Financial Statements
June 30, 2023

Cerritos Community College District

Independent Auditor's Report

To the Board of Trustees
Cerritos Community College District
Norwalk, California

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Adoption of New Accounting Standard

As discussed in Note 2 and Note 12 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ending June 30, 2023. Accordingly, a restatement has been made to the business-type activities net position as of July 1, 2022, to restate beginning net position. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 15 and other required supplementary schedules as listed in the table of contents on pages 55 through 62 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 an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, including the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements*, *Cost Principles*, *and Audit Requirements for Federal Awards* (Uniform Guidance), and other supplementary information listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Expenditures of Federal Awards and other supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Eide Bailly LLP

Rancho Cucamonga, California
December 8, 2023

INTRODUCTION

The following discussion and analysis provides an overview of the financial position and activities of the Cerritos Community College District (the District) for the year ended June 30, 2023. This discussion has been prepared by college administration and should be read in conjunction with the financial statements and notes thereto which follow this section. The District is using the Business Type Activity (BTA) model in which financial reports are generated using the full accrual basis of accounting. The California Community College Chancellor's Office, through its Fiscal Standards and Accountability Committee, recommended that all community college districts implement the reporting standards of the BTA model. To comply with the recommendation of the Chancellor's Office and to report in a manner consistent with other California Community College Districts, the District has adopted the BTA reporting model for these financial statements.

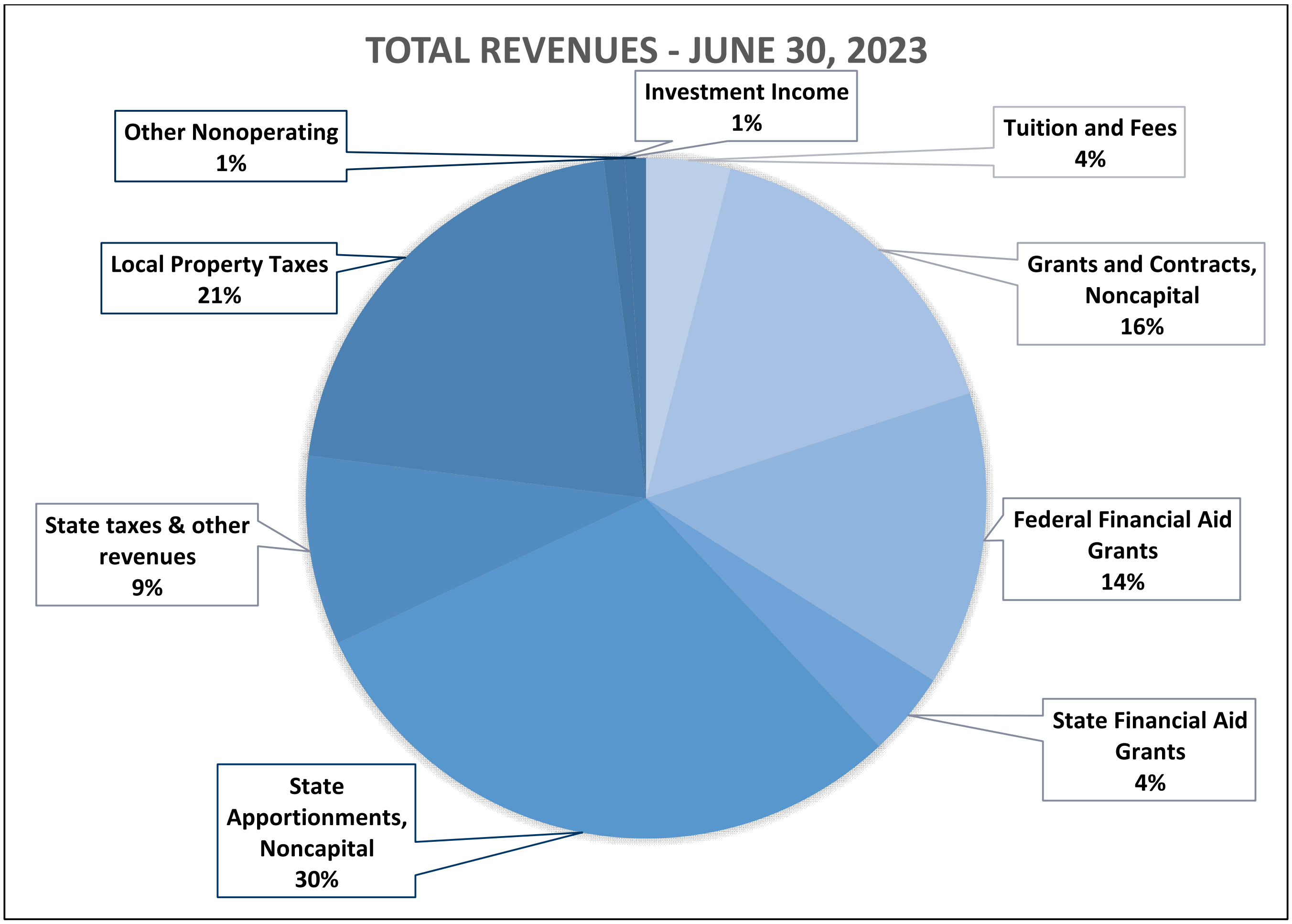
THE COLLEGE

Cerritos College is the preeminent educational, cultural, and economic development institution in the cities of Artesia, Bellflower, Cerritos, Downey, Hawaiian Gardens, La Mirada, Norwalk, and portions of Bell Gardens, Lakewood, Long Beach, Santa Fe Springs, and South Gate. We offer programs of the highest quality for Cerritos College students who continue on with their higher education studies; programs of remediation and reentry for Cerritos College students; cultural and arts programs of national distinction; programs of exceptional depth in professional training, job training and workforce development; and community education programs of personal interest. In addition, we are a leading community provider of programs for seniors. We invite you to learn more about us and our services to students and the community at www.cerritos.edu.

FINANCIAL HIGHLIGHTS

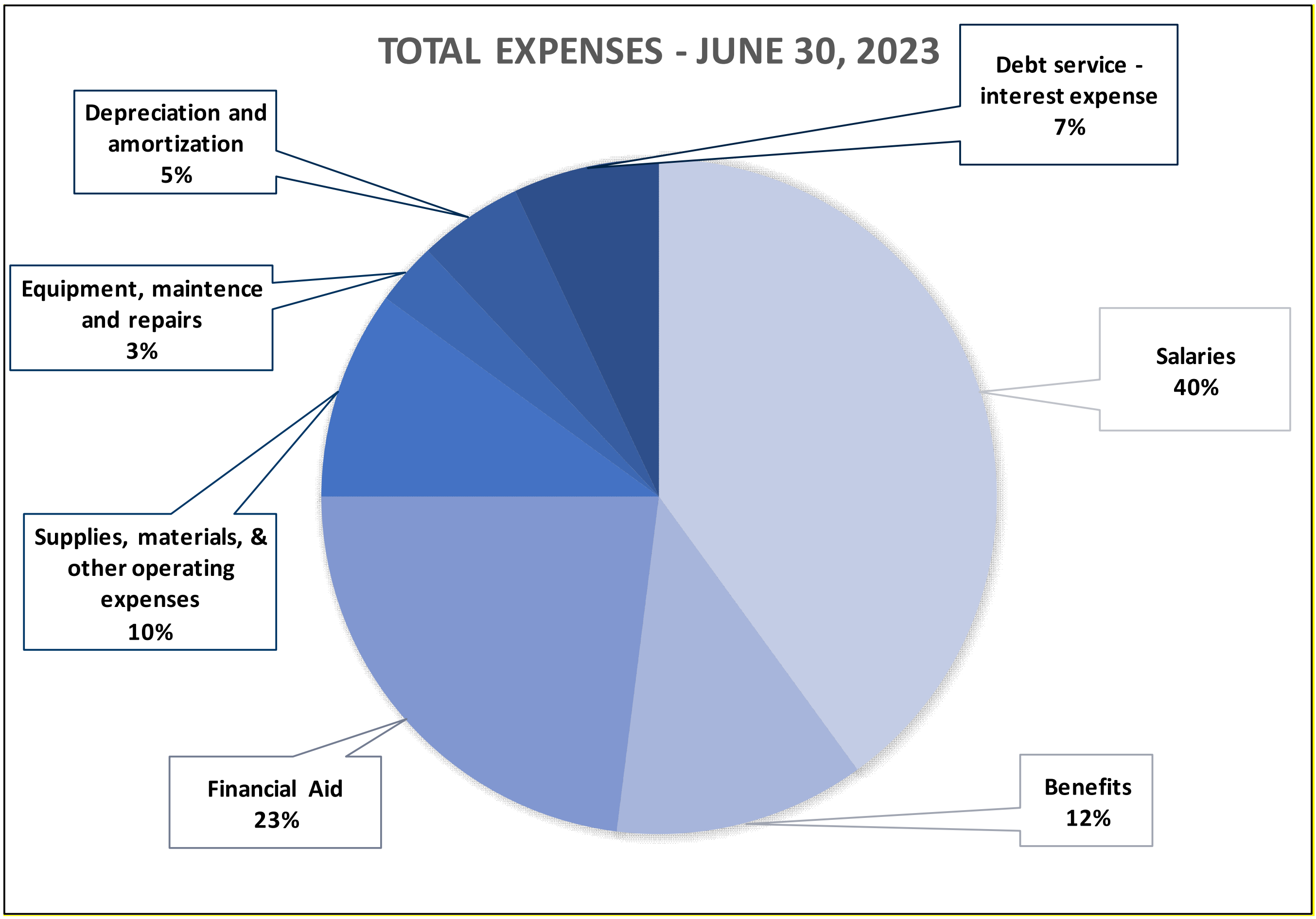
Revenues

For fiscal year (FY) 2022-2023, the District received total revenues of $305.6 million, including pass-through financial aid revenues that are to be distributed to students. The following chart depicts each source of revenue with its relevant percentage to total revenues.



