Financial Statements
June 30, 2022

Santa Clarita Community College District

EideBailly®

COLLEGE OF THE CANYONS
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December 19, 2022

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To Whom It May Concern:

The Santa Clarita Community College District's College of the Canyons (COC) is recognized as one of the most innovative community college districts in California. Our forward-thinking campus culture and integrated strategic planning processes encourage faculty, staff, and administrators to propose and implement new curricula, programs, industry connections, and ideas that, together, keep COC on the leading edge of higher education. The College's strategic plan goals of access, engagement, and success continue to drive an institutional focus on diversity, equity, inclusion, and student success to keep COC at the forefront of change that both evolves and anticipates the needs of our students.

FISCALLY RESPONSIBLE

At the end of each fiscal year, an independent Certified Public Accounting firm that specializes in community college oversight performs audits. Their scope of work includes financial, compliance audits for the Santa Clarita Community College District and the College of the Canyons Foundation, as well as financial, and performance audits for the district's general obligation bond funds.

WHAT IS THE PROCESS?

In assessing the systems and procedures of accounting utilized by the District, the auditors work with and interview various individuals at the District who have responsibility for fiscal oversight. This is done to determine the degree to which the District complies with rules and regulations as set forth in State regulations and the Accounting Manual for California Community Colleges and, subsequently, determine that the accountability and propriety of expenditures have been carried out accordingly. They also evaluate the appropriateness of accounting policies and overall presentation of financial statements as well as check on any new compliance requirements.

THE RESULTS ARE IN!

At College of the Canyons, we value the audit process as it provides the district with opportunities to discuss ways to improve its business procedures and accountability mechanisms. I am pleased to report that the District has received ***Unmodified Opinions for Financial Statements and Federal Awards*** in the 2021-2022 audit report, with no audit findings. An ***Unmodified Opinion*** is the best opinion that can be issued for an audit, in that it means, "the financial statements present fairly, in all material aspects, the financial position of the business type activities of the district as of June 30, 2022." Since 2002, **98% or 87 of 89** of the District's audits have received **Unqualified/Unmodified Opinions**. This includes District, Foundation and General Obligation Bond finance and performance audits. These Unmodified Opinions on the audit reaffirm the high level of fiscal responsibility in the Santa Clarita Community College District, and underscore our compliance with appropriate accounting procedures and controls.

As we move forward, carrying out our vision, engaging in systematic planning, and seeking all opportunities to expand access and engagement for our students and the businesses in our service area, the District remains committed to sound fiscal risk management practices, and the audit reaffirms our ability to:

- ✓ Manage through the State of California's *lack of a funding mechanism that is predictable and consistent* for community college education, *and varies in funding levels from year to year*.
- ✓ Maintain a strong financial position with adequate reserves.
- ✓ Maneuver through the never-ending and constantly emerging mandates from the State that frequently conflict with one another and make compliance a challenge.
- ✓ Develop and fund enrollment management strategies to support student access and reengagement.

OUR DILIGENCE ILLUSTRATES OUTCOMES
For the last **53 years,** College of the Canyons has built a track record and earned a reputation as a statewide leader by ensuring student success as the attainment of degrees, certificates and other educational outcomes increase year over year. Whether they plan to transfer to a four-year university, or enter a career field, students leave College of the Canyons confident that they are equipped with the education and skills needed to succeed in their chosen endeavors. Our continued commitment to educational excellence, focus on innovation, and willingness to collaborate with community and governmental agencies, as well as business and industry, ensure our collective success in meeting the needs of those we serve.

New Initiatives, Innovative Projects, Grants & Collaborations

Innovation is a core value for the College which was evidenced during the pandemic which lasted through most of 2021-2022. In the beginning, essential training could still be provided on-ground with faculty, staff, and students pivoting to adapt to a hybrid environment for some classes and fully on-ground for nearly 50% of the rest of the classes by Spring 2022. Services and operations returned on-campus in order to provide full service to students who were returning to campus. Throughout the pandemic, funding for *Basic Needs* was provided by both the Federal and State government which helped to remove barriers to education by providing support to students for tuition, books, housing, food, childcare, technology, transportation and anything else that might prevent them from pursuing their academic goals. With this funding, the District established a *Basic Needs Center* with full-time staff to evaluate the needs of students and provide them with valuable resources and grant funding.

We continue deploying strategies to re-engage students who are not only challenged to take the next step into an unknown future, but also to create the very steps they wish to take. In the past year, numerous projects and efforts have reflected this innovative spirit as we achieved many successes in the following areas:

- Hosted the **2021 Green STEM Virtual Summit** on October 9, 2021 to introduce students to green careers. **COC and the Santa Clarita Environmental Education Consortium (SCEEC)** worked together on an event geared toward high school and college-age students. The event featured 9 amazing presentations by leading professionals from STEM industries, research labs and non-profit organizations. There were 200 participants, including students from a dozen states within the U.S., as well as from places as far away as Iceland, Argentina and Taiwan.
- Congratulated **James Glapa-Grossklag, Dean of Educational Technology, Learning Resources, and Distance Learning** who has been named the **Michelson 20MM Foundation's most recent Open Educational Resources (OER) Fellow**. In this role, James will assist in shaping our textbook affordability strategy and priorities. Michelson 20MM is a private, nonprofit foundation seeking to accelerate progress towards a more just world through grantmaking, operating programs, and impact investing.
- Hosted the **Education Alliance**, which consists of COC leadership and the Superintendents of all 5 school districts. The meeting occurred on February 28, 2022 at the Canyon Country Science Center and a tour was provided. Meeting topic highlights included: Spring 2022 status updates; planning for COVID-19 restrictions/testing; Outreach, in-reach, and resource fairs; Community Education/Dual Enrollment opportunities; College Going Culture Update; Kennedy Center Partnership update.
- Received a **$74,707 Campus as a Living Lab** (CALL) grant from the **National Science Foundation** (NSF) to provide opportunities for underrepresented community college students to engage in undergraduate research focusing on native bees. Using the campus landscape as a living lab, faculty and students will research native bee biodiversity with the intent to enrich campus habitats, foster increased biodiversity of native bee species and address the current rapid loss of biodiversity affecting ecosystem stability and pollination services. The project's goal is to create a strong foundation for establishing a sizeable future network of colleges that can use the available data to foster ongoing critical pollinator research opportunities for underrepresented student. Jeannie Chari, Professor of Biology/Environmental Science, developed the concept and application during the pandemic, assembling collaborators from two-year colleges in the U.S. and Argentina.
- Secured a **$1,493,379** grant award from the **National Science Foundation** (NSF). This grant will fund **S-STEM Equity Alliance Scholars** to increase enrollment and graduation rates among STEM majors in key student populations including Black, Latinx, women, first-generation college students, and low-

income students. The SEA Scholars program will recruit, mentor, and support academically talented STEM students pursuing degrees in Biology, Biological Sciences, Computer Science, Engineering, Environmental Science, Mathematics, and Physics. Approximately 100 underrepresented STEM students will receive scholarships of up to $10,000 and academic support by building upon COC's MESA program to improve educational outcomes through mentorship, support services, and equitable classroom practices.

- Awarded **$1.5 million** in **Employment Training Panel** funds as a part of the CA Community College Fund. This is the 16th contract and double our last award.
- Received a **$250,000** grant from the **California Apprenticeship Initiative** to train students with workforce-ready skills and serve the needs of the local construction industry. In partnership with the Southwest Regional Council of Carpenters (SRCC) and William S. Hart Union High School District, the college will offer a pre-apprenticeship to apprenticeship pathway to 50 students. Upon completion, students will be prepared for one or more of the SRCC Union Registered Apprenticeship programs under the umbrella of the Southwest Carpenters Training Fund. The project is expected to benefit both students and industry while contributing to the state's economic recovery emerging out of the COVID-19 pandemic.
- Received nearly **$1 million** in federal funding that will help launch the **Advanced Technology Center** (ATC), a state-of-the-art advanced manufacturing and CNC (Computer Numerical Control) production lab to help meet the demand for skilled employees in fast-growing industry sectors. Congressman Mike Garcia secured the funding through the $1.5 trillion Omnibus Spending package recently passed by Congress. The allocation will equip the ATC with a state-of-art CNC production lab that includes both simulation machining centers and full production type machining centers, including several CNC 5-axis machining centers, mills, lathes and routers. It will also include a full computer lab to support programming skills in Computer Aided Drafting and Manufacturing and additive manufacturing tools that will begin 3D printing applications for prototype projects.
- Awarded from the **Workforce and Economic Development Division of the California Community Colleges Chancellor's Office $125,000** as part of the **CCCCO Invention and Inclusive Innovation (i3) Initiative**. Whose goal is to strengthen community connections and build college, career, and civic readiness, closing the "civic opportunity gap." This project will enhance student social entrepreneurism and support civic engagement through design thinking, project- based learning, and professional development training. COC is one of 18 colleges awarded in this cycle. Many thanks to Harriet Happel, Patty Robinson, Teresa Ciardi, and Gary Quire among many others involved in this project.
- Received a **$372,000 Rising Scholars Network** grant from the **California Community Colleges Chancellor's Office** to increase services provided to justice- involved students. The funds will allow the college to create an on-campus program for justice-impacted students to serve as a counterpart to the college's existing programming at county jails, including Pitchess Detention Center. The grant will fund an on-campus Rising Scholars Coordinator position to work alongside the Rising Scholars faculty coordinator, as well as a dedicated part-time counselor starting this fall.
- Awarded **$646,345** from the **National Science Foundation** to support a Welding Education Smart Technology project, which will integrate smart technology platforms, paired with industry- recognized stackable certificates, into the curriculum to improve welding education. Key activities include: Outfitting the existing welding technology lab with state-of-the-art "smart" welding systems for more hands-on training time, instant assessment of welds, higher-quality training, and improved safety; Creating a pipeline of skilled works to meet industry demands; Aligning the curriculum for approximately 300 students who will benefit during the grant period. Congratulations to Tim Baber (project director) for his tenacity in securing this grant.

Student Involvement, Achievement and Success

We champion the involvement of our student body, celebrate their achievements and promote their success. In the past year, we:

- Honored our **2022 graduating class** during the college's annual commencement ceremony held on June 3, 2022 in the Honor Grove.

  - The class of 2022 was comprised of **2,443 students who petitioned for graduation,** representing approximately 3.5% increase in completion over 2021.
  - Graduates who opted for a simpler commencement ceremony were honored for their achievements during Grad Walk on June 2, 2022. **400 Graduates** participated in this event.
  - Overall the class of 2022 represented **105 majors and 881 students graduating with two or more degrees.**
  - The class of 2022 had **1,027 students graduating with honors (3.5 GPA or higher)** and **119 of these students had perfect 4.0 GPAs**, which granted them the status of valedictorians.
- Hosted an in- person edition of the **Fall 2021 Welcome Week** on August 30, 2021 at the Valencia Campus and September 2, 2021 at the Canyon Country Campus. The Office of Campus Life and Student Engagement welcomed 400+ students who were connected to our campus resources between both events. With the limited amount of in-person classes, it was difficult to know if students would participate in the events, but expectations were exceeded with the high attendance and positive feedback from students. Students have definitely missed the physical presence of engaging with staff in-person and love knowing what COC has to offer.
- Hosted a virtual **Manufacturing Day Celebration** on October 8, 2021 to an audience of over 7,000 students. The **Economic Development Division** brought leaders in Manufacturing and Advanced Technology together to provide inspiration, information, and resources the students would need to advance their education and future careers. Partners in COC's Manufacturing Day 2021 included: S.T.R.E.A.M. – Science, Technology, Reading, Engineering, Art, Mathematics; William S. Hart Union High School District; City of Santa Clarita; Santa Clarita Valley Economic Development Corporation (SCVEDC); California Manufacturing Technology Consulting (CMTC).
- Launched **Student Diversity Forum** through the **Volunteer Bureau**. Diversity Spoken premiered on October 8, 2021 and welcomed 16 participants. Diversity Spoken aims to: Engage non-native English-speaking students to expand their vocabulary, improve their verbal communication skills, and converse with confidence; Empower students to shine a light on their cultures, history, and experiences and promote diversity; and Connect students within an interactive social forum to exchange ideas and strengthen the COC student community. Students were excited to share their personal "Name Stories" and cultural backgrounds. Volunteers facilitated activities and provided a safe and welcoming virtual environment for students.
- Held the **International Services & Programs (ISP) Orientation**. ISP held an orientation to welcome their new Spring 2022 students. COC welcomed 60 new students. This was COC's largest cohort of incoming new ISP students. ISP students, as of Spring 2022, come from 40 countries, with 23 languages represented. As many of the new students are from Bangladesh, COC connected them to the Islamic centers in town to foster a stronger sense of community for the students.
- Continues to promote the **COC Administration of Justice Program** offerings, discipline, and the many associated careers by highlighting the Department in a positive light through a new newsletter, The Rap Sheet, which launched earlier this month. A new edition is planned for release at the start of every future semester and will typically follow a theme. Each newsletter will showcase: Updates to the program, such as the new Law Enforcement Technology degree; "In the Spotlight," which showcases the successes of our prior students, faculty, and advisory board members; Highlights to current courses; and Generate Campus wide interest and support for the Admin Justice program and its courses.
- Hosted **Spring 2022 Welcome Week**. The **Office of Campus Life and Student Engagement** hosted over 30 booths, with over 20 club booths on both campuses for Spring 2022 Welcome Week on February 14 and 17, 2022. Although it was in a hybrid format, 500+ students were connected to COC's campus resources and clubs/alliances through both of the events.
- Provided a preview of new programs at the **University Center** (UCEN). The University Center hosted an **Open House Preview** of its Fall 2022 Programs in the UCEN Lobby on April 12, 2022. Attendees learned firsthand about the degree and certificate programs that will be available this fall and were able to meet with university representatives and receive guidance from enrollment counselors and academic advisors.
- Engaged the **Vote Sign Painting**. The **Center for Civic Engagement** and its Engage the Vote and PLACE Action Teams partnered with Los Angeles Artist Deborah Aschheim on April 13, 2022 to pilot the first of several planned student Get Out the Vote sign-making activities to encourage participation in the June 7, 2022 California Primary. Participants met in Mentry Hall 109. Deborah provided some basic

painting tips. Students reflected on personal messages for their signs. Signs will be displayed on campus closer to the election. Additional sign-making events will also take place this fall.

- Recognized **Nursing Graduates** Make History. For FY 2020-2021, COC Nursing topped 90% first-time pass rate for the first time ever. In the first quarter alone, 40/42 COC graduates passed, at a rate of over 95%. This is the highest quarter first- time pass rate in COC history. This is much higher than the **California Board of Registered Nursing** (BRN) requirement of 75%. These graduates benefitted from significant investments in simulation equipment and virtual simulation technology to supplement direct clinical experience during the pandemic.
- Celebrated **College of the Canyons Nursing** graduates on December 7, 2021, at their traditional pinning ceremony, signifying their completion of the nursing program. The 36 graduates were joined by friends and family in the Performing Arts Center, the first pinning ceremony held there since December 2019. Dr. Van Hook spoke to the students about their commitment to their own education during the challenges of COVID and applauded them for never giving up. Dr. Larry Kidd, of Henry Mayo Newhall Hospital, spoke about the importance of compassion and self-care, as our graduates transition to clinical practice. Student speakers shared about the joys of their achievement and thanked COC nursing faculty and Dean Kathy Bakhit for helping them to complete all clinical requirements through innovative methods, including telehealth, the COC COVID test site, virtual and on-the- ground simulation, and COVID vaccination sites.
- Supported **Aerospace & Sciences** with Teresa Ciardi and students Natalie Aliaga and Jammal Yargrough representing the college's Aerospace and Sciences Team during the S.T.R.E.A.M. Turns 7 fundraising event at the Hyatt Regency on December 2, 2021. The team received an award of $500 for the HASP and RockSatX projects, and Aliaga was recognized as one of the panelists. S.T.R.E.A.M. is a youth-founded nonprofit whose mission is to ensure all students have equal access to education and career opportunities.
- Congratulated **Canyons Football** who holds 12 spots on SCFA All-Northern League Team, three named all-state, Gilmore an All-American – COC had 11 players representing 12 spots, including four unanimous selections, named to the 2021 Southern California Football Association (SCFA) National Division, All-Northern League Team. Wide receiver Tiquan Gilmore was honored as a unanimous selection on the SCFA First-Team Offense as a wide receiver and the First-Team Defense as a kick return specialist. Gilmore was joined by offensive lineman Justice Spates and defensive tackle Taylor Lewis on the 2021 Regional III All-California Community College Football Team. Gilmore was also named to the 2021 California Community Colleges Football Coaches Association (CCFCA) All-American Team as an All-Purpose selection.
- Celebrated **COC Women's Volleyball** who had 6 players earn All-Western State Conference (WSC), South Division accolades. Caitlin Liebe and Abby Sherman were selected as ALL-WSC First-Team members, Damani Harvey and Rhiannon Boddy were both All-WSC Second-Team honorees., Breanne Kelley and Jacquelin Ibarra were both named All-WSC Honorable Mention. The Cougars recorded three postseason wins to advance to the CCCAA State Championship Tournament for the 4th time in program history, and finished the year as the No. 8 ranked team in the state according to the final CCWVCA statewide rankings.
- Congratulated the **Tennis Team** for seizing its first Western State Conference championship in dramatic fashion on March 15, 2022 with an 8-1 home win over Antelope Valley College. The team's dominant performance in its 10th consecutive victory secured the conference title. Two days later the team reinforced its command of the court by claiming its 11th straight win in a home match against Bakersfield College. The tennis team debuted in 2018 as the college's 17th athletic program.
- Honored 10 new graduates of the Uniquely Abled Academy at College of the Canyons at its CNC Machinist Training program on April 8, 2022. This program, in its third year, provides intensive training for individuals with high-functioning autism and prepares them for career paths in industries including aerospace, automotive and medical devices. COC has 100% of placement in the UAA for CNC Machining and expects the same with this 3rd cohort. UAA Students receive: National Institute of Metalworking Skills (NIMS) Credentials; ACT National Career Certification; Certificate of SME ToolingU.
- Congratulated **COC Math Team** for receiving the highest team score in the nation for the American Mathematical Association of Two-Year Colleges (AMATYC) Student Mathematics League Test. Congrats to students Praneel Samel (first place), Roman Yakunin (second place), and Melquicedec Avila-Cruz (third place) for their achievements on this challenging exam.

- Received **2 NASA Missions for College of the Canyons** as COC's **Aerospace & Sciences Team** was selected for both **NASA HASP** and **NASA RockSatX**. Our team represents a variety of backgrounds: Asian, African American, American Indian, Hispanic, Indian, Japanese, Korean, Mexican, and Middle Eastern. The student team competed with university teams from around the world and were selected for both space missions. These students are so motivated to persist, take initiative, and learn on their own, that the only barrier COC faces is a lack of funding the university teams have. This was COC's 6th NASA HASP mission (2016, 2017, 2018, 2019, 2021, 2022); 1st year being selected for a large payload spot on HASP & 1st time including student art. This was COC's 3rd NASA RockSatX mission (2019, 2021, 2022). COC students have earned 91 Internships/scholarships & 5 full-time careers to date – with 3 more in process.
- Congratulated **COC Speech and Acting Team** for winning big in Fall and Winter. The COC Speech Team enters record number of students at online tournaments during Fall and Winter semesters - 30 students at 13 tournaments. Online tournaments have allowed the Speech Team to compete in twice as many tournaments, including in Northern California, Illinois, and Missouri, that were previously unfeasible. Our students rose to the challenge every time, meeting as early as 5:30am to compete. We're so proud of the results. Of the 13 tournaments we've competed in, we've advanced competitors to the final round 15 times. A heartfelt congrats to our team's accomplishments.
- Celebrated COC students win at **California FBLA-PBLA State Conference**. Seven students from **COC Future Business Leaders of America – Phi Beta Lambda** competed at the 2022 Spring FBLA-PBL California State Business Leadership Conference held in San Francisco on April 22-24, 2022. Over 100 students from colleges and universities across California participated in the first in-person state conference held since 2019. COC's team was able to bring home seven 1st place awards, three 2nd place awards and two 3rd place awards. COC student Chanchol Krasaesin was elected to the California PBL state leadership team for the 2022-2023 term. A big congratulations to our student team.
- Honored the academic achievements of **46 Valedictorians** during an event at the Cougar Den on May 19, 2022. As valedictorians, the students had the highest academic achievements of the class of 2022.
- Recognized **College of the Canyons Student Athletes** during an awards dinner on May 19, 2022. Held in the Cougar Cage (West PE Gymnasium), the event celebrated the academic accomplishments of the 84 student-athletes who graduated or will transfer to four- year universities in the fall. The event included Dr. Van Hook's keynote speech and the presentation of awards to student-athletes for their accomplishments.
- Commended the achievements of **1,362 College of the Canyons Transfer Students** during a virtual event on May 20, 2022. Among those transferring, 558 will attend Cal State Northridge, 178 will attend CSU Channel Islands, 176 will attend UC Santa Barbara, and 97 will attend UCLA. COC is proud of you and wishes you the very best on a job well done.
- Congratulated recipients of **2022 COC Scholarship Awards** on April 25, 2022. 319 Scholarships were awarded to 301 individual students, totaling $280,950. A special Scholarship Reception event to honor the donors and connect them with the student recipients was held on May 25, 2022 in the University Center lobby.
- Celebrated Canyons second consecutive win at **CCCAA State Championship**, marking this 10th in program history. For the 10th time in program history and the second consecutive championship-eligible season, College of the Canyons was crowned the **California Community College Athletic Association (CCCAA) Men's Golf State Champions**. COC fended off runner- up Saddleback College by two strokes, finishing with a field low 720. The team coached by Gary Peterson fended off runner- up Saddleback College by two strokes to secure the California Community College Athletic Association's top prize.

