	5.00%	5,000,000	5,000,000	-	-	(1,130,000)	3,870,000
				$ 68,751,979	$ -	$ 528,342	$ (5,086,000)	$ 64,194,321

Debt Service Requirements to Maturity

The bonds mature through June 30, 2046 as follows:

Fiscal Year	Principal (Including accreted interest to date)	Accreted Interest	Current Interest to Maturity	Total
2026	$ 5,112,000	$ -	$ 2,209,903	$ 7,321,903
2027	5,528,000	-	2,220,944	7,748,944
2028	5,447,000	-	2,229,935	7,676,935
2029	4,236,000	-	2,019,739	6,255,739
2030	3,226,692	179,042	1,876,360	5,282,094
2031-2035	13,407,855	1,098,802	7,658,787	22,165,444
2036-2040	17,166,774	849,703	3,877,011	21,893,488
2041-2045	9,040,000	-	748,224	9,788,224
2046	1,030,000	-	17,381	1,047,381
Total	$ 64,194,321	$ 2,127,547	$ 22,858,284	$ 89,180,152

Certificates of Participation

On January 13, 2022, the District issued the 2022 Refunding Certificates of Participation in the amount of $12,285,000 with interest rates from 2.13% to of 4.00%. The certificates have a final maturity date of March 1, 2042. Proceeds from the Certificates were used to prepay and defease an outstanding lease which was executed and delivered in 2018 for the purpose of financing various educational improvements of the District. At June 30, 2025, the principal balance outstanding was $10,770,000. Unamortized premium received on issuance of the certificates of participation amount to $846,940 as of June 30, 2025.

Fiscal Year	Principal	Current Interest to Maturity	Total
2026	$ 465,000	$ 341,562	$ 806,562
2027	485,000	322,962	807,962
2028	505,000	303,562	808,562
2029	525,000	283,362	808,362
2030	545,000	262,362	807,362
2031-2035	3,080,000	966,010	4,046,010
2036-2040	3,605,000	434,280	4,039,280
2041-2042	1,560,000	55,812	1,615,812
Total	$ 10,770,000	$ 2,969,912	$ 13,739,912

Financed Purchases

The District has entered into an agreement for the financed purchase of fixtures and equipment. The District will pay $339,238 through fiscal year 2028, with interest rate of 3.35%, in accordance with the following schedule:

Fiscal Year	Principal	Current Interest to Maturity	Total
2026	$ 132,311	$ 9,713	$ 142,024
2027	136,799	5,225	142,024
2028	70,128	884	71,012
Total	$ 339,238	$ 15,822	$ 355,060

Lease Liability

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

Leases	Balance, July 1, 2024	Additions	Deductions	Balance, June 30, 2025
Equipment	$ 128,969	$ 151,315	$ (84,952)	$ 195,332

Equipment Leases

The District entered into several agreements to lease equipment, through the 2029-2030 fiscal year, for the year ending June 30, 2025. Under the terms of the leases, the District makes annual payments ranging from $1,030 to $25,388, which amounted to total principal and interest costs of $91,544. Annual interest rates charged on the leases are 1.50% to 3.50%. At June 30, 2025, the District has recognized right to use assets of $344,017 and a lease liability of $195,332 related to these agreements. During the fiscal year, the District recorded $85,875 in amortization expense and $6,592 in interest expense for the right to use of the equipment.

The District's liability on lease agreements is summarized below:

Fiscal Year	Principal	Interest	Total
2026	$ 67,965	$ 5,189	$ 73,154
2027	61,009	3,089	64,098
2028	38,684	1,456	40,140
2029	21,572	549	22,121
2030	6,102	51	6,153
Total	$ 195,332	$ 10,334	$ 205,666

Subscriptions-Based IT Arrangements (SBITAs)

The District entered into various SBITAs for the use of various software. At June 30, 2025, the District has recognized right-to-use subscription IT assets, net of accumulated amortization of $952,502 and SBITA liability of $952,766 related to these agreements. During the fiscal year, the District recorded $458,638 in amortization expense and $33,465 in interest expense. The District is required to make total principal and interest payments of $1,004,216 through January 2030. The subscriptions have interest rates ranging between 0.28% – 4.55%.

The remaining principal and interest payment requirements for the SBITA obligation debt as of June 30, 2025, are as follows:

Fiscal Year	Principal	Interest	Total
2026	$ 405,443	$ 26,461	$ 431,904
2027	261,973	15,367	277,340
2028	195,870	7,265	203,135
2029	63,516	2,071	65,587
2030	25,964	286	26,250
Total	$ 952,766	$ 51,450	$ 1,004,216

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

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

OPEB Plan	Aggregate Net OPEB Asset/(Liability)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 6,187,143	$ 788,856	$ 3,410,347	$ (2,369,432)
Medicare Premium Payment (MPP) Plan	(114,007)	-	-	(5,083)
Total	$ 6,073,136	$ 788,856	$ 3,410,347	$ (2,374,515)

The details of each plan are as follows:

District Plan

Plan Administration

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

Management of the Plan is vested in the District management. Management of the trustee assets is vested with the Retiree Health Benefit Program Joint Powers Agency (RHBP). The RHBP administers the West Hills Community College District's Postemployment Benefits Plan (the Plan). The Plan is a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses.

Plan Membership

At June 30, 2024, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	71
Active employees	346
Total	417

Retiree Health Benefit OPEB Trust

The Retiree Health Benefit OPEB Trust (the Trust) is an irrevocable governmental trust pursuant to Section 115 of the IRC for the purpose of funding certain postemployment benefits other than pensions. The Trust is administered by the Retiree Health Benefit Funding Program Joint Powers Agency (the JPA) as directed by the investment alternative choice selected by the District. The District retains the responsibility to oversee the management of the Trust, including the requirement that investments and assets held within the Trust continually adhere to the requirements of the California *Government Code* Section 53600.5 which specifies that the trustee's primary role is to preserve capital, to maintain investment liquidity, and to protect investment yield. As such, the District acts as the fiduciary of the Trust. The financial activity of the Trust has been discretely presented.

Benefits Provided

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

Contributions

The contribution requirements of Plan members and the District are established and may be amended by the District, the Unions, and unrepresented groups. Voluntary contributions based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by District administration. For the measurement period of June 30, 2025, the District contributed $2,244,793 to the Plan, of which $678,249 was used for current premiums and $1,566,544 was used to fund the OPEB trust.

Investment

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the governing board by a majority vote of its members. It is the policy of the District to pursue an investment strategy that reduces risks through the prudent diversification for the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, expect for liquidity purposes, and aims to refrain from dramatically shifting asset class allocation over short time spans. The following was the governing board's adopted asset allocation policy as of June 30, 2025:

Asset Class	Target Allocation
US Large Cap	29%
US Small Cap	13%
All Foreign Stock	9%
Other Fixed Income	49%

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense was 10.76%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Asset of the District

The District's net OPEB asset of $6,187,143 was measured as of June 30, 2025, and the total OPEB liability used to calculation the net OPEB asset was determined by an actuarial valuation as of June 30, 2024. The components of the net OPEB asset of the District at June 30, 2025, were as follows:

Total OPEB liability	$ 19,254,169
Plan fiduciary net position	(25,441,312)
Net OPEB Asset	$ (6,187,143)
Plan fiduciary net position as a percentage of the total OPEB liability	132.13%

Actuarial Assumptions

The total OPEB liability as of June 30, 2025 was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2024 and rolling forward the total OPEB liability to June 30, 2025. The following assumptions were applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary increases	2.75 percent
Discount rate	5.75 percent
Investment rate of return	5.75 percent, net of OPEB plan investment expense
Healthcare cost trend rates	4.00 percent

The discount rate was based on the long-term expected return on plan assets assuming 100% funding through the trust.