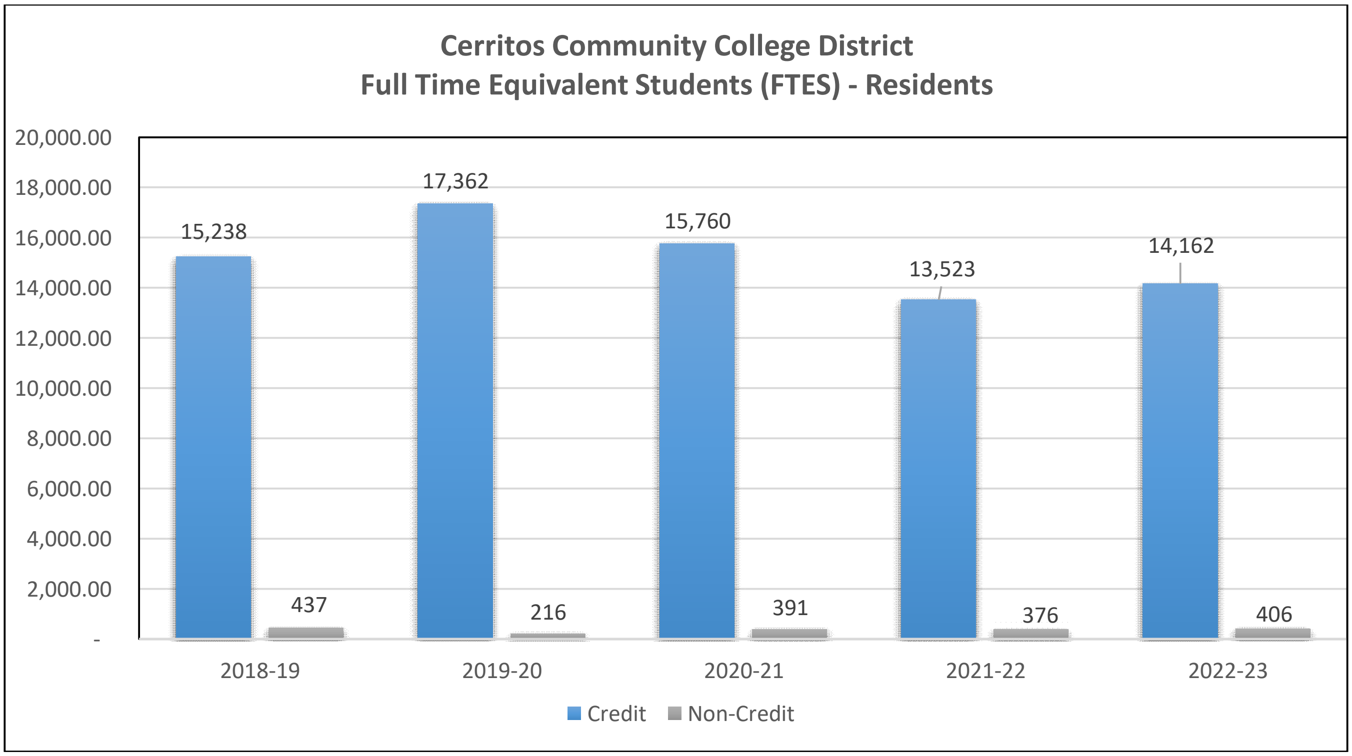
Expenditures

For FY 2022-2023, the District's total expenditures were $271.9 million, including pass-through financial aid funds that were distributed to students. The following chart depicts each expenditure category with its relevant percentage to total expenditures.



ENROLLMENT

Enrollment can fluctuate due to factors such as population growth, competition from private institutions, economic conditions and housing values. Losses in enrollment will cause a district to lose operating revenues without necessarily permitting the district to make adjustments in fixed operating costs. For FY 2022-2023 the Districts' total actual FTES increased by 670. The following chart shows the trend for credit and non-credit FTES combined for the past five years.



GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) REPORTING STANDARDS

As required by the Governmental Accounting Standards Board (GASB) reporting standards, the annual report consists of three basic financial statements that provide information on the District as a whole:

- Statement of Net Position
- Statement of Revenues, Expenses, and Changes in Net Position
- Statement of Cash Flows

STATEMENT OF NET POSITION

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

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operation of the District. Readers are also able to determine how much the District owes vendors and employees. Finally, the Statement of Net Position provides a picture of the net position availability for expenditure by the District. The difference between total assets, total deferred outflows of resources, total liabilities and total deferred inflows of resources (net position) is one indicator of the current financial condition of the District; the change in net position is an indicator of whether the overall financial condition has improved or worsened during the year. Assets, deferred outflows of resources, liabilities and deferred inflows of resources are generally measured using current values. One notable exception is capital assets, which is stated at historical cost less an allocation for depreciation expense. The Net Position listed on the Statement of Net Position is divided into three major categories. The first category, Net investment in Capital Assets, provides the equity amount in property, plant, and equipment owned by the District with the debt related to those amounts subtracted. The second category is Restricted; this net position is available for expenditure by the District, but must be spent for purposes as determined by external entities and/or donors that have placed time or purpose restrictions on the use of the assets. The final category is Unrestricted; this net position is available to the District for any lawful purpose of the District.

THE DISTRICT AS A WHOLE

The Statement of Net Position as of June 30, 2023 and 2022, is summarized and presented herein:

Table 1

	2023	2022 as restated	Change
Assets			
Cash and investments	$ 268,114,366	$ 235,993,293	$ 32,121,073
Receivables, net	27,155,409	13,493,063	13,662,346
Other current assets	609,773	738,368	(128,595)
Lease receivables	6,737,953	7,343,590	(605,637)
Capital assets, right-to-use leased assets, and right-to-use subscription IT assets, net	484,451,677	471,503,345	12,948,332
Total assets	787,069,178	729,071,659	57,997,519
Deferred Outflows of Resources	57,552,904	50,960,481	6,592,423
Liabilities			
Accounts payable and accrued liabilities	101,549,727	59,010,630	42,539,097
Current portion of long-term liabilities	12,805,568	10,814,353	1,991,215
Noncurrent portion of long-term liabilities	642,443,254	617,564,606	24,878,648
Total liabilities	756,798,549	687,389,589	69,408,960
Deferred Inflows of Resources	33,921,532	71,591,694	(37,670,162)
Net Position			
Net investment in capital assets	61,645,764	63,775,623	(2,129,859)
Restricted	57,008,066	39,753,801	17,254,265
Unrestricted deficit	(64,751,829)	(82,478,567)	17,726,738
Total net position	$ 53,902,001	$ 21,050,857	$ 32,851,144

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Changes in total net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. The purpose of this statement is to present the operating and non-operating revenues earned, whether received or not, by the District; the operating and nonoperating expenses incurred, whether paid or not, by the District; and any other revenues, expenses, gains and/or losses earned or incurred by the District. Thus, this statement presents the District's results of operations.

Generally, operating revenues, including tuition and fees and grants and contracts, non-capital, 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 non-operating because they are provided by the legislature to the District without the legislature directly receiving commensurate goods and services for those revenues.

Operating Results for the Year

The Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2023 and 2022, is summarized and presented herein:

Table 2

	2023	2022	Change
Operating Revenues			
Tuition and fees, net	$ 10,844,874	$ 7,865,795	$ 2,979,079
Grants and contracts, noncapital	50,369,052	49,329,934	1,039,118
Total operating revenues	61,213,926	57,195,729	4,018,197
Operating Expenses			
Salaries and benefits	142,123,515	137,123,210	5,000,305
Supplies, services, equipment, and maintenance	34,693,235	24,212,079	10,481,156
Student financial aid	62,044,086	77,462,015	(15,417,929)
Depreciation and amortization	14,700,118	12,084,862	2,615,256
Total operating expenses	253,560,954	250,882,166	2,678,788
Operating loss	(192,347,028)	(193,686,437)	1,339,409
Nonoperating Revenues (Expenses)			
State apportionments, noncapital	92,063,987	86,624,459	5,439,528
Property taxes	63,378,632	55,380,768	7,997,864
Student financial aid grants	54,186,687	71,171,598	(16,984,911)
State revenues	6,569,375	5,163,322	1,406,053
Net interest expense	(15,606,226)	(24,383,357)	8,777,131
Other nonoperating revenues	3,439,891	1,730,657	1,709,234
Total nonoperating revenue (expenses)	204,032,346	195,687,447	8,344,899
Other Revenues	21,165,826	1,169,434	19,996,392
Change in net position	$ 32,851,144	$ 3,170,444	$ 29,680,700

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

Table 3

Year ended June 30, 2023:

	Salaries and Employee Benefits	Supplies, Material, and Other Expenses and Services	Student Financial Aid	Equipment, Maintenance, and Repairs	Depreciation and Amortization	Total
Instructional activities	$ 82,397,444	$ 2,782,125	$ -	$ 700,245	$ -	$ 85,879,814
Instructional adminstraition	4,402,692	395,856	-	41,606	-	4,840,154
Instructional support services	9,181,434	5,561,496	-	799,204	-	15,542,134
Student services	20,212,134	934,434	-	59,310	-	21,205,878
Plant operations and maintenance	6,057,802	9,187,893	-	18,578	-	15,264,273
Institutional support services	14,631,008	5,151,038	-	124,096	-	19,906,142
Community services	699,095	673,890	-	-	-	1,372,985
Ancillary services and auxiliary operations	4,541,906	2,139,303	-	78,778	-	6,759,987
Student aid	-	-	62,044,086	-	-	62,044,086
Physical property and related acquisitions	-	751,651	-	5,293,732	-	6,045,383
Unallocated depreciation and amortization	-	-	-	-	14,700,118	14,700,118
Total	$ 142,123,515	$ 27,577,686	$ 62,044,086	$ 7,115,549	$ 14,700,118	$ 253,560,954

STATEMENT OF CASH FLOWS

The Statement of Cash Flows provides information about cash receipts and cash payments during the fiscal year. This Statement also helps users assess the District's ability to generate positive cash flows, meet obligations as they come due and determine the need for external financing. The Statement of Cash Flows is divided into five parts. The first part reflects operating cash flows and shows the net cash provided by the operating activities of the District. The second part details cash received for nonoperating, non-investing, and non-capital financing purposes. The third part shows cash flows from capital and related financing activities. This deals with the cash used for the acquisition and construction of capital and related items. The fourth section provides information from investing activities and the amount of interest received. The fifth and final section reconciles the net cash provided by operating activities to the operating loss reflected on the Statement of Revenues, Expenses, and Changes in Net Position.

The Statement of Cash Flows for the year ended June 30, 2023 and 2022, is summarized and presented herein:

Table 4

	2023	2022	Change
Net Cash Flows from			
Operating activities	$ (162,696,781)	$ (164,029,945)	$ 1,333,164
Noncapital financing activities	190,754,966	197,707,985	(6,953,019)
Capital financing activities	2,853,953	54,572,618	(51,718,665)
Investing activities	1,208,935	(7,421,320)	8,630,255
Net Increase (Decrease) in Cash and Cash Equivalents	32,121,073	80,829,338	(48,708,265)
Cash and cash equivalents, Beginning of Year	235,993,293	155,163,955	80,829,338
Cash and cash equivalents, End of Year	$ 268,114,366	$ 235,993,293	$ 32,121,073

Capital Assets, Right-to-Use Leased Assets, and Right-to-use Subscription IT Assets

As of June 30, 2023, the District had approximately $484.5 million invested in net capital assets, right-to-use leased assets, and right-to-use subscription IT assets. Total capital assets of $615.7 million consist of land, construction in progress, buildings and improvements, vehicles, equipment, right-to-use leased assets, and right-to-use subscription IT assets. These assets have accumulated depreciation/amortization of $131.2 million. In fiscal year 2022-2023, there were net capital asset additions in the amount of $27.6 million and net depreciation/amortization expense of $14.7 million. Note 6 to the financial statements provides additional information on capital assets, right-to-use leased assets, and right-to-use subscription IT assets.

Table 5

	2023	2022, as restated	Net Change
Capital Assets			
Land and construction in progress	$ 56,904,025	$ 34,293,581	$ 22,610,444
Buildings and improvements, net	418,006,046	428,973,710	(10,967,664)
Equipment, net	9,057,243	7,613,031	1,444,212
Right-to-use leased assets, net	7,295	15,018	(7,723)
Right-to-use subscription IT assets, net	477,068	608,005	(130,937)
Total capital assets, right-to-use leased assets and right-to-use subscription IT assets, net	$ 484,451,677	$ 471,503,345	$ 12,948,332

Long-Term Liabilities Other than OPEB and Pensions

At June 30, 2023, the District had $501.7 million in outstanding long-term liabilities compared to $511.4 million at June 30, 2022. We present more detailed information regarding our long-term liabilities in Note 8 to the financial statements.