Community Partnerships and Building the Economy

Partnering with local businesses on workforce development has long been a priority for College of the Canyons. We have continued to enhance our abilities and build relevant and creative partnerships, which have boosted our fiscal base and helped to build the local economy. The expansion of student access, support, outreach, and service to our community has been achieved through these dynamic educational partnerships and activities:

- Entered into a partnership with **B&B Manufacturing** to utilize its facilities for providing hands-on training for students. For over 30 years, COC has operated the **Center for Applied and Competitive**

Technologies (CACT), which offers accelerated training for dislocated workers, Veterans and those with high-functioning Autism for jobs in advanced manufacturing. Construction for a training center is underway, and the first cohort of students is scheduled to begin classes January 2022. Over 70 companies in the Santa Clarita Valley count on COC to provide quality machinists for their operations each year. This agreement will enable the College to keep its promise for years to come. The agreement with B&B is the first step in the colleges efforts to build and operate an Advanced Technology Center (ATC). The ATC, which will be over 50,000 square feet and house programs in Construction, Welding, Manufacturing, and Logistics.

- Launched the **Employee Training Institute**'s new program in partnership with **Northrop Grumman** and supported by COC's Strong Workforce Program on August 5, 2021. The program has 14 participants being trained to become LO Technicians to be hired by Northrop Grumman Corporation. Stealth technology, also termed Low Observable Technology (LO technology) provides an aircraft the ability to go undetected by the enemy. The LO career pathway allows individuals to pursue higher skill levels as well as a pathway to leadership positions within Northrop Grumman.
- Held a ceremony in the ICUE to celebrate the first cohort of the college's **Low Observable (STEALTH) Technician Pathway** program graduation on November 23, 2021. Thirteen students completed the 14-week program and will gain employment with Northrop Grumman. College of the Canyons is the only community college in the state to offer such a program. Congressman Mark Garcia, state Sen. Scott Wilk, L.A. County Supervisor Kathryn Barger, Assemblyman Tom Lackey, and Northrop Grumman Vice President Pat Hund were among those in attendance. The graduation concluded with a demonstration of the virtual simulator students used for the hands-on portion of the training. The completion of a 2nd cohort for the Low Observable Technician Program had 15 participants who received contingent offers of employment. In partnership with Instruction, a second Virtual Reality sprayer was purchased using Strong Workforce funds to support the program.
- Held a successful **COC's Business Alliance** meeting on February 16, 2022, thanks to the panel of insightful and talented business owners and leaders. This meeting was a first step in a larger initiative on how COC can support Black and African American Business owners and leaders in the valley and surrounding region. The next steps include convening again to develop ideas and actions that will positively support these business owners and entrepreneurs going forward.
- Hosted an in-person **Hiring Fest** on October 22, 2021 in the University Center. 71 participants (students and community members) had the opportunity to interact with 26 local companies to interview and learn about their job openings.
- Featured the **2022 Women's Conference: Reimagine a New You**. 125 Community leaders and entrepreneurs from throughout the Santa Clarita Valley gathered at the University Center for the 2022 Women's Conference on March 26, 2022. The event featured a variety of specialized workshops and activities, as well as a headlining panel of trailblazing women who discussed their life journeys, how they remain engaged, and how they stayed resilient during the pandemic. The Leading as a Female Business Owner and Painting sessions were among the best attended and left participants walking away with a plan or a piece of art.
- Hosted a virtual **Student Civic Empowerment Summit** on April 29, 2022 in collaboration with **A Band of Voters, Student PIRGs, and Democracy Works**. 80 participants from CCC, CSU, and UC joined the event to learn about the importance of voter engagement. California Secretary of State, Dr. Shirley Weber, provided a historic overview and rationale behind California AB 963 and the mandates public colleges and universities must meet. The keynote session was followed by student speakers from around the state, who discussed ways to create a campus vote plan.

College of the Canyons serves as a recognized leader in the economic growth and development of the Santa Clarita Valley. Collaboration drives the development of new opportunities for funding, as well as innovative programs and services that meet emerging business and industry needs. The college helped launch and continues to support the **Santa Clarita Valley Economic Development Corporation**, which works to ensure the long-term vitality of the community's economy. The college also initiated the **Santa Clarita Valley Business Alliance**, which engages local chief executive officers and identifies emerging needs and trends in workforce training and development.

Facilities Improvements

College of the Canyons continues to modernize and expand its facilities at both campuses to ensure the more than 33,000 students we serve each year have access to high-quality facilities that facilitate successful learning. In 2021-22 we:

- Celebrated the grand opening of the **Takeda Science Center**. A grand opening and ribbon-cutting ceremony was held for the Don Takeda Science Center at the Canyon Country campus on December 1, 2021. The Takeda Science Center was named in honor of longtime biology instructor Don Takeda, who retired in 2017. The ceremony included remarks from Dr. Van Hook, the Board President, college staff, recognition from elected officials, and touching personal comments from Don and his children Cameron and Phoebe. The Takeda Science Center will offer online in-demand science laboratory classrooms, instructional service rooms, faculty offices, lecture halls, computer labs, and student study spaces. It is wonderful to see the results of many years of careful planning in the culmination of this impactful facility.
- Continued **modernization to Boykin Hall**, a 44-year old science laboratory facility on the Valencia Campus. This project entails the complete 'gutting' and interior upgrade of the Lab building, which has remained largely untouched since opening in 1974. This is a 50% state-match project, saving the district nearly $5M in Measure E funds, which is a very impressive fact in and of itself. Boykin will retain the same number and type of science labs, service rooms and classrooms, which will be outfitted with entirely new, state-of-the-art interiors: cabinets, casework, fume hoods, lab tops, ceilings, floors, doors, etc. Behind the walls, all new plumbing, electrical, and HVAC will also be replacing the OEM infrastructure. The building will also be seismically retrofitted (voluntarily, not mandated by any state agency), to current building codes.
- Broke ground on the Student Services Learning Resource Center Building on the Canyon Country Campus. This structure is a 55,000 square-foot mirror building to the Science/Lecture Building. It will house Admissions and Records, Financial Aid, Counseling, Student Health, EOPS, Career Center, DSPS, CalWORKS, Veterans, Student Business Office, Library, TLC, Switchboard, Reprographics, Tech Center, Classrooms and Staff offices. The project began in November 2020.

Awards & Recognition

College of the Canyons is consistently recognized throughout California and across the nation for its innovative efforts that enhance student access, engagement, and success. In 2021-22, we were:

- **Commended for Leadership** - **Los Angeles County Fifth District Supervisor Kathryn Barger** recognized College of the Canyons at the annual State of the County luncheon for the support the college provided to the community throughout the pandemic. Barger presented **Dr. Van Hook** with a commendation recognizing the college's leadership in providing a COVID-19 testing site for the community. The drive-through location was staffed initially with the help of COC nursing students, and has administered thousands of tests in the two years it has been open in the parking structure at the Valencia campus.
- **Achievement of Excellence in Procurement –** Awarded to the **Contract and Procurement (CPRM) Department** on July 27, 2021, the National Procurement Institute's Achievement of Excellence in Procurement Award. The application process required narratives clearly explaining and demonstrating evidence of various procurement criteria including: Procurement Ethics, Procurement Manual; Procurement Professional Development Program; Surveys of Internal Customers and External Vendors; Formal Internal Training, Performance Measures; Centralized Procurement Authority; Internet Webpage; Online Electronic Vendor Registration; Web-Posting of Solicitation Tabulations and Award Documentation; Online Surplus Auction System; Staff Member Bachelor Degrees; Participation as a Presenter on a Procurement Topic at a Conference; Implementation of a Cooperative Procurement Strategy.
- **SCV Chamber 11th Annual Salute to Patriots Event –** Honored **Veterans Resource Center Director, Renard Thomas** as one of six honorees recognized at the SCV Chamber of Commerce 11th Annual Salute to Patriots event, which honors local veterans for their service to our nation and leadership in our business community. The Veterans were nominated by chamber members and local residents throughout

October. Renard served in the Army and Army Reserves for over 20 years, and was deployed for 18 months in Operation Iraqi Freedom. Under Renard's leadership, the Veterans Resource Center serves more than 600 veteran students attending COC.

- **College Among Best in U.S. for Hispanic Enrollment -** College of the Canyons was ranked No. 19 nationally by The Hispanic Outlook on Higher Education for enrolling the largest number of Hispanic students. The Top 100 Community Colleges for Hispanics rankings used enrollment data for fall 2019 and spring 2020, which recorded a Hispanic population of 15,528 students, or 47 percent of total student enrollment. College data shows that over a five-year period, there was a 163 percent increase in the number of Hispanic students earning an Associate's Degree for Transfer (ADT). Students who earn an ADT were guaranteed admission to a California State University.
- **2021 NCMPR Awards -** The **National Council for Marketing and Public Relations** (NCMPR) announced winners of the District 6 Medallion Awards. College of the Canyons received 2 Bronze, 6 Silver, and 2 Gold awards.District 6 includes community colleges in California, Arizona, Utah, Nevada and Hawaii. COC was awarded in the following categories: Bronze: Radio Advertisement - Canyons Promise, Poster - Mission Statement; Silver: Radio Advertisement - Canyons Promise, Poster - Mission Statement, Outdoor Media - Make This Summer Count, Paseo Banner, Brochure - 2021 Get Going Guide, E-Card - Holiday Card, Notes/Cards/Invitations - Foundation Annual Scholarship Fundraiser; and Gold: Academic Catalog or Class Schedule – PPL Summer Class Schedule, Logo Design – Multicultural Center Logo.
- **California LAW Diversity Champion Award for 2022 -** COC received the **California LAW Diversity Champion Award for 2022**. The selection committee was very impressed with the great work COC is doing with our students. The Award was established in 2008 by the State Bar of California to recognize the outstanding efforts of law-related educational programs that train and support students to become interested in the judicial system and careers in the law. This semester 131 students have self-identified as Pathway to Law school participants. Over the last four years, 303 students have participated in the Pathway to Law School program, with approximately 250 Pathway to Law classes being offered each semester. Congratulations to Nicole Faudree and Liz Shaker for all you have done to make this an exceptional program.
- **Diversity Champion Award -** The College of the Canyons **Pathway to Law School** program has received the **California Leadership-Access-Workforce (LAW) Diversity Champion Award**. The certificate program serves underrepresented groups, first- generation college students, and first-generation students. This semester 131 students have self-identified as Pathway to Law school participants. Over the last four years, 303 students have participated in the Pathway to Law School program, with approximately 250 Pathway to Law classes being offered each semester. Congratulations to Nicole Faudree and Liz Shaker for all you have done to make this an exceptional program.
- **2022 IRPE professional Leadership Award - Dr. Daylene Meuschke, Associate Vice President of Institutional Research, Planning, and Institutional Effectiveness (IRPE), and Student Experience Redesign**, received the 2022 IRPE Professional Leadership Award from the RP Group for her exceptional contributions to student and institutional success. Meuschke received the award at the RP Conference 2022, which was held on April 12-13, 2022 in Garden Grove, California. The annual RP Conference is the largest gathering of institutional research, planning, and effectiveness professionals in the California Community Colleges system. Congratulations Daylene.
- **Equitable Course Placement Honors -** College of the Canyons has been named a 2022 Champion for Excelling in Equitable Course Placement in Campuswide English Enrollment, Latinx English Enrollment, and Black English Enrollment by The Campaign for College Opportunity. The categories and descriptions from The Campaign for College Opportunity include: Campuswide Transfer-Level English Enrollment - Colleges successfully supported 100% of their students to enroll directly into transfer level English coursework; Equity Distinction: Latinx Transfer-Level English Enrollment - In supporting Latinx student Enrollment in Transfer-Level English, colleges successfully supported 100% of their Latinx students to enroll directly into transfer level English coursework; Equity Distinction: Black Transfer-Level English Enrollment - In supporting Black student enrollment in transfer-level English, colleges successfully supported 100% of their Black students to enroll directly into transfer level English coursework.
- **Advocacy** - With her reputation for innovation, and her expertise in higher education, Dr. Van Hook was invited by the **Bipartisan Policy Center** to join its **Higher Education Task Force** consisting of leaders with decades of experience in government, academia, higher education administration and the business

community to make recommendations on the reauthorization of the Higher Education Act. Appointed by Assembly Speaker Anthony Rendon, Dr. Van Hook was one of 12 members of the **Student Centered Funding Formula (SCFF) Oversight Committee** charged by the state Legislature with evaluating the current community college funding formula and recommending changes. She also served on the SCFF CEO Taskforce to make similar recommendations which included changing the way Instructional Service Agreements for Public Safety Training FTES would be funded to ensure full funding for these courses and the ability of the community colleges to train individuals to fill these essential workforce vacancies throughout the State.

IN SUMMARY

This report confirms the District's continued compliance with general accounting standards, as well its efforts to anticipate and be responsive to new requirements, and maintain sound internal budget controls. In doing so, the District stands apart in its ability to maintain fiscal and program integrity, and compliance with State and Federal regulations. Going forward, the Board of Trustees and administrative team remain committed to:

- ✓ Maintaining proper stewardship of district funds with established controls;
- ✓ Championing increased access for an increasingly diverse student body;
- ✓ Continuing to support student success *and* student equity;
- ✓ Ensuring compliance with all Federal and State statutory requirements, along with the district's Board policies;
- ✓ Enhancing the opportunities for entrepreneurship and innovation on both campuses;
- ✓ Serving the educational needs of the community and the State in a responsive and innovative manner;
- ✓ Providing students the opportunity to train for tomorrow's jobs utilizing state-of-the-art equipment;
- ✓ Supporting increased growth via strategic enrollment management and student access;
- ✓ Increasing fiscal resources by securing grant funding, increasing fund-raising through the district's Foundation and advocating for needed changes to the Student Centered Funding Formula;
- ✓ Continuing to develop balanced budgets that support enrollment management; growth of our fiscal resources; professional development of our most important resource – our faculty and staff; and continued fiscal stability, and
- ✓ Achieving distinction and exceeding our target outcomes in as specified in our strategic goals.

Looking ahead, we plan to achieve our Strategic Goals and implement our Comprehensive Plans, with the commitment to quality, innovation and collaboration that have enabled us to achieve our current success. We look forward to:

- Growing the academic options and student services capabilities of the Canyon Country Campus by adding 240,000 square feet of new permanent facilities;
- Implementing plans to best utilize State one-time and on-going funding in support of student basic needs programs including; housing, food, mental health, and childcare, as well as identifying ways to use additional funding for student outreach and engagement to assist students who are ready to return to complete their education; and,
- Continuing to enhance student access, engagement and success by expanding the capacity of our faculty, initiating new curriculum, technology, and programs, and forming new partnerships.
- Finalizing our Educational and Facilities Master Plan, which will serve as our roadmap as we work together to continue to grow and develop our college in the years to come.
- Opening the Advanced Technology Center, a world-class advanced manufacturing & technology facility that will provide hands-on training for the future of work in high-demand, high-skill, high-wage jobs.
- Developing our plans to build student housing since we received a $60 million state grant designed to help meet the needs of housing-insecure students.

Our accomplishments over the past year, as well as our plans for the future, make clear that College of the Canyons is determined to meet the community's changing needs with vision, energy, and innovation, while maintaining the highest standards of dependability and excellence.

Sincerely,

Dr. Dianne G. Van Hook

Dr. Dianne G. Van Hook
Chancellor

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

Board of Trustees
Santa Clarita Community College District
Santa Clarita, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of the Santa Clarita Community College District (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Adoption of New Accounting Standard

As discussed in Note 2 and Note 16 to the financial statements, the District has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ending June 30, 2022. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 31 and other required supplementary schedules on pages 79 through 84 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2022 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, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Eide Bailly LLP

Rancho Cucamonga, California
December 19, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

The Santa Clarita Community College District (the District) which was **established in 1967**, is one of seventy-three districts and one hundred sixteen colleges that comprise the California Community College System. Our *California Community College System* is the largest system of higher education in the nation, despite a statewide decline of 300,000 students due to the pandemic, with 1.8 million students attending as compared to 2.1 students in 2019-20 as shown on the State Chancellor's Office website. The system provides students with life-changing opportunities and a clear path to their goals, whether it is completing the first 2 years of their college education at a fraction of the cost of a four-year college or university and succeeding at a higher rate over the students who started at the four-year college, or seeking job- training skills for the workforce and its demands in the future. Nearly 80,000 students are transferred to University of California and California State University campuses from California community college campuses. Due to their agility, flexibility, and working with what is needed in the labor market, the California Community Colleges are committed to remaining the backbone of higher education in the state and the leading provider of career and workforce training in the country by keeping up with changing needs.

College of the Canyons opened its doors for the first time in the fall of 1969, welcoming 750 students to a college that didn't yet have a campus. It was a small, humble beginning, but it marked the realization of an audacious dream that began two years earlier. Santa Clarita Valley residents voted to form a community college district in 1967. The area was still rural but changing quickly as carrot fields gave way to tract homes. Voters recognized that access to education beyond high school was critical to the area's future development. A college in their community created opportunities for students to engage in career training or to transfer to four-year universities.

Over a half-century later, so much has changed at College of the Canyons. Today, **we serve more than 33,000 students annually** on two campuses and rank 3rd among the valley's largest employers. We are recognized as an innovative leader in shaping the region's continued economic growth, and we are a valued, trusted partner to the dozens of agencies and organizations with which we collaborate each year.

One thing, however, remains the same. College of the Canyons offers the promise of opportunity to all who pursue their goals here. **Over the past five decades, we have opened doors of possibility for more than 450,000 individual students**. Each came to us with dreams for the future, and, coupled with our help and their own intrinsic determination, they went on to see those dreams become reality. From the Olympics to professional sports, to stages, to courtrooms, to state capitals, to board rooms, to every imaginable professional setting, you will find College of the Canyons alumni leading the way forward. Students who start at COC can literally go anywhere with over 3,000 students transferring to a 4-year institution in 2022.

Determination. Resilience. Compassion. Ingenuity. **Flexibility. Courage.** These are the qualities that built College of the Canyons into the life-changing, entrepreneurial, economic driver and dream-maker that it is today. Ours is a college that transfers students to elite universities; trains the nurses, sheriffs' deputies and firefighters who serve our community; provides customized and cutting-edge instruction for employees of local companies; supports entrepreneurs to accomplish their dreams, and prepares students for emerging, high-paying careers.

And, as we look ahead to the decades to come, we know that same determination, resilience, compassion, and ingenuity will continue to define our college, and enable us to **deliver on the promise of opportunity for new generations of students**.

We are honored to present the *Annual Financial Report* for the Santa Clarita Community College District for the Period Ending June 30, 2022. This report was prepared using a government-wide format as required by GASB Statement No. 35, a directive from the Governmental Accounting Standards Board (GASB). Also required by GASB Statement No. 35 is the Management's Discussion and Analysis section written by the District's Administration, which provides an analysis of the District's overall financial position and results of operations. Responsibility for the completeness and fairness of the information in this section resides with the District.

This Annual Financial Report follows the Business-Type Activity (BTA) model for financial statement reporting purposes, as recommended by the California Community Colleges Chancellor's Office. The financial statements were prepared using the accrual basis of accounting, and include all capital assets and debt held by the District.

COMPONENTS OF THE ANNUAL REPORT

The 2021-2022 Annual Financial Report is organized into the following main sections:

FINANCIAL SECTION

The Financial Section contains three basic financial statements that provide information on the District's activities as a whole**: Statement of Net Position – Primary Government; Statement of Revenues, Expenses, and Changes in Net Position – Primary Government; and Statement of Cash Flows – Primary Government.** Condensed versions of these three statements are included in the Management's Discussion and Analysis, and the complete versions of these three statements appear in the audit report on pages 32 through 35.

Statement of Net Position – Primary Government (Balance Sheet)
In 2003, GASB 35 was established to require Public Agencies to present their financial statements in the same format as private entities in order to establish a consistent format for anyone reviewing the report.

To comply with GASB 35, the Statement of Net Position (Balance Sheet) combines the value of assets and liabilities held in the 22 funds of the District's books and records with adjustments, which are required by GASB 35 through manual entries.

The Statement of Net Position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the District as of the end of the fiscal year and is prepared using accrual basis accounting. The Statement of Net Position is to present a fiscal snapshot of the District by providing the following:

- The assets available to continue the operations of the District
- How much the District owes vendors and employees
- Net position and availability for expenditure by the District

The difference between total assets deferred outflows of resources and total liabilities and deferred inflows of resources (net position) is one indicator of the current financial conditions of the District; another indicator is the change in net position which shows whether the overall financial conditions 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 an allocation for depreciation expense.

The Net Position is divided into three major categories: The first category, invested in capital assets, which is the equity amount in property, plant and equipment owned by the District. The second category, restricted net position, which is equity that must be spent for purposes as determined by external entities and/or donors that have placed time or purpose restrictions on the use. The final category, unrestricted net position, which is available to the District for any lawful purpose of the District.

Statement of Revenues, Expenses, and Changes in Net Position – Primary Government (Income Statement)
This statement focuses on revenues and expenses associated with the District's activities, including: State apportionments, property taxes, student fee revenue, salaries and benefits, supplies, equipment, etc. It is intended to summarize and simplify the user's analysis of the revenues and expenses associated with District operations.

Statement of Cash Flows – Primary Government
This statement provides an analysis of the sources and uses of cash as they pertain to the operations of the District by adjusting the beginning balance for increases and decreases in cash, including cash flows from operating activities, cash flows from noncapital financing activities, cash flows from capital and related financing activities, and cash flows from investing activities.

Fiduciary Funds
This section reports net position and changes in net position for the funds held by the District in trust funds for STRS and PERS Liability (Fund 68), Retiree Health Benefits (Fund 69), Student Representation Fees (Fund 72), and the Associated Student Government (Accounted for by the ASG).

Notes to the Financial Statements
These notes are also included in the Financial Section and summarize significant accounting policies, provide a schedule of capital debt, provide detail on accounts payable and receivable at year end, and provide details on capital assets and related depreciation to provide additional context and information as the reader reviews the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION SECTION
The required supplementary information section contains information on the District's progress in funding other postemployment benefits (OPEB) based on an actuarial study performed effective June 30, 2022.