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

The actual assumptions used in the June 30, 2024 valuation were based on the results of an actual experience study as of that date.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2025, (see the discussion of the Plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
US Large Cap	7.25%
US Small Cap	7.25%
All Foreign Stock	7.25%
Other Fixed Income	3.00%

Discount Rate

The discount rate used to measure the total OPEB liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Asset

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB (Asset) (a) - (b)
Balance, June 30, 2024	$ 18,330,958	$ 21,524,790	$ (3,193,832)
Service cost	551,086	-	551,086
Interest	1,050,374	-	1,050,374
Contributions - employer	-	2,257,293	(2,257,293)
Expected investment income	-	2,356,071	(2,356,071)
Benefit payments	(678,249)	(678,249)	-
Administrative expense	-	(18,593)	18,593
Net change in total OPEB liability (asset)	923,211	3,916,522	(2,993,311)
Balance, June 30, 2025	$ 19,254,169	$ 25,441,312	$ (6,187,143)

The mortality assumptions were updated from the 2017 CalPERS Mortality for Miscellaneous and Schools Employees tables to the 2021 CalPERS Mortality for Miscellaneous and Schools Employees since the previous valuation There were no changes in benefit terms since the previous valuation.

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate

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

Discount Rate	Net OPEB Asset
1% decrease (4.75%)	$ 4,119,947
Current discount rate (5.75%)	6,187,143
1% increase (6.75%)	7,973,412

Sensitivity of the Net OPEB Asset to Changes in the Healthcare Cost Trend Rate

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

Healthcare Cost Trend Rate	Net OPEB Asset
1% decrease (3.00%)	$ 7,592,230
Current healthcare cost trend rate (4.00%)	6,187,143
1% increase (5.00%)	4,483,423

Deferred Outflows/Inflows of Resources Related to OPEB

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB for the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 305,876	$ 2,155,418
Changes of assumptions	482,980	159,224
Net difference between projected and actual earnings on OPEB plan investments	-	1,095,705
Total	$ 788,856	$ 3,410,347

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	$ 72,537
2027	(518,635)
2028	(434,831)
2029	(214,776)
Total	$ (1,095,705)

The deferred outflows/(inflows) of resources related to differences between expected and actual experience in the measurement of the total OPEB liability and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits as of the beginning of the measurement period. The EARSL for the measurement period is 11.5 years and will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	$ (186,687)
2027	(186,687)
2028	(186,687)
2029	(186,687)
2030	(186,687)
Thereafter	(592,351)
Total	$ (1,525,786)

Medicare Premium Payment (MPP) Program

Plan Description

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

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

Benefits Provided

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

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

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

Net OPEB Liability and OPEB Expense

At June 30, 2025, the District reported a liability of $114,007 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating entities, actuarially determined. The District's proportionate share for the measurement periods ending June 30, 2024 and June 30, 2023, was 0.0428% and 0.0392%, respectively, resulting in a net increase in the proportionate share of 0.0036%.

For the year ended June 30, 2025, the District recognized OPEB expense of $(5,083).

Actuarial Methods and Assumptions

The June 30, 2024 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023, and rolling forward the total OPEB liability to June 30, 2024, using the assumptions listed in the following table:

Measurement Date	June 30, 2024
Valuation Date	June 30, 2023
Experience Study	July 1, 2007 through June 30, 2022
Actuarial Cost Method	Entry age normal
Investment Rate of Return	3.93%
Medicare Part A Premium Cost Trend Rate	5.00%
Medicare Part B Premium Cost Trend Rate	6.50%

For the valuation as of June 30, 2023, CalSTRS uses a generational mortality assumption, which is based off generational mortality tables that reflect expected future improvements in mortality and includes a base table and a projection table. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among members. The projection table reflects the expected annual reduction in mortality rates at each age. The current mortality assumption uses a base year of 2023, and projected improvement is based on the MP–2021 Ultimate Projection Scale.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 154 or an average of 0.12% of the potentially eligible population (132,333).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2024, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

As the MPP Program is funded on a pay-as-you-go basis, the OPEB plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, the MPP Program used the Bond Buyer's 20-Bond GO Index from Bondbuyer.com as of June 30, 2024, as the discount rate, which was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate as of June 30, 2024, was 3.93%, which is an increase of 0.28% from 3.65% as of June 30, 2023.

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

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

Discount Rate	Net OPEB Liability
1% decrease (2.93%)	$ 123,010
Current discount rate (3.93%)	114,007
1% increase (4.93%)	106,089

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

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

Medicare Costs Trend Rates	Net OPEB Liability
1% decrease (4.00% Part A and 5.50% Part B)	$ 105,615
Current Medicare costs trend rates (5.00% Part A and 6.50% Part B)	114,007
1% increase (6.00% Part A and 7.50% Part B)	123,376

Note 10 - Risk Management

Joint Powers Authority Risk Pools

During fiscal year ended June 30, 2025, the District contracted with the Statewide Association of Community Colleges (SWACC) Joint Powers Authority for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2024-2025, the District participated in the Protected Insurance Program for Schools (PIPS) Joint Powers Authority, an insurance purchasing pool. The intent of PIPS is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in PIPS. The workers' compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in PIPS. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated, and each participant's individual performance is compared to the overall saving. A participant will then either receive money from or be required to contribute to the "equity-pooling fund". This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of PIPS. Participation in PIPS is limited to community college districts that can meet PIPS's selection criteria.

Note 11 - Employee Retirement Systems

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

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

Pension Plan	Aggregate Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 19,691,905	$ 9,683,254	$ 3,246,703	$ 2,120,154
CalPERS	35,454,175	14,160,954	1,562,582	5,477,138
Total	$ 55,146,080	$ 23,844,208	$ 4,809,285	$ 7,597,292

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: https://www.calstrs.com/forms-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, 2025, are summarized as follows:

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

Contributions

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and are detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with California Assembly Bill 1469, employer contributions into the CalSTRS will be increasing to a total of 19.10% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2025, are presented above, and the District's total contributions were $4,335,096.

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

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

Total net pension liability, including State share:	
District's proportionate share of net pension liability	$ 19,691,905
State's proportionate share of net pension liability associated with the District	9,034,714
Total	$ 28,726,619

The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating member districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2024 and June 30, 2023, was 0.0293% and 0.0265%, respectively, resulting in a net increase in the proportionate share of 0.0028%.

For the year ended June 30, 2025, the District recognized pension expense of $2,120,154. In addition, the District recognized pension expense and revenue of $822,505 for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 4,335,096	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	3,034,550	961,243
Differences between projected and actual earnings on pension plan investments	-	79,456
Differences between expected and actual experience in the measurement of the total pension liability	2,227,408	861,115
Changes of assumptions	86,200	1,344,889
Total	$ 9,683,254	$ 3,246,703

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	$ (1,320,089)
2027	1,589,879
2028	(129,715)
2029	(219,531)
Total	$ (79,456)

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	$ 163,249
2027	169,247
2028	298,360
2029	671,869
2030	678,427
Thereafter	199,759
Total	$ 2,180,911

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 2007 through June 30, 2022
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 is based off generational mortality tables that reflect expected future improvements in mortality and includes a base table and a projection table. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection table reflects the expected annual reduction in mortality rates at each age. The current mortality assumption uses a base year of 2023, and projected improvement is based on the MP–2021 Ultimate Projection Scale.

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

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public equity	38%	5.25%
Real estate	15%	4.05%
Private equity	14%	6.75%
Fixed income	14%	2.45%
Risk mitigating strategies	10%	2.25%
Inflation sensitive	7%	3.65%
Cash/liquidity	2%	0.05%

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 35,025,456
Current discount rate (7.10%)	19,691,905
1% increase (8.10%)	6,887,754

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, 2023, annual actuarial valuation report, the 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, 2025, are summarized as follows:

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 35,025,456
Current discount rate (7.10%)	19,691,905
1% increase (8.10%)	6,887,754

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, 2025, are presented above, and the total District contributions were $5,949,118.

