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COMPTON COMMUNITY COLLEGE DISTRICT
AUDIT REPORT

JUNE 30, 2025

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Compton Community College District
Compton, California

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Change in Accounting Principle

As discussed in Note 2 to the financial statements, the District adopted GASB Statement No. 101, *Compensated Absences*, which required a restatement of net position as of July 1, 2024. 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 these 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 misstatements, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 and the Required Supplementary Information section, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



San Diego, California
March 11, 2026

**COMPTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

INTRODUCTION

We are pleased to submit the Annual Financial Report of Compton Community College District (the "District") for the fiscal year ended June 30, 2025. The District is responsible for the accuracy, completeness and fairness of the financial statements presented and all accompanying disclosures. We believe the report and its information are accurate and complete in all material aspects in disclosing the financial position and results of operations of the District as of June 30, 2025.

College Description

The District was established in 1927 and serves the communities of Compton, Willowbrook, Enterprise, Carson, Lynwood, and Paramount, as well as portions of Athens, Bellflower, Downey, Dominguez, Lakewood, Long Beach and South Gate. Currently, approximately 305 full and part-time faculty teach more than 43 degree programs and 49 certificate programs. Students in our college may complete the two years of a baccalaureate degree and transfer to upper division study at a university or complete a certificated vocational program and move directly to the work force.

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

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

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

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

**COMPTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

FINANCIAL HIGHLIGHTS

- At the end of fiscal year 2024-25 the District's Unrestricted General Fund Balance is \$24.6 million this amount increased by \$6.6 million over fiscal year 2023-24. The amount is well above the ten percent reserve required by the Unrestricted General Fund Board Policy. The increase is attributed primarily to the receipt of Employee Retention Tax Credit, in the amount of \$5.8 million which the District qualified for during the COVID-19 pandemic. The District Board of Trustees approved and designated majority of these funds to enhance the resources available for student support programs, student basic needs, and strengthen overall student success efforts.
- The total FTES compared to prior year has increased along with the overall count which is lower than pre-pandemic levels. Lingering effects of the pandemic, which drew students away from community colleges, the declining population in the service area and growing economic pressures to make decisions such as taking care of families and dependents, or going into the workforce before the completion of their studies continue to impact enrollment. In addition, the separation of the partnership with El Camino Community College District in 2019 has negatively impacted enrollment. However, the Student-Centered Funding Formula (SCFF) remains the primary mechanism for allocating funds to the District. Accordingly, the District continues to monitor its Total Computational Revenue (TCR), enrollment trends, and performance metrics carefully and strategically to ensure fiscal sustainability.
- The most recent actuarial report of the District is dated March 25, 2025 with a valuation date of June 30, 2023 and a measurement date of June 30, 2024, for the fiscal year ended June 30, 2025. The District's total Other Post Employment Benefit (OPEB) Liability is \$15.2 million and the Net OPEB liability as of June 30, 2025 is \$0.1 million.

**COMPTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

FINANCIAL HIGHLIGHTS - LIABILITIES

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

The State of California strongly recommended that districts plan for significant pension rate increases that are to occur over the next several years. In 2016, the District created a Pension Trust Stabilization Fund for the purpose of funding future employer contributions. During the 2025 fiscal year, no contributions were made to the trust.

Similarly, the District also committed to funding its Other Postemployment Benefits Obligation. In 2013, the District created an OPEB Trust. During the 2025 fiscal year, \$250,000 was contributed to the OPEB Trust. Further information is included within this report within the MD&A section under Long-term Liabilities including OPEB and Pensions and in the Notes to the Financial Statements.

FINANCIAL HIGHLIGHTS – CAPITAL OUTLAY AND CAPITAL ADDITIONS

Several construction and modernization projects remain in progress as part of the District's long-term facilities master plan and capital improvement plan. Projects are supported through a combination of State Capital Outlay construction revenues and voter-approved General Obligation Bonds and other fundings.

Below are projects being funded through these resources:

- Instructional Building #2
- Visual and Performing Arts Complex
- Physical Education Complex

In addition, the following major projects are funded solely through voter-approved General Obligation Bonds:

- Student Services Building
- Administration Building Renovation

Instructional Building #2 is designed to expand modern instructional space and support growing academic programs and enhance student experience at the College. The Student Services Building is intended to centralize key student support functions, improve accessibility to enrollment, counseling, and financial aid services, and enhance operational efficiency. The Administration Building, Physical Education Complex and Visual and Performing Arts Complex modernize existing administrative facilities to better support campus operations and student services.

These capital investments complement previously completed instructional facilities and reflect the District's continued utilization of bond proceeds and State funding for campus modernization. The District issued additional general obligation bonds in 2024 to support ongoing construction activities, with repayment secured through property tax collections. Collectively, these projects are expected to enhance instructional capacity, improve student access to services, and support long-term enrollment stability and institutional growth.

**COMPTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

FINANCIAL HIGHLIGHTS – CAPITAL OUTLAY AND CAPITAL ADDITIONS, continued

The District anticipates completing Instructional Building #2, the Student Services Building, Visual and Performing Arts Complex and the Administration Building Renovation during fiscal year 2025-26. These projects are part of the District's ongoing capital improvement program funded through State capital outlay resources and voter-approved General Obligation Bonds. Upon completion, these facilities are expected to modernize instructional and administrative space, improve operational efficiency, centralize student support services, and enhance the overall learning environment for students within the District.

In 2021, the California State Legislature enacted Senate Bill 169, which established the Higher Education Student Housing and Capacity Expansion Grant Program to address student housing shortages and support enrollment growth across public education institutions. The program provided General Fund appropriations to eligible community college districts for the development of on-campus student housing projects proposed for inclusion in the 2022-23 and 2023-24 California Budgets. The District's Affordable Student Housing application was approved in the 2022-23 California Budget, and the District was awarded approximately \$80.3 million in State funding to support construction of an on-campus housing facility.

In response to the State's structural budget deficit, the 2023-24 California Budget Act modified the financing approach for previously approved higher education capital projects, including community college student housing developments. Rather than utilizing direct General Fund appropriations, the State transitioned funding to a Statewide Lease-Revenue Bond financing structure. The 2024-25 California Budget subsequently included the District's Affordable Student Housing project, along with projects from twelve other community college districts, within this statewide bond program. Under this structure, project costs are financed through bonds issued by the State Public Works Board, with repayment supported through lease agreements and subject to statutory requirements governing project oversight and compliance.

Under the Statewide Lease-Revenue Bond program established pursuant to Government Code Sections 15820.200 through 15820.206, the State Public Works Board is authorized to issue lease-revenue bonds to finance approved capital outlay projects for participating community college districts. The financing structure involves the State Public Works Board holding title to the facilities during the term of the bonds, with lease agreements executed between the Board, the California Community Colleges Board of Governors, and the participating district. The statutory framework establishes requirements related to bond preparation activities, interim financing arrangements, construction oversight, operating agreements, and ongoing compliance obligations through the life of the bonds. The District is required to adhere to these provisions as part of its participation in the student housing financing program.

At the end of fiscal year 2024, Affordable Student Housing funds were held by the District in accordance with State budget timelines and project implementation requirements. The Affordable Student Housing project was approved in the 2022-23 California Budget, and the District received approximately \$80.3 million in State funding to construct a 251-bed on-campus student housing facility. Subsequent State budget actions transitioned financing for approved projects to a Statewide Lease-Revenue Bond structure under the 2024-25 California Budget, which outlines requirements related to bond preparation, interim financing, operating agreements, and ongoing compliance responsibilities.

**COMPTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

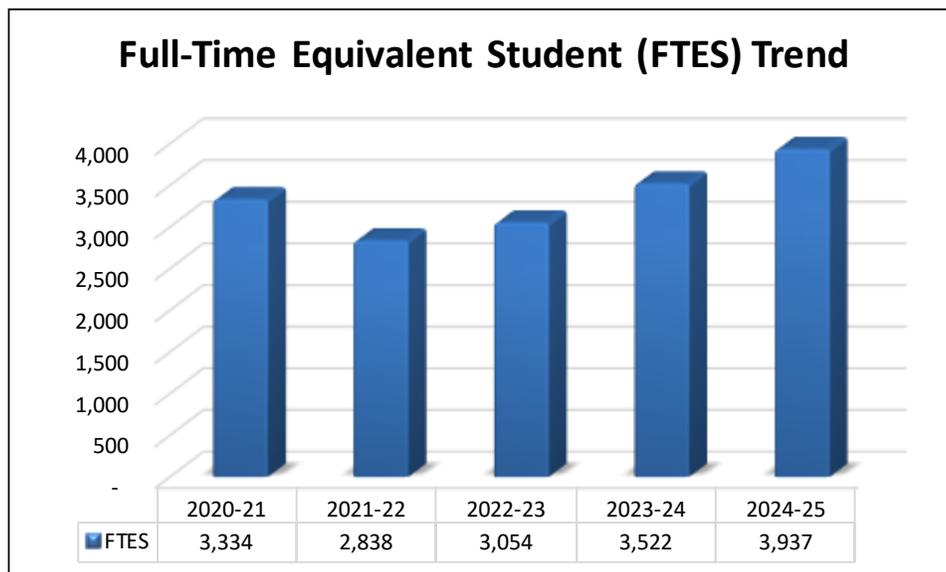
FINANCIAL HIGHLIGHTS – CAPITAL OUTLAY AND CAPITAL ADDITIONS, continued

Construction on the student housing complex began in fall 2024, and the student housing complex which is located at the northeast corner of the campus and is anticipated to open in Summer 2027. The approximately 251 beds facility will be a mix of double-room units, semi-suite configurations, and studio units, along with shared kitchens, study areas, and community spaces intended to promote student engagement and academic success. Modular construction methods are being utilized to enhance project efficiency and reduce overall construction timelines.

This initiative represents one of the most significant capital investments undertaken by the District and aligns with the broader campus modernization efforts currently underway. The project is intended to address housing affordability challenges, support student retention and completion, and strengthen long-term enrollment stability within the District’s service area.

Full-Time Equivalent Students Growth/Declines

Over the past five years, Full-Time Equivalent Students (FTES) averaged approximately 3,337 FTES during that period. It is important to note that the District formally ended its partnership with El Camino Community College District on June 7, 2019. One of the expected outcomes was an initial decline in FTES, and now the COVID-19 pandemic has occurred. FTES has started to increase slightly since the end of the pandemic. Management continues to implement the Enrollment Management Plan and expects FTES to rebound over the next four years. However, the Student-Centered Funding Formula (SCFF) remains the primary mechanism for allocating funds to the District. Accordingly, the District continues to monitor its Total Computational Revenue (TCR), enrollment trends, and performance metrics carefully and strategically to ensure fiscal sustainability.



**COMPTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

STATEMENT OF NET POSITION

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

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

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

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

Current assets decreased by 8%, primarily due to decrease in cash of \$20.1 million due to capital expenditures of the bond, off-set by an increase in accounts receivable of \$4.5 million from students and restricted grants.

Deferred outflows of resources related to debt refunding, OPEB, and pensions decreased by approximately 13% from the prior year.

Deferred inflows of resources related to OPEB and pensions increased by approximately 2% from the prior year.

**COMPTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

STATEMENT OF NET POSITION, continued

A summary of the Statement of Net Position as of June 30, 2025 and June 30, 2024, is below

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	2025	2024	Change
Current assets	\$ 188,126,026	\$ 204,170,315	\$ (16,044,289)
Non-current assets	232,610,173	196,099,141	36,511,032
Deferred outflows of resources	18,974,084	21,685,997	(2,711,913)
Total Assets and Deferred Outflows of Resources	439,710,283	421,955,453	17,754,830
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current liabilities	103,190,843	124,336,462	(21,145,619)
Non-current liabilities	186,861,822	200,681,244	(13,819,422)
Deferred inflows of resources	4,873,860	4,797,952	75,908
Total Liabilities and Deferred Inflows of Resources	294,926,525	329,815,658	(34,889,133)
NET POSITION			
Net investment in capital assets	133,260,167	72,515,438	60,744,729
Restricted	32,206,194	32,759,084	(552,890)
Unrestricted	(20,682,603)	(13,134,727)	(7,547,876)
Total Net Position	\$ 144,783,758	\$ 92,139,795	\$ 52,643,963

- The Statement of Cash Flows contained within these financial statements provides greater detail regarding the sources and uses of cash and the net decrease in cash during fiscal year 2024-25. Cash and Investments decreased approximately \$20.1 million primarily due to spending of the general obligation bond funds.
- Capital assets and right-to-use leased assets had a net increase of approximately \$36.5 million. Depreciation and amortization expense of approximately \$7.9 million was recognized during 2024-25. The capital assets and right-to-use leased asset section of this discussion and analysis provides greater detail.
- Accounts payable are amounts due as of the fiscal year-end for goods and services received as of June 30, 2025. Total accounts payable are approximately \$16.7 million; most significant within this account is approximately \$4.6 million due to capital construction-related expenditures.
- Bonds payable had a net decrease of \$9.2 million primarily due to the bonds redeemed during the year totaling \$10.6 million. Repayment is made from property tax collections occurring over the next 30 years. More information on Long-term liabilities can be found in the Notes to the Financial Statements.

**COMPTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

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

The Statement of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2025 and June 30, 2024, is summarized below:

	2025	2024	Change
OPERATING REVENUES			
Tuition and fees, net	\$ 1,690,122	\$ 1,443,299	\$ 246,823
Grants and contracts	20,312,064	12,544,233	7,767,831
Total Operating Revenues	22,002,186	13,987,532	8,014,654
OPERATING EXPENSES			
Salaries and employee benefits	46,947,797	47,812,229	(864,432)
Supplies, services, equipment, maintenance and other operating expenses	13,520,853	17,690,415	(4,169,562)
Financial aid	12,809,281	11,779,877	1,029,404
Depreciation and amortization	7,906,863	6,670,555	1,236,308
Total Operating Expenses	81,184,794	83,953,076	(2,768,282)
Operating Loss	(59,182,608)	(69,965,544)	10,782,936
NON-OPERATING REVENUES/(EXPENSES)			
State apportionments, noncapital	38,206,086	35,127,433	3,078,653
Local property taxes, noncapital	8,217,760	7,891,710	326,050
Local property taxes, capital	14,080,672	13,935,569	145,103
State taxes and other revenues, noncapital	6,801,730	6,600,319	201,411
Federal and State financial aid grants	12,229,791	11,054,209	1,175,582
Interest and investment income/(loss), noncapital	2,156,352	3,931,850	(1,775,498)
Interest and investment income/(loss), capital	7,876,830	4,630,694	3,246,136
Interest expense, capital	(6,062,628)	(3,937,965)	(2,124,663)
Other non-operating revenues	(4,597,637)	1,082,556	(5,680,193)
Total Non-Operating Revenues/(Expenses)	78,908,956	80,316,375	(1,407,419)
OTHER REVENUES/(EXPENSES)			
State revenues, capital	32,266,767	4,514,744	27,752,023
Change in Net Position	51,993,115	14,865,575	37,127,540
NET POSITION -- BEGINNING OF YEAR	92,139,795	77,239,092	14,900,703
PRIOR PERIOD ADJUSTMENT (NOTE 13)	650,848	35,128	615,720
NET POSITION -- END OF YEAR	\$ 144,783,758	\$ 92,139,795	\$ 52,643,963

**COMPTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

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

- The primary components of tuition and fees are the \$46 per unit enrollment fee that is charged to all students registering for classes and the additional \$320 per unit fee that is charged to all nonresident students.
- Personnel costs accounted for 57.8% of operating expenses in fiscal year 2024-25. Supplies, materials, and other operating expenses accounted for 16.7% of the operating expense in fiscal year 2024-25. The remaining balance of operating expenses is for financial aid, depreciation and amortization expenses.
- The primary revenue sources of the District's non-operating revenue are: State apportionment, local property taxes, other State funding, and interest income. The amount of State general apportionment received by the District is dependent upon the number of FTES generated and reported to the State, less amounts received from education protection account (EPA), enrollment fees, local property taxes. Increases in any of these latter three revenue categories leads to a corresponding decrease in State support through apportionment. The District is held harmless through the 2025-26 fiscal year for any decline in FTES. However, the Student-Centered Funding Formula (SCFF) remains the primary mechanism for allocating funds to the District. Accordingly, the District continues to monitor its Total Computational Revenue (TCR), enrollment trends, and performance metrics carefully and strategically to ensure fiscal sustainability.
- State capital apportionments consist of amounts received for capital outlay construction projects.

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

Functional Classifications	Salaries and Employee Benefits	Supplies, Material, and Other Expenses and Services	Financial Aid	Equipment, Maintenance, and Repairs	Depreciation and Amortization	Total
Instruction	\$ 19,396,446	\$ 2,645,022	\$ -	\$ 11,221	\$ -	\$ 22,052,689
Academic Support	3,165,171	218,814	-	122	-	3,384,107
Student Services	9,535,527	2,719,923	-	5,429	-	12,260,879
Operation and Maintenance of Plant	1,941,499	1,105,997	-	-	-	3,047,496
Institutional Support	1,387,437	807,926	-	2,617	-	2,197,980
Student Aid	-	16,093	12,809,281	-	-	12,825,374
Depreciation and Amortization	-	-	-	-	7,906,863	7,906,863
Community Services and Economic Development	1,140,338	153,928	-	354	-	1,294,620
Student Counseling and Guidance	2,408,054	185,229	-	313	-	2,593,596
General Institutional Support Services	5,319,036	2,055,388	-	275	-	7,374,699
Planning, Policymaking and Coordination	647,163	805,426	-	204	-	1,452,793
Auxiliary Operations and Ancillary Services	1,602,870	1,896,748	-	-	-	3,499,618
Physical Property and Related Acquisitions	404,256	-	-	889,824	-	1,294,080
	\$ 46,947,797	\$ 12,610,494	\$ 12,809,281	\$ 910,359	\$ 7,906,863	\$ 81,184,794

**COMPTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

STATEMENT OF CASH FLOWS

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

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

The Statement of Cash Flows for the fiscal years ended June 30, 2025 and June 30, 2024, is summarized below:

CASH PROVIDED BY/(USED IN)	2025	2024	Change
Operating activities	\$ (79,082,638)	\$ (68,462,862)	\$ (10,619,776)
Noncapital financing activities	60,857,730	61,756,227	(898,497)
Capital and related financing activities	(3,985,008)	44,841,172	(48,826,180)
Investing activities	2,156,352	3,931,850	(1,775,498)
Net Increase/(Decrease) in Cash and Cash Equivalents	(20,053,564)	42,066,387	(62,119,951)
CASH -- BEGINNING OF YEAR	193,824,276	151,757,889	42,066,387
CASH -- END OF YEAR	\$ 173,770,712	\$ 193,824,276	\$ (20,053,564)

CAPITAL ASSETS AND RIGHT-TO-USE LEASED ASSETS

As of June 30, 2025, the District had approximately \$325.7 million in capital assets and right-to-use leased assets; less \$93.1 million in accumulated depreciation and amortization. At June 30, 2025, the District's net capital assets and right-to-use leased assets were approximately \$232.6 million. The District spent approximately \$40.4 million on capital assets during the year, the majority of which relates to bond projects. Depreciation and amortization expense totaled approximately \$7.9 million during the year.

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

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

	2025	2024	Change
Capital assets not being depreciated	\$ 97,715,106	\$ 60,390,629	\$ 37,324,477
Capital assets being depreciated	223,909,442	219,925,609	3,983,833
Accumulated depreciation	(91,335,938)	(84,244,900)	(7,091,038)
Right-to-use leased assets	4,083,701	199,508	3,884,193
Accumulated amortization	(1,762,138)	(171,705)	(1,590,433)
Total	\$ 232,610,173	\$ 196,099,141	\$ 36,511,032

**COMPTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

LONG-TERM LIABILITIES INCLUDING OPEB AND PENSIONS

Long-term liabilities consist primarily of general obligation bonds, notes payable, lease liability, compensated absences, claims liability, aggregate net pension liability, and the aggregate net other postemployment benefits (OPEB) liability. At June 30, 2025, the District had approximately \$200.1 million liabilities outstanding.

The District's notes payable decreased from its principal payment reducing the liability due to the State in the amount of approximately \$0.7 million outstanding. This note is repaid in annual installments, in accordance with obligation requirements.

As of June 30, 2025, the aggregate net pension liability was approximately \$37.3 million versus approximately \$41.4 million last year, a decrease of approximately \$4.1 million, or 9.9%. The aggregate net OPEB liability was approximately \$0.1 million versus approximately \$1.4 million last year, a decrease of approximately \$1.2 million, or 89.6%.

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

Notes 7, 8 and 10 in the financial statements provides additional information on long-term liabilities.

A summary of long-term liabilities is presented below:

	2025	2024	Change
General obligation bonds	\$ 151,620,202	\$ 160,848,311	\$ (9,228,109)
Bond premium	5,511,639	6,106,513	(594,874)
Notes payable	1,377,422	2,110,573	(733,151)
Lease liability	376,190	28,975	347,215
Subscription-based IT arrangements	1,556,463	-	1,556,463
Compensated absences	2,060,962	1,139,559	921,403
Claims liability	189,346	518,261	(328,915)
Net OPEB liability	143,670	1,380,233	(1,236,563)
Net pension liability	37,300,029	41,400,818	(4,100,789)
Total Long-term liabilities	\$ 200,135,923	\$ 213,533,243	\$ (13,397,320)

ECONOMIC FACTORS THAT MAY AFFECT THE FUTURE

The Compton Community College District’s economic condition continues to be heavily influenced by the State of California's budget, policies, and legislation. The state provides funding for the California Community College Chancellor’s Office, which in turn allocates to the District State apportionments, local property taxes (including redevelopment agency allocations), and the Education Protection Account (EPA); enrollment fees paid by students also contribute to the District’s general apportionment.

The State of California adopted its 2024-25 budget in accordance with statutory law amid ongoing fiscal constraints and projected budget deficits. The State continues to prioritize funding for education, for community colleges, through a combination of ongoing and one-time funds. The 2024-25 State budget included a 2.41% COLA increase to the student-centered funding formula and various categorical programs, as well as a one-time investment to support college efforts to increase student retention and enrollment. However, certain one-time allocations provided in prior years have been reduced or eliminated as the State addresses budget shortfalls.

**COMPTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

ECONOMIC FACTORS THAT MAY AFFECT THE FUTURE, continued

The Student-Centered Funding Formula (SCFF) remains the primary mechanism for allocating funds to community colleges. The extended minimum revenue (hold harmless) provision remains a driving force at the end of 2024-25. This requires the District to rely more directly on actual enrollment, supplemental, and student success metrics to generate funding. As a result, enrollment stability and growth remain a critical and driving factor to our District's long-term fiscal health. Specific to the Compton Community College District, statutory protections in prior budget trailer bills assisted the District during its transition from its partnership status with El Camino Community College District, which was nearing expiration. Accordingly, the District continues to carefully and strategically monitor its Total Computational Revenue (TCR), enrollment trends, and performance metrics to ensure fiscal sustainability. Expenditure reductions and strategic resource allocations will continue to be evaluated to maintain structural balance.

Projected increases to the Public Employees Retirement System (PERS) and State Teachers Retirement System (STRS) employer contribution rates continue to impact the District's long-term financial planning. Although recent projections indicate stabilization in employer rates compared to prior years of significant increases, pension obligations remain a substantial and ongoing cost drivers for community colleges.

Inflationary pressures have moderated compared to peak pandemic levels but continue to affect operational costs, including utilities, insurance, supplies, and contracted services. Additionally, salary and benefit negotiations reflect ongoing cost-of-living pressures in the labor markets.

Enrollment trends remain a key factor as community colleges statewide have been experiencing partial enrollment recovery following the pandemic related declines, overall headcount and Full-Time Equivalent Students, (FTES) as districts remain below pre-pandemic levels. Continued efforts to increase dual enrollment and improve student retention, access, and completion are essential to stabilize revenues under the SCFF model.