The District's current actuarial accrued liability is $16.8 million. Although the District has set aside over $7.0 million towards this liability in a Retiree Benefits fund as of June 30, 2022, the set aside amount is not reported in this section because the funds are not in an irrevocable trust, which is what defines the OPEB liability as funded per GASB standards.

This section includes schedules on the District's proportionate share of the STRS and PERS systems' net pension liability and the District's contributions to STRS and PERS for the year ended June 30, 2022. These schedules are included in response to GASB 68, an accounting standard that is meant to improve the information provided by State and local government employers about financial support for pensions provided by other entities.

SUPPLEMENTARY INFORMATION SECTION

This section includes additional detailed information as delineated:

- District Organization (Background information on the District, Governing Board, and Administrators)
- Schedule of Expenditures of Federal Awards (Grants and Financial Aid)
- Schedule of Expenditures of State Awards (Grants, Categorical and Financial Aid)
- Schedule of Workload Measures for State General Apportionment Annual (Actual) Attendance
- Reconciliation of Education Code Section 84362 (50 Percent Law) Calculation
- Proposition 30 Education Protection Act (EPA) Expenditure Report
- Reconciliation of Governmental Funds to the Statements of Net Position
- Note to Supplementary Information

INDEPENDENT AUDITOR'S REPORTS SECTION - COMPLIANCE

The auditors are required to review the financial statements and records of the District and report on compliance in the following areas:

- Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
- Report on Compliance for Each Major Program and on Internal Control Over Compliance
- Report on State Compliance

SCHEDULE OF FINDINGS AND QUESTIONED COSTS SECTION

This section provides the reader the following schedules of findings and questioned costs:

- Summary of Auditor's Results
- Financial Statement Findings and Recommendations
- Federal Awards Findings and Questioned Costs
- State Compliance Findings and Questioned Costs
- Summary Schedule of Prior Audit Findings

CONDENSED FINANCIAL INFORMATION – GOVERNMENT-WIDE

The detailed government-wide financial statements contained in this Annual Financial Report and described in detail in the Components of the Annual Report section of the Management's Discussion and Analysis are condensed and summarized below to help the reader easily visualize and understand changes in major categories over the past few years. This is representative of all District funds:

NET POSITION
For the Year Ended June 30, 2022

(Amounts in thousands)

	2022	2021, as restated	Change 2021-2022
ASSETS			
Cash and investments	$ 114,386	$ 129,159	$ (14,773)
Receivables, net	15,612	28,122	(12,510)
Other current assets	1,559	2,144	(585)
Capital and right-to-use leased assets, net	344,000	331,713	12,287
Total Assets	**475,557**	**491,138**	**(15,581)**
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to debt refunding	11,285	11,864	(579)
Deferred outflows of resources related to OPEB	2,815	2,050	765
Deferred outflows of resources related to pensions	25,841	30,743	(4,902)
Total Deferred Outflows of Resources	**$ 39,941**	**$ 44,657**	**$ (4,716)**
LIABILITIES			
Accounts payable and accrued liabilities	37,047	54,660	(17,613)
Current portion of long-term liabilities	13,781	13,121	660
Noncurrent portion of long-term liabilities	450,994	519,384	(68,390)
Total Liabilities	**501,822**	**587,165**	**(85,343)**
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to leases	647	-	647
Deferred inflows of resources related to OPEB	5,377	-	5,377
Deferred inflows of resources related to pensions	48,163	4,108	44,055
Total Deferred Inflows of Resources	**54,187**	**4,108**	**50,079**
NET POSITION			
Net investment in capital assets	54,408	54,981	(573)
Restricted	30,839	21,369	9,470
Unrestricted (deficit)	(125,757)	(131,827)	6,070
Total Net Position (deficit)	**(40,510)**	**(55,477)**	**14,967**

Assets

Total Assets at June 30, 2022 of $475.6 million reflected a **decrease of ($15.6) million** from June 30, 2021. This decrease can be analyzed as follows:

- ($14.8) million **decrease** in cash and investments in the LA County Treasury was attributable to decreased cash balances in funds for Measure E General Obligation Bonds. Measure E funds were approved for construction projects which includes the Canyon Country Campus Science Building, Student Services Learning Resources Building and the Central Plant.

- ($12.5) million **decrease** in accounts receivable was attributable to lower accounts receivable balance for general apportionment in the unrestricted general fund. In 2020-2021 fiscal year, the higher balance was due to the deferrals of State apportionment payments for 2019-2020. Grant and categorical funding decreased mainly due to the District receiving most of the additional aid provided through the US Department of Education under the CARES Act in response to the COVID-19 Coronavirus pandemic.

- ($0.6) million **decrease** in other current assets (prepaid expenses) was attributable to a decrease in the retirement payment for SERP members attributable to the 2022- 2023 fiscal year.

- $12.3 million **increase** in capital and right-to-use leased assets was attributable to the following: **Add** new construction and equipment which increased fixed assets by $23.2 million, **deduct** ($9.6) million in accumulated depreciation of capital assets and ($1.8) million in deductions in capital assets, and **add** $0.5 million in right-to use leased assets.

Deferred Outflows of Resources

Deferred Outflows of Resources at June 30, 2022 of $39.9 million reflected a **decrease of ($4.7) million** from June 30, 2021. The decrease can be attributable to the following:

- ($0.6) million **decrease** in the outstanding value of deferred charges on refunding. Amounts paid to the refunded bond escrow agent in excess of outstanding callable bonds at the time of refunding are recorded as deferred charges on refunding and are amortized to interest expense over the life of the liability creating a smaller deferred outflow as time goes on.

- ($4.1) million **decrease** in deferred outflows based on the actuarial study the District will be required to pay out less annually to fund that liability.
  - As of June 30, 2015, GASB 68 requires the District to include its proportionate share of the CalSTRS and CalPERS pension systems' financial information in the Annual Financial Report. This pension information includes the District's share of any underfunding (liability) or overfunding (asset) based on the two pension systems' current financial health. In addition to reporting the pension liability or asset, information on deferred outflows and deferred inflows of resources related to the pension systems are included in the Financial Report.
  - As of June 30, 2018, GASB 75 requires the District to include the entire amount of its Post-Employment Benefit liability instead of a prorated portion. These entries are necessary to account for events after the actuarial study measurement date and to update previously estimated information based on actual results. Deferred outflows of resources totaled $28.7 million at June 30, 2022, a decrease of ($4.1) million from the $32.8 million reported at June 30, 2021, and consisted of entries for:
    - The District's pension contributions after the date of the latest available actuarial study, which is for measurement date June 30, 2022.

- The net change in the proportionate share of the total system liability that is attributable to the District's participation.
- Differences between expected and actual earnings on pension plan investments.
- Differences between expected and actual experience in the measurement of the total pension liability.

Liabilities

Total Liabilities at June 30, 2022 of $501.8 million reflected a **decrease of ($85.3) million** from June 30, 2021. This decrease can be attributable to the following:

- ($17.6) million **decrease** in accounts payable and accrued interest payable. The decrease is primarily due to the District having paid back the $17.0 million of Tax and Revenue Anticipation Notes (TRANS) that had been issued February 2021 to supplement deferrals of State Apportionment due to the COVID-19 Pandemic. The notes bear an interest rate of 2.0% and were scheduled to mature December 30, 2021.

- ($67.7) million **decrease** in the District's Long-Term Liabilities.
  - $0.7 million increase in Current Long-Term Liabilities that are due within one year.
  - ($68.4) million decrease in Noncurrent Long-Term Liabilities that are due in more than one year. This includes Aggregate Net OPEB Liability, Aggregate Net Pension Liability, Early Retirement Plan Liability and General Obligation Bonds. The large variance is due primarily to the large increase in deferred inflows for the STRS and PERS pension system and OPEB liability, which greatly reduce the pension and OPEB liabilities. This is explained below.

It is important to note that General Obligation Bond debt is included in the Total Liabilities of the District, even though this debt is repaid through property taxes collected by the Los Angeles County Treasurer and Tax Collector.

Deferred Inflows of Resources

Deferred Inflows of Resources at June 30, 2022 of $54.2 million reflected an **increase of $50.1 million** from June 30, 2021. The increase can be attributable to the following:

- $0.6 million increase in deferred inflows related to leases. In fiscal year 2021-2022, the adoption of new account standard GASB 87, recognizes certain lease assets and liabilities for leases that were previously classified as operating leases. The deferred inflow of resources recognizes as revenue the life of the lease term which is calculated as the initial amount of the lease receivable less any lease payments received at or before the lease commencement date.

- $5.4 million increase in deferred inflows of resources due to the differences between expected and actual experience in the measurement of the total OPEB liability. Changes of assumptions will be amortized over the Expected Average Remaining Life (EARSL) of all members that are provided benefits as of the beginning of the measurement period.

- $44.1 million **increase** in deferred inflows of resources due to higher values for three STRS and PERS pension system adjustments based on the current year's actuarial study. This past year had a large increase in projected value**:**
  - The net change in proportionate share of net pension liability;
  - The difference between projected and actual earnings on pension plan investments, and;
  - Differences between expected and actual experience in the measurement of the total pension liability.

Total Net Position

The District's Total Net Position at June 30, 2022 is ($40.5) million. Total Net Position (formerly Total Net Assets) is the sum of all Assets and Liabilities. Beginning with the June 30, 2015 Annual Financial Report, the accounting pronouncement **GASB 68** requires that the District's proportionate share of the CalPERS and CalSTRS unfunded pension liabilities be included in the Total Net Position in the financial statements. Also, beginning with the June 30, 2018 Financial Report the new accounting pronouncement of **GASB 75** requires that the District recognize the full Post Employment Benefit Liability in the financial statements instead of a prorated portion.

Statement of Net Position Reports Total Net Position of ($40,509,693):

- **$54,408,221** in **Net Investment in Capital Assets**. This category includes the General Obligation Bond fund with an ending fund balance of $36,599,647 (Fund 45). GASB 35 manual entries are then applied as follows: **Add** the value of capital assets and leased assets based on acquisition cost of $468,584,971 and deferred outflows of resources related to debt refunding of $11,284,818, **deduct** accumulated depreciation and amortization of ($124,584,966), **deduct** the value of debt issuance expenses (costs of issuance) amortized over the life of the debt, General Obligation Bond debt, and lease liability) of ($337,476,249).

- **$11,356,205** in **Assets Restricted for Debt Service Expenditures**. This amount represents the ending fund balances in the District's two debt service funds set aside for future debt service repayments – one for general obligation bond repayment (Fund 21 – $16,100,642) and the second for all other debt repayment (Fund 29 – $400,938) for a total of $16,501,580. GASB 35 manual entries are then applied as follows: **Deduct** un-matured interest on long-term obligations of ($5,145,375). Un-matured interest on long-term obligations, such as General Obligation Bonds, occurs when interest obligations exist but have not yet been billed to the District.

- **$7,142,798** in **Assets Restricted for Capital Projects Expenditures**. This amount represents the ending fund balances in the District's capital funds (Fund 41 State Construction Match– ($660), Fund 43 Capital Outlay Projects - $4,918,850, Fund 44 Scheduled Maintenance - $1,774,448, and Fund 49 Replace Field Turf - $450,160) as of June 30, 2022 - except the General Obligation Bond Fund.

- **$9,312,844** in **Assets Restricted for Educational Programs**. This category represents the ending fund balance of the Restricted General Fund (Fund 12), which is restricted for programs such as Student Equity and Achievement, Staff Diversity, Credit Non-Credit Student Success and Support, Categorical Programs, Instructional Equipment Block Grant, Lottery Funding and funds from Student Health Center fees to be used for expenses related to the operation of the Health Center. This fund also includes the additional aid provided through the US Department of Education and HEERF in response to the COVID-19 Coronavirus pandemic.

- **$3,027,442** in **Assets Restricted for Other Activities**. This amount represents the ending fund balances of the District's Fiduciary Activities (Funds 32, 33, 37, 39, 58, 59, 72, 74, 75, and Associated Student Government). Fiduciary activities are identified if the District has control of the funds of the program and a relationship exists between the program and the District.

- **($125,757,203)** in **Unrestricted Net Assets**. This category includes all other cash in banks, investments in the Los Angeles County Treasury (the District is fiscally dependent on the Los Angeles County Office of Education, which requires the District to invest its funds in the Los Angeles County Treasury), accounts receivable, accounts payable, and prepaid expenses in the District's operating funds (Funds 11, 68, and 69) of $26,149,631.

  GASB 35 manual entries are then applied as follows: **Deduct** ($151,906,834) for other District liabilities from early retirement incentives, compensated absences, Net OPEB obligation, general obligation bond capital appreciation bond accreted interest to date, and the District's share of STRS and PERS aggregate net pension obligations and related adjustments. It is important to note that the deduction to net assets for the District's share of STRS and PERS obligations is a new entry beginning in the 2014-2015 fiscal year. Prior to that, this STRS and PERS obligation was not included in the District's Financial Statements.

OPERATING RESULTS - GOVERNMENT-WIDE
For the Year Ended June 30, 2022

(Amounts in thousands)

	2022	2021	Change 2021-2022
Operating Revenues			
Tuition and fees, net	$ 9,482	$ 10,137	$ (655)
Federal, State, and Local grants and contracts	86,569	69,140	17,429
Total Operating Revenues	96,051	79,277	16,774
Operating Expenses			
Salaries and benefits	120,752	135,407	(14,655)
Supplies, services, equipment, maintenance, and other expenses	34,833	26,323	8,510
Student financial aid	34,659	29,567	5,092
Depreciation and amortization	9,799	9,481	318
Total Operating Expenses	200,043	200,778	(735)
Operating Loss	(103,992)	(121,501)	17,509
Nonoperating Revenues			
State apportionments	41,139	37,046	4,093
Property taxes	51,145	51,170	(25)
Grants and contracts	31,953	22,508	9,445
State revenues	715	710	5
Net interest expense	(15,094)	(10,822)	(4,272)
Other nonoperating revenues and transfers	3,319	2,565	754
Total Nonoperating Revenue	113,177	103,177	10,000
Other Revenues and (Losses)			
State, local capital income, and loss on disposal	5,783	4,252	1,531
Total Other Revenues and (Losses)	5,783	4,252	1,531
Net Change in Net Position	$ 14,968	$ (14,072)	$ 29,040

Statement of Cash Flows – Cash and Cash Equivalents, End of Year at $114,386,358:
The Statement of Cash Flows provides a presentation of cash flow information that complements the accrual basis financial statements. Per GASB accounting standards, the components of the statement are comprised of four categories:

- Cash flows from Operating Activities
- Cash flows from Noncapital Financing Activities
- Cash flows from Capital and Related Financing Activities
- Cash flows from Investing Activities

STATEMENT OF CASH FLOWS - GOVERNMENT-WIDE
For the Year Ended June 30, 2022

(Amounts in thousands)

	2022	2021	Change 2021-2022
Cash Flows From			
Operating activities	$ (91,575)	$ (103,821)	$ 12,246
Noncapital financing activities	99,522	114,518	(14,996)
Capital financing activities	(19,098)	(14,370)	(4,728)
Investing activities	(3,622)	692	(4,314)
Net Change in Cash and Cash Equivalents	**(14,773)**	**(2,981)**	**(11,792)**
Cash and Cash Equivalents, Beginning of Year	129,159	132,140	(2,981)
Cash and Cash Equivalents, End of Year	**$ 114,386**	**$ 129,159**	**$ (14,773)**

FUNCTIONAL EXPENSES CLASSIFICATION
For the Year Ended June 30, 2022

(Amounts in thousands)

	Salaries and Employee Benefits	Supplies, Materials, and Other Expenses and Services	Student Financial Aid	Equipment, Maintenance, and Repairs	Depreciation and Amortization	Total
Instructional activities	$ 61,600	$ 6,000	$ 1,082	$ 213	$ 0	$ 68,894
Academic support	3,996	435	0	1	0	$ 4,432
Student services	16,477	1,054	487	91	0	$ 18,109
Community services and economic development	4,610	343	0	1	0	$ 4,954
Institutional support	18,810	13,442	632	792	0	$ 33,675
Plant operations and maintenance	4,596	4,737	0	32	0	$ 9,365
Ancillary services and auxiliary operations	9,115	2,017	5	11	0	$ 11,148
Student Aid	0	-31	32,454	0	0	$ 32,423
Physical property and related acquisitions	1,549	556 `	0	5,141	0	$ 7,246
Depreciation and amortization	0	0	0	0	9,799	$ 9,799
Total	**$ 120,753**	**$ 28,552**	**$ 34,660**	**$ 6,281**	**$ 9,799**	**$ 200,044**

REVENUES

HISTORY OF UNRESTRICTED GENERAL FUND REVENUES

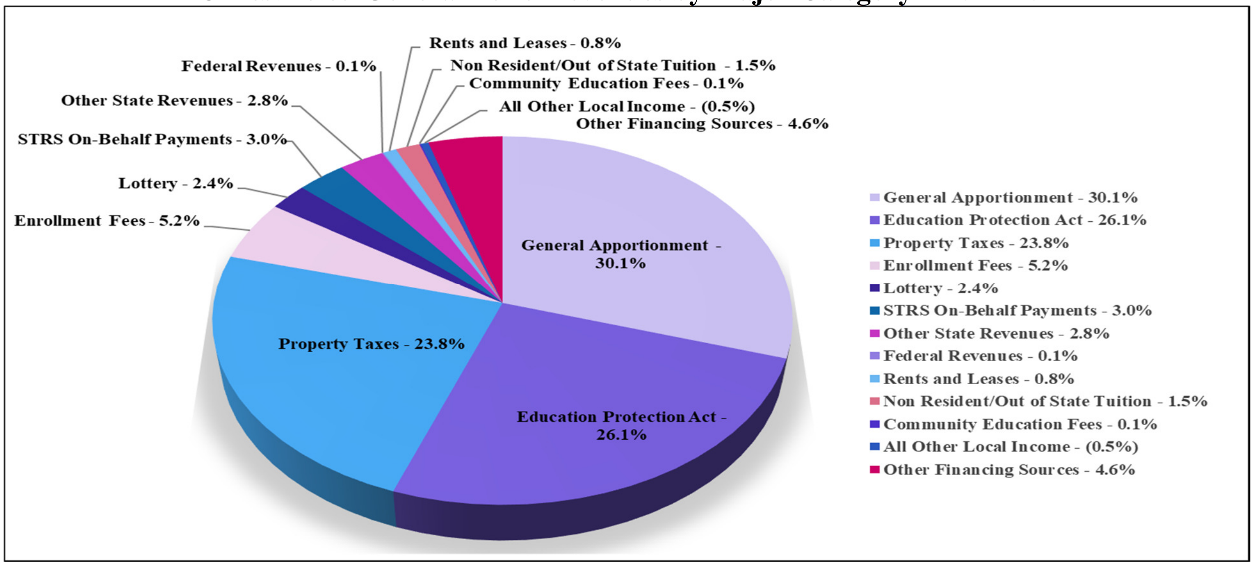
The following chart summarizes the Unrestricted General Fund revenues received by the District, and provides a comparison of the last three years.

Unrestricted General Fund Revenues by Major Category – 3 Year History

	2019-20	2020-21	2021-22
General Apportionment (Includes Access and COLA funding from Prior Year)	$ 56,003,434	$ 35,910,320	$ 38,451,018
Education Protection Act	$ 9,026,369	$ 27,207,721	$ 33,308,460
Property Taxes	$ 27,873,249	$ 31,733,049	$ 30,490,899
Enrollment Fees	$ 8,229,456	$ 7,037,860	$ 6,700,250
Lottery	$ 2,627,316	$ 2,958,295	$ 3,023,845
STRS On-Behalf Payments	$ 3,920,713	$ 3,275,146	$ 3,878,804
Other State Revenues	$ 1,969,058	$ 1,996,045	$ 3,574,829
Federal Revenues	$ 141,140	$ 89,982	$ 99,963
Rents and Leases	$ 1,207,655	$ 839,945	$ 1,059,487
Non Resident/Out of State Tuition	$ 2,322,267	$ 1,619,448	$ 1,924,601
Community Education Fees	$ 181,465	$ 70,350	$ 107,070
All Other Local Income	$ 1,634,331	$ 1,095,907	$ (613,482)
Other Financing Sources	$ 2,322,441	$ 1,974,732	$ 5,843,774
Total Revenue	**$ 117,458,894**	**$ 115,808,800**	**$ 127,849,518**
	4% Increase	**1% Decrease**	**10% Increase**

The below chart provides a visual summary of the sources of revenue received by major category in 2021-2022, and illustrates that State General Apportionment, Property Taxes, and Student Enrollment Fees accounted for 59% of the District's Unrestricted General Fund Revenues. The Education Protection Act, which is temporary funding expiring in 2030, represents 26% of the District's Unrestricted General Fund Revenues. The remaining 15% includes Lottery Revenues, STRS On –Behalf Payments, Other State Revenue, Federal Revenues, Rents and Leases, Non-Resident/Out of State Tuition, Community Education Fees, Other Local Income, and Other Financing Sources.

Unrestricted General Fund Revenues by Major Category – 2021-2022



Unrestricted General Fund Revenues for 2021-2022 as Compared to 2020-2021

Revenues and other financing sources in the Unrestricted General Fund totaled $127,849,518 in fiscal year 2021-2022. **This was an increase of $12,040,718 over the prior year's revenues or a 10.4% increase**. The reason for the increase over prior year is due mainly to increases in Total Computational Revenue for General Apportionment from the Student Centered Funding Formula, the Education Protection Act, Other State Revenues and Other Financing Sources. The increase is offset by larger decreases in Property Taxes and All Other Local Income as compared to 2020-2021.
The following factors make up this increase in unrestricted revenue:

- **Apportionment Funding from State General Apportionment, Education Protection Act, Property Taxes, and Enrollment Fees Increased by $7,061,678. The main factors contributing to this increase were:**
  - **$6,404,918 Revenue Increased in Total Computational Revenue for Apportionment**
    - The District received a Total Computational Revenue for Apportionment increase of $6,404,918 from the 2020-2021 Total Computational Revenue of $102 million. The increase is due to the Emergency Conditions Allowance holding our FTES inside the Student Centered Funding Formula at pre-pandemic levels, in turn holding revenue at a steady level and adding a 5.07% COLA. Further adjustments to state general fund payments will be made at Recalc.
  - **$656,760 Revenue Increased in Prior Year Apportionment Adjustments**
    - Each February, State funding for the past fiscal year is finalized and prior year apportionment and Education Protection Act (EPA) funding adjustments are made based on Recalc submitted during the previous November. In 2021-2022 the Prior Year Apportionment Adjustment was higher than 2020-2021.