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

As of June 30, 2025, the District reported a net pension liability for its proportionate share of the CalPERS net pension liability totaling $35,454,175. The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2024 and June 30, 2023, was 0.0992% and 0.0874%, respectively, resulting in a net increase in the proportionate share of 0.0118%.

For the year ended June 30, 2025, the District recognized pension expense of $5,477,138. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 5,949,118	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	3,078,675	1,308,838
Differences between projected and actual earnings on pension plan investments	1,377,190	-
Differences between expected and actual experience in the measurement of the total pension liability	2,972,314	253,744
Changes of assumptions	783,657	-
Total	$ 14,160,954	$ 1,562,582

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	$ (11,871)
2027	2,141,217
2028	(316,392)
2029	(435,764)
Total	$ 1,377,190

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.9 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	$ 2,317,383
2027	1,484,161
2028	1,470,520
Total	$ 5,272,064

Actuarial Methods and Assumptions

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

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

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

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

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity - cap-weighted	30%	4.54%
Global equity - non-cap-weighted	12%	3.84%
Private equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed securities	5%	0.50%
Investment grade corporates	10%	1.56%
High yield	5%	2.27%
Emerging market debt	5%	2.48%
Private debt	5%	3.57%
Real assets	15%	3.21%
Leverage	(5%)	(0.59%)

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (5.90%)	$ 52,667,473
Current discount rate (6.90%)	35,454,175
1% increase (7.90%)	21,234,621

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of $1,824,299 (10.828% of annual payroll). Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

APPLE

Plan Description

The District contributes to the APPLE plan for employees not covered under CalPERS or CalSTRS plans. The plan provides benefits in a lump sum distribution of the employees' vested balance as of their retirement date.

Funding Policy

Active plan members and the District are each required to contribute 3.75% of an individual's salary to the plan, for a total of 7.5% of an individual's salary. Individuals enrolled in the plan are 100% vested in the contributions made to it. The District's contribution to the plan for the fiscal year ending June 30, 2025, was $114,103.

Note 12 - Commitments and Contingencies

Grants

The District receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2025.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2025.

Construction Commitments

As of June 30, 2025, the District had approximately $4.7 million in commitments with respect to unfinished capital projects. The projects are funded through a combination of general obligation bonds and capital project apportionments from the California State Chancellor's Office.

Note 13 - Related Party Transactions

The West Hills Community College Foundation provides various levels of monetary support and service to the District. The Foundation was organized as an independent organization under California *Business Code* and has a signed master agreement with the District. The agreement allows the District to provide administrative services to assist the Foundation in carrying out its purpose. The District pays the salaries and benefits of the executive director and administrative assistant. The donated services for the fiscal year ended June 30, 2025, were valued at $538,381. Working space for employees who perform administrative services for the Foundation is provided by the District at no charge. The donated facilities and other support for the fiscal year ended June 30, 2025, amounted to $204,648.

Note 14 - Restatement

Change in Accounting Principle

As of June 30, 2025, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. Therefore, the current and noncurrent portions of compensated absences were increased by $898,561 and $7,291,721, respectively, as of July 1, 2024. The effect of this change in accounting principle is described in the following table.

Primary Government	
Net Position - Beginning, as previously reported on July 1, 2024	$ 136,419,047
Change in accounting principle - adoption of GASB Statement No. 101	(8,190,282)
Net Position - Beginning, as restated on July 1, 2024	$ 128,228,765

Note 15 - Subsequent Event

On October 28, 2025, the District issued 2024 Election, Series A General Obligation Bonds in the amount of $4,000,000. The Bonds mature through August 1, 2041 at an interest rate of 5.00%. The proceeds from the issuance will be used for acquiring, constructing, reconstructing, rehabilitating, replacing, furnishing and equipping improvement District facilities.

Required Supplementary Information
June 30, 2025

West Hills Community College District

	2025	2024	2023	2022
Total OPEB Liability				
Service cost	$ 551,086	$ 658,026	$ 640,415	$ 653,601
Interest	1,050,374	1,080,985	1,020,760	939,474
Difference between expected and actual experience	-	(1,352,256)	-	437,440
Changes of assumptions	-	(192,746)	-	-
Benefit payments	(678,249)	(667,557)	(577,605)	(642,910)
Net change in total OPEB liability	923,211	(473,548)	1,083,570	1,387,605
Total OPEB Liability - Beginning	18,330,958	18,804,506	17,720,936	16,333,331
Total OPEB Liability - Ending (a)	$ 19,254,169	$ 18,330,958	$ 18,804,506	$ 17,720,936
Plan Fiduciary Net Position				
Contributions - employer	$ 2,257,293	$ 2,105,465	$ 1,919,650	$ 3,941,490
Expected investment income	2,356,071	2,172,100	1,335,219	632,002
Differences between projected and actual earnings on OPEB plan investments	-	-	-	(2,758,099)
Benefit payments	(678,249)	(667,557)	(577,605)	(642,910)
Administrative expense	(18,593)	(23,902)	(21,625)	(19,038)
Net change in plan fiduciary net position	3,916,522	3,586,106	2,655,639	1,153,445
Plan Fiduciary Net Position - Beginning	21,524,790	17,938,684	15,283,045	14,129,600
Plan Fiduciary Net Position - Ending (b)	$ 25,441,312	$ 21,524,790	$ 17,938,684	$ 15,283,045
Net OPEB (Asset)/Liability - Ending (a) - (b)	$ (6,187,143)	$ (3,193,832)	$ 865,822	$ 2,437,891
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	132.13%	117.42%	95.40%	86.24%
Covered Payroll	$ 44,689,880	$ 38,868,575	$ 34,648,462	$ 30,009,460
Net OPEB (Asset)/Liability as a Percentage of Covered Payroll	(13.84%)	(8.22%)	2.50%	8.12%
Measurement Date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022

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

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	$ 606,702	$ 581,099	$ 565,546	$ 550,410
Interest	900,245	1,005,740	940,250	879,524
Difference between expected and actual experience	-	(1,941,248)	-	-
Changes of assumptions	422,035	419,765	-	-
Benefit payments	(592,775)	(501,224)	(510,828)	(510,828)
Net change in total OPEB liability	1,336,207	(435,868)	994,968	919,106
Total OPEB Liability - Beginning	14,997,124	15,432,992	14,438,024	13,518,918
Total OPEB Liability - Ending (a)	$ 16,333,331	$ 14,997,124	$ 15,432,992	$ 14,438,024
Plan Fiduciary Net Position				
Contributions - employer	$ 683,983	$ 603,644	$ 1,134,278	$ 1,010,828
Contributions - employee	-	-	-	120,650
Expected investment income	2,381,980	500,551	626,378	618,848
Differences between projected and actual earnings on OPEB plan investments	-	-	-	-
Benefit payments	(592,775)	(501,224)	(510,828)	(510,828)
Administrative expense	(17,033)	(16,118)	(9,344)	(500)
Net change in plan fiduciary net position	2,456,155	586,853	1,240,484	1,238,998
Plan Fiduciary Net Position - Beginning	11,673,445	11,086,592	9,846,108	8,607,110
Plan Fiduciary Net Position - Ending (b)	$ 14,129,600	$ 11,673,445	$ 11,086,592	$ 9,846,108
Net OPEB (Asset)/Liability - Ending (a) - (b)	$ 2,203,731	$ 3,323,679	$ 4,346,400	$ 4,591,916
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	86.51%	77.84%	71.84%	68.20%
Covered Payroll	$ 36,023,719	$ 32,001,682	$ 31,145,190	$ 30,311,620
Net OPEB (Asset)/Liability as a Percentage of Covered Payroll	6.12%	10.39%	13.96%	15.15%
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018

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

	2025	2024	2023	2022*
Annual money-weighted rate of return, net of investment expense	10.76%	11.57%	8.26%	(13.59%)
Measurement Date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022

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

*Information regarding the annual money-weighted rate of return, net of investment expense, prior to June 30, 2022 is unavailable.