OTHER FACTORS THAT MAY AFFECT THE FUTURE

The District must continue prudent fiscal management amid economic uncertainty, potential State budget adjustments, pension obligations, enrollment variability, and inflationary pressures. The District must continue with its multi-year financial planning. Ongoing monitoring of revenue assumptions will remain essential to maintaining fiscal stability in 2026 and beyond.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

FINANCIAL SECTION

COMPTON COMMUNITY COLLEGE DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS	
Current Assets:	
Cash and investments	\$ 173,770,712
Accounts receivable, net	14,072,680
Prepaid expenses and other assets	282,634
Total Current Assets	<u>188,126,026</u>
Noncurrent Assets:	
Right-to-use leased assets, net	2,321,563
Capital assets, net	230,288,610
Total Noncurrent Assets	<u>232,610,173</u>
TOTAL ASSETS	<u>420,736,199</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	5,898,098
Deferred outflows related to OPEB	945,687
Deferred outflows related to pensions	12,130,299
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>18,974,084</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 439,710,283</u>
 LIABILITIES	
Current Liabilities:	
Accounts payable and accrued expenses	\$ 16,666,004
Accrued interest	1,895,445
Other current loans	113,299
Unearned revenue	63,388,548
Due to other funds	7,853,446
Long-term debt, current portion	13,274,101
Total Current Liabilities	<u>103,190,843</u>
Noncurrent Liabilities:	
Net OPEB liability	143,670
Net pension liability	37,300,029
Long-term debt, noncurrent portion	149,418,123
Total Noncurrent Liabilities	<u>186,861,822</u>
TOTAL LIABILITIES	<u>290,052,665</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to OPEB	286,127
Deferred inflows related to pensions	4,587,733
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>4,873,860</u>
 NET POSITION	
Net investment in capital assets	133,260,167
Restricted for:	
Debt service	15,938,406
Capital projects	4,724,701
Other special purpose	8,851,928
Educational programs	2,691,159
Unrestricted	(20,682,603)
TOTAL NET POSITION	<u>144,783,758</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 439,710,283</u>

**COMPTON COMMUNITY COLLEGE DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

OPERATING REVENUES	
Tuition and fees, gross	\$ 3,390,904
Less: Scholarship discounts and allowances	(1,700,782)
Tuition and fees, net	<u>1,690,122</u>
Grants and contracts, noncapital:	
Federal	6,259,823
State	11,367,831
Local	<u>2,684,410</u>
TOTAL OPERATING REVENUES	<u>22,002,186</u>
OPERATING EXPENSES	
Salaries	33,854,702
Employee benefits	13,093,095
Supplies, materials, and other operating expenses	13,520,853
Financial aid	12,809,281
Depreciation and amortization	<u>7,906,863</u>
TOTAL OPERATING EXPENSES	<u>81,184,794</u>
OPERATING LOSS	<u>(59,182,608)</u>
NON-OPERATING REVENUES/(EXPENSES)	
State apportionments, noncapital	38,206,086
Local property taxes, noncapital	8,217,760
Local property taxes, capital	14,080,672
State taxes and other revenues, noncapital	6,801,730
Federal and State financial aid grants	12,229,791
Interest and investment income/(loss), noncapital	2,156,352
Interest and investment income/(loss), capital	7,876,830
Interest expense, capital	(6,062,628)
Other non-operating revenues	<u>(4,597,637)</u>
TOTAL NON-OPERATING REVENUES/(EXPENSES)	<u>78,908,956</u>
GAIN/(LOSS) BEFORE OTHER REVENUES/(EXPENSES) AND GAINS/(LOSSES)	<u>19,726,348</u>
OTHER REVENUES/(EXPENSES) AND GAINS/(LOSSES)	
State revenues, capital	<u>32,266,767</u>
TOTAL OTHER REVENUES/(EXPENSES) AND GAINS/(LOSSES)	<u>32,266,767</u>
CHANGE IN NET POSITION	51,993,115
NET POSITION -- BEGINNING OF YEAR	92,139,795
PRIOR PERIOD ADJUSTMENT (NOTE 13)	650,848
NET POSITION -- END OF YEAR	<u>\$ 144,783,758</u>

See accompanying notes to financial statements.

**COMPTON COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and fees, net	\$ 1,690,122
Grants and contracts	(15,737,982)
Payments to or on behalf of employees	(49,585,562)
Payments to vendors for supplies and services	(8,992,353)
Payment to students	(6,456,863)
Net Cash Provided by/(Used in) Operating Activities	<u>(79,082,638)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State apportionments	38,206,086
Local property taxes	8,217,760
State taxes and other revenues	6,801,730
Federal and State financial aid grants	12,229,791
Other non-operating revenues	(4,597,637)
Net Cash Provided by/(Used in) Noncapital Financing Activities	<u>60,857,730</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Net sale/(purchase) of capital assets	(42,146,831)
Proceeds from debt issuance	(714,601)
State revenue, capital projects	32,266,767
Local property taxes on capital related debt	14,080,672
Interest earned on capital related debt	7,876,830
Principal paid on capital debt	(11,328,151)
Interest paid on capital debt	(4,019,694)
Net Cash Provided by/(Used in) Capital and Related Financing Activities	<u>(3,985,008)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income/(loss)	2,156,352
Net Cash Provided by/(Used in) Investing Activities	<u>2,156,352</u>

NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(20,053,564)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>193,824,276</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 173,770,712</u>

**COMPTON COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025**

**RECONCILIATION OF OPERATING LOSS TO NET CASH
PROVIDED BY/(USED IN) OPERATING ACTIVITIES**

Operating loss	\$ (59,182,608)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation and amortization	7,906,863
Changes in Assets and Liabilities:	
Accounts receivable, net	(4,524,431)
Prepaid expenses and other assets	515,156
Deferred outflows related to pensions	1,880,459
Deferred outflows related to OPEB	150,732
Accounts payable and accrued expenses	3,666,129
Due to other funds	7,832,816
Unearned revenue	(33,006,013)
Compensated absences and load banking	921,403
Claims liability	(328,915)
Lease liability	347,215
Net OPEB liability	(1,236,563)
Net pension liability	(4,100,789)
Deferred inflows related to pensions	423,063
Deferred inflows related to OPEB	(347,155)
Total Adjustments	<u>(19,900,030)</u>
Net Cash Flows From Operating Activities	<u>\$ (79,082,638)</u>

**COMPTON COMMUNITY COLLEGE DISTRICT
 FIDUCIARY FUND
 STATEMENT OF NET POSITION
 JUNE 30, 2025**

	Retiree OPEB Trust
ASSETS	
Investments	\$ 16,184,785
Accounts receivable	250,000
Total assets	<u>16,434,785</u>
NET POSITION	
Restricted for OPEB	<u>\$ 16,434,785</u>

**COMPTON COMMUNITY COLLEGE DISTRICT
 FIDUCIARY FUND
 STATEMENT OF CHANGES IN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2025**

	Retiree OPEB Trust
ADDITIONS	
District contributions	\$ 302,307
Interest and investment income	653,733
Net realized and unrealized gains/(losses)	1,169,989
Total additions	<u>2,126,029</u>
DEDUCTIONS	
Administrative expenses	112,193
Distributions	654,320
Total deductions	<u>766,513</u>
CHANGE IN NET POSITION	1,359,516
NET POSITION -- BEGINNING OF YEAR	<u>15,075,269</u>
NET POSITION -- END OF YEAR	<u>\$ 16,434,785</u>

COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – ORGANIZATION

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

Financial Reporting Entity

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Accounting, continued

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

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

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

Cash and Cash Equivalents

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

Investments

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

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

Accounts Receivable

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. The District provides for an allowance for uncollectible accounts as an estimation of amounts that may not be received. This allowance is based upon management's estimates and analysis. The allowance was estimated at \$1,974,968 for the year ended June 30, 2025.

COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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.

Right-to-Use Leased Assets and Amortization

The District has recorded right-to-use leased assets as a result of implementing GASB Statement No. 87. The right-to-use leased assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use leased assets are amortized on a straight-line basis over the life of the related lease.

Capital Assets and Depreciation

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

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

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

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses represent amounts due to vendors, suppliers or service providers for goods and services received. In general, accounts payable and accrued expenses are amounts owed that have not yet been paid for as of June 30. Accounts payable and accrued expenses are recorded in the Statement of Net Position under current liabilities.

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 entity-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.

COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Compensated Absences, continued

The District also participates in "load banking" with eligible academic employees whereby the employee may teach extra courses in one period in exchange for time off in another period. The liability for this benefit is reported on the entity-wide financial statements.

GASB Statement No. 101 requires that liabilities for compensated absences be recognized for [1] leave that has not been used and [2] leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if [a] the leave is attributable to services already rendered, [b] the leave accumulates, and [c] the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Flow Assumption: When determining the amounts due within one year for sick leave, accumulated sick leave as of June 30, 2025 is assumed to be used before future sick leave accruals (i.e. First In, First Out). The amount due within one year for vacation leave is based on the expected accumulated vacation leave to be cashed out upon the end of employment in the following year.

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. However, retirement credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive 0.004 year of service credit for each day of unused sick leave. Retirement credit for unused sick leave is applicable to all 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 for OPEB, pensions, and deferred charge on refunding. 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. The deferred charge on refunding results from the difference in carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded date or refunding debt.

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

COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Leases

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Pensions

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

Unearned Revenue

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

Noncurrent Liabilities

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

**COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position related to net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements reported \$32.2 million of restricted net position.

Operating and Non-operating Revenues and Expenses

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

Classifications are as follows:

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

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

Classification of Expenses - Nearly all of the District's expenses are from exchange transactions and are classified as either operating or non-operating 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.

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

State Apportionments

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

COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Property Taxes

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

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

Scholarship Discounts and Allowances

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

Financial Assistance Programs

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

Estimates

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

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.

COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Adoption of New Accounting Standards

The following are the GASB pronouncement adopted by the District and the upcoming GASB pronouncement that may have impact future financial presentations.

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The financial impact of this Statement is reflected in Notes 7 and 13.

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with information about risks related to a government’s vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. A government should disclose in notes to financial statements the information if the following criteria have been met; (a) a concentration or constraint is known to the government prior to the issuance of the financial statements and makes the reporting unit vulnerable to the risk of a substantial impact, (b) an event or events associated with the concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Management has determined that the adoption of this statement did not have any material impact on District’s financial statements.

Upcoming GASB Pronouncements

The GASB has issued several pronouncements that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the District.

GASB Statement No. 103 – In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues. This Statement is effective for periods beginning after June 15, 2025.

GASB Statement No. 104 – In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*. This Statement also requires additional disclosures for capital assets held for sale. This Statement is effective for periods beginning after June 15, 2025.

**COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 – CASH 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
Bankers' Acceptances	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

COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 – CASH AND INVESTMENTS, continued

Authorized Under Debt Agreements

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

Summary of Cash and Investments

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

	District
Cash on hand and in banks	\$ 275,406
Cash in revolving	275,000
Investments	173,220,306
Total Cash and Investments	<u>\$ 173,770,712</u>

Interest Rate Risk

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

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the U.S. Treasury Notes, Mutual funds, and the Los Angeles County Investment Pool are not required to be rated, nor have they been rated as of June 30, 2025.

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

Investment Type	Fair Value	Weighted Average Days to Maturity	Credit Rating
Los Angeles County Investment Pool	\$ 168,058,137	556 days	Not rated
Mutual funds	12,417,376	No maturity	Not rated
Equities	8,929,578	No maturity	Not rated
Total	<u>\$ 189,405,091</u>		

COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 – CASH AND INVESTMENTS, continued

Custodial Credit Risk

Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the *California Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2025, the District's bank balance of approximately \$301 thousand was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

Investments

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. As of June 30, 2025, the District's investment balance of approximately \$16.2 million was exposed to custodial credit risk because it was uninsured, unregistered and held by the brokerage firm which is also the counterparty for these securities. The District's investment policy limits the amount of securities that can be held by counterparties to no more than 10% of total investments in one issuer for commercial paper, mutual funds and money market mutual funds and 30% for Bankers' Acceptances.