- **Unrestricted Lottery Revenues Increased by $65,550:**
  - The funding rate increased in 2021-2022 providing more lottery funding.
    - For unrestricted Non-Prop 20 revenue, the rate increased from $169.72 in 2020-2021 to $176.94 in 2021-2022.
    - For restricted Prop 20 revenue, the rate increased from $73.63 in 2020-2021 to $81.94 in 2021-2022.

- **STRS On-Behalf Revenue and Payments Increased by $603,658:**
  - Revenue Increased in STRS On-Behalf Payments Made By State of CA
  - Beginning in 2015-2016, the District was required by the State Chancellor's Office to include an entry for the State of California's STRS On-Behalf payments. The District is now required to include a revenue entry and an equal expense entry to show the amount the State of California contributed to STRS on behalf of District Faculty and Educational Administrators.

- **Other State Revenues Increased by $1,578,784:**
  - **$1,581,127 Revenue Increased in Full-Time Faculty Allocation**
    - Full-Time Faculty Allocation increased from $742,433 in 2020-2021 to $2.3 million in 2021-2022 to fund full-time faculty hiring.
  - **$19,472 Revenue Increased in Part-Time Faculty Allocation**
    - It is important to note that this allocation only partially funded increases to adjunct faculty salaries to provide salary parity, and the District identified other funding sources for most of the increases.

- **$3,861 Revenue Increased in On-Going Mandated Cost Block Grant**
  - In 2021-2022 the District participated (for the tenth year) in the State Mandate Cost Block Grant program which provides the proportional rate of $30.67 per FTES (compared to $30.12 last year) in funding in lieu of filing mandate claims. The District's allocation increased from $513,320 to $517,181.
- **$3,606 Revenue Increased in Unemployment Insurance Administration**
  - The State did not adjust Unemployment Insurance funding for fiscal year 2021-2022 as compared to 2020-2021 where the State reversed funding previously disbursed incorrectly to districts for unemployment insurance from the School Employee Fund (SEF).
  - The SEF is a joint, pool-risk fund administered by EDD. SEF receives contributions based on a percentage of total wages paid by California community college districts. The rate is determined by law and is intended to provide one full year of Unemployment Insurance (UI) benefit payments.
- **($784) Revenue Decreased in BOG Fee Waivers Administration**
  - Board of Governor (BOG) waivers for enrollment fees are available to students who meet certain income thresholds.
  - The State provides Districts with a 2% revenue adjustment for enrollment fees waived for BOG students. The allocation decreased slightly in 2021-2022 due to the decreased number of students approved for the waivers.
- **($28,498) Revenue Decreased in Part-Time Faculty Office Hours**
  - The District receives an allocation from the State based on the number of claimed Part-Time Faculty Office Hours claimed by all Community College Districts in the State. In 2021-2022, the District claimed $397,840 in Part-Time Faculty Office Hours paid and received $203,791, which is about 50% of the claim.

- **Federal Revenues Increased by $9,981:**
  - **$11,321** Revenue Increased in Forest People Revenues
  - **$285** Allowances Increased in Financial Aid Administrative Allowances
  - **($585)** Revenue Decreased in Medical Administrative Allocation (MAA)
  - **($1,040)** Revenue Decreased in Veterans' Education

- **Rents and Leases Revenue Increased by $219,542:**
  - **$170,362 Revenue Increased in Facility Use Fees**
    - Facility Use revenue increased as compared to a year ago due to increased activity after COVID-19. Whenever feasible, the District accepts opportunities to earn rental income from outside users as required by the Civic Center Act and recoup costs through user fees.
  - **$49,180 Revenue Increased in Bookstore Rental Income**
    - Bookstore sales commissions increased due to more students enrolled in courses offered through a variety of formats (online, on-ground, hybrid, short-term, full-term, etc.) and at alternate physical locations.

- **Non-Resident/Out of State Tuition Increased by $305,153:**
  - **$335,348 Revenue Increased in Out of State Students**
    - This revenue stream fluctuates from year to year based on the number of students that fall into this fee category until they establish California residency.
  - **($30,195) Revenue Decreased in International Students**
    - International Students income decreased due to less enrollment as a result of COVID-19's ongoing impact on other countries. The International Services Program will continue to expand recruiting efforts.

- **Community Education Revenue Increased by $36,720:**
  - Community Education revenue is established on a fee for service basis for the types of programs offered. This revenue increased in this last year due to more classes being offered as the community recovers from COVID-19.

- **All Other Local Revenue Decreased by ($1,709,390):**
  - **($1,709, 390) Revenue Decreased in All Other Local Revenues**
    The District's miscellaneous revenues decreased from the previous year as noted below:
    - **($948,251) Decrease Enrollment (Debt Forgiveness)** – The Unrestricted General Fund balance decreased due to the District's debt forgiveness plan.
      - In an effort to remove financial debt as a barrier to higher education, the District cleared nearly $950,000 in student debt through the Coronavirus Aid, Relief and Economic Security (CARES) Act.
      - As a result, the debt forgiveness initiative targeted unpaid student fees for the Spring 2020, Summer 2020, Fall 2020, Winter 2021 and Spring 2021 terms and restored registration eligibility for 3,215 COC students.
      - The college's debt forgiveness plan was funded through the $3.6 million CARES Act award received in May 2020 to assist students with needs related to the COVID-19 pandemic.
    - **($861,591) Decrease in FMV Unrealized Losses** – The Unrestricted General Fund cash balance decreased due to the fair market value adjustment on cash held at LACOE in investment pools. Beginning in 2020-2021, new accounting standard GASB 31 requires annual year end entries to adjust the cash value with a reversal on July 1st of the following year.
    - **($213,383) Decrease in Interest Earned** - Interest earned on the Unrestricted General Fund cash balance decreased mainly due to less interest received as the District repaid the $17.0 million Tax and Revenue Anticipation Notes (TRANS) that was issued February 2021 to supplement deferrals of State Apportionment due to the COVID-19 Pandemic. The notes bear an interest rate of 2.0% and were scheduled to mature on December 30, 2021.
    - **$28,043 Increase in COC Foundation Support** - Support from the COC Foundation increased from the previous year as more faculty and staff drew funds from Foundation resources.
    - **$285,792 Increase in Miscellaneous Revenues** - Locally derived revenues increased in unclaimed student refunds, student records/fees, culinary arts meal service, PAC Box Office, reimbursement from Associated Student Government for staff expenses, and Civic Center revenue.

- **Other Financing Sources Increased by $3,869,042:**
  - **$3,869,042 Revenue Increased in Other Financing Sources**
    - Other Financing Sources represent transfers from other District funds into the Unrestricted General Fund. This revenue source increased in 2021-2022 mainly due to the transfer in of $4.2 million in HEERF III funds to offset lost revenue and indirect support. This is offset by the District processing $333,000 less transfers from other categories of restricted funds.

EXPENDITURES

HISTORY OF UNRESTRICTED GENERAL FUND EXPENDITURES

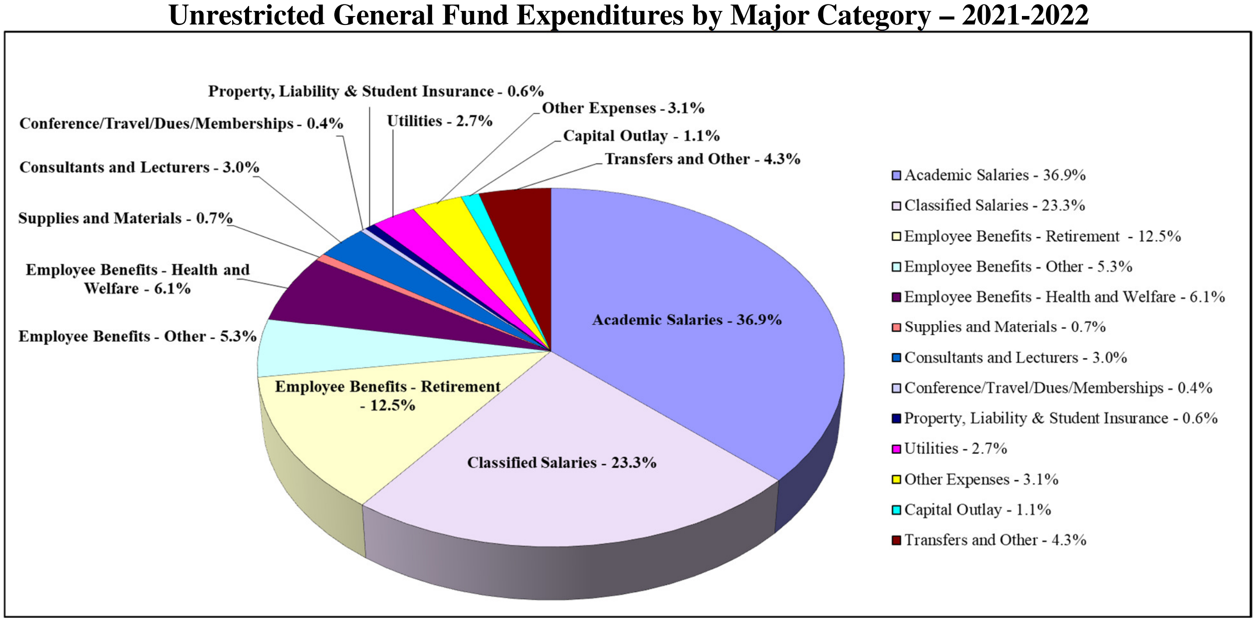
Expenditures associated with the instructional operations and related supporting activities of the District are recorded in the Unrestricted General Fund. In addition, expenditures resulting from Unrestricted General Fund resources being moved to other funds through interfund transfers are recorded here. The following chart summarizes the Unrestricted General Fund expenses by major category and provides a comparison of the last three years. It illustrates how the District's expenditures increased in 2021-2022 as compared to 2020-2021 with the State provided additional on-going and one-time funding.

Unrestricted General Fund Expenditures by Major Category - 3 Year History

	2019-20	2020-21	2021-22
Academic Salaries	$ 44,386,084	$ 46,186,421	$ 46,670,312
Classified Salaries	$ 29,230,537	$ 27,675,823	$ 29,431,106
Employee Benefits - Retirement	$ 14,327,917	$ 13,796,082	$ 15,761,093
Employee Benefits - UE, WC, SUI, etc.	$ 5,569,393	$ 6,006,887	$ 6,661,921
Employee Benefits - Health and Welfare	$ 7,260,251	$ 7,491,331	$ 7,727,978
Supplies and Materials	$ 836,803	$ 553,869	$ 877,347
Consultants and Lecturers	$ 5,750,812	$ 3,040,610	$ 3,843,860
Conference/Travel/Dues/Memberships	$ 524,316	$ 260,492	$ 466,753
Property, Liability & Student Insurance	$ 792,676	$ 782,026	$ 795,014
Utilities	$ 2,069,138	$ 2,312,080	$ 3,431,116
Operating Expenses	$ 2,723,450	$ 3,049,785	$ 3,860,313
Capital Outlay	$ 1,140,419	$ 1,151,471	$ 1,386,231
Transfers and Other	$ 2,693,869	$ 3,077,598	$ 5,460,946
Total Expenses	**$ 117,305,665**	**$ 115,384,475**	**$ 126,373,990**
	4.6% Increase	**(1.6%) Decrease**	**9.5% Increase**

The following chart provides a visual summary of the expenditures by type made in 2021-2022, and shows that salaries and fringe benefits totaled 84% of all Unrestricted General Fund expenditures, which is 1% below the Statewide recommended average of 85%.

Unrestricted General Fund Expenditures by Major Category – 2021-2022



Unrestricted General Fund Expenditures for 2021-2022 as Compared to 2020-2021

Expenditures and other financing uses in the Unrestricted General Fund totaled **$126,373,990** in fiscal year 2021-2022. This is an **increase** of $10,989,515 over the prior year's expenditures. The following factors make up the increase in unrestricted expenditures:

- **Employee Salaries Increased by $2,239,174:**
  - The number of employee positions in 2021-2022 were similar in number between retirements and replacements/new hires. Expenses in employee salaries increased due to several factors:
    - **Full Time Faculty and Staff** expenses increased due to increased negotiated rate for Full-Time Faculty Overload/Summer/Winter.
    - **Contractually obligated step and column increases** for faculty and staff.

- **Employee Fringe Benefits Increased by $2,856.692:**
  - Employee fringe benefit costs increased due to several factors:
    - District contribution rates for PERS retirement plans increased from **20.70% in 2020-2021 to 22.91% in 2021-2022**. STRS retirement plans rates increased from **16.15% in 2020-2021 to 16.92% in 2021-2022**.
    - Increased salary costs associated with new positions, steps/columns, and negotiated increases led to increases in associated fringe benefit expenses.

- **Supplies/Materials and Operating Expenses Increased by $3,275,541:**
  - **$323,478 Expense Increased in Supplies and Materials**
    - In 2021-2022 the expenses increased mainly in non-instructional supplies and supply inventories due to the return of normal on-campus operations as the District recovers from COVID-19.
  - **$803,250 Expense Increased in Consultants, Lecturers, and Instructional Contracts**
    Contracted services expenses increased mainly due to costs related to the District's Instructional Service Agreement (ISA) Public Safety classes. In 2020-2021, the defunding of certain public safety agency budgets had decreased the number of employees as well as the funding for training in the prior fiscal year.
  - **$206,261 Expense Increased in Conference/Travel/Dues/Memberships**
    Conference, Field Trip, and Membership expenses increased due to more activity as the State lessens COVID-19 related restrictions in travel. This led to increases in attendance at conferences and trainings, students field trips, athletic team dues and new professional memberships.
  - **$12,988 Expense Increased in Property, Liability, and Student Insurance**
    Insurance premiums increased for property and liability insurance coverage.
  - **$1,119,036 Expense Increased in Utilities**
    Utility costs increased as the District experienced higher costs for natural gas and electricity.
  - **$810,528 Expense Increased in Other Operating Expenses**
    Other expenses increased mainly in categories such as maintenance/repairs of buildings and equipment, software licensing and interest expense. In 2021-2022, the District paid out the interest cost on the repayment of the $17.0 million Tax and Revenue Anticipation Notes (TRANS) that was issued February 2021.

- **Capital Outlay Increase of $234,760:**
  - Capital outlay expenses increased in 2021-2022 mainly due to new equipment purchased for the various departments.

- **Transfers and Other Disbursements Increase of $2,383,348:**
    - Interfund transfers are processed annually to move Unrestricted General Fund dollars to other designated funds for specific uses. Interfund transfers increased in 2021-2022 from 2020-2021 due to the following factors:
        - $1,900,000 increase in the transfer to the Retiree Benefit Fund for future OPEB liability based on the actuarial study.
        - $700,000 increase in the transfer to the Capital Outlay Fund for forced cost expenses and future capital outlay expenses identified through Program Review budget requests.
        - ($200,000) decrease in the transfers to the Child Development Center, and Parking Fund. In 2020-2021, HEERF funding had been used to subsidize these areas due to lost revenue from the COVID-19 Pandemic.

OTHER EXPENDITURES – SELECTED FUNDS

In addition to Unrestricted General Fund expenditures, significant expenditures occurred in other District funds for Grant/Categorical Programs (Fund 12), Student Financial Aid (Fund 74), and Capital Outlay (Fund 45).

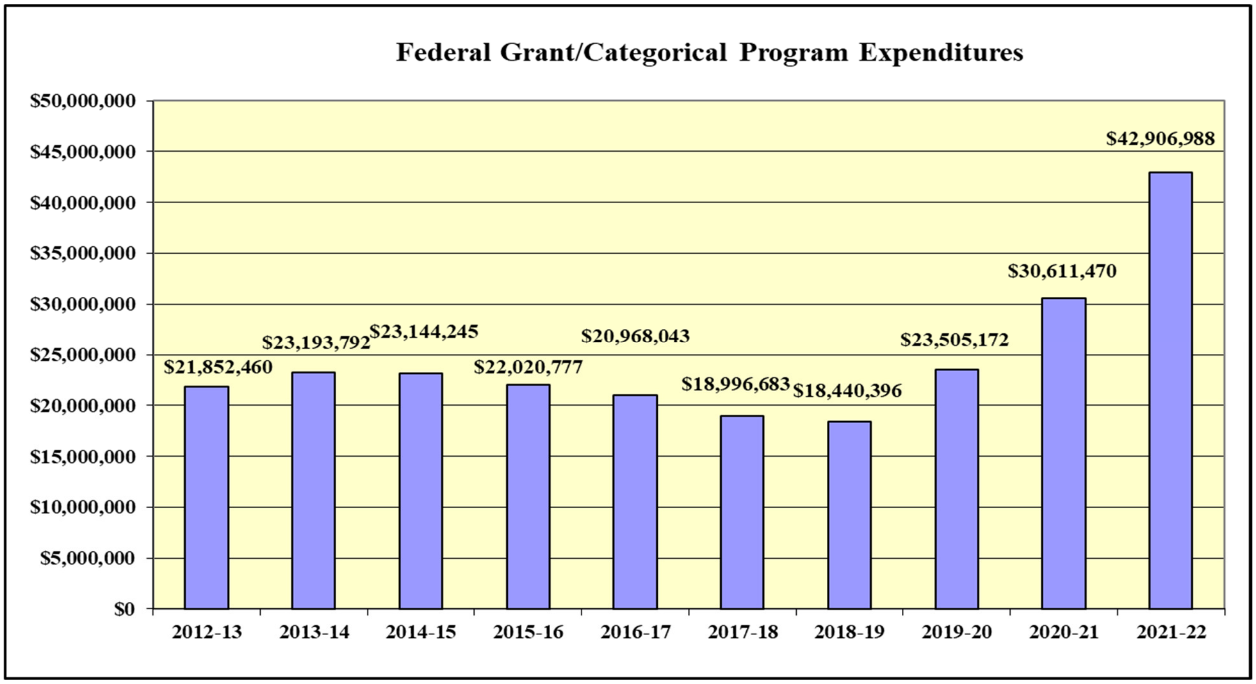
Federal Grant Program Expenditures

Federal funds provide substantial additional resources for the District and its students. Over the last ten years, Federal grant expenditures have increased 96.3%.

Federal grant program expenditures for fiscal year 2021-2022 totaled $42,906,988. Compared to Federal grant/categorical expenditures for fiscal year 2020-2021, this represents an **increase of $12,295,518**, which is 40%, over prior year. This increase is attributable to additional aid provided through the US Department of Education and HEERF in response to the COVID-19 Coronavirus pandemic.

In 2021-2022, ***Federal grants*** provided diverse support to many significant initiatives:

- **Higher Education Emergency Relief Fund - $12,633,310** in funding from the American Rescue Plan authorizing institutions of higher education to use the funds to cover any costs associated with significant changes to the delivery of instruction due to the coronavirus (COVID-19).
- **CalFresh – $55,899** renewed funding provided to enhance access to food assistance to potentially eligible students, by providing CalFresh outreach and application assistance.
- **Career and Technical Education – $516,484** in Perkins funding to provide support to CTE programs.
- **Fresh Success – $48,933** in State Supplemental Nutrition Assistance Program (SNAP) Employment & Training Plan funds to support employability through classes/training programs, supportive services including counseling; interview training; job search, placement, and retention services; educational plans; academic monitoring; tutoring; and to reduce financial barriers to program participation.
- **National Science Foundation – $51,364** Next Generation Manufacturing first year of three years of funding to support professional development for educators in welding and fabrication.
- **National Science Foundation – $196,654** Scholarships in Science Technology, Engineering, and Mathematics first year of five years of funding to support low-income, academically-talented students complete their associate's degrees and navigate workforce pathways or baccalaureate degree programs.



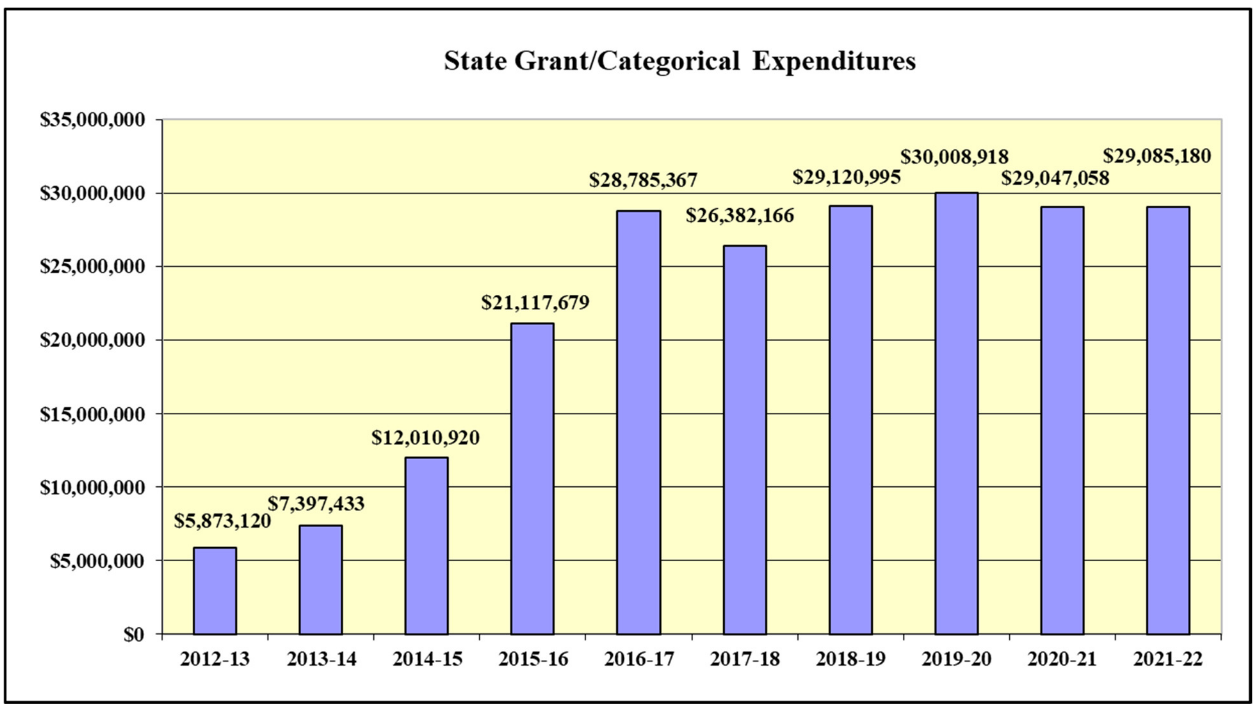
State Grant/Categorical Expenditures

The State of California provides grant and categorical funding to the District. Over the last ten years, State grant/categorical revenues and expenditures increased 395.2%. The chart below illustrates how the availability of State grant/categorical funding fluctuated widely over the last ten years in response to State Budget conditions.