Table 6

	2023	2022, as restated	Net Change
General obligation bonds	$ 498,346,751	$ 507,433,825	$ (9,087,074)
Lease liability	5,879	13,598	(7,719)
Subscription-based IT arrangements	355,078	508,980	(153,902)
Compensated absences	3,025,406	3,427,975	(402,569)
Total long-term liabilities	501,733,114	511,384,378	(9,651,264)
Amounts due within one year	12,805,568	10,814,353	1,991,215
Total long-term portion	$ 488,927,546	$ 500,570,025	$ (11,642,479)

OPEB and Pension Liabilities

At June 30, 2023, the District has an aggregate other postemployment benefit liability (OPEB) of $30,812,193 compared to $36,308,854 at June 30 2022, a net decrease of $5,496,661 or 15.1%.

At June 30, 2023, the District has an aggregate net pension liability of $122,703,515 compared to $80,685,727 at June 30, 2022, a net increase of $42,017,788 or 52.1%.

STATE BUDGET HIGHLIGHTS AND ECONOMIC OUTLOOK

The Budget Act of 2023 reflects a small increase in overall funding for community colleges, with increases in ongoing funding provided as cost-of-living adjustments (COLA). Proposition 98 funding for the California Community Colleges increases in 2023-24 by one percent; this increase includes higher resources from local property taxes. The share of Proposition 98 funding for the system is slightly above the traditional share of 10.93% in each of these years.

The enacted budget for the community colleges reflects stable total funding. It includes about $790 million in ongoing adjustments to the Student-Centered Funding Formula (SCFF), of which $678 million is for an 8.22% COLA. Another $112.4 million is provided for an 8.22% COLA to various categorical programs.

One-time funding in the enacted budget is limited. It includes $50 million to continue supporting college efforts to increase student retention rates and enrollment, but in the context of a similar reduction to the prior-year allocation for that purpose.

Unfortunately, the enacted budget also reduces funds allocated in 2022-23 for deferred maintenance by $500 million but provides $5.7 million in new one-time funds, resulting in a reduction of $494.3 million from the amount initially provided. The budget provides flexibility for the use of remaining funds for deferred maintenance, retention/enrollment, and the COVID-19 Block Grant.

We must proceed with caution evident of the significant revenue shortfalls related to a downturn in the stock market that have led to a budget deficit now estimated to be $31.5 billion. The state's efforts to build reserves over the last couple of years will somewhat mitigate the impact of the budget deficit for 2023-24.

Looking to fiscal year 2023-24, the District anticipates revenues to decrease slightly, resulting from rolling off the emergency condition allowance, as enrollment growth continues to increase slowly back to pre-pandemic levels. However, the District anticipates enrollment growth to increase between 5% - 10% compared to fiscal year 2022-23.

DISTRICT'S FIDUCIARY RESPONSIBILITY

The District is the trustee, or fiduciary, for certain amounts held on behalf of students, clubs, and donors for student loans and scholarships. The District's fiduciary activities are reported in a separate statement of fiduciary net position. These activities are excluded from the District's other financial statements because these assets cannot be used to finance operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Cerritos Community College District, Office of the Executive Vice President of Business/Assistant Superintendent, 11110 Alondra Boulevard, Norwalk, California 90650.

Assets	
Cash and cash equivalents	$ 1,057,278
Investments	267,057,088
Accounts receivable	20,603,636
Student receivables, net	6,551,773
Prepaid expenses	503,205
Other assets	106,568
Lease receivables	6,737,953
Capital assets, right-to-use leased assets, and right-to-use subscription IT assets	
Nondepreciable capital assets	56,904,025
Depreciable capital assets, net of accumulated depreciation	427,063,289
Right-to-use leased assets, net of accumulated amortization	7,295
Right-to-use subscription IT assets, net of accumulated amortization	477,068
Total capital assets, right-to-use leased assets, and right-to-use subscription IT assets, net	484,451,677
Total assets	787,069,178
Deferred Outflows of Resources	
Deferred outflows of resources related to debt refunding	9,693,222
Deferred outflows of resources related to OPEB	6,444,112
Deferred outflows of resources related to pensions	41,415,570
Total deferred outflows of resources	57,552,904
Liabilities	
Accounts payable	39,910,355
Accrued interest payable	6,610,558
Unearned revenue	55,028,814
Long-term liabilities	
Long-term liabilities other than OPEB and pensions, due within one year	12,805,568
Long-term liabilities other than OPEB and pensions, due in more than one year	488,927,546
Aggregate net other postemployment benefits (OPEB) liability	30,812,193
Aggregate net pension liability	122,703,515
Total liabilities	756,798,549
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	7,955,015
Deferred inflows of resources related to pensions	21,259,772
Deferred inflows of resources related to leases	4,706,745
Total deferred inflows of resources	33,921,532
Net Position	
Net investment in capital assets	61,645,764
Restricted for	
Debt service	15,302,801
Capital projects	25,961,089
Educational programs	12,926,912
Other activities	2,817,264
Unrestricted deficit	(64,751,829)
Total net position	$ 53,902,001

Operating Revenues	
Tuition and fees	$ 21,868,820
Less: Scholarship discounts and allowances	(11,023,946)
Net tuition and fees	10,844,874
Grants and contracts, noncapital	
Federal	15,273,618
State	34,036,413
Local	1,059,021
Total grants and contracts, noncapital	50,369,052
Total operating revenues	61,213,926
Operating Expenses	
Salaries	110,045,433
Employee benefits	32,078,082
Supplies, materials, and other operating expenses and services	27,577,686
Student financial aid	62,044,086
Equipment, maintenance, and repairs	7,115,549
Depreciation and amortization	14,700,118
Total operating expenses	253,560,954
Operating Loss	(192,347,028)
Nonoperating Revenues (Expenses)	
State apportionments, noncapital	92,063,987
Local property taxes, levied for general purposes	37,120,206
Taxes levied for other specific purposes	26,258,426
Federal and State financial aid grants	54,186,687
State taxes and other revenues	6,569,375
Investment income, net	3,551,705
Interest expense on capital related debt	(18,298,638)
Investment loss on capital asset-related debt, net	(859,293)
Other nonoperating revenue	3,439,891
Total nonoperating revenues (expenses)	204,032,346
Income Before Other Revenues	11,685,318
Other Revenues	
State revenues, capital	21,165,826
Change In Net Position	32,851,144
Net Position, Beginning of Year, as Restated	21,050,857
Net Position, End of Year	$ 53,902,001

Operating Activities	
Tuition and fees	$ 12,539,768
Federal, state, and local grants and contracts, noncapital	74,787,981
Payments to or on behalf of employees	(154,217,919)
Payments to vendors for supplies and services	(33,762,525)
Payments to students for scholarships and grants	(62,044,086)
Net cash flows from operating activities	(162,696,781)
Noncapital Financing Activities	
State apportionments	90,333,516
Federal and state financial aid grants	54,186,687
Property taxes - nondebt related	37,120,206
State taxes and other apportionments	6,472,933
Other nonoperating	2,641,624
Net cash flows from noncapital financing activities	190,754,966
Capital Financing Activities	
Purchase of capital assets	(18,301,073)
State revenue, capital	21,165,826
Property taxes - related to capital debt	26,258,426
Principal paid on capital debt	(10,499,751)
Interest paid on capital debt	(16,022,995)
Interest received on capital asset-related debt	253,520
Net cash flows from capital financing activities	2,853,953
Investing Activities	
Change in fair value of cash in county treasury	(4,792,068)
Interest received from investments	6,001,003
Net cash flows from investing activities	1,208,935
Change In Cash and Cash Equivalents	32,121,073
Cash and Cash Equivalents, Beginning of Year	235,993,293
Cash and Cash Equivalents, End of Year	$ 268,114,366

Reconciliation of Net Operating Loss to Net Cash Flows from Operating Activities	
Operating Loss	$ (192,347,028)
Adjustments to reconcile operating loss to net cash flows from operating activities	
Depreciation and amortization expense	14,700,118
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources	
Receivables, net	(521,798)
Other assets	64,550
Prepaid expenses	64,045
Deferred outflows of resources related to OPEB	1,141,691
Deferred outflows of resources related to pensions	(8,970,803)
Accounts payable	(2,644,801)
Unearned revenue	26,763,212
Lease receivables	605,637
Compensated absences	(402,569)
Aggregate net OPEB liability	(5,496,661)
Aggregate net pension liability	42,017,788
Deferred inflows of resources related to leases	(733,228)
Deferred inflows of resources related to OPEB	5,770,936
Deferred inflows of resources related to pensions	(42,707,870)
Total adjustments	29,650,247
Net cash flows from operating activities	$ (162,696,781)
Cash and Cash Equivalents Consist of the Following:	
Cash in banks	$ 1,057,278
Cash in county treasury	267,057,088
Total cash and cash equivalents	$ 268,114,366
Noncash Transactions	
Amortization of deferred outflows of resources related to debt refunding	$ 1,236,689
Amortization of debt premiums	$ 1,725,733
Accretion of interest on capital appreciation bonds	$ 2,888,659
Recognition of subscription-based IT arrangement liabilities arising from obtaining right-to-use subscription IT assets	$ 88,130

Note 1 - Organization

Cerritos Community College District (the District) was established in 1955 as a political subdivision of the State of California and is a comprehensive, public, two-year institution offering educational services to residents of the surrounding area. The District operates under a locally elected seven-member Board of Trustees form of government, which establishes the policies and procedures by which the District operates. The Board must approve the annual budgets for the General Fund, special revenue funds, and capital project funds, but these budgets are managed at the department level. Currently, the District operates one college within Los Angeles County. 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 policies to determine whether certain organizations, for which the District is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the District, as defined by accounting principles generally accepted in the United States of America and established by the Governmental Accounting Standards Board (GASB). The financial reporting entity consists of the primary government (the District).

The District has analyzed the financial and accountability relationship with the Cerritos 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 direct benefits to and from the Foundation. However, it has been determined that all criteria under GASB Statement No. 61 have not been met to require inclusion of the Foundation's financial statements in the District's annual report. Information on the Foundation may be requested through the Cerritos 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. The District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. The significant accounting policies followed by the District in preparing these financial statements are in accordance with accounting principles generally accepted in the United States of America as promulgated by GASB. Additionally, the District's policies comply with the California Community Colleges Chancellor's Office *Budget and Accounting Manual*. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All material intra-agency and intra-fund transactions have been eliminated.

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

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

Cash and Cash Equivalents

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

Investments

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

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

Accounts Receivable

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students. 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 $2,840,193 for the year ended June 30, 2023.

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.

Capital Assets and Depreciation

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

Depreciation of capital assets is computed and recorded utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 25 to 50 years, site improvements, 15 to 20 years, and equipment and technology, 5 to 15 years.

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 2023.

Right-to-use Leased Assets and Amortization

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

Right-to-use Subscription IT Assets and Amortization

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

Compensated Absences

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. The current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignation and retirements that occur prior to year-end that have not yet been paid within the fund from which the employees who have accumulated the leave are paid. The liability for this benefit is reported on the government-wide financial statements.

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

Debt Premiums

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

Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

Leases

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

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

Subscription-based IT Arrangements

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

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Unearned Revenue

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

Noncurrent Liabilities

Noncurrent liabilities include general obligation bonds, compensated absences, lease liability, and subscription-based IT arrangements 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, right-to-use leased assets, right-to-use subscription IT assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report $57,008,066 of restricted net position.