NOTE 4 – FAIR VALUE MEASUREMENTS

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

- Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.
- Level 2 - Observable inputs, other than Level 1 prices, such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4 – FAIR VALUE MEASUREMENTS, continued

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

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

Investment Type	Fair Value	Fair Value
		Measurements Using Level 1 Inputs
Mutual funds	\$ 12,417,376	\$ 12,417,376
Equities	8,929,578	8,929,578
Total	\$ 21,346,954	\$ 21,346,954

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

NOTE 5 – ACCOUNTS RECEIVABLE

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

	Primary Government
Federal Government	
Categorical aid	\$ 1,268,673
State Government	
Categorical aid	429,728
Lottery	104,577
Local Sources	
Other local sources	7,413,636
Subtotal	9,216,614
Student receivables	6,831,034
Less: Allowance for bad debt	(1,974,968)
Total Accounts Receivable, net	\$ 14,072,680

COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 – CAPITAL ASSETS AND RIGHT-TO-USE LEASED ASSETS

Capital assets and right-to-use leased assets activities for the year ended June 30, 2025, were as follows:

	Balance July 1, 2024	Adjustment	Adjusted Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
Governmental Activities:						
Capital assets not being depreciated						
Land	\$ 2,324,000	\$ -	\$ 2,324,000	\$ -	\$ -	\$ 2,324,000
Construction in progress	58,066,629	889,484	58,956,113	40,181,303	3,746,310	95,391,106
Total Capital Assets Not Being Depreciated	60,390,629	889,484	61,280,113	40,181,303	3,746,310	97,715,106
Capital assets being depreciated						
Land improvements	77,270,257	-	77,270,257	-	-	77,270,257
Buildings and improvements	131,645,869	-	131,645,869	3,746,310	-	135,392,179
Furniture and equipment	11,009,483	-	11,009,483	237,523	-	11,247,006
Total Capital Assets Being Depreciated	219,925,609	-	219,925,609	3,983,833	-	223,909,442
Total Capital Assets	280,316,238	889,484	281,205,722	44,165,136	3,746,310	321,624,548
Less: Accumulated depreciation						
Land improvements	37,249,665	-	37,249,665	2,838,352	-	40,088,017
Buildings and improvements	37,198,708	-	37,198,708	3,991,899	-	41,190,607
Furniture and equipment	9,796,527	-	9,796,527	260,787	-	10,057,314
Total Accumulated Depreciation	84,244,900	-	84,244,900	7,091,038	-	91,335,938
Capital Assets, Net	196,071,338	889,484	196,960,822	37,074,098	3,746,310	230,288,610
Right-to-Use Assets						
Equipment	199,508	-	199,508	430,765	199,508	430,765
Subscription-based IT arrangements	-	3,652,936	3,652,936	-	-	3,652,936
Total Right-to-Use Assets	199,508	3,652,936	3,852,444	430,765	199,508	4,083,701
Less: Accumulated amortization						
Equipment	171,705	-	171,705	85,238	199,508	57,435
Subscription-based IT arrangements	-	974,116	974,116	730,587	-	1,704,703
Total Accumulated Amortization	171,705	974,116	1,145,821	815,825	199,508	1,762,138
Right-to-Use Assets, Net	27,803	2,678,820	2,706,623	(385,060)	-	2,321,563
Capital Assets and Right-to-Use Leased Assets, net	\$ 196,099,141	\$ 3,568,304	\$ 199,667,445	\$ 36,689,038	\$ 3,746,310	\$ 232,610,173

**COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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

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

	Balance		Adjusted Balance			Balance		Amounts Due in One Year
	July 1, 2024	Adjustment	July 1, 2024	Additions	Reductions	June 30, 2025		
General obligation bonds	\$ 160,848,311	\$ -	\$ 160,848,311	\$ 1,366,891	\$ 10,595,000	\$ 151,620,202	\$ 10,905,000	
Bond premium	6,106,513	-	6,106,513	-	594,874	5,511,639	431,031	
Notes payable	2,110,573	-	2,110,573	-	733,151	1,377,422	743,292	
Lease liability	28,975	-	28,975	430,765	83,550	376,190	82,304	
Subscription-based IT arrangements	-	2,271,064	2,271,064	-	714,601	1,556,463	756,422	
Compensated absences	1,139,559	712,392	1,851,951	209,011	-	2,060,962	335,875	
Claims liability	518,261	(217,779)	300,482	-	111,136	189,346	20,177	
Total	\$ 170,752,192	\$ 2,765,677	\$ 173,517,869	\$ 2,006,667	\$ 12,832,312	\$ 162,692,224	\$ 13,274,101	

Description of Long-Term Liabilities

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

General Obligation Bonds

Election 2002 General Obligation Bonds - Measure CC

General obligation bonds were approved by a local election in November 2002 under Proposition 39. The funds are designated to repair and renovate academic classrooms and job training facilities; upgrade safety security systems, electrical capacity, computer technology, energy efficiency, and leaky roofs; relieve student overcrowding; and repair, renovate, construct, acquire and equip classrooms, facilities and sites. The total amount approved by the voters was \$100,000,000. Interest rates on the bonds range from 2.52% to 6.65%. At June 30, 2025, \$99,996,761 had been issued and \$25,215,202 was outstanding with a premium balance of \$472,850.

Election 2014 General Obligation Bonds - Measure C

General obligation bonds were approved by a local election in November 2014 under Proposition 39. The total amount approved by the voters was \$100,000,000. The funds are designated to be used to update aging classrooms and buildings; repair deteriorating gas and sewer lines, electrical wiring and leaky roofs; improve classroom technology and handicapped accessibility; upgrade campus safety and repair, construct, and acquire facilities and equipment. Interest rates on the bonds range from 4.00% to 5.00%. At June 30, 2025, \$73,000,000 had been issued and \$45,235,000 was outstanding with a premium balance of \$4,613,747.

**COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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

General Obligation Bonds, continued

2014 General Obligation Refunding Bonds

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

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$450,434. This difference, reported in the accompanying financial statements as a deferred charge on refunding, is being charged to operations through the year 2026 using the straight-line method. The outstanding principal balance of these Bonds at June 30, 2025, was \$2,850,000 with premium balance fully amortized.

2015 General Obligation Refunding Bonds

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

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$2,606,682. This difference, reported in the accompanying financial statements as a deferred charge on refunding, is being charged to operations through the year 2029 using the straight-line method. The outstanding principal balance of these Bonds at June 30, 2025, was \$3,385,000 with a premium balance of \$425,042.

COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

General Obligation Bonds, continued

2020 General Obligation Refunding Bonds

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

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$4,128,469. This difference, reported in the accompanying financial statements as a deferred charge on refunding, is being charged to operations through the year 2040 using the straight-line method. The outstanding principal balance of these Bonds at June 30, 2025 was \$40,745,000.

2021 General Obligation Refunding Bonds

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

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$5,252,303. This difference, reported in the accompanying financial statements as a deferred charge on refunding, is being charged to operations through fiscal year 2039 using the straight-line method. In addition, the refunding resulted in an economic gain of \$1,770,243 based on the difference between the present value of the existing debt service requirements and the new debt service requirements discounted at 2.48%. The outstanding principal balance of these Bonds at June 30, 2025, was \$34,190,000.

**COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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

General Obligation Bonds, continued

Debt Maturity – General Obligation Bonds

Issue Date	Maturity Date	Interest Rate	Original Issue	Balance July 1, 2024	Issued	Accreted Interest	Redeemed	Balance June 30, 2025
3/22/2012	8/1/2036	2.59-6.65%	\$ 15,001,122	\$ 12,955,882	\$ -	\$ 862,113	\$ 520,000	\$ 13,297,995
3/18/2014	7/1/2025	1.00-5.00%	17,010,000	5,450,000	-	-	2,600,000	2,850,000
10/6/2015	8/1/2028	2.00-5.00%	13,100,000	4,075,000	-	-	690,000	3,385,000
10/17/2018	8/1/2040	4.00-5.00%	12,440,677	11,962,429	-	504,778	550,000	11,917,207
10/17/2018	8/1/2043	4.00-5.00%	38,000,000	15,720,000	-	-	260,000	15,460,000
5/21/2020	8/1/2039	2.00-3.53%	9,895,000	9,515,000	-	-	80,000	9,435,000
5/21/2020	8/1/2038	2.51-3.46%	31,310,000	31,310,000	-	-	-	31,310,000
11/30/2021	8/1/2038	0.45-3.12%	38,965,000	34,860,000	-	-	670,000	34,190,000
2/14/2024	8/1/2043	4.00-5.00%	35,000,000	35,000,000	-	-	5,225,000	29,775,000
Total				\$ 160,848,311	\$ -	\$ 1,366,891	\$ 10,595,000	\$ 151,620,202

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

Fiscal Year	Principal	Accreted Interest	Current Interest to Maturity	Total
2026	\$ 639,474	\$ 315,526	\$ 41,750	\$ 996,750
2027	486,821	368,179	27,250	882,250
2028	500,696	434,304	16,625	951,625
2029	290,975	114,025	5,625	410,625
2030	682,483	1,382,518	-	2,065,001
2031-2035	3,374,756	9,765,244	-	13,140,000
2036-2040	4,530,808	9,454,192	-	13,985,000
2041	3,964,255	7,195,745	-	11,160,000
Accreted Interest	10,744,934	(10,744,934)	-	-
Total	\$ 25,215,202	\$ 18,284,799	\$ 91,250	\$ 43,591,251

COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

General Obligation Bonds, continued

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

Fiscal Year	Principal	Current Interest to Maturity	Total
2026	\$ 5,585,000	\$ 2,261,925	\$ 7,846,925
2027	2,110,000	2,149,550	4,259,550
2028	1,470,000	2,150,050	3,620,050
2029	1,315,000	2,175,425	3,490,425
2030	810,000	1,522,300	2,332,300
2031-2035	5,200,000	6,901,750	12,101,750
2036-2040	9,755,000	7,559,800	17,314,800
2041-2044	18,990,000	12,915,575	31,905,575
Total	<u>\$ 45,235,000</u>	<u>\$ 37,636,375</u>	<u>\$ 82,871,375</u>

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

Fiscal Year	Principal	Current Interest to Maturity	Total
2026	\$ 4,365,000	\$ 2,336,170	\$ 6,701,170
2027	4,555,000	2,190,886	6,745,886
2028	4,795,000	2,083,503	6,878,503
2029	5,075,000	1,970,415	7,045,415
2030	3,700,000	1,871,983	5,571,983
2031-2035	23,160,000	7,681,694	30,841,694
2036-2040	35,520,000	2,752,943	38,272,943
Total	<u>\$ 81,170,000</u>	<u>\$ 20,887,594</u>	<u>\$ 102,057,594</u>

COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

Notes Payable

Assembly Bill 318 appropriated \$30 million to the Board of Governors of the California Community Colleges as an emergency apportionment to finance, among other things, activities described in Article 5 of Chapter 5, Part 46 of the Education Code. The balance available to the District is \$12,103,200. The financing does not constitute a borrowing but is instead an advance apportionment subject to repayment with interest. During the 2015-2016 year, the District was able to negotiate and obtain a refinancing of a lower interest rate associated with this advance. The interest rate paid by the District prior to this refinance ranged 1.377% to 5.214%. After the refinancing, the interest rate on the remaining balance is 2.307%, resulting in savings of \$966,000 in interest payments for the District. At June 30, 2025, the District had received \$17,896,800 with \$1,377,422 outstanding.

Fiscal Year	Principal	Current Interest to Maturity	Total
2026	\$ 743,292	\$ 31,777	\$ 775,069
2027	634,130	16,629	650,759
Total	\$ 1,377,422	\$ 48,406	\$ 1,425,828

Lease Liability

The District entered an agreement to lease copiers for five years, beginning November 19, 2024. Under the terms of the lease, the District paid monthly payments of \$7,751, which amounted to total principal and interest costs of \$62,004. The annual interest rate charged on the lease is 3.16%. At June 30, 2025, the District has recognized a right-to-use asset of \$430,765 and a lease liability of \$376,190 related to this agreement. During the fiscal year, the District recorded \$54,575 in principal expense and \$7,429 in interest expense for the right-to-use leased assets.

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

Fiscal year	Principal	Interest	Total
2026	\$ 82,304	\$ 10,702	\$ 93,006
2027	84,943	8,063	93,006
2028	87,666	5,340	93,006
2029	90,477	2,529	93,006
2030	30,800	204	31,004
Total	\$ 376,190	\$ 26,838	\$ 403,028

**COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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

Subscription-Based IT Arrangements (SBITA)

The District entered into multiple SBITAs for the use of various software. At June 30, 2025, the District has recognized a right-to-use subscriptions IT assets of \$1,948,233 net of accumulated amortization and a SBITA liability of \$1,556,463 related to these agreements. During the fiscal year, the District recorded \$730,587 in amortization expense. The District is required to make annual principal and interest payments through June 30, 2029.

The subscriptions have an interest rate of 2.63%.

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

Fiscal Year	Principal	Interest	Total
2026	\$ 756,422	\$ 36,209	\$ 792,631
2027	800,041	15,920	815,961
Total	\$ 1,556,463	\$ 52,129	\$ 1,608,592

Compensated Absences

The liability for compensated absences consists of unused vacation and sick leave that is expected to be used in future periods or paid upon termination, in accordance with employee collective bargaining agreements and District policy.