In 2021-2022, State Grant/Categorical expenditures totaled $29,085,180. Compared to State Grant/Categorical expenditures for fiscal year 2020-2021, this represents an **increase of $38,122**, or **0.1%**. Noteworthy State funding included the following grant and categorical initiatives:

- **Basic Needs – $606,385** in funding providing support to provide holistic, comprehensive basic needs services and resources to students to support their successful matriculation through college and beyond and to address student food insecurity, and student housing insecurity.
- **California Adult Education Plan AB 104 – $508,888** in funding providing support to expand and improve adult education through linkages between high schools and community colleges.
- **California College Promise AB19 – $1,452,430** in funding from the State Chancellor's Office, which provides a free year of college and extensive academic support services to new full-time students enrolled for the 2021-2022 academic year.
- **Student Retention and Outreach Immediate Action - $1,384,115** in funding from the State Chancellor's Office to engage former community college students that may have withdrawn from college due to the impacts of COVID-19, as well as with current community college students that may be hesitant to remain in college and prospective students that may be hesitant to enroll in a community college due to COVID-19.
- **Dreamer Resource Liaison - $135,866** in funding from the State Chancellor's Office to support Dream Resource Liaisons (or UndocuLiaisons), Dream Resource Centers and associated student services as suggested above. Colleges should take steps to assess the needs of their undocumented student population and prioritize those needs in the use of funds.

- **The Institutional Effectiveness and Technical Assistance – $5,000,000** in grant funding under the leadership of our District, provides Statewide Technical Assistance Teams and Institutional Effectiveness grant awards to assist Districts with concerns such as accreditation or audit issues.
- **Statewide Closed Captioning – $1,200,000** in Distance Education grant funding coordinates assistance to all California Community Colleges to facilitate and fund live and off-line captioning and transcription services.
- **Strong Workforce Local Share and Strong Workforce Regional Share – $2,891,044** in categorical funding increases the number of students enrolled in programs leading to high-demand, high wage jobs. The Strong Workforce programs are grouped into seven areas targeting student success, career pathways, workforce data and outcomes, curriculum, CTE faculty, regional coordination and funding.
- **Student Equity and Achievement Plan – $5,560,067** in categorical resources fund increased access, promote and sustain the efforts of credit students to be successful in their educational endeavors, ensure that all students complete their college courses, persist to the next academic term, and achieve their educational objectives through the assistance of student-direct components student equity and achievement process: admissions, orientation, assessment and testing, and counseling.
- **Veterans Resource Center – $125,758** in categorical resources provides funding for veteran specific tutoring, peer to peer mentoring, textbook loan program, mental health services and bridge to external service.
- **Additional noteworthy funding – $828,911** in funding providing support to provide support for Mental Health, EEO Best Practices, LGBTQ+, and Culturally Competent Faculty Professional Development

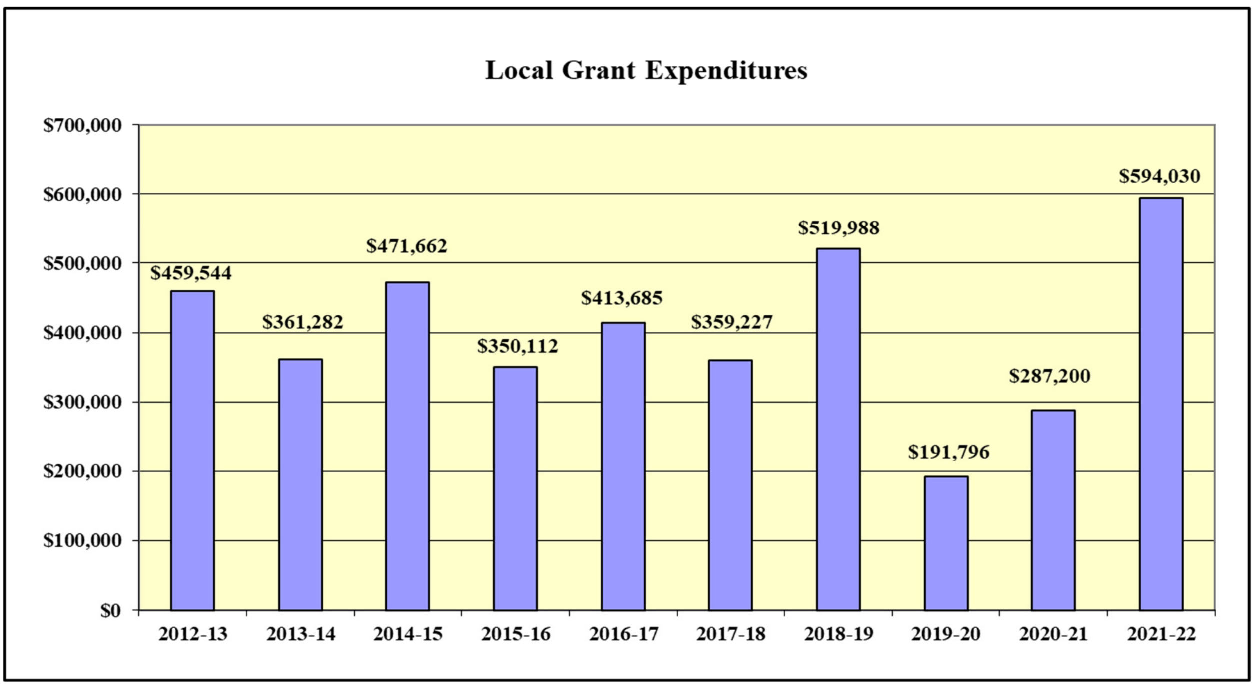


Local Grant Revenues and Expenditures
Grants received from sources other than Federal or State funding are referred to as Local Grants. Local Grants come from private foundations, cities, and for-profit companies, and have been an important way to augment Federal and State Grant/Categorical funding.

The chart below illustrates how local grant funding varies from year to year. These variations were caused by large awards received in certain years. For example, a large grant from the Bill and Melinda Gates Foundation for the Early College High School initiative was received in 2009-2010 and large grants from the Henry Mayo Foundation to renovate the Medical Laboratory Technician classroom and from the Mark Taper Forum for EOPS textbook grants were received in 2014-2015.

In 2021-2022, local grant expenditures totaled $594,030, an **increase of $306,830** or **160%** over 2020-2021. The increase is mainly due to the Kaiser Mental Health and Trustee Fellowship carryforward at the end of 2020-2021 so expenditures were made against the grants in 2021-2022.

Local grant dollars received in 2021-2022 benefited AACU Bring Theory to Practice, CA College Pathways, Health and Information Communication Technology Deputy Sector Navigator programs, Kaiser Mental Health, Open Education Global 2022, Pritzker Foster, and the Trustee Fellowship.



Student Financial Aid Expenditures

In 2021-2022, the District offered student financial aid in the form of PELL Grants, Cal Grants, Full Time Student Success Grants, SEOG Grants and the CARES Grant totaling **$29,364,918**, which is an increase of $10,652,469 from fiscal year 2020-2021. Pell grants increased due to higher number of students enrolled receiving Federal Pell grants. Another reason for the increase is due to additional one-time HEERF student aid provided in 2021-2022 increasing the cumulative amount from $6,326,734 to $19,176,946. Note that Financial Aid expenditures are also included in the Federal and State expenditures charts on the previous pages.

The PELL, Cal Grant, Full Time Student Success Grants, and CARES Grant were funded **100%** from Federal and State allocations, and SEOG grants were funded 75% from Federal funds and 25% from a District match.

The District also disbursed Direct Student Loans to qualifying students based on legislation and provided paid Federal Work Study opportunities. The responsibility for disbursing Direct Student Loans was transferred from commercial banks to the District in 2010-2011. Direct Student Loans were funded 100% from Federal funds, and Work Study was funded 75% from Federal funds and 25% from a District match. Students received **$1,100,378** in Direct Loans and earned **$352,150** in Federal Work Study wages from on-campus jobs. Providing students with opportunities to work on-campus improves student retention and success.

STUDENT FINANCIAL AID EXPENDITURES

	2018-19	2019-20	2020-21	2021-22
Federal Pell Grants *	$ 13,057,554	$ 13,983,344	$ 12,363,641	$ 12,977,414
Cal Grants *	$ 1,247,446	$ 1,701,268	$ 1,664,528	$ 2,431,312
Full Time Student Success Grants *	$ 2,000	$ -	$ -	$ -
Federal SEOG Grants **	$ 665,240	$ 663,466	$ 825,197	$ 718,354
Federal Higher Ed Relief Fund Grant (CARES) *	$ -	$ 2,885,025	$ 3,859,083	$ 13,237,838
Subtotal - Grants	**$ 14,972,240**	**$ 19,233,103**	**$ 18,712,449**	**$ 29,364,918**
Direct Student Loans ***	$ 2,031,039	$ 1,911,295	$ 1,315,345	$ 1,100,378
Federal Work Study Wages **	$ 418,064	$ 451,592	$ 262,511	$ 352,150
Total Grants and Work Study	**$ 17,421,343**	**$ 21,595,990**	**$ 20,290,305**	**$ 30,817,446**
	(13.8%) Decrease	24.0% Increase	(6.0%) Decrease	51.9% Increase

* Pell Grants, Cal Grants, Full Time Student Success Grants, and CARES Grant are 100% funded from Federal and State sources.
** SEOG Grants and Federal Work Study Wages were funded 75% from Federal sources and require a 25% District match contribution.
*** Direct Student Loans were issued by Commercial Banks until Fall 2010, when the responsibility was transferred to community colleges.

Capital Outlay Expenditures

The District continued to plan, construct, and upgrade facilities in fiscal year 2021-2022, through a combination of the funding sources highlighted below:

- **Measure E Funding for Capital Projects**
  Measure E General Obligation Bonds were authorized in an election held on June 7, 2016. The election approved the issuance of $230 million of general obligation bonds. Measure E passed with 58.46% voter approval. Measure E funds were approved to for addition and renovation of facilities at the Valencia and Canyon Country Campus.
  - The first issuance of Measure E bonds occurred in May 2017 in the amount of $50 million.
  - The second issuance occurred in August 2019 in the amount of $85 million.
  - There is $95 million available for future issuances as needed.

  - **As of June 30, 2022, Measure E proceeds in the amount of $104,176,027 were expended on the following approved projects and expenditures:**
    - ADA Doors and Hardware
    - Boykin Hall Modernization Phase 2
    - Canyon Country Central Plant
    - Canyon Country Campus Quad HVAC & Modular Modernization
    - Canyon Country Campus Arts & Lecture Facility
    - Canyon Country Campus Modernization
    - Canyon Country Campus Science Building and Classroom Structure
    - Canyon Country Campus Student Services and Learning Resource Center
    - CTE Building
    - PE West Modernization
    - Repairs and Modernization
    - Site Upgrades
    - Student Business Office Secondary Effects
    - Technology/Technology Infrastructure
    - Valencia Campus Modernization
    - Valencia Campus Parking Structure

  - **Measure E funding will continue to fund the following projects in progress:**
    - ADA Doors and Hardware
    - ATC Building
    - Boykin Hall Modernization Phase 2
    - Campus-wide Computer Replacement
    - Canyon Country Campus Arts & Lecture Facility
    - Canyon Country Campus Central Plant
    - Canyon Country Campus Modernization
    - Canyon Country Campus Science Building and Classroom Structure
    - Canyon Country Campus Student Services and Learning Resource Center
    - Canyons Hall – Counseling
    - CTE Building
    - Multi-Cultural Center
    - Valencia Campus Modernization
    - Valencia Campus Repave Lots 1 & 2
    - Valencia Student Center Remodel
    - Warehouse

- **Local Funding for Capital Projects**
  - The District used local funding to supplement State, Measure M and Measure E capital funding. Securing local dollars for capital construction provides one more revenue source for construction and maintenance projects on the two campuses in the District (Valencia and Canyon Country). State, Measure M and Measure E dollars go further towards completing the projects in the District's Educational and Facilities Master Plan when augmented by local funding.
  - Local funding includes transfers from the Unrestricted General Fund, Capital Campaign donations from the COC Foundation, Certificate of Participation funding from issuing debt, energy incentive funding, facilities fees paid by international students, money collected from joint use partnerships with the local high school district, and charges from the use of District facilities.
  - **In 2021-2022, local funding totaling $1,565,098 was expended on projects such as:**
    - Equipment for Various Instructional and Non-Instructional Departments:
      - ✓ Custodial/Maintenance
      - ✓ Del Valle ISA
    - Capital Improvement Projects
    - Scheduled Maintenance/Repair projects
    - Tick Canyon Fire Clean Up

FUND BALANCE AND FUND BALANCE CLASSIFICATIONS

Unrestricted General Fund Ending Fund Balance

	2017-18	2018-19	2019-20	2020-21	2021-22
Reserved/Assigned	$ 1,053,458	$ 1,736,591	$ 1,244,882	$ 1,985,807	$ 1,417,154
Unassigned	9,807,833	9,497,190	10,142,128	9,825,527	11,869,709
Ending Fund Balance	**$ 10,861,291**	**$ 11,233,781**	**$ 11,387,010**	**$ 11,811,334**	**$ 13,286,863**
Percentage of Unrestricted Expenses	**10.1%**	**10.0%**	**9.7%**	**10.2%**	**10.5%**

Ending Fund Balance Details

- The District's Unrestricted General Fund ending fund balance consistently meets the State Chancellor's Office guidelines for reserves of at least 5% of Unrestricted General Fund expenditures.
  - **The average ending fund balance over the last five years was 10.11% each year.**
- The ending fund balance for the Unrestricted General Fund as of June 30, 2022, was $13,286,863, which was 10.5% of Unrestricted General Fund expenditures.
  - The District **avoided deficit spending in 2021-2022** and did not spend down reserves.
- The 2021-2022 ending balance was further analyzed to determine if any of these funds were "reserved/assigned" due to a commitment made by the District's Governing Board prior to June 30, 2022.
  - The reserved portion of the ending fund balance was $1,417,154 and consists of two components:
    - The $129,000 Revolving Cash Account, which holds funds, which are reserved by Board action/approval for the purpose of emergency cash disbursements.
    - Board authorized pre-paid expenses totaling $1,288,154. The District pre-paid software licenses, insurance premiums, and memberships in the last few months of the 2021-2022 fiscal year in order to comply with vendors' payment deadlines and to ensure uninterrupted service. These expenses will be deducted from 2022-2023 budget funds.

SUMMARY

This Annual Financial Report for the Period Ending June 30, 2022, affirms the District's commitment to fiscal responsibility. The Financial Statements were found to be materially correct, with no audit findings or adjustments. For the fiscal year 2021-2022, the District again received unmodified opinions on the Financial Statements, Federal Awards and State Awards, which is the best possible opinion an auditor can issue. There were no findings for the General Obligation Bond audit or for the COC Foundation audit, for which the District also has oversight. These opinions will position the District in a positive way in the future with the Accrediting Commission and Bond Rating Agencies.

In the past 21 years, **in 89 audits**, the District has **only had 11 audit findings** (District, General Obligation Bonds and Foundation). These exceptional audits reflect the dedication of the District to providing fiscal oversight for daily operations and compliance with District policies and procedures as well as the regulations that govern community colleges. With the focus of audits moving from financial information to compliance with Federal and State regulations, it is commendable that hundreds of departments, programs and grant funded activities reflect such a high level of fiscal integrity. These positive audit results are the outcome of strong fiscal management which incorporates regular financial oversight and compliance on the part of Business Services in collaboration with the rest of the campus. This is a testimony to the tone set at the top by the District Chancellor and Administrators who have ultimate responsibility for positive fiscal outcomes.

In 2021-2022, the District provided oversight for the expenditure of $253 million for all funds, including $126.4 million in Operating Funds and $78.2 million in highly regulated Federal and State Financial Aid, State Competitive Grants and State Categorical Program funds. The District received $51.1 million in grant and categorical funding for over 100 programs that augment and complement District instructional programs. The Community College System received unprecedented amounts of federal stimulus funding through HEERF, the Higher Education Emergency Relief Fund when Congress approved over $2 trillion in HEERF Funding in three rounds between March 2020 and March 2021. The District received $48.9 million in federal stimulus funds that were required to be expended fully by May 2022. Of that amount, $25.4 million was distributed to provide Student Financial Aid Grants for COVID Emergency Costs; housing, food, mental health, transportation, childcare and other basic needs for students. The balance of $23.5 million in funding was allocated for institutional costs; to defray expenses and lost revenue due to COVID and well as to fund Student Support Activities Related to COVID. This included millions in stipends for faculty and staff to provide on-ground support during COVID and/or to transition to remote instruction and operations; technology such as laptops and other hardware and software for students, faculty and staff; support of daily cleaning of facilities; upgrading HVAC systems for better air circulation; legal and consulting fees paid to assist with the development and update of the County mandated COVID plan for Higher Education. As operations returned to campus, we were required to staff multiple “check-in” tables where students, employees and visitors were required to provide proof of vaccination or weekly testing. All of these expenditures were monitored and tracked with supporting documentation that successfully passed the scrutiny of a Federal audit.

Lastly, there were expenditures in Capital Outlay funds of $23.7 million to continue the modernization of the Valencia campus and the expansion of the Canyon Country campus. Completion of Canyon Country campus capital projects such as the Science and Lecture building, Central Plant, and Student Services Learning Resources building are scheduled to be complete 2021-2022. The District is always looking for ways to save the taxpayers money with its GO Bond funds, over the past eight years the district has gone through 4 different refundings of GO Bonds saving local taxpayers over $50 million.

The District continues to serve as fiscal agent and provides leadership to the Community College system via a legislatively supported, grant funded program, IEPI – Institutional Effectiveness Partnership Initiative, to assist community colleges with assessment and improvement. The system has benefited from $7.5 million annually in on-going funds that support District improvement through technical assistance team visits and seed grants that provide funding for new initiatives. After eight years, College of the Canyons has been recognized for moving the initiative forward quickly and successfully with accolades from all 73 Community College Districts that have benefited from Partnership Resource Team (PRT) visits.

College of the Canyons continues to serve students, despite the unexpected pandemic and resulting mandates based on Los Angeles County Department of Health orders that changed frequently to adapt to the increases or decreases in COVID-19 cases. At the beginning of the pandemic, higher education was limited to provide on-ground instruction to only “essential” workers. Working closely with faculty and industry experts in OSHA and healthcare requirements, the Chancellor negotiated with Los Angeles County Department of Public Health to safely bring back essential classes in Welding, Automotive Technology, Construction Technology, Land Surveying, Nursing, Medical Lab Technology, EMT, culinary, and Public Safety Training. The high demand for these programs met the needs of students who needed specific skills training that could immediately be transferred to employment. The college continued to provide the rest of its instructional programs via remote instruction and then transitioned to on-line as well as hybrid classes as health orders allowed more on-ground instruction. These classes allowed students to complete career technical certificates for immediate employment as well as AA/AS degrees and degrees to transfer to four-year colleges. The District's ability to be innovative, responsive and move quickly with confidence to support labor market trends and to take advantage of new funding sources has expanded the options for our students. Comprehensive planning through collaborative processes allowed the District to be well positioned to “pivot” and provide classes in formats that supported student educational goals. The result has been an exponential leap forward to serve our students, community and local business partners.

The District is fiscally stable and operationally sound, with a solid foundation and potential for continued growth. Strong and consistent leadership is the basis for the long-term success of College of the Canyons. The District has thrived under the leadership of Dr. Dianne Van Hook for the last 34 1/2 years, with key Vice President positions occupied by the same individuals for 18 to 23 years and four of the five Board members with 6 to 37+ years of experience serving the district.

Dr. Van Hook is the longest seated Chancellor in the same District in the history of the Community College System. At the time she was hired, she was the youngest District level CEO and one of only five women of 70 District level CEOs. Her visionary leadership has made the Santa Clarita Community College District one of the leading, most innovative, and widely respected community colleges in the nation. Through the establishment of local and regional collaborative and professional development, she has won the respect of her peers and created a framework to achieve success through synergies that come from shared knowledge and experience. This past year Dr. Van Hook was commended for her leadership role at the annual State of the County luncheon. Los Angeles County Fifth District Supervisor Kathryn Barger recognized College of the Canyons for the support the college provided to the community throughout the COVID-19 pandemic. Barger presented Dr. Van Hook with a commendation recognizing the college's leadership in providing a COVID-19 testing site for the community. The drive-through location was staffed initially with the help of COC nursing students, and has administered thousands of texts in the two years it has been open in the parking structure at the Valencia campus.