Operating and Nonoperating Revenues and Expenses

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

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

- **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. The County of Los Angeles bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

The voters of the District passed General Obligation Bonds in 2004, 2012, and 2022 for the acquisition, construction, and remodeling of certain District property. As a result of the passage of the Bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are assessed, billed, and collected as noted above and remitted to the District when collected.

Scholarships Discounts and Allowances

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

Financial Assistance Programs

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

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates, and those 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 has been eliminated in the consolidation process of the basic financial statements.

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

Change in Accounting Principles

Implementation of GASB Statement No. 91

As of July 1, 2022, the District adopted GASB Statement No. 91*, Conduit Debt Obligations*. The objective of this Statement is to better meet the information needs of financial statement users by enhancing the comparability and consistency of conduit debt obligation reporting and reporting of related transactions and other events by state and local government issuers. The implementation of this standard eliminates the option for issuers of conduit debt to recognize a liability for this debt on their financial statements. In addition, it requires issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations. There was not a significant effect on the District’s financial statements as a result of the implementation of the standard.

Implementation of GASB Statement No. 94

As of July 1, 2022, the District adopted GASB Statement No. 94, *Public-Private and Public-Public Partnerships (PPP) and Availability Payment Arrangements (APA)*. The implementation of this standard establishes standards of accounting and financial reporting for PPPs and APAs. The standard requires recognition of an asset, receivable, and deferred inflow of resources. There was not a significant effect on the District’s financial statements as a result of the implementation of the standard.

Implementation of GASB Statement No. 96

As of July 1, 2022, the District adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. The implementation of this standard establishes that a SBITA results in a right-to-use subscription IT asset - an intangible asset - and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. The effect of the implementation of this standard on beginning net position is disclosed in Note 12 and the additional disclosures required by this standard are included in Notes 6 and 7.

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, 2023, consist of the following:

	Primary Government
Cash on hand and in banks	$ 1,033,603
Cash in revolving	23,675
Investments	267,057,088
Total deposits and investments	$ 268,114,366

Interest Rate Risk

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

Investment Type	Fair Value	Weighted Average Days to Maturity
Los Angeles County Treasury investment pool	$ 267,057,088	753

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the Los Angeles County Treasury Investment Pool is not required to be rated, nor has it been rated as of June 30, 2023.

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, 2023, the District's bank balance of approximately $917,104 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

Note 4 - Accounts Receivable

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

	Primary Government
Federal Government	
Categorical aid	$ 2,842,297
State Government	
Apportionment	11,015,882
Categorical aid	1,228,602
Lottery	1,095,224
Local Sources	
Interest	2,004,731
Other local sources	2,416,900
Total	$ 20,603,636
Student receivables	$ 9,391,966
Less: allowance for bad debt	(2,840,193)
Student receivables, net	$ 6,551,773

Note 5 - Lease Receivables

The District has entered into lease agreements with various lessees. The lease receivables are summarized below:

Lease Receivables	Balance, July 1, 2022	Additions	Deductions	Balance, June 30, 2023
Cell Towers	$ 776,843	$ -	$ (70,624)	$ 706,219
Avalon at Cerritos	5,572,486	-	(238,760)	5,333,726
Jovenes, Inc.	97,085	-	(97,085)	-
The C.A.R. Group	897,176	-	(199,168)	698,008
Total	$ 7,343,590	$ -	$ (605,637)	$ 6,737,953

Cell Tower Antenna Sites

The District leases a portion of its facilities for cellular tower antenna sites to AT&T and T-Mobile. These leases are noncancelable for a period of 5 years, with five renewal periods of five years. The agreements allow for 5.00% annual CPI increases to the license payments. At termination, lessees must remove all equipment and restore the site to its original state. The District used an interest rate of between 1.80% and 1.62%, based on the based on the five-year Treasury rate at the time the lease implementation. During the fiscal year, the District recognized $70,624 in lease revenue and $13,050 in interest revenue related to these agreements. At June 30, 2023, the District recorded balances of $706,219 in lease receivables and $455,874 in deferred inflows of resources for these arrangements

Avalon at Cerritos

The District leases a portion of its facilities for congregate care for the elderly. These lease is noncancelable for a period of thirty-five years. The agreements allow for 3.00% annual CPI increases to the lease payments. The District used an interest rate of 5.94%, based on the 30-year Treasury rate at the time the lease implementation. During the fiscal year, the District recognized $238,760 in lease revenue and $325,760 in interest revenue related to the agreement. At June 30, 2023, the District recorded $5,333,726 in lease receivables and $3,198,749 in deferred inflows of resources for the arrangement.

Jovenes, Inc.

The District leases a portion of its facilities for homeless student housing. These lease is noncancelable for a period of three years. The District used an interest rate of 1.39%, based on the three-year Treasury rate at the time the lease implementation During the fiscal year, the District recognized $97,085 in lease revenue and $469 in interest revenue related to the agreement. At June 30, 2023, the lease contract was received in full.

The C.A.R. Group

The District leases a portion of its land for new and used car storage. The lease is noncancelable for a period of 113 months, ending December 2026. The District used an interest rate of 1.15%, based on the 10-year Treasury rate at the time the lease implementation. During the fiscal year, the District recognized $199,168 in lease revenue and $9,209 in interest revenue related to the agreement. At June 30, 2023, the District recorded $698,008 in lease receivables and $1,052,122 in deferred inflows of resources for the arrangement.

Note 6 - Capital Assets, Right-to-use Leased Assets, and Right-to-use Subscription IT Assets

Capital asset, right-to-use leased asset, and right-to-use subscription IT asset activity for the District for the year ended June 30, 2023, was as follows:

	Balance, July 1, 2022 as restated	Additions	Deductions	Balance, June 30, 2023
Capital Assets Not Being Depreciated				
Land	$ 3,570,212	$ -	$ -	$ 3,570,212
Construction in progress	30,723,369	24,901,331	(2,290,887)	53,333,813
Total capital assets not being depreciated	34,293,581	24,901,331	(2,290,887)	56,904,025
Capital Assets Being Depreciated				
Land improvements	28,096,919	24,860	-	28,121,779
Buildings and improvements	507,753,568	2,266,027	-	510,019,595
Equipment	17,378,550	2,657,989	(74,001)	19,962,538
Total capital assets being depreciated	553,229,037	4,948,876	(74,001)	558,103,912
Total capital assets	587,522,618	29,850,207	(2,364,888)	615,007,937
Less Accumulated Depreciation				
Land improvements	(9,579,419)	(1,319,314)	-	(10,898,733)
Buildings and improvements	(97,297,358)	(11,939,237)	-	(109,236,595)
Equipment	(9,765,519)	(1,213,777)	74,001	(10,905,295)
Total accumulated depreciation	(116,642,296)	(14,472,328)	74,001	(131,040,623)
Net capital assets	470,880,322	15,377,879	(2,290,887)	483,967,314
Right-to-use Leased Assets Being Amortized				
Equipment	22,741	-	-	22,741
Less Accumulated Amortization				
Equipment	(7,723)	(7,723)	-	(15,446)
Net right-to-use leased assets	15,018	(7,723)	-	7,295
Right-to-use Subscriptin IT Assets				
Right-to-use subscription IT assets	608,005	89,130	-	697,135
Accumulated amortization	-	(220,067)	-	(220,067)
Net right-to-use subscription IT assets	608,005	(130,937)	-	477,068
Total capital asset, right-to-use leased assets, and right-to-use subscription IT assets, net	$ 471,503,345	$ 15,239,219	$ (2,290,887)	$ 484,451,677

Note 7 - Long-Term Liabilities other than OPEB and Pensions

Summary

The changes in the District's long-term liabilities other than OPEB and pensions during the year ended June 30, 2023 consisted of the following:

	Balance, July 1, 2022, as restated	Additions	Deductions	Balance, June 30, 2023	Due in One Year
Measure CC					
General obligation bonds	$ 181,534,843	$ 2,888,659	$ (7,205,000)	$ 177,218,502	$ 7,880,000
Bond premium	7,191,733	-	(636,640)	6,555,093	-
Measure G					
General obligation bonds	294,995,000	-	(3,045,000)	291,950,000	4,360,000
Bond premium	23,712,249	-	(1,089,093)	22,623,156	-
Compensated absences	3,427,975	-	(402,569)	3,025,406	371,548
Lease liability	13,598	-	(7,719)	5,879	5,879
Subscription-based IT arrangements	508,980	88,130	(242,032)	355,078	188,141
Total	$ 511,384,378	$ 2,976,789	$ (12,628,053)	$ 501,733,114	$ 12,805,568

Description of Long-Term Liabilities

Payments on the general obligation bonds are made by the bond interest and redemption fund with local property tax revenues. The compensated absences will be paid by the fund for which the employee worked. The lease liability and subscription-based IT arrangements will be paid by the General Fund.

General Obligation Bonds

On March 2, 2004, at an election held within the boundaries of the District, the voters authorized bonds to be sold in the amount of $210,000,000 (Measure CC). Proceeds from the sale of the bonds are to be used to finance the acquisition, construction, and modernization of certain District property and facilities, and to prepay certain of the District's outstanding Certificates of Participation, Series 2002.

On March 21, 2012, the District issued $82,825,515 of 2004 General Obligation Bonds, Series 2012D. Proceeds from the sale of bonds will be used to finance the acquisition, construction, modernization, and renovation of District sites and facilities and to retire the District's outstanding 2011 General Obligation Bond Anticipation Notes which matured on April 30, 2012, and to pay the costs of issuance associated with the bonds. Interest rates range from 1.97% to 5.88% payable semi-annually on February 1 and August 1.

On November 4, 2014, the District issued $98,370,000 of General Obligation Refunding Bonds, Series 2014A and 2014B. Proceeds from the sale of bonds were issued to refund portions of the District's prior bonded indebtedness and pay the costs of issuance associated with the Refunding Bonds. Interest rates range from 0.506% to 5.00% payable semi-annually on February 1 and August 1.

On November 6, 2012, at an election held within the boundaries of the District, the voters authorized bonds to be sold in the amount of $350,000,000 (Measure G). Proceeds from the sale of the bonds are to be used to finance the update of classrooms, technology, math, science and computer labs, upgrade of job-training facilities, provide classrooms and labs to accommodate growing demand, replace leaky roofs, aging and unsafe buildings, facilities/equipment, and acquire, construct, repair buildings, classrooms, sites/facilities/equipment.

On November 4, 2014, the District issued $100,000,000 of 2012 General Obligation Bonds, Series 2014A. Proceeds from the sale of bonds will be used to finance the acquisition, construction, modernization, and equipping of District sites and facilities and to pay the costs of issuance associated with the bonds. Interest rates range from 1.50% to 5.00% payable semi-annually on February 1 and August 1.

On January 23, 2018, the District issued $75,000,000 of 2012 General Obligation Bonds, Series 2018B. Proceeds from the sale of bonds will be used to finance the acquisition, construction, modernization, and equipping of District sites and facilities and to pay the costs of issuance associated with the bonds. Interest rates range from 2.00% to 5.00% payable semi-annually on February 1 and August 1.