Year ended June 30,	2025	2024	2023	2022	2021
Proportion of the net OPEB liability	0.0428%	0.0392%	0.0377%	0.0363%	0.0476%
Proportionate share of the net OPEB liability	$ 114,007	$ 119,090	$ 124,144	$ 144,944	$ 190,275
Covered payroll	N/A [1]	N/A [1]	N/A [1]	N/A [1]	N/A [1]
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A [1]	N/A [1]	N/A [1]	N/A [1]	N/A [1]
Plan fiduciary net position as a percentage of the total OPEB liability	(1.02%)	(0.96%)	(0.94%)	(0.80%)	(0.71%)
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020

Year ended June 30,	2020	2019	2018
Proportion of the net OPEB liability	0.0449%	0.0474%	0.0467%
Proportionate share of the net OPEB liability	$ 177,198	$ 181,425	$ 196,397
Covered payroll	N/A [1]	N/A [1]	N/A [1]
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A [1]	N/A [1]	N/A [1]
Plan fiduciary net position as a percentage of the total OPEB liability	(0.81%)	(0.40%)	0.01%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017

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

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

	2025	2024	2023	2022	2021
CalSTRS					
Proportion of the net pension liability	0.0293%	0.0265%	0.0251%	0.0242%	0.0258%
Proportionate share of the net pension liability	$ 19,691,905	$ 20,208,507	$ 17,448,667	$ 11,001,637	$ 24,971,152
State's proportionate share of the net pension liability associated with the District	9,034,714	9,682,464	8,738,224	5,535,597	12,872,632
Total	$ 28,726,619	$ 29,890,971	$ 26,186,891	$ 16,537,234	$ 37,843,784
Covered payroll	$ 19,403,890	$ 17,221,942	$ 14,654,279	$ 15,817,771	$ 14,490,228
Proportionate share of the net pension liability as a percentage of its covered payroll	101.48%	117.34%	119.07%	69.55%	172.33%
Plan fiduciary net position as a percentage of the total pension liability	84%	81%	81%	87%	72%
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
CalPERS					
Proportion of the net pension liability	0.0992%	0.0874%	0.0981%	0.0910%	0.1108%
Proportionate share of the net pension liability	$ 35,454,175	$ 31,642,108	$ 33,768,282	$ 18,509,205	$ 33,993,526
Covered payroll	$ 19,464,685	$ 17,426,520	$ 15,355,181	$ 13,151,333	$ 15,986,096
Proportionate share of the net pension liability as a percentage of its covered payroll	182.15%	181.57%	219.91%	140.74%	212.64%
Plan fiduciary net position as a percentage of the total pension liability	72%	70%	70%	81%	70%
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020

	2020	2019	2018	2017	2016
CalSTRS					
Proportion of the net pension liability	0.0269%	0.0264%	0.0258%	0.0251%	0.0258%
Proportionate share of the net pension liability	$ 24,293,362	$ 24,270,026	$ 23,846,314	$ 20,326,089	$ 17,367,732
State's proportionate share of the net pension liability associated with the District	13,253,651	13,895,725	14,107,278	11,571,280	9,185,616
Total	$ 37,547,013	$ 38,165,751	$ 37,953,592	$ 31,897,369	$ 26,553,348
Covered payroll	$ 12,744,447	$ 14,378,351	$ 14,051,486	$ 12,908,248	$ 12,056,059
Proportionate share of the net pension liability as a percentage of its covered payroll	190.62%	168.80%	169.71%	157.47%	144.06%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
CalPERS					
Proportion of the net pension liability	0.1176%	0.1188%	0.1137%	0.1093%	0.1069%
Proportionate share of the net pension liability	$ 34,285,386	$ 31,682,678	$ 27,134,981	$ 21,582,587	$ 15,752,845
Covered payroll	$ 16,390,610	$ 16,170,987	$ 14,665,013	$ 13,189,533	$ 11,780,715
Proportionate share of the net pension liability as a percentage of its covered payroll	209.18%	195.92%	185.03%	163.63%	133.72%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	79%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015

	2025	2024	2023	2022	2021
CalSTRS					
Contractually required contribution	$ 4,335,096	$ 3,706,143	$ 3,289,391	$ 2,479,504	$ 2,554,570
Contributions in relation to the contractually required contribution	(4,335,096)	(3,706,143)	(3,289,391)	(2,479,504)	(2,554,570)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 22,696,838	$ 19,403,890	$ 17,221,942	$ 14,654,279	$ 15,817,771
Contributions as a percentage of covered payroll	19.10%	19.10%	19.10%	16.92%	16.15%
CalPERS					
Contractually required contribution	$ 5,949,118	$ 5,193,178	$ 4,421,108	$ 3,517,872	$ 2,722,326
Contributions in relation to the contractually required contribution	(5,949,118)	(5,193,178)	(4,421,108)	(3,517,872)	(2,722,326)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 21,993,043	$ 19,464,685	$ 17,426,520	$ 15,355,181	$ 13,151,333
Contributions as a percentage of covered payroll	27.050%	26.680%	25.370%	22.910%	20.700%

	2020	2019	2018	2017	2016
CalSTRS					
Contractually required contribution	$ 2,477,829	$ 2,074,796	$ 2,074,796	$ 1,767,677	$ 1,385,055
Contributions in relation to the contractually required contribution	(2,477,829)	(2,074,796)	(2,074,796)	(1,767,677)	(1,385,055)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 14,490,228	$ 12,744,447	$ 14,378,351	$ 14,051,486	$ 12,908,248
Contributions as a percentage of covered payroll	17.10%	16.28%	14.43%	12.58%	10.73%
CalPERS					
Contractually required contribution	$ 3,152,618	$ 2,960,472	$ 2,511,516	$ 2,036,677	$ 1,562,564
Contributions in relation to the contractually required contribution	(3,152,618)	(2,960,472)	(2,511,516)	(2,036,677)	(1,562,564)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 15,986,096	$ 16,390,610	$ 16,170,987	$ 14,665,013	$ 13,189,533
Contributions as a percentage of covered payroll	19.721%	18.062%	15.531%	13.888%	11.847%

Note 1 - Purpose of Schedules

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

This schedule presents information on the District's changes in the net OPEB (asset)/liability, including beginning and ending balances, the Plan's fiduciary net position, and the net OPEB (asset)/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 mortality assumptions were updated from the 2017 CalPERS Mortality for Miscellaneous and Schools Employees tables to the 2021 CalPERS Mortality for Miscellaneous and Schools Employees since the previous valuation.

Schedule of OPEB Investment Returns

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

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

This schedule presents information on the District's proportionate share of the net OPEB Liability – MPP Program and the plans' fiduciary net position. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – The plan rate of investment return assumption was changed from 3.65% to 3.93% since the previous valuation. The Medicare Part A premium cost trend rate assumption was changed from 4.50% to 5.00%, while the Medicare Part B premium cost trend rate assumption was changed from 5.40% to 6.50% 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 position and, when applicable, the State's proportionate share of the NPL associated with the District.

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

Schedule of District Contributions for Pensions

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

Supplementary Information
June 30, 2025

West Hills Community College District

The West Hills Community College District was established in September 1932. The West Hills Community College District provides postsecondary education to the students of Coalinga-Huron Unified School District, Lemoore Union High School District, Riverdale Joint Unified School District, Golden Plains Unified School District, Firebaugh-Las Deltas Unified School District, Reef-Sunset Unified School District, and Mendota Unified School District. The West Hills Community College District maintains a District Office, Coalinga College, Lemoore College, the North District Center in Firebaugh, and a center at NAS Lemoore. There were no changes in the boundaries of the District during the fiscal year.