At June 30, 2025, the liability recorded for compensated absences was \$2,060,962.

**COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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

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

OPEB Plan	Net OPEB Liability/(Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense/(Benefit)
District Plan	\$ 143,670	\$ 945,687	\$ 286,127	\$ (1,432,986)

District Plan

Plan Administration

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

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

Plan Membership

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

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

Benefits Provided

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

Contributions

The contribution requirements of Plan members and the District are established and may be amended by the District and the District's bargaining units. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by management and the District's governing board. For the measurement period of June 30, 2024, the District contributed \$939,069 to the Plan, of which \$689,069 was used for current premiums, and \$250,000 was transferred to the District's OPEB irrevocable trust.

**COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the governing board by a majority vote of its members. It is the policy of the District to pursue an investment strategy that reduces risks through the prudent diversification for the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocation over short time spans. The following was the governing board's adopted asset allocation policy as of June 30, 2024.

Asset Class	Percentage of Portfolio	Assumed Gross Return
All Fixed Income	55%	4.25%
Real Estate Investment Trusts	4%	7.25%
All Domestic Equities	22%	7.25%
All International Equities	19%	7.25%
Total	100%	

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

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 12.28%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Total OPEB Liability of the District

The District's total OPEB liability of \$15,218,939 was measured as of June 30, 2024, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of June 30, 2023.

COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

Actuarial Assumptions

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

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Actuarial cost methods	Entry age actuarial cost method
Inflation rate	2.50%
Investment rate of return	5.60%
Healthcare cost trend rate	4.00%
Payroll increase	2.75%
Mortality	For certificated employees the 2020 CalSTRS mortality tables were used. For classified employees the 2021 CalPERS active mortality for miscellaneous and school employees were used.

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

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actual experience study as of June 2021.

Discount Rate

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

**COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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

Changes in the Net OPEB Liability/(Asset)

	Increase/(Decrease)		
	Total OPEB Liability	Total Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(a) - (b)
Balance July 1, 2023 (Measurement Date)	\$ 14,584,059	\$ 13,203,826	\$ 1,380,233
Changes for the year:			
Service cost	349,146	-	349,146
Interest on TOL	811,755	-	811,755
Employer contributions	-	776,021	(776,021)
Expected investment income	-	743,246	(743,246)
Investment gains/(losses)	-	991,341	(991,341)
Administrative expense	-	(113,144)	113,144
Expected benefit payments	(526,021)	(526,021)	-
Net change	634,880	1,871,443	(1,236,563)
Balance June 30, 2024 (Measurement Date)	\$ 15,218,939	\$ 15,075,269	\$ 143,670

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

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

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

	Discount		
	1% Decrease (4.60%)	Rate (5.60%)	1% Increase (6.60%)
Net OPEB liability/(asset)	\$ 2,149,771	\$ 143,670	\$ (1,518,922)

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

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

	Healthcare Cost		
	1% Decrease (3.00%)	Trend Rate (4.00%)	1% Increase (5.00%)
Net OPEB liability/(asset)	\$ (1,874,896)	\$ 143,670	\$ 2,635,765

**COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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

Deferred Outflows/Inflows of Resources Related to OPEB

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings on plan investments	\$ -	\$ 18,536
Differences between expected and actual experience	6,618	253,941
Change in assumptions	-	13,650
District contributions subsequent to the measurement date	939,069	-
Total	<u>\$ 945,687</u>	<u>\$ 286,127</u>

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

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (126,680)
2027	325,506
2028	(280,070)
2029	(198,265)
Total	<u>\$ (279,509)</u>

COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 – RISK MANAGEMENT

Property and Liability Insurance Coverages

The District is exposed to various risks of loss related to torts and liability; theft, damage, and destruction of assets; errors and omissions and injuries to employees. The District obtains coverage for these risks as a member of a joint powers authority. The District has coverage up to \$50,000,000 for liability and tort risks. This coverage is subject to a \$50,000 self-insured retention. The District carries replacement coverage on its buildings and furniture and equipment with limits of \$250,250,000 (total pool value) with a \$50,000 self-insurance retention. A property and equipment audit performed by the Joint Powers Authority is used to identify the aforementioned exposures. However, claims against the property coverage would use current replacement value to respond to a covered event. As of June 30, 2025, there were no rebates held by the Statewide Educational Wrap Up Program for the District.

Joint Powers Authority Risk Pools

During fiscal year ended June 30, 2025, the District contracted with the Statewide Association of Community Colleges (SWACC) Joint Powers Authority for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year. As of June 30, 2025, the balance of the District Risk Management Fund held by the SWACC was \$587.

Workers' Compensation

For fiscal year 2024-25, the District participated in the Protected Insurance Program for Schools (PIPS) Joint Powers Authority (JPA), an insurance purchasing pool. The intent of the JPA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the JPA. The workers' compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in the JPA. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall saving. A participant will then either receive money from or be required to contribute to the "equity-pooling fund. As of June 30, 2025, the balance of the Safety Credit Fund held by the PIP for Schools and Community Colleges for the District was \$68,165.

Employee Medical Benefits

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

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

**COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS

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

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

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	\$ 13,630,600	\$ 4,760,745	\$ 2,855,314	\$ 800,708
CalPERS	23,669,429	7,369,554	1,732,419	3,932,590
Total	\$ 37,300,029	\$ 12,130,299	\$ 4,587,733	\$ 4,733,298

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

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

**COMPTON COMMUNITY COLLEGE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025**

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS), continued

Benefits Provided

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

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

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

The STRP Defined Benefit Program provisions and benefits in effect at June 30, 2025, are summarized as follows:

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

Contributions

The parameters for employer and state contribution rates for the DB Program are set by the California Legislature and the Governor and detailed in the Teachers' Retirement Law. Current contribution rates were established by California Assembly Bill 1469 (CalSTRS Funding Plan), which was passed into law in June 2014 and established a schedule of contribution rate increases shared among members, employers and the state to bring CalSTRS toward full funding by 2046. The contribution rates for each plan for the year ended June 30, 2025, are presented above, and the District's total contributions were \$2,925,590.

COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS), continued

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

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

District's proportionate share of the net pension liability	\$ 13,630,600
State's proportionate share of the net pension liability associated with the District	6,253,863
Total	<u>\$ 19,884,463</u>

The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2024 and June 30, 2023, was 0.020% and 0.022%, respectively, resulting a decrease of 0.002% in the proportionate share.

For the year ended June 30, 2025, the District recognized pension expense of \$800,708. In addition, the District recognized pension expense and revenue of \$570,751 for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ -	\$ 55,691
Differences between expected and actual experience	1,541,972	596,436
Changes in assumptions	59,666	930,834
Net changes in proportionate share of net pension liability	233,517	1,272,353
District contributions subsequent to the measurement date	2,925,590	-
Total	<u>\$ 4,760,745</u>	<u>\$ 2,855,314</u>

**COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS), continued

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

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (1,420,537)
2027	726,519
2028	(213,381)
2029	(181,502)
2030	135,599
Thereafter	(66,857)
Total	<u>\$ (1,020,159)</u>

Actuarial Methods and Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2023, and rolling forward the total pension liability to June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 2007, through June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%
Payroll growth	3.25%
Postretirement benefit increases	2.00%

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

**COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS), continued

Actuarial Methods and Assumptions, continued

The long-term investment rate of return assumption was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class/strategy. Expected real rates of return are net of our 2.75% inflation assumption and are derived from best-estimate ranges of 20- to 30-year geometrically linked expected returns. These best-estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process. The actuarial investment rate of return assumption was adopted by the board in January 2024 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. The assumed asset allocation and best estimates of the expected rates of return for each major asset class/strategy as of June 30, 2024, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-term Expected Rate of Return*	Long-term Expected Real Rate of Return**
Public Equity	38%	8.00%	5.25%
Real Estate	15%	6.80%	4.05%
Private Equity	14%	9.50%	6.75%
Fixed Income	14%	5.20%	2.45%
Risk Mitigating Strategies	10%	5.00%	2.25%
Inflation Sensitive	7%	6.40%	3.65%
Cash/Liquidity	2%	2.80%	0.05%
Total	100%		

*20 to 30 year geometric average.

**Real rates of return are net of assumed 2.75% inflation.

Discount Rate

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

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Plan's net pension liability	\$ 24,244,378	\$ 13,630,600	\$ 4,767,656

**COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees' Retirement System (CalPERS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023 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 55 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 62 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or age 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS School Employer Pool provisions and benefits in effect at June 30, 2025, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	27.05%	27.05%

**COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees' Retirement System (CalPERS), continued

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2025, are presented above, and the total District contributions were \$3,604,975.

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

As of June 30, 2025, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$23,669,429. The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2024 and June 30, 2023, was 0.066% and 0.069%, respectively, resulting in a net decrease in the proportionate share of 0.003%.

For the year ended June 30, 2025, the District recognized pension expense of \$3,932,590. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ 919,420	\$ -
Differences between expected and actual experience	1,984,336	169,401
Changes in assumptions	523,174	-
Net changes in proportionate share of net pension liability	337,649	1,563,018
District contributions subsequent to the measurement date	3,604,975	-
Total	<u>\$ 7,369,554</u>	<u>\$ 1,732,419</u>

**COMPTON COMMUNITY COLLEGE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025**

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees' Retirement System (CalPERS), continued

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

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ 985,358
2027	1,669,383
2028	(226,809)
2029	(395,772)
Total	<u>\$ 2,032,160</u>

Actuarial Methods and Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2023 and rolling forward the total pension liability to June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 1997, through June 30, 2015
Actuarial cost method	Entry age normal
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.

COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees' Retirement System (CalPERS), continued

Actuarial Methods and Assumptions, continued

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

Asset Class*	Assumed Asset Allocation	Real Return Years 1 - 10**
Global Equity - cap-weighted	30%	4.54%
Global Equity - non-cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%
Total	100%	

**An expected inflation of 2.30% used for this period.*

***Figures are based on the 2021-22 Asset Liability Management study.*

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members 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 those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**COMPTON COMMUNITY COLLEGE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025**

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees' Retirement System (CalPERS), continued

Discount Rate, continued

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Plan's net pension liability	\$ 35,161,135	\$ 23,669,429	\$ 14,176,366

CalSTRS/CalPERS Irrevocable Trust

During the 2016 fiscal year, the District established an irrevocable trust for the purpose of funding future employer contributions associated with the CalSTRS and CalPERS pension plans. Funds deposited into this trust are not considered "plan assets" for GASB Statement No. 68 reporting; therefore, the balance of the irrevocable trust is not netted against the net pension liability as shown on the Statement of Net Position. The balance and activity of the trust is recorded as a fund of the District. The District made no contributions to the trust for the year ended June 30, 2025. As of June 30, 2025, the balance of the trust was \$5,162,169.

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS for the fiscal year ended June 30, 2025, which amounted to \$1,262,767. Contributions are no longer appropriated in the annual *Budget Act* for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. No contributions were made for CalPERS for the year ended June 30, 2025. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

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

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

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

**COMPTON COMMUNITY COLLEGE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025**

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Grants

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

Litigation

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

Line of Credit

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

Construction Commitments

As of June 30, 2025, the District had approximately \$82.4 million in commitments with respect to unfinished capital projects.

NOTE 13 – PRIOR PERIOD ADJUSTMENT

During fiscal year 2024–25, the District implemented GASB Statement No. 101, *Compensated Absences*. This Statement establishes a new accounting model for compensated absences, requiring governments to recognize a liability when (1) the leave is attributable to services already rendered and (2) it is more likely than not that the leave will be used for time off or otherwise paid/settled.

Implementation of GASB 101 required the District to remove previously recognized liabilities calculated under the vesting method (GASB 16) and replace them with liabilities determined under the new standard. As a result, the District’s beginning net position for governmental activities as of July 1, 2024, was restated in the amount of \$(712,392).