On June 11, 2019, the District issued $100,000,000 of 2012 General Obligation Bonds, Series 2019C. Proceeds from the sale of bonds will be used to finance the acquisition, construction, modernization, and equipping of District sites and facilities and to pay the costs of issuance associated with the bonds. Interest rates range from 3.00% to 5.00% payable semi-annually on February 1 and August 1.

On June 4, 2020, the District issued $52,655,000 of General Obligation Refunding Bonds, Series 2020. Proceeds from the sale of bonds were issued to refund portions of the District's prior bonded indebtedness and pay the costs of issuance associated with the Refunding Bonds. Interest rates range from 0.744% to 2.998% payable semi-annually on February 1 and August 1.

On November 23, 2021, the District issued $75,000,000 of 2012 General Obligation Bonds, Series 2021D. Proceeds from the sale of bonds will be used to finance the acquisition, construction, modernization, and equipping of District sites and facilities and to pay the costs of issuance associated with the bonds. Interest rates range from 2.00% to 5.00% payable semi-annually on February 1 and August 1.

Debt Maturity

General Obligation Bonds

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding, July 1, 2022	Issued	Accreted Interest	Redeemed	Bonds Outstanding, June 30, 2023
3/21/2012	8/1/2038	1.97-5.88%	$ 82,825,515	$ 52,549,843	$ -	$ 2,888,659	$ (1,645,000)	$ 53,793,502
11/4/2014	8/1/2033	1.75-5.00%	80,395,000	72,380,000	-	-	(2,540,000)	69,840,000
11/4/2014	8/1/2023	0.506-3.121%	17,975,000	5,255,000	-	-	(2,535,000)	2,720,000
11/4/2014	8/1/2044	1.50-5.00%	100,000,000	73,900,000	-	-	-	73,900,000
1/23/2018	8/1/2043	2.00-5.00%	75,000,000	52,770,000	-	-	(420,000)	52,350,000
6/11/2019	8/1/2044	3.00-5.00%	100,000,000	93,325,000	-	-	(590,000)	92,735,000
6/4/2020	8/1/2038	0.744-2.998%	52,655,000	51,350,000	-	-	(485,000)	50,865,000
11/23/21	8/1/2044	2.00%-5.00%	75,000,000	75,000,000	-	-	(2,035,000)	72,965,000
				$ 476,529,843	$ -	$ 2,888,659	$ (10,250,000)	$ 469,168,502

Debt Service Requirement to Maturity

The Measure CC General Obligation Bonds mature through 2039 as follows:

Fiscal Year	Principal (Including Capitalized Accreted Interest to Date)	Accreted Interest	Current Interest to Maturity	Total
2024	$ 7,836,459	$ 43,541	$ 4,623,006	$ 12,503,006
2025	8,263,132	206,868	4,386,636	12,856,636
2026	9,009,457	390,543	4,115,238	13,515,238
2027	9,632,048	587,952	3,815,128	14,035,128
2028	10,298,432	801,568	3,484,400	14,584,400
2029-2033	60,094,442	10,295,558	11,780,332	82,170,332
2034-2038	57,109,532	20,500,468	5,561,554	83,171,554
2039	14,975,000	-	224,475	15,199,475
Total	$ 177,218,502	$ 32,826,498	$ 37,990,769	$ 248,035,769

Debt Service Requirement to Maturity

The Measure G General Obligation Bonds mature through 2045 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2024	$ 4,360,000	$ 11,044,213	$ 15,404,213
2025	4,330,000	10,850,163	15,180,163
2026	3,515,000	10,664,663	14,179,663
2027	4,240,000	10,476,613	14,716,613
2028	5,030,000	10,244,863	15,274,863
2029-2033	39,340,000	46,262,164	85,602,164
2034-2038	69,115,000	34,398,773	103,513,773
2039-2043	106,935,000	18,493,914	125,428,914
2044-2045	55,085,000	1,784,222	56,869,222
Total	$ 291,950,000	$ 154,219,588	$ 446,169,588

Lease Liability

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

Leases	Balance, July 1, 2022	Additions	Deductions	Balance, June 30, 2023
Pitney Bowes Lease	$ 13,598	$ -	$ (7,719)	$ 5,879

Pitney Bowes Lease

The District entered an agreement to lease postal equipment for five years, beginning June 2019. Under the terms of the lease, the District makes quarterly payments of $1,976, which amounted to total principal and interest costs of $7,904. The District discounted the total lease payments of the lease at 1.77%. At June 30, 2023, the District has recognized a right-to-use leased asset of $7,295, net of accumulated amortization and a lease liability of $5,879 related to this agreement. During the fiscal year, the District recorded $7,723 in amortization expense and $183 in interest expense for the right-to-use leased equipment.

The District's liability on the equipment lease agreement is summarized below:

Fiscal Year	Principal	Interest	Total
2024	$ 5,879	$ 47	$ 5,926

Subscriptions-Based IT Arrangements (SBITAs)

The District entered into various SBITAs for the use of various software. At June 30, 2023, the District has recognized right-to-use subscriptions IT asset of $477,068, net of accumulated amortization and a SBITA liability of $355,078 related to these agreements. During the fiscal year, the District recorded $220,067 in amortization expense. The District is required to make total principal and interest payments of $380,573 through June 2026. The subscriptions have interest rates between 4.07% and 4.14%.

The remaining principal and interest payment requirements for the SBITA obligation debt as of June 30, 2023, are as follows:

Fiscal Year	Principal	Interest	Total
2024	$ 188,141	$ 14,946	$ 203,087
2025	84,434	7,066	91,500
2026	82,503	3,483	85,986
Total	$ 355,078	$ 25,495	$ 380,573

Note 8 - Aggregate Net Other Postemployment Benefit (OPEB) Liability

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

OPEB Plan	Aggregate Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 30,377,523	$ 6,444,112	$ 7,955,015	$ 1,533,768
Medicare Premium Payment (MPP) Program	434,670	-	-	(117,802)
Total	$ 30,812,193	$ 6,444,112	$ 7,955,015	$ 1,415,966

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. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. Management of the Plan is vested in District Management.

Plan Membership

At June 30, 2021, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	310
Active employees	595
Total	905

Benefits Provided

The Plan provides postemployment healthcare, dental and vision benefits to all full-time and part-time Certificated, Administrative and Classified employees who have reached age 50 and retire with at least 10 years of service, however, District paid retiree benefits begin at age 55 and terminate on June 30 for the fiscal year during which the retiree reaches age 65. Retirees and spouses covered under AB-528 have lifetime benefits. Benefit provisions are established through negotiations between the District and the bargaining unions representing employees and are renegotiated each three-year bargaining period. Employees retiring on or after age 62 with at least 20 years of service receive a contribution up to $15,000 per year until age 65; otherwise retirees receive a lifetime contribution up to $300 per month.

The benefit payment requirements of the Plan members and the District are established and may be amended by the District, the Cerritos College Faculty Federation (CCFF), the local California Service Employees Association (CSEA), and unrepresented groups. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District, CCFF, CSEA, and the unrepresented groups. For the measurement period of June 30, 2022, the District paid $797,948 in benefits.

Total OPEB Liability of the District

The District’s total OPEB liability of $30,377,523 was measured as of June 30, 2022, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions

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

Inflation	2.50%
Salary increases	2.75%
Discount rate	3.54%
Healthcare cost trend rates	4.00%

The discount rate was based on the Bond Buyer 20-bond General Obligation Index.

Mortality rates were based on the 2020 CalSTRS Mortality Table for certificated employees and the 2017 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 actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actual experience study as of June 2021.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance, June 30, 2021	$ 35,756,382
Service cost	1,633,344
Interest	781,877
Differences between expected and actual experience	47,828
Changes of assumptions	(7,043,960)
Benefit payments	(797,948)
Net change in total OPEB liability	(5,378,859)
Balance, June 30, 2022	$ 30,377,523

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

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

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

Discount Rate	Total OPEB Liability
1% decrease (2.54%)	$ 35,348,583
Current discount rate (3.54%)	30,377,523
1% increase (4.54%)	26,808,570

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

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

Healthcare Cost Trend Rate	Total OPEB Liability
1% decrease (3.00%)	$ 28,484,831
Current healthcare cost trend rate (4.00%)	30,377,523
1% increase (5.00%)	32,298,986

Deferred Outflows/Inflows of Resources Related to OPEB

At June 30, 2023, 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
OPEB contributions subsequent to measurement date	$ 801,527	$ -
Differences between expected and actual experience	481,788	1,441,057
Changes of assumptions	5,160,797	6,513,958
Total	$ 6,444,112	$ 7,955,015

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

The deferred outflows/(inflows) of resources related to differences between expected and actual experience in the measurement of the total OPEB liability and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits as of the beginning of the measurement period. The EARSL for the measurement period is 7.8 years and will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ (79,926)
2025	(79,926)
2026	(79,926)
2027	(45,024)
2028	(412,363)
Thereafter	(1,615,265)
Total	$ (2,312,430)

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, 2021 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

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

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

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

Net OPEB Liability and OPEB Expense

At June 30, 2023, the District reported a liability of $434,670 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. 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 period June 30, 2022 and June 30, 2021, respectively, was 0.1320%, and 0.1385%, resulting in a net decrease in the proportionate share of 0.0065%.

For the year ended June 30, 2023, the District recognized OPEB expense of $(117,802).

Actuarial Methods and Assumptions

The June 30, 2022 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total OPEB liability to June 30, 2022, using the assumptions listed in the following table:

Measurement Date	June 30, 2022
Valuation Date	June 30, 2021
Experience Study	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	3.54%
Medicare Part A Premium Cost Trend Rate	4.50%
Medicare Part B Premium Cost Trend Rate	5.40%

For the valuation as of June 30, 2021, CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 209 or an average of 0.14% of the potentially eligible population (145,282).

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, 2022, 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

The discount rate used to measure the total OPEB liability as of June 30, 2022, is 3.54%. As the MPP Program is funded on a pay-as-you-go basis as previously noted, the OPEB Plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 3.54%, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2022, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate increased 1.38% from 2.16% as of June 30, 2021.

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 2.54%)	$ 473,874
Current discount rate (3.54%)	434,670
1% increase (4.54%)	400,725

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

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

Medicare Costs Trend Rates	Net OPEB Liability
1% decrease (3.50% Part A and 4.40% Part B)	$ 398,826
Current Medicare costs trend rates (4.50% Part A and 5.40% Part B)	434,670
1% increase (5.50% Part A and 6.40% Part B)	475,302

Note 9 - Employee Retirement Systems

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

For the fiscal year ended June 30, 2023, the District reported its proportionate share of the aggregate net pension 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	$ 61,093,818	$ 19,965,802	$ 17,382,972	$ 2,859,950
CalPERS	61,609,697	21,449,768	3,876,800	6,850,367
Total	$ 122,703,515	$ 41,415,570	$ 21,259,772	$ 9,710,317

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, 2021, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

The STRP provides retirement, disability, and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0% of final compensation for each year of credited service.

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

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

The STRP provisions and benefits in effect at June 30, 2023, 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 detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with California Assembly Bill 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2023, are presented above, and the District's total contributions were $11,141,124.

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

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

Total net pension liability, including State share:	
District's proportionate share of net pension liability	$ 61,093,818
State's proportionate share of net pension liability associated with the District	30,595,545
Total	$ 91,689,363

The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2022 and June 30, 2021, was 0.0879% and 0.0921%, respectively, resulting in a net decrease in the proportionate share of 0.0042%.