Board of Trustees as of June 30, 2025

Member	Office	Term Expires
Mark McKean	President	2028
Jeff Levinson	Vice President	2026
Nina Oxborrow	Clerk	2026
Omar Hernandez	Member	2028
Crystal Jackson	Member	2028
Martin Maldonado	Member	2028
Salvador Raygoza	Member	2026

Administration as of June 30, 2025

Dr. Robert Pimentel	Chancellor
Shanna Ahrens	Vice Chancellor of Business and Fiscal Services
Dr. Carla Tweed	President, Coalinga College
James Preston	President, Lemoore College
Dr. Sam Aunai	Vice President of Educational Services, Coalinga College
Kris Costa	Vice President, Educational Services, Lemoore College
Dr. Angela Tos	Vice President of Student Services, Coalinga College
Elmer Aguilar	Vice President, Student Services, Lemoore College

Auxiliary Organizations in Good Standing

West Hills Community College District Foundation, established in 1983
Master Agreement date: October 23, 2007
Alexis Perez, Executive Director

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures	Amounts Passed through to Subrecipients
U.S. Department of Education				
Student Financial Assistance Cluster				
Federal Pell Grant Program	84.063		$ 17,104,202	$ -
Federal Direct Student Loans	84.268		598,760	-
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		359,584	-
Federal Work-Study Program	84.033		371,906	-
Subtotal Student Financial Assistance Cluster			18,434,452	-
TRIO Cluster				
Upward Bound	84.047A		600,159	-
Upward Bound - Math and Science	84.047M		248,022	-
Upward Bound - Veterans	84.047V		254,816	-
Student Support Services	84.042A		430,991	-
Subtotal TRIO Cluster			1,533,988	-
Title V Higher Education - Institutional Aid	84.031S		251,948	23,321
CAMP Services	84.149A		454,516	-
High School Equivalency Program	84.141A		842,307	-
Passed through California Department of Education				
Adult Basic Education, English Language Acquisition	84.002A	14508	57,066	-
Passed through California Community Colleges Chancellor's Office				
Career and Technical Education Act (CTEA), Title I, Part C	84.048A	24-C01-580	260,357	-
Total U.S. Department of Education			21,834,634	23,321
U.S. Department of Agriculture				
Westside Works Apprenticeship in Agriculture	10.310		139,209	-
Advancing Bioeconomy Education & Industrial Pathways	10.310		209,541	-
Subtotal			348,750	-
Broadband Technical Assistance	10.752		385,973	-
Passed through Regents of the University of California				
Integrated Education in the Agricultural and Food Industry	10.223	A23-0018-S001	2,712	-
Passed through California Department of Social Services				
Child and Adult Care Food Program	10.558	04351-CACFP-10-CC-CS	199,524	-
Total U.S. Department of Agriculture			936,959	-
U.S. Department of the Treasury				
Passed through California Community Colleges Chancellor's Office				
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	[1]	680,163	-
Total U.S. Department of the Treasury			680,163	-

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures	Amounts Passed through to Subrecipients
U.S. Department of Labor				
National Farmworker Jobs Program	17.264		$ 139,229	$ -
Workforce Innovation and Opportunity Act (WIOA) Cluster				
Pass through California Department of Employment Development				
Farmworkers Advancement Program (FAP)	17.258	AA511072	388,965	-
Subtotal WIOA Cluster			388,965	-
Total U.S. Department of Labor			528,194	-
U.S. Department of Commerce				
Economic Development Cluster				
Passed through Merced Community College District		MC07889-02/		
Agrifood Technology and Engineering Collaborative (AgTEC)	11.307	MC07889-03	2,348,486	-
Passed through Economic Development Corporation		EDA-HDQ-ARPGJ-		
EDA Good Jobs	11.307	2021-2006964	41,931	-
Subtotal Economic Development Cluster			2,390,417	-
Total U.S. Department of Commerce			2,390,417	-
Research and Development Cluster				
National Science Foundation				
Creating HSI Opportunities for Research				
and Undergraduate Support (CHORUS)	47.076		168,758	-
Scholarships in STEM CORES	47.076		276,290	-
Subtotal Research and Development Cluster			445,048	-
U.S. Department of Justice				
Educational Continuum Hope for Ex-Offenders (ECHO)	16.812		342,889	-
Total U.S. Department of Justice			342,889	-
U.S. Department of Veterans Affairs				
Veterans Services	64.117		1,824	-
Total U.S. Department of Veterans Affairs			1,824	-
U.S. Department of Health and Human Services				
Passed through California Community Colleges Chancellor's Office				
Temporary Assistance for Needy Families (TANF)	93.558	[1]	80,864	-
Passed through California Department of Social Services				
Child Care and Development Fund (CCDF) Cluster				
Child Care Mandatory and Matching Funds of the Child				
Care and Development Fund	93.575	15136	19,275	-
Subtotal CCDF Cluster			19,275	-
Total U.S. Department of Health and Human Services			100,139	-
Total Federal Financial Assistance			$ 27,260,267	$ 23,321

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

Program	Program Revenues: Cash Received	Accounts Receivable	Unearned Revenue	Total Revenue	Program Expenditures
Apprenticeship Pathways Demo Project	$ 200,000	$ -	$ 179,204	$ 20,796	$ 20,796
Basic Needs Center	849,599	-	323,525	526,073	526,073
Basic Needs Services and Support	716,785	-	356,153	360,632	360,632
BFAP - Financial Aid Administration	607,271	-	127,138	480,133	480,133
CAI Ag	-	54,664	-	54,664	54,664
CAI Culinary	1	130,493	-	130,494	130,494
CAI Skills Valley Truck Driving	64,855	-	32,913	31,942	31,942
Cal Grants	2,742,171	-	-	2,742,171	2,742,171
California Adult Ed Program	639,745	-	-	639,745	639,745
California Department of Parks and Recreation	300,842	-	131,415	169,427	169,427
California Promise Grant	479,033	-	128,468	350,565	350,565
CalWorks	804,425	-	317,000	487,425	487,425
CAPP GPAP 25/26	100,000	-	100,000	-	-
CAPP GPAP EXT PH III	127,042	-	7,127	119,916	119,916
CARE Grant	468,792	-	170,210	298,582	298,582
Child Care-State Preschool	3,386,310	-	-	3,386,310	3,386,310
Classified Professional Development	27,300	-	27,300	-	-
CRPP IBP - DEIA	421,389	-	167,824	253,565	253,565
CSSP QRIS Block Grant	152,574	-	51,819	100,755	100,755
Culturally Comp Faculty Professional Devel	83,528	-	79,028	4,500	4,500
Disability Support Programs and Services (DSPS)	1,894,573	-	851,509	1,043,065	1,043,065
Dream Liaison	346,495	-	138,412	208,083	208,083
Dual Enrollment CCAP	67,891	-	67,891	-	-
ELL Healthcare Pathways	227,462	-	16,726	210,736	210,736
Equal Employment Opp (EEO) Best Practices	208,333	-	208,333	-	-

Program	Program Revenues Cash Received	Accounts Receivable	Unearned Revenue	Total Revenue	Program Expenditures
Equitable Placement (AB1705)	$ 553,147	$ -	$ 311,639	$ 241,507	$ 241,507
Ethnic Studies	44,703	-	20,677	24,026	24,026
Extended Opportunity Program and Service (EOPS)	2,220,400	-	731,602	1,488,798	1,488,798
Financial Aid Technology	243,893	-	155,586	88,308	88,308
General Child Care and Development	1,758,463	-	-	1,758,463	1,758,463
Guided Pathways	182,327	-	35,429	146,897	146,897
Homeless and Housing Insecurity	755,948	-	648,003	107,945	107,945
IEPI/PRT	170,000	-	89,423	80,578	80,578
KCCD - Jumpstart	100,000	1,909	18,516	83,393	83,393
LGBTQ	256,803	-	190,653	66,150	66,150
Mental Health Support	865,109	-	482,675	382,434	382,434
Mentor Links	9,692	-	-	9,692	9,692
MESA	1,957,600	-	1,346,414	611,186	611,186
Middle College High	264,368	-	134,370	129,998	129,998
Nextup	710,781	-	474,915	235,866	235,866
Nurse Enrollment	237,594	-	72,213	165,381	165,381
OIP MG5 (Fresno-Madera)	51,827	188,112	-	239,939	239,939
Perkins Reserve	-	83,037	-	83,037	83,037
Pre-Kindergarten Supplemental	10,000	-	24	9,976	9,976
Puente UCB	150,000	-	150,000	-	-
Recovery Block Grant	148,024	-	75,336	72,688	72,688
Regional Equity and Recovery Partner (RERP)	1,524,137	-	902,374	621,763	621,763
Rising Scholars 2.0	27,452	4,477	22,822	9,107	9,107
Rising Scholars Juvenile Justice	601,604	38,250	293,263	346,591	346,591
	877,832	-	683,436	194,396	194,396