Additionally, Dr. Van Hook has served with distinction on more than 38 state boards and has been presented with and received over 30 state, federal, and local awards for her leadership and innovation. Dr. Van Hook is resourceful and a strong and consistent advocate for community colleges at the state and national levels. She has served as president of the Community College League of California (CCLC) Board of Directors; President of the Chief Executive Officers of the California Community Colleges (CEOCCC); and President of the Association of California Community College Administrators (ACCCA). Her leadership has garnered wide recognition, including the Five Star Leader Award from the Community College League of California; the Harry Buttimer Distinguished Administrator Award from the Association of California Community Colleges Administrators; the Presidential Leadership Award from the Network of California Community College Foundations; and The North American Council for Staff, Program and Organizational Development (NCSPOD) President's Award; Boy Scouts of America – Leaders of Character Honoree; the Betty Ferguson Foundation Woman of Honor; the Fifth Supervisorial District Los Angeles County Woman of the Year; a national leadership award from Phi Theta Kappa, the community college honor society; and Newsmaker of the Year Award by the Santa Clarita Valley Press Club; the No. 1 Most Influential Person in the Santa Clarita Valley's Top 51 by The Signal; the SCV Business Journal's Women in Business Lifetime Achievement Award; Single Mothers Outreach Empowering Hearts Iconic Woman Honoree; the SCVi Vision in Education Award; and the SCV Chamber of Commerce's Lifetime Achievement Award.

Dr. Van Hook has a clear vision, unparalleled leadership skills, strong technical knowledge regarding college finances, an astute ability to assess risk, the courage and ability to act and develop opportunities to further pursue our efforts, and establish lasting and impactful relationships with local, State and Federal Officials that will allow College of the Canyons to continue to pursue innovative solutions that meet the needs of our students, community and business partners in the achievement of excellence.

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 demonstrate the District's accountability for the money it receives. If you have any questions about this report or need any additional financial information, contact the District at: Santa Clarita Community College District, 26455 Rockwell Canyon Road, Santa Clarita, California 91355.

Assets	
Cash and cash equivalents	$ 2,565,537
Investments	111,820,821
Accounts receivable	10,859,870
Student receivables	4,093,003
Prepaid expenses	1,558,972
Lease receivables	659,213
Capital and right-to-use leased assets	
Nondepreciable capital assets	96,394,470
Depreciable capital assets, net of accumulated depreciation	246,835,379
Right-to-use leased assets, net of accumulated amortization	770,156
Total capital and right-to-use leased assets, net	344,000,005
Total assets	475,557,421
Deferred Outflows of Resources	
Deferred outflows of resources related to debt refunding	11,284,818
Deferred outflows of resources related to OPEB	2,815,560
Deferred outflows of resources related to pensions	25,841,033
Total deferred outflows of resources	39,941,411
Liabilities	
Accounts payable	20,248,944
Accrued interest payable	5,145,375
Unearned revenue	11,652,863
Long-term liabilities	
Long-term liabilities other than OPEB and pensions, due within one year	13,781,223
Long-term liabilities other than OPEB and pensions, due in more than one year	355,391,135
Aggregate net other postemployment benefits (OPEB) liability	17,264,135
Aggregate net pension liability	78,338,084
Total liabilities	501,821,759
Deferred Inflows of Resources	
Deferred inflows of resources related to leases	646,984
Deferred inflows of resources related to OPEB	5,376,757
Deferred inflows of resources related to pensions	48,163,025
Total deferred inflows of resources	54,186,766
Net Position	
Net investment in capital assets	54,408,221
Restricted for	
Debt service	11,356,205
Capital projects	7,142,798
Educational programs	9,312,844
Other activities	3,027,442
Unrestricted (deficit)	(125,757,203)
Total net position (deficit)	$ (40,509,693)

Operating Revenues	
Tuition and fees	$ 17,175,791
Less: Scholarship discounts and allowances	(7,693,752)
Net tuition and fees	9,482,039
Grants and contracts, noncapital	
Federal	16,286,677
State	69,241,880
Local	1,041,128
Total grants and contracts, noncapital	86,569,685
Total operating revenues	96,051,724
Operating Expenses	
Salaries	91,955,464
Employee benefits	28,797,093
Supplies, materials, and other operating expenses and services	28,551,752
Student financial aid	34,659,526
Equipment, maintenance, and repairs	6,281,115
Depreciation and amortization	9,798,668
Total operating expenses	200,043,618
Operating Loss	(103,991,894)
Nonoperating Revenues (Expenses)	
State apportionments, noncapital	41,138,535
Local property taxes, levied for general purposes	30,456,016
Taxes levied for other specific purposes	20,689,438
Federal and State financial aid grants	31,952,634
State taxes and other revenues	715,206
Investment loss, net	(3,624,611)
Interest expense on capital related debt	(11,548,312)
Investment income on capital asset-related debt, net	79,149
Other nonoperating revenue	3,318,664
Total nonoperating revenues (expenses)	113,176,719
Income Before Other Revenues (Losses)	9,184,825
Other Revenues (Losses)	
State revenues, capital	4,731,329
Local revenues, capital	1,076,561
Loss on disposal of capital assets	(24,963)
Total other revenues (losses)	5,782,927
Change In Net Position	14,967,752
Net Position (deficit), Beginning of Year	(55,477,445)
Net Position (deficit), End of Year	$ (40,509,693)

Cash Flows from Operating Activities	
Tuition and fees	$ 10,048,660
Federal, state, and local grants and contracts, noncapital	92,172,724
Payments to or on behalf of employees	(123,598,156)
Payments to vendors for supplies and services	(35,539,332)
Payments to students for scholarships and grants	(34,659,526)
Net cash flows from operating activities	(91,575,630)
Cash Flows from Noncapital Financing Activities	
State apportionments	50,109,187
Federal and state financial aid grants	32,549,066
Property taxes - nondebt related	30,456,016
Payments on tax revenue anticipation notes	(17,000,000)
State taxes and other apportionments	715,206
Other nonoperating activities	2,692,950
Net cash flows from noncapital financing activities	99,522,425
Cash Flows from Capital Financing Activities	
Purchase of capital assets	(23,494,341)
State revenue, capital	4,731,329
Local revenue, capital	1,076,561
Property taxes - related to capital debt	20,689,438
Principal paid on capital debt	(11,405,747)
Interest paid on capital debt	(10,777,360)
Interest received on capital asset-related debt	82,631
Net cash flows from capital financing activities	(19,097,489)
Cash Flows from Investing Activities	
Change in fair value of cash in county treasury	(3,707,910)
Interest received from investments	85,935
Net cash flows from investing activities	(3,621,975)
Change In Cash and Cash Equivalents	(14,772,669)
Cash and Cash Equivalents, Beginning of Year	129,159,027
Cash and Cash Equivalents, End of Year	$ 114,386,358

Reconciliation of net operating loss to net cash flows from operating activities	
Operating Loss	$ (103,991,894)
Adjustments to reconcile operating loss to net cash flows from operating activities	
Depreciation and amortization expense	9,798,668
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources	
Accounts receivable	4,971,540
Student receivables	771,038
Prepaid expenses	584,666
Lease receivables	40,752
Deferred outflows of resources related to OPEB	(765,359)
Deferred outflows of resources related to pensions	4,902,374
Accounts payable	(1,229,050)
Unearned revenue	439,311
Compensated absences	528,865
Load banking	30,002
Early retirement plan	721,708
Aggregate net OPEB liability	(1,693,481)
Aggregate net pension liability	(56,763,457)
Deferred inflows of resources related to leases	(52,981)
Deferred inflows of resources related to OPEB	5,376,757
Deferred inflows of resources related to pensions	44,754,911
Total adjustments	12,416,264
Net cash flows from operating activities	$ (91,575,630)
Cash and Cash Equivalents Consist of the Following:	
Cash in banks	$ 2,565,537
Cash in county treasury	111,820,821
Total cash and cash equivalents	$ 114,386,358
Noncash Transactions	
Amortization of deferred outflows of resources related to debt refunding	$ 578,873
Amortization of debt premiums	$ 1,121,804
Accretion of interest on capital appreciation bonds	$ 1,271,867

Note 1 - Organization

The Santa Clarita Community College District (the District) was established in 1967 as a political subdivision of the State of California and is a comprehensive, public, two-year institution offering educational services to residents of the surrounding area. The District operates under a locally elected five-member Board of Trustees form of government, which establishes the policies and procedures by which the District operates. The Board must approve the annual budgets for the General Fund, special revenue funds, and capital project funds, but these budgets are managed at the department level. Currently, the District operates one community college and one center located in Santa Clarita, California. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61. The District is classified as a Public Educational Institution under Internal Revenue Code Section 115 and is, therefore, exempt from Federal taxes.

Financial Reporting Entity

The District has adopted accounting policies to determine whether certain organizations, for which the District is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the District, as defined by accounting principles generally accepted in the United States of America and established by the Governmental Accounting Standards Board (GASB). The financial reporting entity consists of the primary government (the District), and the following component units:

The following entity met the criterion for inclusion as a "blended" component unit and is consolidated within the financial statements of the District:

- **Public Property Financing Corporation**

  The Public Property Financing Corporation (the Corporation) is a legally separate organization and a component unit of the District. The Corporation was formed to issue debt specifically for the acquisition and construction of capital assets for the District. The Board of Trustees of the Corporation is the same as the Board of Trustees of the District. The financial activity has been "blended" or consolidated within the financial statements as the District as if the activity was the District's. Within the other supplementary information section of the report, the activity is included as the Capital Outlay Projects Fund and the Other Debt Service Fund. Certificates of participation issued by the Corporation are included as long-term liabilities of the District. Individually-prepared financial statements are not prepared for the Public Property Financing Corporation. Condensed component unit information for the Corporation, the District's blended component unit, for the year ended June 30, 2022, is as follows:

Condensed Statement of Net Position

Assets	
Investments	$ 400,639
Accounts receivable	299
Total assets	$ 400,938
Net Position	
Restricted for	
Debt Service	$ 400,938

Condensed Statement of Revenues, Expenses, and Changes in Net Position

Nonoperating Expenses	
Principal expense on capital related debt	$ (785,000)
Interest expense on capital related debt	(301,806)
Other expense	(3,482)
Total nonoperating expenses	(1,090,288)
Loss Before transfers	(1,090,288)
Transfers in	1,084,454
Change in Net Position	(5,834)
Net Position, Beginning of Year	406,772
Net Position, End of Year	$ 400,938

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.

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

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

Cash and Cash Equivalents

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

Investments

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

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

Accounts Receivable

Accounts receivable include amounts due from the Federal, State, and/or local governments or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students. Management has analyzed these accounts and believes all amounts are fully collectable.

Prepaid Expenses

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

Capital Assets and Depreciation

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

Depreciation of capital assets is computed and recorded utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 50 years; improvements, 20 to 25 years; equipment, 3 to 15 years; vehicles, 5 to 10 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, 2022.

Compensated Absences and Load Banking

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. The current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignation and retirements that occur prior to year end that have not yet been paid within the fund from which the employees who have accumulated the leave are paid. The District also participates in "load banking" with eligible academic employees whereby the employee may teach extra courses in one period in exchange for time off in another period. The liability for this benefit is reported on the government-wide financial statements.

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

Debt Premiums

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

Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

Leases

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

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

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Unearned Revenue

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

Tax and Revenue Anticipation Notes

The Tax and Revenue Anticipation Notes were issued during the 2020-2021 year as short-term obligations to provide cash flow needs. This liability was offset with future cash deposits in the County Treasurer, which have been set aside to repay the notes. The liability was paid in full as of June 30, 2022.

Noncurrent Liabilities

Noncurrent liabilities include general obligation bonds, certificates of participation, leases, compensated absences, load banking, early retirement plan, aggregate net OPEB liability, and aggregate net pension liability with maturities greater than one year.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position related to net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report $30,839,289 of restricted net position.

Operating and Nonoperating Revenues and Expenses

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

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

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

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

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

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

State Apportionments

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

Property Taxes

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

The voters of the District passed a General Obligation Bond in November 2001, November 2006, and June 2016 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, discounts, and allowances. Fee waivers approved by the California Community College Board of Governors are included within the scholarships, discounts, and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances represent the difference between stated charges for enrollment fees and the amount that is paid by students or third parties making payments on the students' behalf.

Financial Assistance Programs

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

Interfund Activity

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

Adoption of New Standard

As of July 1, 2021, the District adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The standard requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The effect of the implementation of this standard on beginning net position is disclosed in Note 16 and the additional disclosures required by this standard is included in Notes 5, 6, and 9.

Implementation of GASB Statement No. 92

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reporting

- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

The provisions of this Statement have been implemented as of June 30, 2022.

Implementation of GASB Statement No. 93

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR (Interbank Offered Rate). This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate

- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap Clarifying the definition of reference rate, as it is used in Statement 53, as amended
- Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

The provisions of this Statement have been implemented as of June 30, 2022.

Note 3 - Deposits and Investments

Policies and Practices

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

Investment in County Treasury

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

General Authorizations

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

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

Authorized Under Debt Agreements

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

Summary of Deposits and Investments

Deposits and investments as of June 30, 2022, consist of the following:

	Primary Government
Cash on hand and in banks	$ 2,415,537
Cash in revolving	150,000
Investments	111,820,821
Total deposits and investments	$ 114,386,358

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 Investment pool evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the Los Angeles County Investment pool is not required to be rated, nor has it been rated as of June 30, 2022.

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

Investment Type	Fair Value	Weighted Average Maturity in Days	Credit Rating
Los Angeles County Investment pool	$ 111,820,821	933	Not Rated

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, 2022, the District's bank balance was insured and/or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

Note 4 - Accounts Receivable

Accounts receivable at June 30, 2022, consisted of the following:

	Primary Government
Federal Government	
Categorical aid	$ 4,808,507
Other federal sources	2,413
State Government	
Categorical aid	3,702,132
Lottery	986,849
Other state sources	218,548
Local Sources	
Interest	231,686
Other local sources	909,735
Total	$ 10,859,870
Student receivables	$ 4,093,003

Note 5 - Lease Receivables

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

Lease Receivables	Balance, July 1, 2021, as restated	Additions	Deductions	Balance, June 30, 2022
Building Lease	$ 431,313	$ -	$ (8,152)	$ 423,161
Cell Tower Leases	268,652	-	(32,600)	236,052
Total	$ 699,965	$ -	$ (40,752)	$ 659,213

Cellular Tower Antenna Sites

The District licenses (leases) a portion of its facilities for cellular tower antenna sites. These licenses are noncancelable for a period of five years, with three additional renewal periods of five years. The District believes the licensees will exercise the renewal option with reasonable certainty. The agreements allow for 3% to 10% annual CPI increases to the license payments. At termination, lessees must remove all equipment and restore the site to its original state. During the fiscal year, the District recognized $44,340 in lease revenue and $11,740 in interest revenue related to these agreements. At June 30, 2022, the District recorded $236,052 in lease receivables and $231,075 in deferred inflows of resources for these arrangements. The District used an interest rate of 4%, based on the rates available to finance real estate or machinery and equipment over the same time periods.

Building Lease

The District leases a portion of its facilities for the middle college. This agreement is for a period of 40 years. During the fiscal year, the District recognized $27,000 in lease revenue and $18,848 in interest revenue related to these agreements. At June 30, 2022, the District recorded $423,161 in lease receivables and $415,909 in deferred inflows of resources for these arrangements. The District used an interest rate of 4%, based on the rates available to finance real estate or machinery and equipment over the same time periods.

Note 6 - Capital and Right-to-use Leased Assets

Capital and right-to-use leased asset activity for the District for the year ended June 30, 2022, was as follows:

	Balance, July 1, 2021, as restated	Additions	Deductions	Balance, June 30, 2022
Capital Assets Not Being Depreciated				
Land	$ 14,309,904	$ -	$ -	$ 14,309,904
Construction in progress	63,693,430	20,198,502	(1,807,366)	82,084,566
Total capital assets not being depreciated	78,003,334	20,198,502	(1,807,366)	96,394,470
Capital Assets Being Depreciated				
Land improvements	23,808,191	230,443	-	24,038,634
Buildings and improvements	324,685,179	1,576,922	-	326,262,101
Furniture and equipment	20,767,255	1,210,565	(1,063,474)	20,914,346
Total capital assets being depreciated	369,260,625	3,017,930	(1,063,474)	371,215,081
Total capital assets	447,263,959	23,216,432	(2,870,840)	467,609,551
Less Accumulated Depreciation				
Land improvements	(15,622,366)	(1,047,556)	-	(16,669,922)
Buildings and improvements	(85,261,555)	(7,409,362)	-	(92,670,917)
Furniture and equipment	(14,940,888)	(1,136,486)	1,038,511	(15,038,863)
Total accumulated depreciation	(115,824,809)	(9,593,404)	1,038,511	(124,379,702)
Net capital assets	331,439,150	13,623,028	(1,832,329)	343,229,849
Right-to-use Leased Assets Being Amortized				
Buildings and improvements	-	701,497	-	701,497
Furniture and equipment	273,923	-	-	273,923
Total right-to-use leased assets being amortized	273,923	701,497	-	975,420
Less Accumulated Amortization				
Buildings and improvements	-	(97,430)	-	(97,430)
Furniture and equipment	-	(107,834)	-	(107,834)
Total accumulated amortization	-	(205,264)	-	(205,264)
Net right-to-use leased assets	273,923	496,233	-	770,156
Total capital and right-to-use leased assets, net	$ 331,713,073	$ 14,119,261	$ (1,832,329)	$ 344,000,005

Note 7 - Prepaid Expenses

Prepaid expenses at June 30, 2022, consisted of the following:

Software and Technology	$ 390,784
Health and Welfare	72,926
Workers' Compensation Insurance	109,657
Retirement Planning	657,936
Other prepaid expenses	327,669
Total	$ 1,558,972

Note 8 - Tax and Revenue Anticipation Notes (TRANs)

During the 2020-2021 year, the District issued Tax and Revenue Anticipation Notes (TRANs) in the amount of $17,000,000, which matured on December 30, 2021. The notes were issued bearing interest at 2.00%. The notes were issued to supplement cash flows. As of June 30, 2022, the notes were paid in full.

	Balance, July 1, 2021	Additions	Deductions	Balance, June 30, 2022
2021 2.00% TRANS	$ 17,000,000	$ -	$ 17,000,000	$ -

Note 9 - Long-Term Liabilities other than OPEB and Pensions

Summary

The changes in the District's long-term liabilities other than OPEB and pensions during the year ended June 30, 2022, consisted of the following:

	Balance, July 1, 2021, as restated	Additions	Deductions	Balance, June 30, 2022	Due in One Year
General obligation bonds	$ 342,863,752	$ 1,271,867	$ (10,425,000)	$ 333,710,619	$ 10,465,000
Bond premium	17,946,689	-	(1,046,552)	16,900,137	-
Certificates of participation (COP)	7,330,000	-	(785,000)	6,545,000	805,000
COP premium	758,807	-	(75,252)	683,555	-
Leases	273,923	701,497	(195,747)	779,673	332,412
Compensated absences	4,689,923	528,865	-	5,218,788	928,897
Load banking	275,646	30,002	-	305,648	-
Early retirement plan	4,307,230	2,153,966	(1,432,258)	5,028,938	1,249,914
Total	$ 378,445,970	$ 4,686,197	$ (13,959,809)	$ 369,172,358	$ 13,781,223

Description of Long-Term Liabilities

Payments of the general obligation bonds are to be made by the Bond Interest and Redemption Fund with local property tax collections. Payments for the certificates of participation (COPs) are made by the Other Debt service Fund. The payments of the leases are made by the General Fund. The compensated absences, load banking, and early retirement plan will be paid by the fund for which the employee worked.

General Obligation Bonds

In November 2001, voters authorized a total of $82,110,000 in general obligation bonds. In July 2003, the District issued Election of 2001 Series 2003 General Obligation Bonds in the amount of $17,498,982. The bonds were issued as capital appreciation bonds. The bonds were issued to finance the acquisition, modernization, and renovation of District facilities. The bonds bear interest rates of 1.05 to 5.60%. At June 30, 2022, the principal balance outstanding was $12,525,615.

In October 2005, the District issued Election of 2001 Series 2005 General Obligation Bonds in the amount of $42,981,087. The bonds were issued as current interest bonds in the aggregate principal amount of $39,310,000 and as capital appreciation bonds in the principal amount of $3,671,087. The bonds were issued to finance the acquisition, modernization, and renovation of District facilities. The bonds bear interest rates of 3.00 to 5.00%. At June 30, 2022, the principal balance outstanding was $9,595,004.

In May 2012, the District issued Election of 2006 Series 2012 General Obligation Bonds in the amount of $35,000,000. The bonds were issued as current interest bonds. The bonds were issued to finance the acquisition, modernization, and renovation of District facilities. The bonds bear interest rates of 2.00 to 5.00%. At June 30, 2022, the principal balance outstanding was $1,645,000. Unamortized premium received on issuance of the bonds amounted to $79,574 as of June 30, 2022.

In February 2013, the District issued the $33,765,000 2013 General Obligation Refunding Bonds. The bonds have a final maturity to occur on August 1, 2028, with interest rates from 2.00 to 5.00%. The net proceeds of $39,057,475 (representing the principal amount of $33,765,000 plus premium on issuance of $5,292,475) from the issuance were used to advance refund the District's outstanding 2001 General Obligation Bonds, Series 2005 maturing on August 1, 2016 through and including August 1, 2028, and to pay the cost of the issuance associated with the refunding bonds. Amounts paid to the refunded bond escrow agent in excess of outstanding debt at the time of payment are recorded as deferred charges on refunding on the Statement of Net Position and are amortized to interest expense over the life of the liability. At June 30, 2022, the principal balance outstanding was $6,935,000. Unamortized premium received on issuance of the bonds amounted to $398,368 as of June 30, 2022.

In September 2014, the District issued Election of 2006 Series 2014 General Obligation Bonds in the amount of $25,000,000. The bonds were issued as current interest bonds. The bonds were issued to finance the acquisition, modernization, and renovation of District facilities. The bonds bear interest rates of 2.00 to 5.00%. At June 30, 2022, the principal balance outstanding was $6,530,000. Unamortized premium received on issuance of the bonds amounted to $593,948 as of June 30, 2022.