For the year ended June 30, 2023, the District recognized pension expense of $2,859,950. In addition, the District recognized pension expense and revenue of $2,467,511 for support provided by the State. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 11,141,124	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	5,744,753	9,814,605
Differences between projected and actual earnings on pension plan investments	-	2,987,606
Differences between expected and actual experience in the measurement of the total pension liability	50,116	4,580,761
Changes of assumptions	3,029,809	-
Total	$ 19,965,802	$ 17,382,972

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ (2,194,618)
2025	(2,377,498)
2026	(3,571,485)
2027	5,155,995
Total	$ (2,987,606)

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
2024	$ 318,618
2025	(3,119,141)
2026	(1,082,996)
2027	(23,212)
2028	(906,501)
Thereafter	(757,456)
Total	$ (5,570,688)

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2021 and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021, used the following methods and assumptions, applied to all prior periods included in the measurement:

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2022, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public equity	42%	4.8%
Private equity	13%	6.3%
Real estate	15%	3.6%
Inflation sensitive	6%	3.3%
Fixed income	12%	1.3%
Risk mitigating strategies	10%	1.8%
Cash/liquidity	2%	(0.4%)

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 assume 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%)	$ 103,759,962
Current discount rate (7.10%)	61,093,818
1% increase (8.10%)	25,668,090

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, 2021, annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/forms-publications.

Benefits Provided

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

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

Hire date	On or before December 31, 2012	On or after January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	8.00%
Required employer contribution rate	25.37%	25.37%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2023, are presented above, and the total District contributions were $8,230,078.

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

As of June 30, 2023, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $61,609,697. The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2022 and June 30, 2021, was 0.1791% and 0.1906%, respectively, resulting in a net decrease in the proportionate share of 0.0115%.

For the year ended June 30, 2023, the District recognized pension expense of $6,850,367. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 8,230,078	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	1,109,286	2,343,871
Differences between projected and actual earnings on pension plan investments	7,274,429	-
Differences between expected and actual experience in the measurement of the total pension liability	278,440	1,532,929
Changes of assumptions	4,557,535	-
Total	$ 21,449,768	$ 3,876,800

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ 1,213,144
2025	1,075,974
2026	549,621
2027	4,435,690
Total	$ 7,274,429

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and the District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, 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
2024	$ 1,291,516
2025	688,941
2026	211,217
2027	(123,213)
Total	$ 2,068,461

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	6.90%
Investment rate of return	6.90%
Consumer price inflation	2.30%
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%	4.45%
Global equity - non-cap-weighted	12%	3.84%
Private equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed securities	5%	0.50%
Investment grade corporates	10%	1.56%
High yield	5%	2.27%
Emerging market debt	5%	2.48%
Private debt	5%	3.57%
Real assets	15%	3.21%
Leverage	(5%)	(0.59%)

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (5.90%)	$ 88,998,327
Current discount rate (6.90%)	61,609,697
1% increase (7.90%)	38,974,001

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 $4,908,161 (10.828% of annual payroll). Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Note 10 - Participation in Public Entity Risk Pools and Joint Powers Authorities

The District participates in four joint powers agreement (JPA) entities, the Statewide Association of Community Colleges (SWACC), the Schools Association for Excess Risk (SAFER), the Southern California Community Colleges District Joint Powers Agency (SCCCD-JPA), Protected Insurance Program for Schools and Community Colleges (PIPS), and the California Statewide Delinquent Finance Tax Authority.

SWACC provides liability and property insurance for fifty community colleges. SWCC is governed by a Board comprised of a member of each of the participating districts. The board controls the operations of SWACC, including selection of management and approval of members beyond their representation on the Board. Each member shares surpluses and deficits proportionally to its participation in SWACC.

SAFER provides excess insurance coverage for liability losses from $1,000,000 to $50,000,000 and $5,000,000 to $250,000,000 for excess property coverage.

SCCCD provides workers' compensation coverage for its seven member districts for workers' compensation self-insured run-off claims dated prior to 1995. Payments transferred to funds maintained under the JPA are expensed when made. SCCCD has self-funded their workers' compensation coverage since inception as a joint banking pool, and accordingly, does not transfer risk between members. District administrators are of the opinion that the procedures for accumulating and maintaining reserves are sufficient to cover future contingencies under potential workers' compensation claims.

PIPS provides workers' compensation insurance protection to its membership of public schools and community colleges throughout California. This is a finite risk sharing pool that transfers risk away from the members. Premiums are determined based on payroll expense and additional premiums may be required in subsequent years.

Each JPA is governed by a board consisting of a representative from each member district. Each governing board controls the operations of its JPA independent of any influence by the District beyond the District's representation on the governing boards.

The relationships between the District and the JPAs are such that neither JPA is a component unit of the District for financial reporting purposes.

Note 11 - Commitments and Contingencies

Grants

The District receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2023.

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, 2023.

Construction Commitments

As of June 30, 2023, the District had approximately $50.5 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 12 - Adoption of New Accounting Standard

As of July 1, 2022, the District adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). The implementation of this standard establishes that a SBITA results in a right-to-use subscription IT asset – an intangible asset – and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. Beginning net position was restated to retroactively adopt the provisions of GASB Statement No. 96 as follows:

Primary Government	
Net Position - Beginning	$ 20,951,832
Right-to-use subscription IT assets, net of amortization	608,005
Subscription-based IT arrangements	(508,980)
Net Position - Beginning, as Restated	$ 21,050,857

Required Supplementary Information
June 30, 2023

Cerritos Community College District

	2023	2022	2021
Total OPEB Liability			
Service cost	$ 1,633,344	$ 1,189,018	$ 779,530
Interest	781,877	661,270	831,044
Changes of benefit terms	-	4,808,875	-
Difference between expected and actual experience	47,828	(1,899,786)	(46,526)
Changes of assumptions	(7,043,960)	1,892,258	5,387,492
Benefit payments	(797,948)	(806,024)	(836,735)
Net change in total OPEB liability	(5,378,859)	5,845,611	6,114,805
Total OPEB Liability - Beginning	35,756,382	29,910,771	23,795,966
Total OPEB Liability - Ending	$ 30,377,523	$ 35,756,382	$ 29,910,771
Covered Payroll	N/A[1]	N/A[1]	N/A[1]
Total OPEB Liability as a Percentage of Covered Payroll	N/A[1]	N/A[1]	N/A[1]
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020

[1] The OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay. Therefore, no measure of payroll is presented.

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

	2020	2019	2018
Total OPEB Liability			
Service cost	$ 807,825	$ 858,624	$ 835,644
Interest	804,239	808,501	716,068
Changes of benefit terms	-	-	-
Difference between expected and actual experience	915,868	-	-
Changes of assumptions	968,264	(974,800)	-
Benefit payments	(853,438)	(772,284)	(742,581)
Net change in total OPEB liability	2,642,758	(79,959)	809,131
Total OPEB Liability - Beginning	21,153,208	21,233,167	20,424,036
Total OPEB Liability - Ending	$ 23,795,966	$ 21,153,208	$ 21,233,167
Covered Payroll	N/A[1]	N/A[1]	N/A[1]
Total OPEB Liability as a Percentage of Covered Payroll	N/A[1]	N/A[1]	N/A[1]
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017

[1] The OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay. Therefore, no measure of payroll is presented.

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

Year ended June 30,	2023	2022	2021
Proportion of the net OPEB liability	0.1320%	0.1385%	0.1551%
Proportionate share of the net OPEB liability	$ 434,670	$ 552,472	$ 657,234
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	(0.94%)	(0.80%)	(0.71%)
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020

[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.

Year ended June 30,	2020	2019	2018
Proportion of the net OPEB liability	0.1456%	0.1622%	0.1612%
Proportionate share of the net OPEB liability	$ 542,196	$ 620,584	$ 677,975
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.

	2023	2022	2021	2020	2019
CalSTRS					
Proportion of the net pension liability	0.0879%	0.0921%	0.0890%	0.0823%	0.0904%
Proportionate share of the net pension liability	$ 61,093,818	$ 41,934,125	$ 86,253,456	$ 74,333,331	$ 83,058,280
State's proportionate share of the net pension liability associated with the District	30,595,545	21,099,625	44,463,667	40,553,795	47,554,750
Total	$ 91,689,363	$ 63,033,750	$ 130,717,123	$ 114,887,126	$ 130,613,030
Covered payroll	$ 54,837,015	$ 53,351,139	$ 53,572,456	$ 49,386,407	$ 51,039,986
Proportionate share of the net pension liability as a percentage of its covered payroll	111.41%	78.60%	161.00%	150.51%	162.73%
Plan fiduciary net position as a percentage of the total pension liability	81%	87%	72%	73%	71%
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
CalPERS					
Proportion of the net pension liability	0.1791%	0.1906%	0.1860%	0.1728%	0.1916%
Proportionate share of the net pension liability	$ 61,609,697	$ 38,751,602	$ 57,057,852	$ 50,355,630	$ 51,095,392
Covered payroll	$ 27,780,070	$ 27,280,758	$ 26,397,439	$ 25,201,666	$ 25,165,566
Proportionate share of the net pension liability as a percentage of its covered liability	221.78%	142.05%	216.15%	199.81%	203.04%
Proportionate share of the net pension liability	70%	81%	70%	70%	71%
Measurement Date	June 30, 2022	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.

	2018	2017	2016	2015
CalSTRS				
Proportion of the net pension liability	0.0890%	0.0810%	0.0900%	0.0830%
Proportionate share of the net pension liability	$ 82,307,200	$ 65,513,610	$ 60,498,229	$ 48,502,710
State's proportionate share of the net pension liability associated with the District	48,692,641	37,301,221	31,996,809	29,565,599
Total	$ 130,999,841	$ 102,814,831	$ 92,495,038	$ 78,068,309
Covered payroll	$ 49,832,067	$ 42,318,462	$ 41,708,840	$ 40,964,775
Proportionate share of the net pension liability as a percentage of its covered payroll	165.17%	154.81%	145.05%	118.40%
Plan fiduciary net position as a percentage of the total pension liability	69%	70%	74%	77%
Measurement Date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS				
Proportion of the net pension liability	0.1925%	0.1941%	0.1928%	0.1950%
Proportionate share of the net pension liability	$ 45,954,831	$ 38,334,870	$ 28,421,773	$ 30,106,846
Covered payroll	$ 24,467,461	$ 23,288,866	$ 19,920,015	$ 19,931,911
Proportionate share of the net pension liability as a percentage of its covered liability	187.82%	164.61%	142.68%	151.05%
Proportionate share of the net pension liability	72%	74%	79%	83%
Measurement Date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

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

	2023	2022	2021	2020	2019
CalSTRS					
Contractually required contribution	$ 11,141,124	$ 9,278,423	$ 8,616,209	$ 9,160,890	$ 8,040,107
Contributions in relation to the contractually required contribution	(11,141,124)	(9,278,423)	(8,616,209)	9,160,890	8,040,107
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 58,330,492	$ 54,837,015	$ 53,351,139	$ 53,572,456	$ 49,386,407
Contributions as a percentage of covered payroll	19.10%	16.92%	16.15%	17.10%	16.28%
CalPERS					
Contractually required contribution	$ 8,230,078	$ 6,364,414	$ 5,647,117	$ 5,205,839	$ 4,551,925
Contributions in relation to the contractually required contribution	(8,230,078)	(6,364,414)	(5,647,117)	5,205,839	4,551,925
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 32,440,197	$ 27,780,070	$ 27,280,758	$ 26,397,439	$ 25,201,666
Contributions as a percentage of covered payroll	25.370%	22.910%	20.700%	19.721%	18.062%

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

	2018	2017	2016	2015
CalSTRS				
Contractually required contribution	$ 7,365,070	$ 6,268,874	$ 4,540,771	$ 3,703,745
Contributions in relation to the contractually required contribution	7,365,070	6,268,874	4,540,771	3,703,745
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 51,039,986	$ 49,832,067	$ 42,318,462	$ 41,708,840
Contributions as a percentage of covered payroll	14.43%	12.58%	10.73%	8.88%
CalPERS				
Contractually required contribution	$ 3,908,464	$ 3,398,041	$ 2,759,032	$ 2,344,785
Contributions in relation to the contractually required contribution	3,908,464	3,398,041	2,759,032	2,344,785
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 25,165,566	$ 24,467,461	$ 23,288,866	$ 19,920,015
Contributions as a percentage of covered payroll	15.531%	13.888%	11.847%	11.771%

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

Note 1 - Purpose of Schedules

Schedule of Changes in the District's Total OPEB Liability and Related Ratios

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

- *Changes in Benefit Terms* – There were no changes in benefit terms since the previous valuation.
- *Changes of Assumptions* - Changes of assumptions reflect a change in the discount rate from 2.16% to 3.54% since the previous valuation.