Further restatement in the beginning fund balances was for the District identified adjustment amounting \$66,000 and restatement due to recognition of GASB 96, *Subscription-Based Information Technology Arrangements*, assets of \$407,756. The impact on the beginning net position in the Primary Government financial statement is as follows:

Net Position - Beginning Balance, as previously reported at June 30, 2024	\$ 92,139,795
Change in accounting principle (GASB 101)	(712,392)
Subscription-Based IT Arrangements (GASB 96)	407,756
Adjustment to Construction in Progress	889,484
District identified adjustments	66,000
Net Position - Ending Balance, as restated at June 30, 2024	<u>\$ 92,790,643</u>

**COMPTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 14 – SUBSEQUENT EVENTS

The District evaluated subsequent events from June 30, 2025 through March 11, 2026, the date the financial statements were issued. The District concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

COMPTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2025

	Reporting Fiscal Year (Measurement Date)			
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)
Total OPEB liability				
Service cost	\$ 349,146	\$ 344,475	\$ 335,255	\$ 539,396
Interest	811,755	816,086	781,856	893,593
Change in assumptions	-	(31,854)	-	1,075,829
Experience (gains)/losses	-	(669,619)	105,909	(2,996,738)
Benefit payments	(526,021)	(551,526)	(575,320)	(488,671)
Net change in total OPEB liability	634,880	(92,438)	647,700	(976,591)
Total OPEB liability, beginning of year	14,584,059	14,676,497	14,028,797	15,005,388
Total OPEB liability, end of year (a)	\$ 15,218,939	\$ 14,584,059	\$ 14,676,497	\$ 14,028,797
Plan fiduciary net position				
Employer contributions	\$ 776,021	\$ 1,478,616	\$ 1,825,320	\$ 2,622,706
Expected investment income	743,246	658,640	-	557,808
Investment gains/(losses)	991,341	409,009	(2,715,969)	1,848,033
Administrative expense	(113,144)	(100,490)	(112,564)	(85,684)
Benefit payments	(526,021)	(628,616)	(575,320)	(488,671)
Change in plan fiduciary net position	1,871,443	1,817,159	(1,578,533)	4,454,192
Fiduciary trust net position, beginning of year	13,203,826	11,386,667	12,965,200	8,511,008
Fiduciary trust net position, end of year (b)	\$ 15,075,269	\$ 13,203,826	\$ 11,386,667	\$ 12,965,200
Net OPEB liability/(asset), ending (a) - (b)	\$ 143,670	\$ 1,380,233	\$ 3,289,830	\$ 1,063,597
Covered payroll	\$ 27,745,770	\$ 26,999,637	\$ 31,351,152	\$ 27,113,738
Plan fiduciary net position as a percentage of the total OPEB liability	99%	91%	78%	92%
Net OPEB liability/(asset) as a percentage of covered payroll	1%	5%	10%	4%

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

COMPTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2025

	Reporting Fiscal Year (Measurement Date)			
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
Total OPEB liability				
Service cost	\$ 524,960	\$ 523,763	\$ 571,280	\$ 608,696
Interest	827,247	795,329	740,494	687,184
Change in assumptions	-	768,607	-	-
Experience (gains)/losses	127,991	(9,805)	-	-
Benefit payments	(578,591)	(542,933)	(422,378)	(453,237)
Net change in total OPEB liability	901,607	1,534,961	889,396	842,643
Total OPEB liability, beginning of year	14,103,781	12,568,820	11,679,424	10,836,781
Total OPEB liability, end of year (a)	\$ 15,005,388	\$ 14,103,781	\$ 12,568,820	\$ 11,679,424
Plan fiduciary net position				
Employer contributions	\$ 4,328,591	\$ 1,292,932	\$ 672,378	\$ 1,203,237
Expected investment income	353,615	229,255	186,175	295,644
Investment gains/(losses)	259,726	(35,555)	27,664	-
Administrative expense	(44,060)	(31,886)	(28,168)	(22,667)
Benefit payments	(578,591)	(542,933)	(422,378)	(453,237)
Change in plan fiduciary net position	4,319,281	911,813	435,671	1,022,977
Fiduciary trust net position, beginning of year	4,191,727	3,279,914	2,844,243	1,821,266
Fiduciary trust net position, end of year (b)	\$ 8,511,008	\$ 4,191,727	\$ 3,279,914	\$ 2,844,243
Net OPEB liability/(asset), ending (a) - (b)	\$ 6,494,380	\$ 9,912,054	\$ 9,288,906	\$ 8,835,181
Covered payroll	\$ 25,662,059	\$ 24,004,599	\$ 22,908,120	\$ 22,192,701
Plan fiduciary net position as a percentage of the total OPEB liability	57%	30%	26%	24%
Net OPEB liability/(asset) as a percentage of covered payroll	25%	41%	41%	40%

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

COMPTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2025

	Reporting Fiscal Year (Measurement Date)				
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
CalSTRS					
District's proportion of the net pension liability	0.020%	0.022%	0.022%	0.024%	0.024%
District's proportionate share of the net pension liability	\$ 13,630,600	\$ 16,537,727	\$ 15,421,091	\$ 10,947,073	\$ 23,378,082
State's proportionate share of the net pension liability associated with the District	6,253,863	7,923,833	7,722,927	5,508,142	12,051,404
Total	\$ 19,884,463	\$ 24,461,560	\$ 23,144,018	\$ 16,455,215	\$ 35,429,486
District's covered-employee payroll	\$ 15,741,775	\$ 15,025,990	\$ 15,858,322	\$ 15,139,257	\$ 13,990,573
District's proportionate share of the net pension liability as percentage of covered-employee payroll	87%	110%	97%	72%	167%
Plan fiduciary net position as a percentage of the total pension liability	84%	81%	81%	87%	72%

	Reporting Fiscal Year (Measurement Date)				
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
CalPERS					
District's proportion of the net pension liability	0.066%	0.069%	0.075%	0.075%	0.071%
District's proportionate share of the net pension liability	\$ 23,669,429	\$ 24,863,091	\$ 25,728,209	\$ 15,323,159	\$ 21,810,989
District's covered-employee payroll	\$ 13,849,918	\$ 11,762,101	\$ 11,255,417	\$ 10,522,802	\$ 10,014,026
District's proportionate share of the net pension liability as percentage of covered-employee payroll	171%	211%	229%	146%	218%
Plan fiduciary net position as a percentage of the total pension liability	72%	70%	70%	81%	70%

**COMPTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2025**

	Reporting Fiscal Year (Measurement Date)				
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
CalSTRS					
District's proportion of the net pension liability	0.023%	0.024%	0.025%	0.026%	0.026%
District's proportionate share of the net pension liability	\$ 20,555,654	\$ 22,325,730	\$ 23,297,882	\$ 21,272,244	\$ 17,432,301
State's proportionate share of the net pension liability associated with the District	11,214,481	12,782,525	13,782,830	12,109,909	9,219,766
Total	\$ 31,770,135	\$ 35,108,255	\$ 37,080,712	\$ 33,382,153	\$ 26,652,067
District's covered-employee payroll	\$ 13,653,071	\$ 13,827,554	\$ 13,597,782	\$ 13,665,051	\$ 12,759,399
District's proportionate share of the net pension liability as percentage of covered-employee payroll	151%	161%	171%	156%	137%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%

	Reporting Fiscal Year (Measurement Date)				
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
CalPERS					
District's proportion of the net pension liability	0.066%	0.064%	0.064%	0.066%	0.062%
District's proportionate share of the net pension liability	\$ 19,165,783	\$ 17,007,822	\$ 15,293,531	\$ 13,018,832	\$ 9,114,629
District's covered-employee payroll	\$ 9,255,049	\$ 8,365,147	\$ 8,169,859	\$ 8,205,368	\$ 6,862,365
District's proportionate share of the net pension liability as percentage of covered-employee payroll	207%	203%	187%	159%	133%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	79%

**COMPTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2025**

CaSTRS	Reporting Fiscal Year				
	2025	2024	2023	2022	2021
Statutorily required contribution	\$ 2,925,590	\$ 3,006,679	\$ 2,869,964	\$ 2,683,228	\$ 2,444,990
District's contributions in relation to the statutorily required contribution	2,925,590	3,006,679	2,869,964	2,683,228	2,444,990
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 15,317,225	\$ 15,741,775	\$ 15,025,990	\$ 15,858,322	\$ 15,139,257
District's contributions as a percentage of covered-employee payroll	19.10%	19.10%	19.10%	16.92%	16.15%

CaIPERS	Reporting Fiscal Year				
	2025	2024	2023	2022	2021
Statutorily required contribution	\$ 3,604,975	\$ 3,695,158	\$ 2,984,045	\$ 2,578,616	\$ 2,178,220
District's contributions in relation to the statutorily required contribution	3,604,975	3,695,158	2,984,045	2,578,616	2,178,220
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 13,327,079	\$ 13,849,918	\$ 11,762,101	\$ 11,255,417	\$ 10,522,802
District's contributions as a percentage of covered-employee payroll	27.05%	26.68%	25.37%	22.91%	20.70%

**COMPTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2025**

CalSTRS	Reporting Fiscal Year				
	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 2,392,388	\$ 2,222,720	\$ 1,995,316	\$ 1,710,601	\$ 1,466,260
District's contributions in relation to the statutorily required contribution	2,392,388	2,222,720	1,995,316	1,710,601	1,466,260
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 13,990,573	\$ 13,653,071	\$ 13,827,554	\$ 13,597,782	\$ 13,665,051
District's contributions as a percentage of covered-employee payroll	17.10%	16.28%	14.43%	12.58%	10.73%

CalPERS	Reporting Fiscal Year				
	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 1,974,866	\$ 1,671,647	\$ 1,299,191	\$ 1,134,630	\$ 972,090
District's contributions in relation to the statutorily required contribution	1,974,866	1,671,647	1,299,191	1,134,630	972,090
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 10,014,026	\$ 9,255,049	\$ 8,365,147	\$ 8,169,859	\$ 8,205,368
District's contributions as a percentage of covered-employee payroll	19.72%	18.06%	15.53%	13.89%	11.85%

**COMPTON COMMUNITY COLLEGE DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 – PURPOSE OF SCHEDULES

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

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

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

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

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

- *Changes in Benefit Terms* - The required employer contribution rate for CalPERS increased from 26.68% to 27.05%, while there were no changes in benefit terms since the previous valuations for CalSTRS.
- *Changes of Assumptions* - Additional factors were considered in the actuarial valuation for CalSTRS namely the payroll growth rate and long-term expected rate of return based on 20 to 30 years geometric average. There were no changes in assumptions since previous valuation for CalPERS.

Schedule of District Contributions – Pensions

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

SUPPLEMENTARY INFORMATION

**COMPTON COMMUNITY COLLEGE DISTRICT
DISTRICT ORGANIZATION
JUNE 30, 2025**

Compton Community College District (the "District") is located in the city of Compton, Los Angeles County, California. Compton Junior College was established in 1927 as a component of the Compton Union High School District. At that time, State law authorized high school and unified school districts to offer education through a junior college accredited program. In 1950, voters approved a bond issue separating the college from the high school district. The District administers operations of one College campus. There were no changes in boundaries during the fiscal year.

GOVERNING BOARD

NAME	OFFICE	TERM EXPIRES
Andres Ramos	President	2026
Sonia Lopez	Vice President	2028
Dr. Sharoni Little	Clerk	2026
Barbara J. Calhoun	Member	2028
Juanita Doplemore	Member	2026
Cynthia Mims	Student Trustee	2026

ADMINISTRATION

Dr. Keith Curry
President/Chief Executive Officer

Dr. Sheri Berger
Vice President, Academic Affairs

Dr. Abdul Nasser
Vice President, Administrative Services

Ms. Nicole Jones
Vice President, Student Services

Dr. Hyacinth Martinez
Vice President, Human Resources

AUXILIARY ORGANIZATIONS IN GOOD STANDING

AUXILIARY NAME	DIRECTOR'S NAME	ESTABLISHMENT AND MASTER AGREEMENT DATE
Foundation for Compton Community College District	Daniel Chenault <i>President</i>	Foundation was established in 2009 and the master agreement was updated June 20, 2011.

**COMPTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Grant Number	Total Program Expenditures
U.S. DEPARTMENT OF EDUCATION			
<i>Direct Programs</i>			
Student Financial Assistance Cluster			
Federal Pell Grant Program	84.063	*	\$ 9,518,334
Federal Supplemental Educational Opportunity Grant (FSEOG)	84.007	*	176,342
Federal Work-Study Program	84.033	*	235,316
Federal Direct Student Loans	84.268	*	1,305,502
Subtotal Student Financial Assistance Cluster			<u>11,235,494</u>
TRIO - Upward Bound	84.047	*	289,417
<i>Passed through California Community Colleges Chancellor's Office</i>			
Career and Technical Education – Basic Grants to States (Perkins V)	84.048A	*	153,916
Coronavirus State and Local Fiscal Recovery Funds	21.027	*	1,011,479
Total U.S. Department of Education			<u>12,690,306</u>
U.S. DEPARTMENT OF AGRICULTURE			
Child and Adult Care Food Program	10.558	*	41,839
Total U.S. Department of Agriculture			<u>41,839</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Direct Programs</i>			
Temporary Assistance for Needy Families (TANF)	93.558	*	144,796
Foster Care - Title IV-E	93.658	*	104,106
<i>Passed through Foundation for California Community Colleges</i>			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	*	357,034
<i>Passed through Yosemite Community College District</i>			
Child Care and Development Block Grant	93.575	*	8,858
Total U.S. Department of Health and Human Services			<u>614,794</u>
Total Federal Programs			<u>\$ 13,346,939</u>

* Pass-through entity identifying number not applicable or unavailable

**COMPTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

	Program Revenues				Program Expenditures
	Cash Received	Accounts Receivable	Deferred Income	Total Revenue	
Distance Education	\$ 229,791	\$ -	\$ 54,617	\$ 175,174	\$ 175,174
Zero Textbook Cost	501,918	-	471,140	30,778	30,778
CCC Equitable Placement and Completion Grant	168,055	-	80,596	87,459	87,459
Common Course Numbering System	913,043	-	817,056	95,987	95,987
Guided Pathways	272,695	-	35,748	236,947	430,529
California Promise Grant	324,313	-	210,279	114,034	114,035
SWP Local	729,381	-	292,000	437,381	437,381
Strong Workforce Regional	587,661	9,704	-	597,365	597,365
Foster Kinship Care Education	68,891	35,216	-	104,107	104,106
MESA Program	981,554	-	675,522	306,032	306,033
Nursing	192,693	-	118,075	74,618	74,619
DSPS	731,433	186,865	200,374	717,924	717,925
Basic Needs Centers	249,389	-	53,251	196,138	196,137
Student Equity and Achievement	3,263,243	-	715,504	2,547,739	2,695,355
College Rapid Rehousing Fund	344,687	-	344,687	-	-
Re-entry Program	231,895	-	63,838	168,057	168,057
NextUp	236,069	-	446	235,623	235,623
EOPS	1,285,483	-	-	1,285,483	1,285,483
CARE	643,282	4,738	-	648,020	648,020
Board of Trustees	250,834	-	132,162	118,672	708,694
Trustee Fellowship	26,049	-	26,049	-	-
Equal Employment Opportunity	336,088	-	300,208	35,880	35,881
EEO Best Practices	167,106	-	77,377	89,729	171,339
LGBTQ	119,714	-	112,505	7,209	7,210
California Volunteer	388,212	-	-	388,212	388,212
Veterans Education Outreach	77,020	-	69,984	7,036	7,036
TANF	34,775	29,457	-	64,232	64,232
CalWORKs	473,503	-	98,136	375,367	375,366
Adult Education	1,890,838	-	1,293,788	597,050	597,050
Mental Health	373,576	-	173,326	200,250	200,250
Cal Fresh Outreach	111,563	-	108,856	2,707	2,707
Undocumented Liaisons	275,091	-	193,665	81,426	81,426
BFAP Augmentation	312,246	-	-	312,246	429,190
Financial Aid Technology Grant	55,534	-	24,133	31,401	31,401
Information Technology Service	606,927	-	384,576	222,351	222,351
Student Success Completion Grant	485,222	163,748	-	648,970	648,970
Total	\$ 17,939,774	\$ 429,728	\$ 7,127,898	\$ 11,241,604	\$ 12,371,381

**COMPTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT –
ANNUAL/ACTUAL ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2025**

CATEGORIES	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2024 only)			
1. Noncredit	4.42	-	4.42
2. Credit	517.69	-	517.69
B. Summer Intersession (Summer 2025 - Prior to July 1, 2025)			
1. Noncredit	-	-	-
2. Credit	-	-	-
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	1,802.01	-	1,802.01
(b) Daily Census Contact Hours	271.78	-	271.78
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	41.08	-	41.08
(b) Credit	113.07	-	113.07
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Contact Hours	432.36	-	432.36
(b) Daily Census Contact Hours	754.20	-	754.20
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	3,936.61	-	3,936.61
Supplemental Information (subset of above information)			
E. In-service Training Courses	-	-	-
F. Basic Skills Courses and Immigrant Education			
1. Credit	7.14	-	7.14
2. Noncredit	44.83	-	44.83
Total Basic Skills FTES	51.97	-	51.97

**COMPTON COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF THE EDUCATION CODE SECTION 84362 (50 PERCENT LAW) CALCULATION
FOR THE YEAR ENDED JUNE 30, 2025**

	Object/ TOP Codes	Activity (ESCA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6100			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Academic Salaries</u>							
Instructional Salaries							
Contract or Regular	1100	\$ 6,981,005	\$ -	\$ 6,981,005	\$ 6,981,005	\$ -	\$ 6,981,005
Other	1300	3,615,020	-	3,615,020	3,615,020	-	3,615,020
Total Instructional Salaries		10,596,025	-	10,596,025	10,596,025	-	10,596,025
Non-Instructional Salaries							
Contract or Regular	1200	-	-	-	3,183,965	-	3,183,965
Other	1400	-	-	-	173,957	-	173,957
Total Non-Instructional Salaries		-	-	-	3,357,922	-	3,357,922
Total Academic Salaries		10,596,025	-	10,596,025	13,953,947	-	13,953,947
<u>Classified Salaries</u>							
Non-Instructional Salaries							
Regular Status	2100	-	-	-	6,871,543	-	6,871,543
Other	2300	-	-	-	521,581	-	521,581
Total Non-Instructional Salaries		-	-	-	7,393,124	-	7,393,124
Instructional Aides							
Regular Status	2200	889,124	-	889,124	889,124	-	889,124
Other	2400	234,301	-	234,301	234,301	-	234,301
Total Instructional Aides		1,123,425	-	1,123,425	1,123,425	-	1,123,425
Total Classified Salaries		1,123,425	-	1,123,425	8,516,549	-	8,516,549
Employee Benefits	3000	5,773,698	-	5,773,698	11,336,231	-	11,336,231
Supplies and Materials	4000	-	-	-	475,228	-	475,228
Other Operating Expenses	5000	444,033	-	444,033	3,649,625	-	3,649,625
Equipment Replacement	6420	-	-	-	1,832	-	1,832
Total Expenditures Prior to Exclusions		17,937,181	-	17,937,181	37,933,412	-	37,933,412
<u>Exclusions</u>							
Activities to Exclude							
Inst. Staff-Retirees' Benefits and Incentives	5900	-	-	-	28,515	-	28,515
Std. Health Svcs. Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	-	-	-
Non-inst.Staff-Retirees' Benefits and Incentives	6740	-	-	-	-	-	-
Object to Exclude							
Rents and Leases	5060	-	-	-	-	-	-
Lottery Expenditures							
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines & Periodicals	4200	-	-	-	-	-	-
Instructional Supplies & Materials	4300	-	-	-	-	-	-
Non-inst. Supplies & Materials	4400	-	-	-	40,002	-	40,002
Total Supplies and Materials		-	-	-	40,002	-	40,002
Other Operating Expenses and Services	5000	-	-	-	1,242,480	-	1,242,480
Capital Outlay	6000	-	-	-	-	-	-
Library Books	6300	-	-	-	33,200	-	33,200
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	330,768	-	330,768
Equipment - Replacement	6420	-	-	-	1,832	-	1,832
Total Equipment		-	-	-	332,600	-	332,600
Total Capital Outlay		-	-	-	365,800	-	365,800
Other Outgo	7000	-	-	-	450,584	-	450,584
Total Exclusions		\$ -	\$ -	\$ -	\$ 2,127,381	\$ -	\$ 2,127,381
Total for ECS 84362, 50% Law		\$ 17,937,181	\$ -	\$ 17,937,181	\$ 35,806,031	\$ -	\$ 35,806,031
Percent of CEE (Instructional Salary Cost/Total CEE)		50.10%	0.00%	50.10%	100.00%	0.00%	100.00%
50% of Current Expense of Education		\$ -	\$ -	\$ -	\$ 17,903,016	\$ -	\$ 17,903,016

**COMPTON COMMUNITY COLLEGE DISTRICT
 EDUCATION PROTECTION ACCOUNT (EPA) EXPENDITURES
 FOR THE YEAR ENDED JUNE 30, 2025**

EPA Revenue	\$ 10,050,548
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Activity Classification	Activity Code	Salaries and Benefits	Operating Expenses	Capital Outlay	Total
		(Obj 1000-3000)	(Obj 4000-5000)	(Obj 6000)	
Instructional Activities	0100-5900	\$ 10,050,548	\$ -	\$ -	\$10,050,548
Total		\$ 10,050,548	\$ -	\$ -	\$10,050,548

**COMPTON COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

Total Fund Equity - District Funds Included in the Reporting Entity

General Funds	\$	27,255,184	
Debt Service Funds		15,938,406	
Bond Construction Funds		43,071,456	
Capital Project Funds		4,724,701	
Child Development Fund		493,696	
Other Student and Trust Funds		650,971	
Internal Service Funds		2,333,737	
Pension Stabilization Fund		5,162,169	
Student Financial Aid Fund		285,063	\$ 99,915,383

Assets recorded within the statement of net position not included in the District fund financial statements:

Capital assets	\$	321,624,548	
Accumulated depreciation		(91,335,938)	
Right-of-use leased assets		4,083,701	
Accumulated amortization		(1,762,138)	232,610,173

Unmatured Interest (1,895,445)

Deferred outflows recorded within the statement of net position not included in the District fund financial statements:

Deferred charge on refunding			5,898,098
Deferred outflows related to OPEB			945,687
Deferred outflows related to pensions			12,130,299

Liabilities recorded within the statement of net position not recorded in the District fund financial statements:

General obligation bonds	\$	(151,620,202)	
Bond premium		(5,511,639)	
Notes payable		(1,377,422)	
Lease liability		(376,190)	
Compensated absences		(2,060,962)	
Subscription-based IT arrangements		(1,556,463)	
Net OPEB liability		(143,670)	
Net pension liability		(37,300,029)	(199,946,577)

Deferred inflows recorded within the statement of net position not included in the District fund financial statements:

Deferred inflows related to OPEB			(286,127)
Deferred inflows related to pensions			(4,587,733)

Net Assets Reported Within the Statement of Net Position \$ 144,783,758

**COMPTON COMMUNITY COLLEGE DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

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

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2025. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the modified accrual basis of accounting. 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 not to use the 10% de minimis cost rate.

Schedule of Expenditures of State Awards

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

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

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

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

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

**COMPTON COMMUNITY COLLEGE DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 – PURPOSE OF SCHEDULES, continued

Education Protection Account (EPA) Expenditures

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

Reconciliation of Governmental Funds to the Statement of Net Position

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

OTHER INDEPENDENT AUDITORS' REPORTS



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

Board of Trustees
Compton Community College District
Compton, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the fiduciary activities of Compton Community College District (the "District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 11, 2026.

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

CWDL, Certified Public Accountants

San Diego, California
March 11, 2026



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

Board of Trustees
Compton Community College District
Compton, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Compton Community College District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of 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.

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.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on 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 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 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 or significant deficiencies, 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.

Purpose of This Report

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

CWDL, Certified Public Accountants

San Diego, California
March 11, 2026



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE FOR STATE PROGRAMS

Board of Trustees
Compton Community College District
Compton, California

Report on State Compliance

Opinion on State Compliance

We have audited Compton Community College District's (the "District") compliance with the types of compliance requirements as identified in the 2024-25 California Community Colleges Chancellor's Office *Contracted District Audit Manual*, for the year ended June 30, 2025. The applicable state compliance requirements are identified in the table below.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the programs noted below that were audited for the year ended June 30, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the compliance requirements described in the 2024-25 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Our responsibilities under those standards and the compliance requirements are further described in the Auditors' 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 program. 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 described in the 2024-25 California Community Colleges Chancellor's Office *Contracted District Audit Manual*.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements listed in the table below has occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the 2024-25 California Community Colleges Chancellor's Office *Contracted District Audit Manual* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements listed in the table below.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the 2024-25 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.