See Notes to Supplementary Information

Program	Program Revenues Cash Received	Accounts Receivable	Unearned Revenue	Total Revenue	Program Expenditures
Song Brown	$ 573,174	$ 105,000	$ 332,055	$ 346,119	$ 346,119
Staff Diversity	459,417	-	409,576	49,841	49,841
State Food Program	3,988	-	3,988	-	-
Strong Workforce - Local	8,519	1,736	-	10,255	10,255
Strong Workforce - Regional	1,273,882	-	809,165	464,717	464,717
Strong Workforce CTE Marketing	-	734,761	-	734,761	734,761
Student Equity and Achievement (SEA)	71,481	-	1,515	69,965	69,965
Student Housing (Planning)	3,120,160	-	578,548	2,541,612	2,541,612
Student Retention and Enrollment Outreach	573,124	-	237,608	335,516	335,516
Student Transfer Achievement Reform (AB928)	1,058,748	-	286,799	771,949	771,949
Technology and Data Security	722,256	-	351,812	370,444	370,444
TKCCC Education Pathway	12,016	63,673	-	75,689	75,689
TRF Pleasant Valley Equine Science	28,410	-	1,690	26,720	26,720
Umoja	202,411	5,000	139,624	67,787	67,787
Veterans Resources Center	118,448	-	35,577	82,871	82,871
VTEA-1C Reserve	347,561	-	87,204	260,357	260,357
Zero Textbook Cost	514,441	-	285,984	228,457	228,457
Total state programs	$ 37,726,156	$ 1,411,112	$ 13,882,510	$ 25,254,758	$ 25,254,758

	Reported Data	Audit Adjustments	Audited Data
CATEGORIES			
A. Summer Intersession (Summer 2024 only)			
1. Noncredit*	51.63	-	51.63
2. Credit	748.79	-	748.79
B. Summer Intersession (Summer 2025 - Prior to July 1, 2025)			
1. Noncredit*	9.91	-	9.91
2. Credit	4.36	-	4.36
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	1,069.54	-	1,069.54
(b) Daily Census Contact Hours	278.92	-	278.92
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit*	352.19	-	352.19
(b) Credit	39.03	-	39.03
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Procedure Courses	841.43	-	841.43
(b) Daily Census Procedure Courses	2,457.13	-	2,457.13
(c) Noncredit Independent Study/Distance Education Courses	17.23	-	17.23
D. Total FTES	5,870.16	-	5,870.16
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. In-Service Training Courses (FTES)	-	-	-
F. Basic Skills Courses and Immigrant Education			
1. Noncredit*	412.67	-	412.67
2. Credit	35.91	-	35.91
CCFS-320 Addendum			
CDCP Noncredit FTES	10.99	-	10.99
Centers FTES			
1. Noncredit*	27.96	-	27.96
2. Credit	1,336.61	-	1,336.61

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

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110 Reported Data	Audit Adjustments	Revised Data	ECS 84362 B Total CEE AC 0100 - 6799 Reported Data	Audit Adjustments	Revised Data
Academic Salaries							
Instructional Salaries							
Contract or Regular	1100	$ 10,136,491	$ -	$ 10,136,491	$ 10,136,491	$ -	$ 10,136,491
Other	1300	6,000,377	-	6,000,377	6,000,377	-	6,000,377
Total Instructional Salaries		16,136,868	-	16,136,868	16,136,868	-	16,136,868
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	3,422,338	-	3,422,338
Other	1400	-	-	-	173,475	-	173,475
Total Noninstructional Salaries		-	-	-	3,595,813	-	3,595,813
Total Academic Salaries		16,136,868	-	16,136,868	19,732,681	-	19,732,681
Classified Salaries							
Noninstructional Salaries							
Regular Status	2100	-	-	-	7,604,941	-	7,604,941
Other	2300	-	-	-	146,240	-	146,240
Total Noninstructional Salaries		-	-	-	7,751,181	-	7,751,181
Instructional Aides							
Regular Status	2200	181,640	-	181,640	181,640	-	181,640
Other	2400	228,926	-	228,926	228,926	-	228,926
Total Instructional Aides		410,566	-	410,566	410,566	-	410,566
Total Classified Salaries		410,566	-	410,566	8,161,747	-	8,161,747
Employee Benefits	3000	7,465,735	-	7,465,735	14,240,709	-	14,240,709
Supplies and Material	4000	-	-	-	488,977	-	488,977
Other Operating Expenses	5000	312,879	-	312,879	3,614,239	-	3,614,239
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures Prior to Exclusions		24,326,048	-	24,326,048	46,238,353	-	46,238,353

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Exclusions</u>							
Activities to Exclude							
Instructional Staff - Retirees' Benefits and Retirement Incentives	5900	$ 1,908,429	$ -	$ 1,908,429	$ 1,908,429	$ -	$ 1,908,429
Student Health Services Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	-	-	-
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	6740	-	-	-	725,405	-	725,405
Objects to Exclude							
Rents and Leases	5060	-	-	-	686,706	-	686,706
Lottery Expenditures							-
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines, and Periodicals	4200	-	-	-	-	-	-
Instructional Supplies and Materials	4300	-	-	-	6,857	-	6,857
Noninstructional Supplies and Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	6,857	-	6,857

See Notes to Supplementary Information

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110 Reported Data	Audit Adjustments	Revised Data	ECS 84362 B Total CEE AC 0100 - 6799 Reported Data	Audit Adjustments	Revised Data
Other Operating Expenses and Services	5000	$ -	$ -	$ -	$ 951,590	$ -	$ 951,590
Capital Outlay	6000						
Library Books	6300	-	-	-	12,199	-	12,199
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	12,199	-	12,199
Total Capital Outlay							
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		1,908,429	-	1,908,429	4,291,186	-	4,291,186
Total for ECS 84362, 50% Law		$ 22,417,619	$ -	$ 22,417,619	$ 41,947,167	$ -	$ 41,947,167
% of CEE (Instructional Salary Cost/Total CEE)		53.44%		53.44%	100.00%		100.00%
50% of Current Expense of Education					$ 20,973,584		$ 20,973,584

See Notes to Supplementary Information

Activity Classification	Object Code			Unrestricted
EPA Revenues:	8630			$ 9,807,864
Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	1000-5900	$ 9,807,864	$ -	$ -	$ 9,807,864
Total Expenditures for EPA		$ 9,807,864	$ -	$ -	$ 9,807,864
Revenues Less Expenditures					$ -