Schedule of the District's Proportionate Share of the Net 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 2.16% to 3.54% since the previous valuation.

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

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

- *Changes in Benefit Terms* – There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.
- *Changes of Assumptions* – There were no changes in economic assumptions for the CalSTRS plan from the previous valuation. The CalPERS plan rate of investment return assumption was changed from 7.15% to 6.90% since the previous valuation.

Schedule of District's 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. In the future, as data becomes available, ten years of information will be presented.

Supplementary Information
June 30, 2023

Cerritos Community College District

Cerritos Community College is a public community college that has been serving the people of Artesia, Bellflower, Cerritos, Downey, Hawaiian Gardens, Lakewood, La Mirada, Norwalk, and surrounding areas since the District was formed on June 10, 1955. The campus is located in the cities of Norwalk and Cerritos, California.

The name of Cerritos Community College District was changed from Cerritos Junior College District by Board resolution on February 8, 1971. The District's college is accredited by the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges, which is one of six regional associations that accredit public and private schools, colleges, and universities in the United States.

Board of Trustees as of June 30, 2023

Member	Office	Term Expires
Dr. Shin Liu	President	2026
Dr. Sandra Salazar	Vice President	2024
Mariana Pacheco	Clerk	2024
James Cody Birkey	Trustee	2026
Dawn Green	Trustee	2024
Zurich Lewis	Trustee	2026
Marisa Perez	Trustee	2024
Jacki Stone Scott	Student Trustee	2024

Administration as of June 30, 2023

Dr. Jose Fierro	President/Superintendent
Mr. Felipe Lopez	Executive Vice President of Business Services/Assistant Superintendent
Dr. Frank Mixson *	Vice President of Academic Affairs/Assistance Superintendent
Dr. Mercedes Gutierrez	Vice President of Human Resources/Assistant Superintendent
Dr. Robyn Brammer	Vice President of Student Services/Assistant Superintendent

Auxiliary Organizations in Good Standing

Cerritos College Foundation, established 1979
Master Agreement revised June 25, 2020
Martha Pelayo, Interim Executive Director

*Effective July 1, 2023.

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Student Financial Assistance Cluster			
Federal Pell Grant Program	84.063		$ 33,074,890
Federal Pell Grant Program Administrative Allowance	84.063		43,705
Federal Direct Student Loans	84.268		4,307,427
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		733,478
Federal Work-Study Program	84.033		643,681
Subtotal Student Financial Assistance Cluster			38,803,181
Passed through California Department of Education (CDE)			
Adult Education: English Literacy and Civics Education	84.002A	14109	244,660
Adult Education: Adult Secondary Education	84.002	13978	129,025
Adult Education: Adult Basic Education and ELA	84.002A	14508	34,090
Subtotal			407,775
COVID-19: Higher Education Emergency Relief Funds, Student Aid Portion	84.425E		571,384
COVID-19: Higher Education Emergency Relief Funds, Institutional Portion	84.425F		12,622,617
COVID-19: Higher Education Emergency Relief Funds, Minority Serving Institutions	84.425L		19,287
Subtotal			13,213,288
Passed through California Community Colleges Chancellor's Office			
Career and Technical Education Act (CTEA), Title I, Part C	84.048A	22-C01-810	794,893
Total U.S. Department of Education			53,219,137
Corporation for National and Community Service Awards			
Americorps - National Service Awards	94.006		41,955
U.S. Department of the Treasury			
Passed through California Community Colleges Chancellor's Office			
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	[1]	2,905,127
Total U.S. Department of the Treasury			2,905,127
National Science Foundation			
Research and Development Cluster			
Education and Human Resources	47.076		83,246
Subtotal Research and Development Cluster			83,246
U.S. Department of Energy			
Conservation Research and Development	81.086	DE-EE0009547	88,733
Total U.S. Department of Energy			88,733

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Passed through CDE			
Child and Adult Care Food Program	10.558	04356-CACFP-19-CC-IC	$ 69,543
SNAP Cluster			
CalFresh Outreach Services	10.561	21-3058	56,157
Subtotal SNAP Cluster			56,157
Total U.S. Department of Agriculture			125,700
U.S. Department of Veterans Affairs			
Veterans Services	64.117		3,596
Total U.S. Department of Veterans Affairs			3,596
U.S. Department of Health and Human Services			
Passed through Community College Foundation			
Foster Care Independence Program - PS MAPP	93.674	847-120	5,421
Passed through CDE			
Child Care and Development Fund (CCDF) Cluster			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	13609	44,439
Child Care and Development Block Grant	93.575	14551	20,567
Child Care and Development Block Grant	93.575	15136	64,263
COVID-19: Child Care and Development Block Grant	93.575	15549	8,166
Subtotal CCDF Cluster			137,435
Passed through California Community Colleges Chancellor's Office			
Foster and Kinship Care Education	93.658	[1]	59,286
Temporary Assistance for Needy Families (TANF)	93.558	[1]	94,513
Passed through Los Angeles County Department of Public Social Services			
Temporary Assistance for Needy Families (TANF)	93.558	[1]	90,396
Subtotal			184,909
Total U.S. Department of Health and Human Services			387,051
Total Federal Financial Assistance			$ 56,854,545

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

Program	Program Revenues Cash Received	Accounts Receivable/(Payable)	Unearned Revenue	Total Revenue	Program Expenditures
AB 104	$ 586,732	$ -	$ -	$ 586,732	$ 586,732
Access to Print and Electronic Info	11,205	-	-	11,205	11,205
Apportionment: SB1133 2008-09	-	-	-	-	3,050
Apprenticeship	7,229,074	-	6,117,777	1,111,297	1,111,297
Assoc Degree Nursing Prgm 2020-21	170,619	-	-	170,619	170,619
Basic Needs Centers	689,821	-	324,482	365,339	365,339
BFAP	948,518	-	-	948,518	948,518
CA Chafee Grant for Foster Youth	2,928	-	2,928	-	-
CA Conservations Corps Project	34,752	39,193	-	73,945	73,945
Cal Grant	5,292,670	68,147	-	5,360,817	5,360,817
CalFresh Outreach - SB 85	38,797	-	37,250	1,547	1,547
California College Promise	1,475,158	-	324,865	1,150,293	1,150,293
California Energy Commission - ATTE	823,990	489,224	-	1,313,214	1,313,214
California Energy Commission - ATTL	102,259	245,882	-	348,141	348,141
California Low-Cost Auto Insurance Grant	1,500	-	-	1,500	1,500
CalWORKS	725,238	-	157,321	567,917	567,917
CalWORKS - Work-Study	66,870	-	-	66,870	66,870
Campus Safety & Sexual Assualts	859	-	-	859	859
CARE	311,782	-	-	311,782	311,782
CCAP Instructional Materials - Dual Enrollment	19,149	-	17,090	2,059	2,059
Child and Adult Care Food Program	4,600	-	1,002	3,598	3,598
Classified Professional Development	63,614	-	63,614	-	-
College Homeless and Housing Insecure	2,378,802	-	1,694,884	683,918	683,918
College Specific Allocations	16,000,000	-	-	16,000,000	-
COVID-19 Block Grant	10,629,098	-	10,524,323	104,775	104,775
CTE / Chancellor's Pre-Apprenticeship	11,353	-	10,504	849	849
Deaf and Hard of Hearing	269,400	-	-	269,400	269,400
Deputy Sector Navigator-Adv. Transp. & Logistics	5,357	-	832	4,525	4,525
DSPS	1,932,025	-	-	1,932,025	1,932,025
ECDV HUBS	23,543	-	21,552	1,991	1,991
EEO Best Practices	208,333	-	170,041	38,292	38,292
Emergency Financial Assistance Supplemental	474,489	-	-	474,489	474,489
EOPS	1,983,871	-	74,402	1,909,469	1,909,469
Equal Employment Opportunity	147,132	-	76,562	70,570	70,570
Equity Community Impact Census Grant	159	-	159	-	-

Program	Program Revenues Cash Received	Accounts Receivable/(Payable)	Unearned Revenue	Total Revenue	Program Expenditures
Faculty Entrepreneurship Champion Mini-Grant	$ 42	$ -	$ -	$ 42	$ 42
Fare-less Transit System AB178	600,000		425,266	174,734	174,734
Financial Aid Technology	60,483	-	-	60,483	60,483
First-Generation Students Grant	10,000	10,000	20,000	-	-
Foster and Kinship Care Education (FKCE)	142,391	-	-	142,391	142,391
Full Time Student Success Completion Grant	13,355,281	-	6,599,746	6,755,535	6,755,535
General Childcare & Dev. Prog./CCTR	197,643	1,450	-	199,093	199,093
Guided Pathways	1,548,411	-	839,131	709,280	709,280
Hunger Free Campus Support	14,114	-	-	14,114	14,114
Instructional Support Program	1,903,302	-	924,072	979,230	979,230
Interstate Passport	4,200	-	4,200	-	-
Learning-Aligned Employment Program	6,624,600	-	6,624,219	381	381
LQBTQ+	112,120	-	90,172	21,948	21,948
Library Services Platform	18,263	-	18,263	-	-
Library Services Platform (Ex Libris Reimbursement)	37,621	-	-	37,621	37,621
Licensed Child Care Facility Stabilization Stipends	10,069	-	3,467	6,602	6,602
Mathematics, Engineering, and Science Achievement (MESA) Program	432,039	-	432,039	-	-
Mental Health Services	714,053	-	505,076	208,977	208,977
NextUp	1,397,157	-	1,332,159	64,998	64,998
Physical Plant	18,787,802	(7,754,434)	6,092,539	4,940,829	4,765,077
Prekindergarten & Family Literacy Program/CPKS	2,500	-	-	2,500	2,500
Prekindergarten & Family Literacy Program/CSPP	1,209,558	56,919	-	1,266,477	1,266,477
Propane Education & Research Council (PERC)	156,417	18,191	111,000	63,608	63,608
Puente	83,000	-	-	83,000	9,842
Regional Equity Recovery Partnership Grant	-	46,187	-	46,187	46,187
Sector Navigator - AT&L	2,018	-	1,922	96	96
Strategy Energy Innovations	190,659	46,529	176,033	61,155	61,155
Strong Workforce Program	1,931,696	-	702,702	1,228,994	1,228,994
Student Equity and Achievement Program	9,686,825	-	2,536,638	7,150,187	7,150,187
Student Housing (Planning)	225,000	-	-	225,000	210,000
Student Food and Housing Support	751,380	-	546,262	205,118	205,118
Student Retention & Enrollment - SB 85	2,062,293	-	723,081	1,339,212	1,339,212
Strong Workforce Program - Local #7	1,839,180	-	1,839,180	-	-
Strong Workforce Program Local - #3	1,206,725	-	54,371	1,152,354	1,152,354
Strong Workforce Program Reg-19/20 CA Cloud Workforce	29,537	-	-	29,537	29,537