In May 2016, the District issued the $94,050,000 2016 General Obligation Refunding Bonds. The bonds have a final maturity to occur on August 1, 2046, with interest rates from 2.00 to 5.00%. The net proceeds of $103,474,669 (representing the principal amount of $94,050,000 plus premium on issuance of $9,424,669) from the issuance were used to currently refund the District's outstanding 2005 General Obligation Refunding Bonds, maturing on August 1, 2016 through and including August 1, 2021, and to advance refund a portion of the District's outstanding General Obligation Bonds, Series 2007 maturing on August 1, 2016 and including August 1, 2018 through August 1, 2046, and to pay the cost of the issuance associated with the refunding bonds. Amounts paid to the refunded bond escrow agent in excess of outstanding debt at the time of payment are recorded as deferred charges on refunding on the Statement of Net Position and are amortized to interest expense over the life of the liability. At June 30, 2022, the principal balance outstanding was $84,180,000. Unamortized premium received on issuance of the bonds amounted to $7,524,114 as of June 30, 2022.

In November 2016, the District issued Election of 2006 Series 2016 General Obligation Bonds in the amount of $20,000,000. The bonds were issued as current interest bonds. The bonds were issued to finance the acquisition, modernization, and renovation of District facilities, to refund the 2009 certificates of participation, and to pay the cost of the issuance associated with the issuance of the bonds. The bonds bear interest rates of 3.00 to 5.00%. At June 30, 2022, the principal balance outstanding was $19,315,000. Unamortized premium received on issuance of the bonds amounted to $1,271,949 as of June 30, 2022.

In June 2016, voters authorized a total of $230,000,000 in general obligation bonds. In April 2017, the District issued Election of 2016 Series 2017 General Obligation Bonds in the amount of $50,000,000. The bonds were issued as current interest bonds. The bonds were issued to finance the acquisition, modernization, and renovation of District facilities. The bonds bear interest rates of 2.00 to 5.00%. At June 30, 2022, the principal balance outstanding was $38,020,000. Unamortized premium received on issuance of the bonds amounted to $2,873,227 as of June 30, 2022.

In August 2019, the District issued Election of 2016 Series 2019 General Obligation Bonds in the amount of $85,000,000. The bonds were issued as current interest bonds. The bonds were issued to finance the acquisition, modernization, and renovation of District facilities. The bonds bear interest rates of 3.00 to 5.00%. At June 30, 2022, the principal balance outstanding was $81,195,000. Unamortized premium received on issuance of the bonds amounted to $4,158,957 as of June 30, 2022.

In November 2019, the District issued the $34,400,000 2019 General Obligation Refunding Bonds. The bonds have a final maturity to occur on August 1, 2039, with interest rates from 1.787 to 3.046%. The net proceeds of $34,400,000 from the issuance were used to advance refund a portion of the District's outstanding 2006 General Obligation Bonds, Series 2012 maturing on August 1, 2012 through and including August 1, 2042, and to pay the cost of the issuance associated with the refunding bonds. Amounts paid to the refunded bond escrow agent in excess of outstanding debt at the time of payment are recorded as deferred charges on refunding on the Statement of Net Position and are amortized to interest expense over the life of the liability. At June 30, 2022, the principal balance outstanding was $32,950,000.

In May 2021, the District issued the $41,475,000 2021 General Obligation Refunding Bonds. The bonds have a final maturity to occur on August 1, 2038, with interest rates from 0.157 to 2.621%. The net proceeds of $41,475,000 from the issuance were used to advance refund a portion of the District's outstanding 2013 General Obligation Refunding Bonds and 2014 General Obligation Bonds, and to pay the cost of the issuance associated with the refunding bonds. Amounts paid to the refunded bond escrow agent in excess of outstanding debt at the time of payment are recorded as deferred charges on refunding on the Statement of Net Position and are amortized to interest expense over the life of the liability. At June 30, 2022, the principal balance outstanding was $40,820,000.

Debt Maturity

The outstanding general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2021	Issued	Accreted Interest	Redeemed	Bonds Outstanding June 30, 2022
2003	08/01/28	1.05%-5.60%	$ 17,498,982	$ 13,452,826	$ -	$ 712,789	$ (1,640,000)	$ 12,525,615
2005	08/01/30	3.00%-5.00%	42,981,087	9,035,926	-	559,078	-	9,595,004
2012	08/01/42	2.00%-5.00%	35,000,000	1,855,000	-	-	(210,000)	1,645,000
2013	08/01/28	2.00%-5.00%	33,765,000	8,145,000	-	-	(1,210,000)	6,935,000
2014	08/01/39	2.00%-5.00%	25,000,000	6,805,000	-	-	(275,000)	6,530,000
2016	08/01/46	2.00%-5.00%	94,050,000	85,905,000	-	-	(1,725,000)	84,180,000
2016	08/01/46	3.00%-5.00%	20,000,000	19,315,000	-	-	-	19,315,000
2017	08/01/47	2.00%-5.00%	50,000,000	38,310,000	-	-	(290,000)	38,020,000
2019	08/01/49	3.00%-5.00%	85,000,000	85,000,000	-	-	(3,805,000)	81,195,000
2019	08/01/39	1.787%-3.046%	34,400,000	33,565,000	-	-	(615,000)	32,950,000
2021	08/01/38	0.157-2.621%	41,475,000	41,475,000	-	-	(655,000)	40,820,000
				$ 342,863,752	$ -	$ 1,271,867	$ (10,425,000)	$ 333,710,619

Debt Service Requirements to Maturity

The bonds mature through 2050 as follows:

Fiscal Year	Principal (Including accreted interest to date)	Accreted Interest	Current Interest to Maturity	Total
2023	$ 10,419,042	$ 45,958	$ 11,894,049	$ 22,359,049
2024	11,263,181	141,819	11,522,324	22,927,324
2025	12,147,437	242,563	11,188,778	23,578,778
2026	9,045,775	349,225	10,999,556	20,394,556
2027	9,621,175	458,825	10,875,602	20,955,602
2028-2032	52,344,009	7,750,991	50,459,372	110,554,372
2033-2037	54,335,000	-	36,932,377	91,267,377
2038-2042	68,755,000	-	25,135,675	93,890,675
2043-2047	83,950,000	-	11,744,975	95,694,975
2048-2050	21,830,000	-	931,500	22,761,500
Total	$ 333,710,619	$ 8,989,381	$ 181,684,208	$ 524,384,208

Certificates of Participation

In April 2017, the District issued the $9,580,000 2017 Refunding Certificates of Participation. The certificates have a final maturity to occur on August 1, 2031, with interest rates from 2.00 to 5.00%. The net proceeds of the certificates were used to currently refund the outstanding 2006 Certificates of Participation and to pay the cost of issuance associated with the refunding certificates. At June 30, 2022, the principal balance outstanding was $6,545,000. Unamortized premium received on issuance of the certificates amounted to $683,555 as of June 30, 2022.

The certificates mature through 2032 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2023	$ 805,000	$ 270,006	$ 1,075,006
2024	830,000	237,306	1,067,306
2025	855,000	199,331	1,054,331
2026	660,000	161,456	821,456
2027	685,000	127,831	812,831
2028-2032	2,710,000	190,879	2,900,879
Total	$ 6,545,000	$ 1,186,809	$ 7,731,809

Early Retirement Plan

The District has entered into two agreements to provide certain benefits to employees participating in the early retirement incentive program. The District will pay a total of $5,028,938 on behalf of the retirees over the next five years in accordance with the following schedule:

Year Ending June 30,	
2023	$ 1,249,914
2024	1,249,914
2025	1,249,914
2026	916,660
2027	362,536
Total	$ 5,028,938

Leases

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

Leases	Balance, July 1, 2021, as restated	Additions	Deductions	Balance, June 30, 2022
Copier Leases	$ 273,923	$ -	$ (103,910)	$ 170,013
Building Lease	-	701,497	(91,837)	609,660
Total	$ 273,923	$ 701,497	$ (195,747)	$ 779,673

Copier Leases

The District entered an agreement to lease copiers for five years, beginning June 2018 Under the terms of the lease, the District binder paid the monthly payments of $9,557, which amounted to total principal and interest costs of $114,686. The annual interest rate charged on the lease is 4.84%. At June 30, 2022, the District has recognized a right to use asset of $166,089 and a lease liability of $170,013 related to this agreement. During the fiscal year, the District recorded $107,834 in amortization expense and $10,776 in interest expense for the right to use of the copiers.

Building Lease

The District entered an agreement to lease building space for 36 of months, beginning February 2022. The lease terminates January 2025. Under the terms of the lease, the District pays a monthly base fee of $20,274, increasing 2.0% annually on the anniversary of the agreement. At June 30, 2022, the District has recognized a right to use asset of $604,067 and a lease liability of $609,660 related to this agreement. During the fiscal year, the District recorded $97,430 in amortization expense and $9,533 in interest expense for the right to use the office space. The District used a discount rate of 4.37%, based on the agreement.

The District's liability on lease agreements with option to purchase is summarized below:

Fiscal Year	Principal	Interest	Total
2023	$ 332,412	$ 27,996	$ 360,408
2024	295,760	13,870	309,630
2025	151,501	2,164	153,665
Total	$ 779,673	$ 44,030	$ 823,703

Note 10 - Aggregate Net Other Postemployment Benefits (OPEB) Liability

For the year ended June 30, 2022, the District reported an aggregate net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Aggregate Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 16,850,837	$ 2,815,560	$ 5,376,757	$ 2,985,512
Medicare Premium Payment (MPP) Program	413,298	-	-	(67,595)
Total	$ 17,264,135	$ 2,815,560	$ 5,376,757	$ 2,917,917

The details of each plan are as follows:

District Plan

Plan Administration

The District's governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Management of the Plan is vested in the District management.

Plan Membership

At June 30, 2022, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	210
Active employees	570
Total	780

Benefits Provided

The Plan provides medical, dental, and vision 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 benefit payment requirements of the Plan members and the District are established and may be amended by the District and the District's bargaining units. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District and the District's bargaining units. For measurement period of June 30, 2022, the District paid $504,245 in benefits.

Total OPEB Liability of the District

The District's total OPEB liability of $16,850,837 was measured as of June 30, 2022, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

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

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

Mortality rates were based on the 2020 CalSTRS Mortality Table for certificated employees and the 2017 CalPERS Active Mortality for Miscellaneous Employees Table for classified employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actual experience study as of June 2022.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance, June 30, 2021	$ 18,476,723
Service cost	1,056,868
Interest	405,066
Changes of benefit terms	2,294,686
Difference between expected and actual experience	(1,476,057)
Changes of assumptions	(3,402,204)
Benefit payments	(504,245)
Net change in total OPEB liability	(1,625,886)
Balance, June 30, 2022	$ 16,850,837

Changes in benefit terms reflect a change in the baseline cap for all groups to $3,300 and that all groups can qualify for a $6,000 pre-65 cap if they retire after age 60 with 20 years of service since the previous valuation.

Changes of assumptions and other inputs reflect a change in discount rate from 2.16% to 3.54% since the previous valuation.

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

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

Discount Rate	Total OPEB Liability
1% decrease (2.54%)	$ 19,226,636
Current discount rate (3.54%)	16,850,837
1% increase (4.54%)	14,872,246

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

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

Healthcare Cost Trend Rate	Total OPEB Liability
1% decrease (3.00%)	$ 15,757,790
Current healthcare cost trend rate (4.00%)	16,850,837
1% increase (5.00%)	18,140,137

Deferred Outflows/Inflows of Resources Related to OPEB

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB for the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 160,399	$ 1,375,494
Changes of assumptions	2,655,161	4,001,263
Total	$ 2,815,560	$ 5,376,757

The deferred outflows/inflows of resources related the 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 9.4 years and will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	$ (266,863)
2024	(266,863)
2025	(266,863)
2026	(266,863)
2027	(266,863)
Thereafter	(1,226,882)
Total	$ (2,561,197)

Medicare Premium Payment (MPP) Program

Plan Description

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

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2020 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

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

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

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

Net OPEB Liability and OPEB Expense

At June 30, 2022, the District reported a liability of $413,298 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating entities, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2021 and June 30, 2020, was 0.1036% and 0.1135%, respectively, resulting in a net decrease in the proportionate share of 0.0099%.

For the year ended June 30, 2022, the District recognized OPEB expense of $(67,595).

Actuarial Methods and Assumptions

The June 30, 2021 total OPEB liability was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2020, and rolling forward the total OPEB liability to June 30, 2021, using the assumptions listed in the following table:

Measurement Date	June 30, 2021	June 30, 2020
Valuation Date	June 30, 2020	June 30, 2019
Experience Study	June 30, 2015 through June 30, 2018	June 30, 2014 through June 30, 2018
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	2.16%	2.21%
Medicare Part A Premium Cost Trend Rate	4.50%	4.50%
Medicare Part B Premium Cost Trend Rate	5.40%	5.40%

For the valuation as of June 30, 2020, CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP 2019) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 294 or an average of 0.16% of the potentially eligible population (152,062).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2021, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2021, is 2.16%. As the MPP Program is funded on a pay-as-you-go basis as previously noted, the OPEB Plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 2.16%, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2021, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate decreased 0.05% from 2.21% as of June 30, 2020.

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

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

Discount Rate	Net OPEB Liability
1% decrease (1.16%)	$ 455,568
Current discount rate (2.16%)	413,298
1% increase (3.16%)	377,183

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

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

Medicare Costs Trend Rate	Net OPEB Liability
1% decrease (3.5% Part A and 4.4% Part B)	$ 375,846
Current Medicare costs trend rates (4.5% Part A and 5.4% Part B)	413,298
1% increase (5.5% Part A and 6.4% Part B)	456,235

Note 11 - Risk Management

Property and Liability Insurance Coverages

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance for property with coverages of $250,000,000, subject to various policy limits. The District also purchases commercial insurance for general liability claims with coverage up to $5,000,000 per occurrence, all subject to various deductibles.

Joint Powers Authority Risk Pools

During fiscal year ended June 30, 2022, the District contracted with the Statewide Association of Community Colleges (SWACC)/Schools Association for Excess Risk (SAFER) Joint Powers Authority for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2022, 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". This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the JPA. Participation in the JPA is limited to community college districts that can meet the JPA's selection criteria.

Note 12 - 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, 2022, 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	Aggregate Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 31,370,447	$ 15,616,437	$ 28,816,336	$ 2,453,316
CalPERS	46,967,637	10,224,596	19,346,689	5,260,616
Total	$ 78,338,084	$ 25,841,033	$ 48,163,025	$ 7,713,932

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2020, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

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

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

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

The STRP Defined Benefit Program provisions and benefits in effect at June 30, 2022, are summarized as follows:

Hire date	On or before December 31, 2012	On or after January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	16.92%	16.92%
Required State contribution rate	10.828%	10.828%

Contributions

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and are detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with California Assembly Bill 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2022, are presented above, and the District's total contributions were $6,852,982.

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

At June 30, 2022, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including State share:	
District's proportionate share of net pension liability	$ 31,370,447
State's proportionate share of net pension liability associated with the District	15,784,392
Total	$ 47,154,839

The net pension liability was measured as of June 30, 2021. 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, 2021 and June 30, 2020, was 0.0689% and 0.0651%, respectively, resulting in a net increase in the proportionate share of 0.0038%.

For the year ended June 30, 2022, the District recognized pension expense of $2,453,316. In addition, the District recognized pension expense and revenue of $540,043 for support provided by the State. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 6,852,982	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	4,240,011	663,034
Differences between projected and actual earnings on pension plan investments	-	24,814,832
Differences between expected and actual experience in the measurement of the total pension liability	78,585	3,338,470
Changes of assumptions	4,444,859	-
Total	$ 15,616,437	$ 28,816,336

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	$ (6,301,479)
2024	(5,763,794)
2025	(5,906,833)
2026	(6,842,726)
Total	$ (24,814,832)

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	$ 2,006,388
2024	2,134,565
2025	418,018
2026	(31,351)
2027	167,721
Thereafter	66,610
Total	$ 4,761,951

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2020, and rolling forward the total pension liability to June 30, 2021. The financial reporting actuarial valuation as of June 30, 2020, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2020
Measurement date	June 30, 2021
Experience study	July 1, 2015 through June 30, 2018
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2021, are summarized in the following table:

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

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 63,859,002
Current discount rate (7.10%)	31,370,447
1% increase (8.10%)	4,405,567

California Public Employees' Retirement System (CalPERS)

Plan Description

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

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

Benefits Provided

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

The CalPERS School Employer Pool provisions and benefits in effect at June 30, 2022, are summarized as follows:

Hire date	On or before December 31, 2012	On or after January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	22.91%	22.91%

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, 2022, are presented above, and the total District contributions were $7,967,122.

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

As of June 30, 2022, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $46,967,637. The net pension liability was measured as of June 30, 2021. 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, 2021 and June 30, 2020, was 0.2310% and 0.2346%, respectively, resulting in a net decrease in the proportionate share of 0.0036%.

For the year ended June 30, 2022, the District recognized pension expense of $5,260,616. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 7,967,122	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	855,370	1,211,186
Differences between projected and actual earnings on pension plan investments	-	18,024,781
Differences between expected and actual experience in the measurement of the total pension liability	1,402,104	110,722
Total	$ 10,224,596	$ 19,346,689

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	$ (4,520,600)
2024	(4,157,096)
2025	(4,334,044)
2026	(5,013,041)
Total	$ (18,024,781)

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 4.1 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	$ 1,326,900
2024	(82,168)
2025	(280,636)
2026	(28,530)
Total	$ 935,566

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2020, and rolling forward the total pension liability to June 30, 2021. The financial reporting actuarial valuation as of June 30, 2020, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2020
Measurement date	June 30, 2021
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

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

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

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	50%	5.98%
Fixed income	28%	2.62%
Inflation assets	0%	1.81%
Private equity	8%	7.23%
Real assets	13%	4.93%
Liquidity	1%	-0.92%

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (6.15%)	$ 79,194,030
Current discount rate (7.15%)	46,967,637
1% increase (8.15%)	20,212,815

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, 2022, which amounted to $4,433,312 (10.828%) of salaries subject to CalSTRS. Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Deferred Compensation

The District offers its employees three deferred compensation plans created in accordance with Internal Revenue Code Sections 457 and 403(b). The plans, available to all District employees with the exception of College Assistants, permit them to defer a portion of their salary until future years. Depending on the plan, the deferred compensation is not available to employees until termination, retirement, death, disability, hardship, or unforeseeable emergency.

All assets of the 457 plans are held in trusts for the exclusive benefit of participants. All assets of the 403(b) plan are individually owned by participants.

Social Security

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use Social Security as its plan for all employees, as well as the CalSTRS Cash Balance Benefit Program (an alternative plan) for adjunct faculty. Contributions made by the District and an employee vest immediately. The District contributes 6.20% of an employee's gross earnings (four percent for CalSTRS Cash Balance Benefit Program participants). An employee is required to contribute 6.20% of his or her gross earnings to the pension plan (four percent for CalSTRS Cash Benefit Program participants).

Note 13 - Participation in Public Entity Risk Pools and Joint Powers Authorities

The District is a member of the Protected Insurance Program for Schools (PIPS), the Statewide Association of Community College (SWACC)/Schools Association for Excess Risk (SAFER), Alameda County Schools Insurance Group/Educational Dental Group Enterprise (ACSIG/Edge), Self-Insured Schools of California (SISC), and Alameda County Schools Insurance Group (ACSIG) JPAs. The District pays premiums for its workers' compensation and property liability coverage, as well as monthly premiums for employee Delta Dental and Vision Service Plan coverage. The relationships between the District and the JPAs are 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.

During the year ended June 30, 2022, the District made payments of $1,961,958, $702,655, $138,223, $22,556, and $204,355 to PIPS, SWACC/SAFER, ACSIG/Edge, ACSIG, and SISC JPAs, respectively.

Note 14 - Commitments and Contingencies

Grants

The District receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2022.

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, 2022.

Construction Commitments

As of June 30, 2022, the District had approximately $18,457,550 in commitments with respect to unfinished capital projects. The projects are funded through a combination of general obligation bonds, certificates of participation, and capital project apportionments from the California State Chancellor's Office.

Capital Project	Remaining Construction Commitment	Expected Date of Completion
College of the Canyons - Central Plant	$ 1,636	November 25, 2022
College of the Canyons - Science-Lecture Bldg. #1	21,326	November 25, 2022
College of the Canyons - Student Services Learning Resources Bldg. #2	4,584,805	November 25, 2022
ADA Transition Plan - Phase 3	103,000	February 1, 2023
Bloom Fuel Cell Project	5,100	June 30, 2023
Boykin Hall Modernization Phase 2	12,805,548	November 3, 2023
College of the Canyons - Signage Project	290,619	December 16, 2022
Counseling 2nd Floor Canyons Hall Project	129,160	January 1, 2023
Multi-Cultural Center	14,388	February 6, 2023
Pico Hall Sound Studio	126,680	November 11, 2022
Tick Canyon Fire Clean Up	236,321	October 24, 2022
ADA Transition Plan - Phase 2	70,000	March 3, 2023
Parking Lot 7 Utilities	60,130	December 2, 2022
Shade Structures	8,837	June 2, 2023
Total	$ 18,457,550	

Note 15 - Related Party Transactions

During the year, office space is provided to the College of the Canyons Foundation (the Foundation) by the District. The donated office space was valued at $26,060 and was recognized by the Foundation as of June 30, 2022. Donated services are provided to the College of the Canyons Foundation per the master agreement. These services were valued at $1,023,002 and was recognized by the Foundation as of June 30, 2022.

Note 16 - Adoption of New Accounting Standard

As of July 1, 2021, the District adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. As a result of the adoption of the new standard, the opening balances of certain assets, liabilities, and deferred inflows of resources were restated to retroactively adopt the provisions of GASB Statement No. 87 as follows:

Primary Government	
Net Position (Deficit) - Beginning	$ (55,477,445)
Lease receivables	699,965
Right-to-use leased assets, net of amortization	273,923
Lease liabilities	(273,923)
Deferred inflows of resources related to leases	(699,965)
Net Position (Deficit) - Beginning	$ (55,477,445)

Note 17 - Subsequent Event

On October 31, 2022, the District issued $70,000,000 General Obligation Bonds, Election of 2016, Series 2022. The bonds are being issued to finance the acquisition, construction, modernization, and equipping of District sites and facilities and pay the costs of issuance of the bonds. The bonds interest payments are due semiannually on February 1 and August 1 of each year, commencing February 1, 2023 with an interest rate of 5.00%.