Amounts reported for governmental activities in the Statement of Net Position are different because:		
Total fund balance		
General Funds	$ 43,667,889	
Special Revenue Funds	(3,616,963)	
Capital Project Funds	50,984,343	
Debt Service Funds	11,063,523	
Fiduciary Funds	25,441,312	
Total fund balance - all District funds		$ 127,540,104
Amounts held in trust on behalf of others (Retiree OPEB Trust).		(25,441,312)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	292,503,784	
Accumulated depreciation and amortization is	(113,698,771)	
Total capital assets, net		178,805,013
The net other postemployment benefits (OPEB) asset results from the difference between annual OPEB cost on the accrual basis and OPEB contributions.		6,187,143
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the District's funds. Deferred outflows of resources at year-end consist of:		
Deferred outflows of resources related to debt refunding	546,112	
Deferred outflows of resources related to OPEB	788,856	
Deferred outflows of resources related to pensions	23,844,208	
Total deferred outflows of resources		25,179,176
Lease receivables are reported in the Statement of Net Position, but were not reported in the District's CCFS-311 report.		1,444,291
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide statements, unmatured interest on long-term liabilities is recognized when it is incurred.		(1,083,442)

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
General obligation bonds	$ (62,172,968)	
Certificates of participation	(11,616,940)	
Lease liability	(195,332)	
Subscription-based IT arrangements	(952,766)	
Compensated absences	(10,836,042)	
Less amount reported as a liability in the funds	565,010	
Financed purchases	(339,238)	
Net other postemployment benefits (OPEB) liability	(114,007)	
Aggregate net pension liability	(55,146,080)	
In addition, the District has issued 'capital appreciation' general obligation bonds. The accretion of interest unmatured on the general obligation bonds to date is	(4,792,958)	
Total long-term liabilities		$ (145,601,321)
Deferred inflows of resources represent an acquisition of net position in a future period and is not reported in the District's funds. Deferred inflows of resources amount to and related to:		
Deferred inflows of resources related to leases	(1,444,291)	
Deferred inflows of resources related to OPEB	(3,410,347)	
Deferred inflows of resources related to pensions	(4,809,285)	
Total deferred inflows of resources		(9,663,923)
Total net position		$ 157,365,729

Note 1 - Purpose of Schedules

District Organization

This schedule provides information about the District's governing board members, administration members, and auxiliary organizations in good standing as of June 30, 2025.

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, 2025. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements*, *Cost Principles*, *and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

Summary of Significant Accounting Policies
Expenditures reported in the Schedule are reported on the modified accrual basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate
The District has not elected to use the 10% de minimis cost rate.

Schedule of Expenditures of State Awards

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

Schedule of Workload Measures for State General Apportionment Annual (Actual) Attendance

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

Reconciliation of *Education Code* Section 84362 (50% Law) Calculation

California *Education Code* section 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 California State Chancellor's Office and the impact of any audit adjustments and/or corrections noted during the audit.

Proposition 30 Education Protection Account (EPA) Expenditure Report

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

Reconciliation of Governmental Funds to the Statement of Net Position

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

Independent Auditor’s Reports
June 30, 2025

West Hills Community College District

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

To the Board of Trustees
West Hills Community College District
Coalinga, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards)*, the financial statements of the business-type activities and fiduciary activities of West Hills Community College District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 28, 2026.

Adoption of New Accounting Standard

As discussed in Note 2 and Note 14 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences,* for the year ended June 30, 2025. Accordingly, a restatement has been made to the business-type activities net position as of July 1, 2024, to restate beginning net position. Our opinions are not modified with respect to this matter.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Eide Bailly LLP

Ontario, California
January 28, 2026

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

To the Board of Trustees
West Hills Community College District
Coalinga, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited West Hills Community College District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. 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, West Hills Community College District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

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Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002 to be significant deficiencies.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

Eide Bailly LLP

Ontario, California
January 28, 2026

Independent Auditor's Report on State Compliance

To the Board of Trustees
West Hills Community College District
Coalinga, California

Report on State Compliance

Opinion on State Compliance

We have audited West Hills Community College District's (the District) compliance with the types of compliance requirements described in the 2024-2025 California Community Colleges Chancellor's Office *Contracted District Audit Manual* applicable to the state laws and regulations identified below for the year ended June 30, 2025.

In our opinion, West Hills Community College District complied, in all material respects, with the compliance requirements referred to above that are applicable to the state laws and regulations identified below that were audited for the year ended June 30, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*; issued by the Comptroller General of the United States (*Government Auditing Standards*), and the 2024-2025 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements listed in the table below has occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the 2024-2025 California Community Colleges Chancellor's Office *Contracted District Audit Manual* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements listed in the table below.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the 2024-2025 California Community Colleges Chancellor's Office *Contracted District Audit Manual*, we:

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is described in the accompanying schedule of findings and questioned costs as item 2025-003.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit or compliance described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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% Law)
Section 423	Apportionment for Activities Funded From Other Sources
Section 424	Student Centered Funding Formula Base Allocation: FTES
Section 425	Residency Determination for Credit Courses
Section 426	Students Actively Enrolled
Section 427	Dual Enrollment (CCAP)
Section 430	Scheduled Maintenance Program
Section 431	Gann Limit Calculation
Section 444	Apprenticeship Related and Supplemental Instruction (RSI) Funds
Section 475	Disabled Student Programs and Services (DSPS)
Section 490	Proposition 1D and 51 State Bond Funded Projects
Section 491	Education Protection Account Funds
Section 492	Student Representation Fee
Section 494	State Fiscal Recovery Fund
Section 498	COVID-19 Recovery Block Grant Expenditures

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

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the 2024-2025 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Ontario, California
January 28, 2026

Schedule of Findings and Questioned Costs
June 30, 2025

West Hills Community College District

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a):	Yes

Identification of major programs:

Name of Federal Program or Cluster	Federal Financial Assistance Listing
Student Financial Assistance Cluster	84.007, 84.033, 84.063, 84.268
High School Equivalency Program	84.141A
Economic Development Cluster	11.307

Dollar threshold used to distinguish between type A and type B programs:	$817,808
Auditee qualified as low-risk auditee?	Yes

STATE COMPLIANCE

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

None reported.

The following findings represent significant deficiencies and instances of noncompliance that are required to be reported by the Uniform Guidance.

2025-001 Special Tests and Provisions – Return to Title IV

Federal Agency: U.S. Department of Education
Pass-Through Entity: Direct Funded
Program Name: Student Financial Assistance Cluster
Assistance Listing Number: 84.007, 84.033, 84.063, 84.268
Award ID Number: P007A248969, P033A248969, P063P245894, P268K255894
Award Year: 2025

Criteria
34 CFR 668.22(e)-(g)
Institutions must perform Return of Title IV (R2T4) calculations accurately to determine the amount of Title IV funds earned by the student and the amount to be returned by the institution. Errors in these calculations may result in incorrect amounts being returned, leading to noncompliance with federal regulations.

Condition
Significant Deficiency in Internal Control over Compliance and an Instance of Noncompliance – For 1 of the 60 Return to Title IV calculations, the percentage of the term completed at the withdrawal date was incorrectly calculated.

Questioned Costs
There are no questioned costs associated with the condition identified.

Context
A non-statistical sample of 30 Return of Title IV calculations were tested out of a total population of 113 Return of Title IV calculations for Coalinga College.

A non-statistical sample of 30 Return of Title IV calculations were tested out of a total population of 269 Return of Title IV calculations for Lemoore College.

Effect
In 1 of the 60 calculations, the percentage of the term completed at the withdrawal date was incorrectly calculated.

Cause
The District did not implement procedures to ensure that the Return to Title IV completion of term was properly calculated.

Repeat Finding (Yes or No)
No.

Recommendation
The District should strengthen internal controls over the review of Return of Title IV calculations to ensure that calculations are accurate.