Program	Program Revenues: Cash Received	Accounts Receivable/(Payable)	Unearned Revenue	Total Revenue	Program Expenditures
Strong Workforce Program Reg-19/20 Career Pathways	$ 101,340	$ -		$ 101,340	$ 101,340
Strong Workforce Program Reg-20/21 Career Pathways Specialist	57,379	51,759	-	109,138	109,138
Strong Workforce Program Reg-20/21 Noncredit Career Pathways Specialist	11,029	45,015	-	56,044	56,044
Strong Workforce Program Reg-20/21 Marketing	-	50,000	-	50,000	50,000
Strong Workforce Program Reg-22/23 Career Pathways Partnership	-	35,511	-	35,511	35,511
Strong Workforce Program Reg-22/23 Noncredit Career Pathways Specialist	-	24,595	-	24,595	24,595
Systemwide Technology and Data Security	350,000		350,000	-	-
Umoja Grant	15,029		-	15,029	15,029
Undocumented Resources Liaisons	276,468	-	157,671	118,797	118,797
Veterans Resource Center	396,913	-	227,096	169,817	169,817
Zero Textbook Cost Program	200,000	-	190,379	9,621	9,621
Total state programs	$ 119,418,234	$ (6,525,832)	$ 51,146,272	$ 61,746,130	$ 45,485,270

CATEGORIES	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2022 only)			
1. Noncredit*	78.03	-	78.03
2. Credit	723.16	-	723.16
B. Summer Intersession (Summer 2023 - Prior to July 1, 2023)			
1. Noncredit*	-	-	-
2. Credit	1,443.51	-	1,443.51
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	4,544.12	-	4,544.12
(b) Daily Census Contact Hours	1,486.61	-	1,486.61
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit*	328.25	-	328.25
(b) Credit	26.27	-	26.27
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Procedure Courses	2,225.73	-	2,225.73
(b) Daily Census Procedure Courses	3,712.85	-	3,712.85
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	14,568.53	-	14,568.53
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. In-Service Training Courses (FTES)	-	-	-
F. Basic Skills Courses and Immigrant Education			
1. Noncredit*	252.43	-	252.43
2. Credit	4.71	-	4.71
CCFS-320 Addendum			
CDCP Noncredit FTES	281.88	-	281.88

*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	$ 28,454,532	$ -	$ 28,454,532	$ 28,454,532	$ -	$ 28,454,532
Other	1300	24,777,959	-	24,777,959	25,822,941	-	25,822,941
Total Instructional Salaries		53,232,491	-	53,232,491	54,277,473	-	54,277,473
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	6,820,264	-	6,820,264
Other	1400	-	-	-	5,177,906	-	5,177,906
Total Noninstructional Salaries		-	-	-	11,998,170	-	11,998,170
Total Academic Salaries		53,232,491	-	53,232,491	66,275,643	-	66,275,643
Classified Salaries							
Noninstructional Salaries							
Regular Status	2100	-	-	-	23,075,379	-	23,075,379
Other	2300	-	-	-	1,057,123	-	1,057,123
Total Noninstructional Salaries		-	-	-	24,132,502	-	24,132,502
Instructional Aides							
Regular Status	2200	463,696	-	463,696	670,757	-	670,757
Other	2400	747,312	-	747,312	828,045	-	828,045
Total Instructional Aides		1,211,008	-	1,211,008	1,498,802	-	1,498,802
Total Classified Salaries		1,211,008	-	1,211,008	25,631,304	-	25,631,304
Employee Benefits	3000	22,738,230	-	22,738,230	37,042,508	-	37,042,508
Supplies and Material	4000	-	-	-	1,479,063	-	1,479,063
Other Operating Expenses	5000	663,840	-	663,840	8,787,130	-	8,787,130
Equipment Replacement	6420	-	-	-	554,436	-	554,436
Total Expenditures Prior to Exclusions		77,845,569	-	77,845,569	139,770,084	-	139,770,084

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Exclusions							
Activities to Exclude							
Instructional Staff - Retirees' Benefits and Retirement Incentives	5900	$ -	$ -	$ -	$ -	$ -	$ -
Student Health Services Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	99,707	-	99,707
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	6740	-	-	-	-	-	-
Objects to Exclude							
Rents and Leases	5060	-	-	-	59,375	-	59,375
Lottery Expenditures							-
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines, and Periodicals	4200	-	-	-	-	-	-
Instructional Supplies and Materials	4300	-	-	-	-	-	-
Noninstructional Supplies and Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	-	-	-

		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
Other Operating Expenses and Services	5000	$ -	$ -	$ -	$ -	$ -	$ -
Capital Outlay	6000						
Library Books	6300	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay		-	-	-	-	-	-
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		-	-	-	159,082	-	159,082
Total for ECS 84362, 50% Law		$77,845,569	$ -	$77,845,569	$ 139,611,002	$ -	$ 139,611,002
% of CEE (Instructional Salary Cost/Total CEE)		55.76%		55.76%	100.00%		100.00%
50% of Current Expense of Education					$ 69,805,501		$ 69,805,501

Activity Classification	Object Code			Unrestricted	
EPA Revenue:	8630				$ 8,600,660
Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	1000-5900	$ 8,600,660	$ -	$ -	$ 8,600,660
Total Expenditures for EPA		$ 8,600,660	$ -	$ -	$ 8,600,660
Revenues Less Expenditures					$ -

See Note to Supplementary Information

Amounts reported for governmental activities in the Statement of Net Position are different because		
Total fund balance		
General Funds	$ 66,597,766	
Special Revenue Funds	15,733,236	
Capital Project Funds	71,086,500	
Debt Service Funds	21,913,359	
Internal Service Funds	25,435,910	
Total fund balance - all District funds		$ 200,766,771
Capital assets, right-to-use leased assets, and right-to-use subscription IT 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	615,007,937	
Accumulated depreciation is	(131,040,623)	
The cost of right-to-use leased assets is	22,741	
Accumulated amortization is	(15,446)	
The cost of right-to-use subscription IT assets is	697,135	
Accumulated amortization is	(220,067)	
Less: capital assets already recorded in proprietary funds	(197,940)	
Total capital assets, right-to-use leased assets, and right-to-use subscription IT assets, net		484,253,737
Lease receivables and deferred inflows of resources related to leases are reported in the Statement of Net Poisiton, but were not reported in the District's CCFS-311 report.		
Lease receivables	6,737,953	
Deferred inflows of resources related to leases	(4,706,745)	2,031,208
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	9,693,222	
Deferred outflows of resources related to OPEB	6,444,112	
Deferred outflows of resources related to pensions	41,415,570	
Total deferred outflows of resources		57,552,904
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.		(6,610,558)

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	$ (477,263,589)	
Lease liability	(5,879)	
Subscription-based IT arrangements	(355,078)	
Compensated absences	(3,025,406)	
Less: compensated absences recorded in the General Fund	371,548	
Aggregate net other postemployment benefits (OPEB) liability	(30,812,193)	
Aggregate net pension liability	(122,703,515)	
In addition, the District has issued 'capital appreciation' general obligation bonds. The accretion of interest unmatured on the general obligation bonds to date is	(21,083,162)	
Total long-term liabilities		$ (654,877,274)
Deferred inflows of resources represent an acquisition of net position in a future period and is not reported in the District's funds. Deferred inflows of resources amount to and related to:		
Deferred inflows of resources related to OPEB	(7,955,015)	
Deferred inflows of resources related to pensions	(21,259,772)	
Total deferred inflows of resources		(29,214,787)
Total net position		$ 53,902,001

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.

Schedule of Expenditures of Federal Awards (SEFA)

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

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

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

Schedule of Expenditures of State Awards

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

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

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

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

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

Proposition 30 Education Protection Account (EPA) Expenditure Report

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

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, 2023

Cerritos 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
Cerritos Community College District
Norwalk, 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 of the Cerritos Community College District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 8, 2023.

Adoption of New Accounting Standard

As discussed in Note 2 and Note 12 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ending June 30, 2023. Accordingly, a restatement has been made to the business-type activities net position as of July 1, 2022, to restate beginning net position. Our opinion is not modified with respect to this matter.

Report on Internal Control over Financial Reporting

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

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

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

Rancho Cucamonga, California
December 8, 2023

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
Cerritos Community College District
Norwalk, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Cerritos 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, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Cerritos 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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.

10681 Foothill Blvd., Ste. 300 | Rancho Cucamonga, CA 91730-3831 | T 909.466.4410 | F 909.466.4431 | EOE

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Eide Bailly LLP

Rancho Cucamonga, California
December 8, 2023

Independent Auditor's Report on State Compliance

To the Board of Trustees
Cerritos Community College District
Norwalk, California

Report on State Compliance

We have audited Cerritos Community College District's (the District) compliance with the types of compliance requirements described in the 2022-2023 California Community Colleges Chancellor's Office *Contracted District Audit Manual* applicable to the state laws and regulations listed in the table below for the year ended June 30, 2023.

Opinion

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

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 standards and procedures identified in the 2022-2023 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Our responsibilities under those standards and the 2022-2023 California Community Colleges Chancellor's Office *Contracted District Audit Manual* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

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 2022-2023 California Community Colleges Chancellor's Office *Contracted District Audit Manual* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements listed in the table below.

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

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

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

Compliance Requirements Tested

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

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

The District reports no Apportionment for Activities Funded From Other Sources; therefore, the compliance tests within this section were not applicable.

The District received no funding through Propositions 1D and 51 State Bond Funded Projects; therefore, the compliance tests within this section were not applicable.

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

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the 2022-2023 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Rancho Cucamonga, California
December 8, 2023

Schedule of Findings and Questioned Costs
June 30, 2023

Cerritos Community College District

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

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

Identification of major programs

Name of Federal Program or Cluster	Federal Financial Assistance Listing Number
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027
Student Financial Assistance Cluster	84.007, 84.033, 84.063, 84.268
COVID-19: Higher Education Emergency Relief Funds, Student Aid Portion	84.425E
COVID-19: Higher Education Emergency Relief Funds, Institutional Portion	84.425F
COVID-19: Higher Education Emergency Relief Funds, Minority Serving Institutions	84.425L

Dollar threshold used to distinguish between type A and type B programs	$1,705,636
Auditee qualified as low-risk auditee?	Yes

STATE COMPLIANCE

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

None reported.

None reported.

None reported.

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