Procedures Performed

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

- Section 411 – SCFF Data Management Control Environment
- Section 412 – SCFF Supplemental Allocation Metrics
- Section 413 – SCFF Success Allocation Metrics
- Section 421 – Salaries of Classroom Instructors (50 Percent Law)
- Section 423 – Apportionment for Activities Funded From Other Sources
- Section 424 – Student Centered Funding Formula Base Allocation: FTES
- Section 425 – Residency Determination for Credit Courses
- Section 426 – Students Actively Enrolled
- Section 427 – Dual Enrollment (CCAP)
- Section 430 – Scheduled Maintenance Program
- Section 431 – Gann Limit Calculation
- Section 444 – Apprenticeship Related and Supplemental Instruction (RSI) Funds
- Section 475 – Disabled Student Programs and Services (DSPS)
- Section 490 – Propositions 1D and 51 State Bond Funded Projects
- Section 491 – Education Protection Account Funds
- Section 492 – Student Representation Fee
- Section 494 – State Fiscal Recovery Fund
- Section 498 – COVID-19 Recovery Block Grant Expenditures

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 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 a material noncompliance with a compliance requirement 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 or significant deficiencies. 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.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing over state laws and regulations based on the requirements described in the 2024-25 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

CWDL, Certified Public Accountants

San Diego, California
March 11, 2026

**SCHEDULE OF FINDINGS AND
QUESTIONED COSTS**

**COMPTON COMMUNITY COLLEGE DISTRICT
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2025**

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

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

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.007, 84.033 84.063, 84.268</u>	<u>Student Financial Assistance Cluster</u>

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

STATE AWARDS

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

**COMPTON COMMUNITY COLLEGE DISTRICT
FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2025**

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

There were no financial statement findings or recommendations identified during 2024-25.

**COMPTON COMMUNITY COLLEGE DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

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

There were no federal award findings or questioned costs identified during 2024-25.

**COMPTON COMMUNITY COLLEGE DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

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

There were no state award findings or questioned costs identified during 2024-25.

**COMPTON COMMUNITY COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

This section identifies the audit findings and questioned related to the basic financial statements, federal awards or state awards for prior year.

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

UNAUDITED SUPPLEMENTARY INFORMATION

**COMPTON COMMUNITY COLLEGE DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2025**

	General Unrestricted	Line of Credit General Unrestricted	General Restricted	Bond Interest and Redemption	Child Development	Capital Outlay Projects	Revenue Bond Construction	Internal Services	Balance Forward
ASSETS									
Cash and equivalents	\$ 25,217,701	\$ 1,276,453	\$ 13,102,978	\$ 15,938,406	\$ 596,033	\$ 66,395,475	\$ 43,173,331	\$ 2,545,354	\$ 168,245,731
Accounts receivable, net	5,763,470	11,869	5,258,860	-	5,743	920,514	332,833	20,462	12,313,751
Inventory	-	-	-	-	-	-	-	-	-
Prepaid expenses	56,832	-	41,855	-	-	551,785	-	-	650,472
Other current assets	(358,145)	-	(9,693)	-	-	-	-	-	(367,838)
Total Assets	\$ 30,679,858	\$ 1,288,322	\$ 18,394,000	\$ 15,938,406	\$ 601,776	\$ 67,867,774	\$ 43,506,164	\$ 2,565,816	\$ 180,842,116
LIABILITIES									
Accounts payable and accrued expenses	\$ 6,693,903	\$ -	\$ 4,244,860	\$ -	\$ 100,898	\$ 4,211,580	\$ 434,708	\$ 232,079	\$ 15,918,028
Deferred revenue	689,622	-	11,457,981	-	7,182	51,098,677	-	-	63,253,462
Current loans	-	-	-	-	-	-	-	-	-
Due to other funds	20,630	-	-	-	-	7,832,816	-	-	7,853,446
Total Liabilities	7,404,155	-	15,702,841	-	108,080	63,143,073	434,708	232,079	87,024,936
FUND EQUITY									
Restricted	-	-	2,691,159	15,938,406	-	4,724,701	43,071,456	-	66,425,722
Unrestricted	23,275,703	1,288,322	-	-	-	-	-	-	24,564,025
Total Fund Equity	23,275,703	1,288,322	2,691,159	15,938,406	-	4,724,701	43,071,456	-	90,989,747
Total Liabilities and Fund Equity	\$ 30,679,858	\$ 1,288,322	\$ 18,394,000	\$ 15,938,406	\$ 108,080	\$ 67,867,774	\$ 43,506,164	\$ 232,079	\$ 178,014,683

**COMPTON COMMUNITY COLLEGE DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2025**

	Balance Forwarded	Associated Students	Student Representation Fee	Student Financial Aid	Scholarship and Loan	Payroll Clearing	Pension Stabilization Trust	Other Non-Fiduciary Trust	Total
ASSETS									
Cash and equivalents	\$ 168,245,731	\$ 34,171	\$ 17,593	\$ 220,990	\$ 90,341	\$ (43,175)	\$ 5,162,169	\$ 42,892	\$ 173,770,712
Accounts receivable, net	12,313,751	454,790	33,846	1,268,673	840	-	-	780	14,072,680
Prepaid assets	650,472	-	-	-	-	-	-	-	650,472
Other current assets	(367,838)	-	-	-	-	-	-	-	(367,838)
Due from other funds	-	-	-	-	-	-	-	-	-
Total Assets	\$ 180,842,116	\$ 488,961	\$ 51,439	\$ 1,489,663	\$ 91,181	\$ (43,175)	\$ 5,162,169	\$ 43,672	\$ 188,126,026
LIABILITIES									
Accounts payable and accrued expenses	\$ 15,918,028	\$ 14,771	\$ 1,412	\$ 959,617	\$ 26,359	\$ (116,883)	\$ -	\$ 52,046	\$ 16,855,350
Deferred revenue	63,253,462	-	3,402	131,684	-	-	-	-	63,388,548
Current loans	-	-	-	113,299	-	-	-	-	113,299
Due to other funds	7,853,446	-	-	-	-	-	-	-	7,853,446
Total Liabilities	87,024,936	14,771	4,814	1,204,600	26,359	(116,883)	-	52,046	88,210,643
FUND EQUITY									
Restricted	66,425,722	474,190	-	-	-	-	5,162,169	(8,374)	72,053,707
Unrestricted	24,564,025	-	-	-	-	73,708	-	-	24,637,733
Total Fund Equity	90,989,747	474,190	-	-	-	73,708	5,162,169	(8,374)	96,691,440
Total Liabilities and Fund Equity	\$ 178,014,683	\$ 488,961	\$ 4,814	\$ 1,204,600	\$ 26,359	\$ (43,175)	\$ 5,162,169	\$ 43,672	\$ 184,902,083

**COMPTON COMMUNITY COLLEGE DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025**

	Line of Credit								
	General Unrestricted	General Unrestricted	General Restricted	Bond Interest and Redemption	Child Development	Capital Outlay Projects	Revenue Bond Construction	Internal Services	Balance Forward
REVENUES									
Federal	\$ 5,474,456	\$ -	\$ 752,888	\$ -	\$ 32,479	\$ -	\$ -	\$ -	\$ 6,259,823
State	41,873,517	-	13,263,251	61,487	593,128	32,205,280	-	-	87,996,663
Local	12,780,608	64,368	2,839,565	14,457,818	40,490	5,784,909	1,750,187	1,789,003	39,506,948
Total Revenues	60,128,581	64,368	16,855,704	14,519,305	666,097	37,990,189	1,750,187	1,789,003	133,763,434
EXPENDITURES									
Academic salaries	15,580,160	-	3,294,860	-	-	-	-	147,893	19,022,913
Classified salaries	10,025,163	-	4,388,554	-	418,072	-	-	-	14,831,789
Employee benefits	12,346,023	-	2,925,000	-	226,500	-	-	46,063	15,543,586
Supplies and materials	486,422	-	1,925,178	-	20,036	1,131	-	-	2,432,767
Other operating expenses	4,286,493	-	3,519,900	-	1,452	4,935,021	148,233	1,252,385	14,143,484
Capital outlay	446,849	-	485,420	-	-	33,354,492	1,958,039	-	36,244,800
Other outgo	450,584	-	1,311,357	-	7,866	-	-	-	1,769,807
Debt Service - Principal	781,841	-	-	10,331,646	-	-	-	-	11,113,487
Debt Service - Interest and other issuance costs	-	-	-	4,885,206	-	-	-	-	4,885,206
Total Expenditures	44,403,535	-	17,850,269	15,216,852	673,926	38,290,644	2,106,272	1,446,341	119,987,839
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES	15,725,046	64,368	(994,565)	(697,547)	(7,829)	(300,455)	(356,085)	342,662	13,775,595
OTHER FINANCING SOURCES/(USES)									
Operating transfer in	3,890,419	-	(314,157)	-	150,000	13,149,523	-	750,000	17,625,785
Operating transfer out	(13,086,419)	-	(700,000)	-	-	(11,532,816)	-	-	(25,319,235)
Total Other Financing Sources/(Uses)	(9,196,000)	-	(1,014,157)	-	150,000	1,616,707	-	750,000	(7,693,450)
NET CHANGE IN FUND BALANCE	6,529,046	64,368	(2,008,722)	(697,547)	142,171	1,316,252	(356,085)	1,092,662	6,082,145
FUND BALANCE - BEGINNING	16,746,657	1,223,954	4,872,223	16,635,953	351,525	3,435,893	43,400,096	1,023,296	87,689,597
FUND BALANCE ADJUSTMENTS	-	-	(172,342)	-	-	(27,444)	27,445	217,779	45,438
FUND BALANCE - ENDING	\$ 23,275,703	\$ 1,288,322	\$ 2,691,159	\$ 15,938,406	\$ 493,696	\$ 4,724,701	\$ 43,071,456	\$ 2,333,737	\$ 93,817,180

**COMPTON COMMUNITY COLLEGE DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025**

	Balance Forwarded	Associated Students	Student Representation Fee	Student Financial Aid	Scholarship and Loan	Payroll Clearing	Pension Stabilization Trust	Other Non-Fiduciary Trust	Total
REVENUES									
Federal	\$ 6,259,823	\$ -	\$ -	\$ 10,665,455	\$ -	\$ -	\$ -	\$ -	\$ 16,925,278
State	87996663	-	-	1,639,336	-	-	-	-	89,635,999
Local	39506948	178,975	14,179	47,223	4,556	7,200	510,584	32,294	40,301,959
Total Revenues	133,763,434	178,975	14,179	12,352,014	4,556	7,200	510,584	32,294	146,863,236
EXPENDITURES									
Academic salaries	19,022,913	-	-	-	-	-	-	-	19,022,913
Classified salaries	14,831,789	-	-	-	-	-	-	-	14,831,789
Employee benefits	15,543,586	-	-	-	-	-	-	-	15,543,586
Supplies and materials	2,432,767	-	-	-	-	-	-	-	2,432,767
Other operating expenses	14,143,484	110,893	2,494	17,112	-	-	-	16,473	14,290,456
Capital outlay	36,244,800	-	-	-	-	-	-	-	36,244,800
Other outgo	1,769,807	-	-	12,809,281	-	-	-	-	14,579,088
Debt Service - Principal	11,113,487	-	-	-	-	-	-	-	11,113,487
Debt Service - Interest and other issuance costs	4,885,206	-	-	-	-	-	-	-	4,885,206
Total Expenditures	119,987,839	110,893	2,494	12,826,393	-	-	-	16,473	132,944,092
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES	13,775,595	68,082	11,685	(474,379)	4,556	7,200	510,584	15,821	13,919,144
OTHER FINANCING SOURCES/(USES)									
Operating transfer in	17,625,785	-	-	-	-	-	-	-	17,625,785
Operating transfer out	(25,319,235)	-	-	-	-	-	(500,000)	-	(25,819,235)
Total Other Financing Sources/(Uses)	(7,693,450)	-	-	-	-	-	(500,000)	-	(8,193,450)
NET CHANGE IN FUND BALANCE	6,082,145	68,082	11,685	(474,379)	4,556	7,200	10,584	15,821	5,725,694
FUND BALANCE - BEGINNING	87,689,597	406,108	34,940	759,442	60,266	(6,102)	5,151,585	27,853	94,123,689
FUND BALANCE ADJUSTMENTS	45,438	-	-	-	-	72,610	-	(52,048)	66,000
FUND BALANCE - ENDING	\$ 93,817,180	\$ 474,190	\$ 46,625	\$ 285,063	\$ 64,822	\$ 73,708	\$ 5,162,169	\$ (8,374)	\$ 99,915,383