Views of Responsible Officials and Corrective Action Plan
The District concurs with the audit finding. The error occurred in the context of courses offered in modules, which are subject to unique federal calculation requirements.
To address this finding and strengthen internal controls over R2T4 calculations for modular coursework, Lemoore College will implement the following corrective actions:

1. System-Based Calculation Tool Development
   Lemoore College will work with the District's IT department to develop a tool that accurately calculates the percentage of the term completed for students enrolled in courses offered in modules. This tool will be designed to align with applicable federal R2T4 requirements and reduce reliance on manual calculations.
2. Interim Manual Calculation Controls
   Until the system-based solution is implemented, Lemoore College will implement enhanced review procedures for all R2T4 calculations involving modular coursework, including documented secondary review of the withdrawal date, module dates, and percentage of term completed.
3. Procedure Documentation and Staff Guidance
   Lemoore College will update internal procedures and provide targeted guidance to Financial Aid staff regarding R2T4 calculations for modular courses, including documentation standards and review expectations.
4. Ongoing Monitoring
   Supervisory monitoring and periodic spot checks will be conducted to ensure the continued accuracy of R2T4 calculations involving modular coursework.

2025-002 Special Tests and Provisions – Enrollment Reporting

Federal Agency: U.S. Department of Education
Pass-Through Entity: Direct Funded
Program Name: Student Financial Assistance Cluster
Assistance Listing Number: 84.007, 84.033, 84.063, 84.268
Award ID Number: P007A248969, P033A248969, P063P245894, P268K255894
Award Year: 2025

Criteria
OMB *Compliance Supplement*, OMB No. 1845-0035 – Institutions are required to report enrollment information under the Pell grant and the Direct loan programs via the National Student Loan Data System (NSLDS).

Institutions must review, update, and verify student enrollment statuses, program information, and effective dates that appear on the Enrollment Reporting Roster file or on the Enrollment Maintenance page of the NSLDS Professional Access (NSLDSFAP) website which the financial aid administrator can access for the auditor. The data on the institutions' Enrollment Reporting Roster, or Enrollment Maintenance page, is what NSLDS has as the most recently certified enrollment information. There are two categories of enrollment information: "Campus Level" and "Program Level," both of which need to be reported accurately and have separate record types. The NSLDS Enrollment Reporting Guide provides the requirements and guidance for reporting enrollment details using the NSLDS Enrollment Reporting Process.

Condition
Significant Deficiency in Internal Control over Compliance and an Instance of Noncompliance – During testing over the NSLDS enrollment reporting requirements, the following deficiencies were noted in 3 of the 60 students tested:

- 2 students from Lemoore College did not have their change in enrollment status properly reported to NSLDS, and
- 1 student from Lemoore College had no record of their enrollment reported to NSLDS.

Questioned Costs
There are no questioned costs associated with the condition identified.

Context
A non-statistical sample of 30 students out of the approximately 941 students that required enrollment reporting to NSLDS for Coalinga College.

A non-statistical sample of 30 students out of the approximately 2,451 students that required enrollment reporting to NSLDS for Coalinga College.

Effect
In 3 of the 30 students tested for Lemoore College, the enrollment status for the students were not properly reported to NSLDS.

Cause
The District did not report enrollment information for students under the Pell Grant and Direct Loan Programs via NSLDS accurately.

Repeat Finding (Yes or No)
No.

Recommendation
The District should implement a process to review, update, and verify student enrollment statuses, program information, and effective dates that appear on the Enrollment Reporting Roster file or on the Enrollment Maintenance page of the NSLDS Professional Access (NSLDSFAP) website.

Views of Responsible Officials and Corrective Action Plan
West Hills Community College District and Lemoore College acknowledge the audit finding related to enrollment reporting to the National Student Loan Data System (NSLDS). While no questioned costs were identified, the District recognizes the importance of accurate, timely, and complete enrollment reporting and is committed to strengthening internal controls to ensure full compliance with U.S. Department of Educa on requirements.

The following finding represents a significant deficiency and an instance of noncompliance and questioned costs relating to compliance with state laws and regulations.

2025-003 Section 423 – Apportionment For Activities Funded From Other Sources

Criteria or Specific Requirements
Both Title 5, Section 58058(b) and the *Contracted District Audit Manual* (CDAM), issued by the California Community College Chancellor's Office, states that for Instructional Service Agreements (ISAs) using employees of a contracting entity, the college or District must have a written agreement or contract with each instructor conducting instruction for which it is claiming FTES. The contract must state that the college or District has the primary right to control and direct the instructional activities of the instructor. The contract between the college or district and the instructor must be finalized and in effect prior to the commencement of instruction.

Condition
We tested an Instructional Service Agreement that utilized an employee of a contracting entity in which the District claimed FTES. We noted that the contract between the District and the instructor was not finalized until after the commencement of instruction.

Questioned Costs
The instructor taught one class in which 3.87 FTES was claimed. This resulted in questioned costs of approximately $20,013.

Context
The District is required to finalize the contract with the instructor prior to the commencement of instruction.

Effect
The District did not finalize the contract with the instructor prior to the commencement of instruction.

Cause
The District did not operate effectively to ensure that instructors teaching courses being claimed for FTES under an ISA were signed and completed before the commencement of instruction.

Repeat Finding (Yes or No)
No.

Recommendation
The District should establish procedures and processes to ensure that ISA contracts between the District and the instructors are finalized and in effect prior to the commencement of instruction.

Views of Responsible Officials and Corrective Action Plan
To ensure that Instructor Service Agreements (ISAs) for high school instructors teaching Coalinga College dual enrollment courses are fully executed prior to the start of Fall and Spring semester classes, Coalinga College has developed a standardized process outlining roles, responsibilities, and timelines. This process will be used to train staff and faculty and ensure consistent implementation.

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

Financial Statement Findings

None reported.

Federal Awards Findings

2024-001 Special Tests and Provisions – Return to Title IV

Program Name: Student Financial Assistance Cluster
Assistance Listing Number: 84.063, 84.007, 84.268, 84.033
Federal Agency: U.S. Department of Education (ED)
Direct funded by the U.S. Department of Education (ED)

Criteria
34 CFR section 668.173(b):
Returns of Title IV (R2T4) funds are required to be deposited or transferred into the Student Financial Aid (SFA) account or electronic fund transfers initiated to ED as soon as possible, but no later than 45 days after the date the institution determines that the student withdrew. Returns by check are late if the check is issued more than 45 days after the institution determined the student withdrew or the date on the canceled check shows the check was endorsed more than 60 days after the date the institution determined that the student withdrew.

34 CFR section 668.22(c):
If an institution is not required to take attendance, the withdrawal date is (1) the date, as determined by the institution, that the student began the withdrawal process prescribed by the institution; (2) the date, as determined by the institution, that the student otherwise provided official notification to the school, in writing or orally, of his or her intent to withdraw; (3) if the student ceases attendance without providing official notification to the institution of his or her withdrawal, the midpoint of the payment period or, if applicable, the period of enrollment; (4) if the institution determines that a student did not begin the withdrawal process or otherwise notify the school of the intent to withdraw due to illness, accident, grievous personal loss or other circumstances beyond the student's control, the date the institution determines is related to that circumstance; (5) if a student does not return from an approved leave of absence, the date that the institution determines the student began the leave of absence; or (6) if the student takes an unapproved leave of absence, the date that the student began the leave of absence.

Condition
Significant Deficiency in Internal Control over Compliance – During testing over Return to Title IV requirements, it was noted that funds for 5 of 60 Return to Title IV calculations were returned outside of the required timeframe.

Questioned Costs
None noted.

Context
A non-statistical sample of 16 return of Title IV calculations were tested out of a total population of 101 return of Title IV calculations for West Hills College – Coalinga.

A non-statistical sample of 44 return of Title IV calculations were tested out of a total population of 269 return of Title IV calculations for West Hills College – Lemoore.

Effect
In 5 of the 44 calculations tested for West Hills College - Lemoore, the Return to Title IV funds were returned outside of the required timeframe.

Cause
The District did not implement procedures to ensure that the return to Title IV funds were returned in a timely manner.

Repeat Finding
No.

Recommendation
The District should establish effective controls to ensure the return of funds occurs within 45 days from the date the institution determines the student withdrew from all classes and that the withdrawal determination is performed within the required timeframe.

Current Status
Implemented.

State Compliance Findings

None reported.