Required Supplementary Information
June 30, 2022

Santa Clarita
Community College District

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	$ 1,056,868	$ 872,725	$ 597,864	$ 436,238	$ 413,136
Interest	405,066	421,223	326,477	492,562	471,671
Changes of benefit terms	2,294,686	-	-	747,173	-
Difference between expected and actual experience	(1,476,057)	209,005	(20,174)	-	-
Experience gains/losses	-	-	-	(93,026)	-
Changes of assumptions	(3,402,204)	(1,284,364)	3,407,347	583,618	-
Benefit payments	(504,245)	(424,617)	(359,582)	(359,582)	(346,593)
Net change in total OPEB liability	(1,625,886)	(206,028)	3,951,932	1,806,983	538,214
Total OPEB Liability - Beginning	18,476,723	18,682,751	14,730,819	12,923,836	12,385,622
Total OPEB Liability - Ending	$ 16,850,837	$ 18,476,723	$ 18,682,751	$ 14,730,819	$ 12,923,836
Covered Payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Total OPEB Liability as a Percentage of Covered Payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018

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

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

Year ended June 30,	2022	2021	2020	2019	2018
Proportion of the net OPEB liability	0.1036%	0.1135%	0.1146%	0.1115%	0.1049%
Proportionate share of the net OPEB liability	$ 413,298	$ 480,893	$ 426,830	$ 426,876	$ 441,354
Covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	-0.80%	-0.71%	-0.81%	-0.40%	0.01%
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

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

	2022	2021	2020	2019
CalSTRS				
Proportion of the net pension liability	0.0689%	0.0651%	0.0648%	0.0657%
Proportionate share of the net pension liability	$ 31,370,447	$ 63,110,962	$ 58,517,112	$ 60,375,178
State's proportionate share of the net pension liability associated with the District	15,784,392	32,533,709	31,924,991	34,567,613
Total	$ 47,154,839	$ 95,644,671	$ 90,442,103	$ 94,942,791
Covered payroll	$ 40,361,901	$ 39,503,526	$ 38,629,263	$ 36,652,349
Proportionate share of the net pension liability as a percentage of its covered payroll	77.72%	159.76%	151.48%	164.72%
Plan fiduciary net position as a percentage of the total pension liability	87%	72%	73%	71%
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
CalPERS				
Proportion of the net pension liability	0.2310%	0.2346%	0.2297%	0.2153%
Proportionate share of the net pension liability	$ 46,967,637	$ 71,990,579	$ 66,955,435	$ 57,407,934
Covered payroll	$ 33,204,618	$ 33,798,403	$ 31,869,068	$ 29,121,280
Proportionate share of the net pension liability as a percentage of its covered payroll	141.45%	213.00%	210.10%	197.13%
Plan fiduciary net position as a percentage of the total pension liability	81%	70%	70%	71%
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018

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

	2018	2017	2016	2015
CalSTRS				
Proportion of the net pension liability	0.0616%	0.0643%	0.0644%	0.0625%
Proportionate share of the net pension liability	$ 56,994,059	$ 52,007,869	$ 43,356,157	$ 36,549,359
State's proportionate share of the net pension liability associated with the District	33,717,204	29,607,152	22,930,627	22,070,189
Total	$ 90,711,263	$ 81,615,021	$ 66,286,784	$ 58,619,548
Covered payroll	$ 32,921,367	$ 31,151,911	$ 25,442,973	$ 27,811,867
Proportionate share of the net pension liability as a percentage of its covered payroll	173.12%	166.95%	170.41%	131.42%
Plan fiduciary net position as a percentage of the total pension liability	69%	70%	74%	77%
Measurement Date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS				
Proportion of the net pension liability	0.2153%	0.2101%	0.2102%	0.2058%
Proportionate share of the net pension liability	$ 51,396,096	$ 41,487,302	$ 30,976,787	$ 23,365,441
Covered payroll	$ 28,198,934	$ 24,896,193	$ 21,783,893	$ 21,565,373
Proportionate share of the net pension liability as a percentage of its covered payroll	182.26%	166.64%	142.20%	108.35%
Plan fiduciary net position as a percentage of the total pension liability	72%	74%	79%	83%
Measurement Date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

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

	2022	2021	2020	2019
CalSTRS				
Contractually required contribution	$ 6,852,982	$ 6,518,447	$ 6,755,103	$ 6,288,844
Contributions in relation to the contractually required contribution	(6,852,982)	(6,518,447)	(6,755,103)	(6,288,844)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 40,502,258	$ 40,361,901	$ 39,503,526	$ 38,629,263
Contributions as a percentage of covered payroll	16.92%	16.15%	17.10%	16.28%
CalPERS				
Contractually required contribution	$ 7,967,122	$ 6,873,356	$ 6,665,383	$ 5,756,191
Contributions in relation to the contractually required contribution	(7,967,122)	(6,873,356)	(6,665,383)	(5,756,191)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 34,775,740	$ 33,204,618	$ 33,798,403	$ 31,869,068
Contributions as a percentage of covered payroll	22.910%	20.700%	19.721%	18.062%

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

	2018	2017	2016	2015
CalSTRS				
Contractually required contribution	$ 5,288,934	$ 4,141,508	$ 3,342,600	$ 2,259,336
Contributions in relation to the contractually required contribution	(5,288,934)	(4,141,508)	(3,342,600)	(2,259,336)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 36,652,349	$ 32,921,367	$ 31,151,911	$ 25,442,973
Contributions as a percentage of covered payroll	14.43%	12.58%	10.73%	8.88%
CalPERS				
Contractually required contribution	$ 4,522,826	$ 3,916,268	$ 2,949,452	$ 2,564,182
Contributions in relation to the contractually required contribution	(4,522,826)	(3,916,268)	(2,949,452)	(2,564,182)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 29,121,280	$ 28,198,934	$ 24,896,193	$ 21,783,893
Contributions as a percentage of covered payroll	15.531%	13.888%	11.847%	11.771%

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

Note 1 - Purpose of Schedules

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

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

- *Changes in Benefit Terms* - The baseline cap for all groups changed to $3,300 and all groups can qualify for a $6,000 pre-65 cap if they retire after age 60 with 20 years of service since the previous valuation.
- *Changes of Assumptions* - The discount rate changed from 2.16% to 3.54% since the previous valuation.

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

This schedule presents information on the District's proportionate share of the net OPEB liability - MPP program and the Plans' fiduciary net position. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* - There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* - The plan rate of investment return assumption was changed from 2.21% to 2.16% since the previous valuation.

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

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

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

Schedule of District Contributions for Pensions

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

Supplementary Information
June 30, 2022

Santa Clarita
Community College District

The Santa Clarita Community College District is a single college district established in November 1967 with two campuses: Valencia and Canyon Country. The Valencia Campus is comprised of an area of approximately 153 acres, and the Canyon Country Campus is comprised of an area of approximately 70 acres. Both campuses are located in Los Angeles County. There were no changes in the boundaries of the District during the current year. The District's college is accredited by the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges, which is one of six regional associations that accredit public and private schools, colleges, and universities in the United States.

Board of Trustees as of June 30, 2022

Member	Office	Term Expires
Edel Alonso	President	2024
Joan W. MacGregor	Vice President	2022
Sebastian Cazares	Clerk	2024
Michael Berger	Member	2022
Michele R. Jenkins	Member	2024

Administration as of June 30, 2022

Dianne G. Van Hook, Ed.D.	Chancellor/Secretary/Parliamentarian to the Governing Board
Jasmine Ruys	Assistant Superintendent/Vice President, Student Services
Omar Torres	Assistant Superintendent/Vice President, Instruction
Sharlene L. Coleal	Assistant Superintendent/Vice President, Business Services
Diane Fiero, Ed.D.	Acting Deputy Chancellor/Assistant Superintendent /Vice President, Human Resources
Jim Schrage	Assistant Superintendent/Vice President, Facilities Planning, Operations, and Construction
Eric Harnish	Vice President, Public Information, Advocacy, and External Relations
Jason Hinkle	Associate Vice President, Business Services

Auxiliary Organizations in Good Standing

College of the Canyons Foundation, established in 1987
Master Agreement entered into July 2019
Vacant, Foundation Executive Director

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Passed through California Department of Education			
Child and Adult Care Food Program	10.558	04362-CACFP-19-CC-CS	$ 18,450
Passed through Los Angeles County Office of Education			
Forest Service Schools and Roads Cluster			
Forest Reserve	10.665	[1]	22,282
Subtotal Forest Service Schools and Roads Cluster			22,282
Passed through Chico State Enterprises			
Supplemental Nutrition Assistance Program (SNAP) Cluster			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	SUB19-011	21,853
Subtotal SNAP Cluster			21,853
Total U.S. Department of Agriculture			62,585
Research and Development Cluster			
National Science Foundation			
Passed through Madison Area Technical College			
CREATE: Resource Center Project	47.076	2000714	153,022
CREATE: Energy Storage Project (CREATE-ESP)	47.076	1800893	31,656
CREATE: SCADA Project	47.076	1901852	62,722
Passed through from Forsyth Technical Community College			
Skills for Biomedical Emerging Technology Applications	47.076	1800909	15,476
Passed through from Lorain County Community College			
Enhancing Welding Technician Education through the Continuation of the National Center of Welding Education as a Resource Center	47.076	139789	5,112
Passed through Tunxis Community College			
Advanced Technology Education Grant for the National Center for Next generations Manufacturing	47.076	COT-JB2359-2	5,004
Promoting STEM Education at 2 Year Colleges	47.076		52,035
RCN-UBE Incubator: The Campus as a Living Lab	47.076		49,111
Improving Educational Outcomes at Two-year Colleges through Mentorships, Support Services, and Equitable Classroom Practices	47.076		14,629
Subtotal Research and Development Cluster			388,767
Total National Science Foundation			388,767

[1] Pass-Through Entity Identifying Number is unavailable.

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Small Business Administration			
Passed through Long Beach City Community College District			
Small Business Development Centers	59.037	CN 99798.3	$ 295,506
Small Business Development Centers	59.037	CN 99806.9	221,099
COVID-19: Small Business Development Centers CARES Act	59.037	CN 99785.3	34,259
Subtotal			550,864
Total Small Business Administration			550,864
U.S. Department of Veterans Affairs			
Veterans Outreach Program - Administration	64.117		5,296
Total U.S. Department of Veterans Affairs			5,296
U.S. Department of Education			
Student Financial Assistance Cluster			
Federal Pell Grant Program	84.063		12,977,414
Federal Pell Grant Program Administrative Allowance	84.063		18,860
Federal Direct Student Loans	84.268		1,100,378
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		538,765
Federal Work-Study Program	84.033		264,113
Federal Work-Study Program Administrative Allowance	84.033		53,525
Subtotal Student Financial Assistance Cluster			14,953,055
COVID-19: Higher Education Emergency Relief Funds, Student Aid Portion	84.425E		12,229,035
COVID-19: Higher Education Emergency Relief Funds, Institutional Portion	84.425F		12,633,310
COVID-19: Higher Education Emergency Relief Funds, Minority Serving Institution Portion	84.425L		2,401,160
Subtotal			27,263,505
Passed through California Community Colleges Chancellor's Office			
Career and Technical Education Act (CTEA), Title I, Part C	84.048A	21-C01-660	516,484
Passed through University Corporation (CSUN)			
Title III - Bridging the GAP: Enhancing AIMS2 for Student Success	84.031C	A17-0013-S001	25,334
Title V - Developing California's Workforce: Creating Pathways for Latino Transfer Students in High Demand Careers	84.031S	A17-0033-S002	40,801
Subtotal			66,135
Passed through West Hills Community College District			
Open Textbooks Program	84.116T	P116T20017	107,809
Total U.S. Department of Education			42,906,988

[1] Pass-Through Entity Identifying Number is unavailable.

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of the Treasury			
Passed through California Community Colleges Chancellor's Office			
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	[1]	$ 1,083,537
Total U.S. Department of the Treasury			1,083,537
U.S. Department of Health and Human Services			
Passed through California Community Colleges Chancellor's Office			
Foster and Kinship Care Education	93.658	[1]	28,079
Child Care and Development Fund (CCDF) Cluster			
Passed through Yosemite Community College District			
Child Development Training Consortium	93.575	21-22-2888	13,800
Passed through California Department of Education			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	13609	6,372
Child Care and Development Block Grant	93.575	15136, 14551, 15557	9,557
COVID-19: CA State Preschool Program CCRSA One Time Stipend	93.575	[1]	4,648
Subtotal Child Care and Development Fund (CCDF) Cluster			34,377
Passed through California Community Colleges Chancellor's Office			
Temporary Assistance for Needy Families (TANF)	93.558	[1]	58,525
Passed through Los Angeles County Department of Social Services			
Temporary Assistance for Needy Families (TANF)	93.558	CCCP21011	47,612
Subtotal			106,137
Total U.S. Department of Health and Human Services			168,593
U.S. Department of Defense			
Passed through California Office of Planning and Research			
Cybersecurity Apprenticeships	12.617	OPR19108	19,439
Passed through Solano Community College District			
California Defense Ecosystems and National Consortium Effort (CADENCE) program	12.600	OPR20121	8,004
Passed through CA Online Community College/Calbright College			
California Defense Ecosystems and National Consortium Effort (CADENCE) program	12.600	OPR20121	5,079
California Defense Ecosystems and National Consortium Effort (CADENCE) program	12.600	OPR20122	8,357
Subtotal			40,879
Total U.S. Department of Defense			40,879
U.S. Department of Labor			
Passed through West Los Angeles College			
Growing Advanced Manufacturing Apprentices Across America (GAMAAA)	17.268	4500280538	17,100
Total U.S. Department of Labor			17,100
Total Federal Financial Assistance			$ 45,224,609

[1] Pass-Through Entity Identifying Number is unavailable.

Program	Program Revenues					
	Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue	Total Revenue	Program Expenditures
ADN Enrollment Growth	$ 110,107	$ -	$ -	$ -	$ 110,107	$ 110,107
Basic Needs Center	306,694	-	-	-	306,694	108,498
California Adult Education Plan (CAEP) 21-22	508,888	-	-	365,207	143,681	143,681
California Adult Education Plan (CAEP) 20-21	280,965	-	-	-	280,965	280,965
Advanced Technology Center	210,215	165,586	-	-	375,801	375,801
Board Financial Assistance Program (BFAP)	515,277	-	-	-	515,277	483,661
Board Financial Assistance Program (BFAP) 2020-21	-	-	-	-	-	12,490
CACT	6,463	-	-	6,452	11	11
CA College Promise AB19 21-22	1,452,430	-	-	-	1,452,430	969,705
CA College Promise AB19 20-21	-	-	-	-	-	581,774
CA Work Opportunities and Responsibilities	339,925	-	-	-	339,925	256,885
CA Work Opportunities and Responsibilities CF	-	-	-	-	-	97,548
CalFresh Immediate Action	39,086	-	-	-	39,086	39,086
Cal Grant	2,364,455	67,685	-	-	2,432,140	2,432,140
Campus Safety and Sexual Assault	-	-	-	-	-	1,950
Chancellor's Office Statistics Institute	-	108,812	-	-	108,812	108,812
Student Success Completion Grant	1,666,927	-	-	-	1,666,927	1,666,927
CCAP Instructional Materials	22,915	-	-	22,915	-	-
CCC eTranscript Mini Grant	1,244	-	-	1,244	-	-
Career Tech Educ- Data Unlocked	23,398	-	-	22,845	553	553
Child Development - Child Nutrition	468	63	-	-	531	531
Child Development - Foster Parent	44,308	-	-	-	44,308	44,308
Child Development - General Childcare & Dev Programs	82,437	-	33,489	-	48,948	48,948
Child Development - State Preschool Contract	178,060	28,493	-	-	206,553	206,553
Closed Caption Grant - Distance Ed - Butte	119,853	-	-	119,853	-	-
Closed Caption Grant - Distance Ed - FY 20-21	-	455,400	-	-	455,400	455,400
Closed Caption Grant - Distance Ed - FY 21-22	400,000	-	-	399,945	55	55

Program	Program Revenues					
	Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue	Total Revenue	Program Expenditures
COVID-19 Response Block Grant	$ 401,713	$ -	$ -	$ -	$ 401,713	$ 401,713
Culturally Competent Faculty	50,434	-	-	-	50,434	-
Currently & Formerly Incarcerated Student Reentry Program	27,844	-	-	4,107	23,737	23,737
Cooperative Agency Res for Education (CARE)	106,003	-	-	-	106,003	17,367
Cooperative Agency Res for Education (CARE) FY20-21	-	-	-	-	-	37,408
Deputy Sector Navigator-Advanced Manufacturing	81,751	-	-	-	81,751	81,751
Deputy Sector Navigator-Health	89,229	-	-	-	89,229	89,229
Deputy Sector Navigator-Info Comm Tech	98,108	-	-	-	98,108	98,108
Disabled Student Programs and Services	1,252,500	-	-	-	1,252,500	622,873
Disabled Student Programs and Services CF	-	-	-	-	-	320,232
Dreamer Resource Liaison	135,866	-	-	-	135,866	7,502
EEO Best Practices	208,333	-	-	-	208,333	28,832
Employer Engagement	150,094	-	-	64,968	85,126	85,126
Extended Opportunity Program and Services FY 21-22	837,732	-	-	-	837,732	606,374
Extended Opportunity Program and Services FY 20-21	-	-	-	-	-	109,218
Financial Aid Technology 20-21	-	-	-	-	-	69,156
Financial Aid Technology 21-22	64,152	-	-	-	64,152	64,152
Guided Pathways (Year 4 of 5)	150,732	-	-	-	150,732	139,875
Guided Pathways (Year 3 of 5)	150,732	-	-	-	150,732	152,106
Guided Pathways (Year 5 of 5)	339,456	-	-	66,402	273,054	282,536
Institutional Support Services	538,091	-	-	-	538,091	538,091
Institutional Support Services	14,684	-	-	-	14,684	14,684
Institutional Effectiveness and Technical Assistance Mini Grant	102,674	-	-	-	102,674	102,674
Institutional Effectiveness and Technical Assistance (Year 8)	2,000,000	95,434	-	-	2,095,434	2,095,434
Institutional Effectiveness and Technical Assistance (Year 7)	16,369	2,649,210	-	-	2,665,579	2,665,579
Institutional Effectiveness and Technical Assistance (Yr 6)	1,740,268	-	-	-	1,740,268	1,740,268

Program	Program Revenues Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue	Total Revenue	Program Expenditures
Institutional Equipment Support (Block Grant)	$ 5,085,690	$ -	$ -	$ -	$ 5,085,690	$ 600,722
Invention Inclusion Innovation (i3)	-	32,251	-	-	32,251	32,251
K-14 TAP Yr 3	180,000	-	-	89,743	90,257	90,257
K-14 TAP Yr 2	81,177	-	-	-	81,177	81,177
LGBTQ+	152,507	-	-	-	152,507	-
Lib Carry Forward (Year 6)	17,861	-	-	17,861	-	-
Mental Health Services Program #19-036-012	210,435	-	-	53,195	157,240	157,240
Mental Health Support	417,637	-	-	315,858	101,779	101,779
OER Textbook Affordability AB798 #2	37,194	-	-	37,194	-	-
Quality Start (QRIS) Preschool	17,968	-	-	-	17,968	17,968
Quality Start (QRIS) Infant Toddler	5,018	-	-	-	5,018	5,018
Quality Start (QRIS) Preschool #2	3,947	-	-	-	3,947	3,947
Quality Start (QRIS) Infant Toddler #2	2,000	-	-	-	2,000	2,000
SBDC - GO Biz (CN 99803.2)	58,644	27,209	-	-	85,853	85,853
SBDC - GO Biz (CN 99789.4)	4,069	-	-	-	4,069	4,069
SBDC - GO Biz (CN 99790.2)	650	-	-	-	650	650
SBDC - GO Biz (CN 99802.2)	126,893	61,990	-	-	188,884	188,884
Song Brown Capitation	30,000	10,000	-	-	40,000	40,000
Staff Development	-	-	-	-	-	-
Staff Diversity	50,000	-	-	-	50,000	35,872
Staff Diversity Carry Forward	-	-	-	-	-	15,114
Strong Workforce Local Share	1,935,646	-	-	874,557	1,061,089	1,061,089
Strong Workforce Carry Forward	758,188	-	-	-	758,188	758,188
Strong Workforce Regional Share Round 4	1,199,997	-	-	479,127	720,869	720,869
Strong Workforce Regional Share Rounds 2&5	1,331,250	-	-	891,065	440,185	-
Strong Workforce Regional Share Round 3&6	1,275,915	-	-	1,028,657	247,258	-
Student Equity and Achievement Plan 2021-22	5,560,067	-	-	-	5,560,067	4,000,140
Student Equity and Achievement Plan 2020-21	1,334,298	-	-	-	1,334,298	1,334,298

Program	Program Revenues: Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue	Total Revenue	Program Expenditures
Student Food and Housing Support	$ 299,691	$ -	$ -	$ -	$ 299,691	$ 6,519
Student Retention and Outreach 21-22	1,384,115	-	-	1,142,968	241,147	241,147
Student Retention and Outreach 20-21	249,466	-	-	-	249,466	249,466
Student Success - Mesa Grant	91,562	-	-	37,845	53,717	87,555
Student Success - Mesa Grant CR	55,785	-	-	-	55,785	55,785
Student Success - Middle College HS (AOC)	151,200	-	-	72,999	78,201	78,201
Student Success - Middle College HS (AOC) CF	42,601	-	-	-	42,601	42,601
Veterans' Resource Center (FY 20-21)	-	-	-	-	-	125,665
Veterans' Resource Center (FY21-22)	125,758	-	-	-	125,758	-
Veteran's Resource Program	65,606	-	-	50,989	14,616	14,616
Total state programs	$ 39,573,714	$ 3,702,132	$ 33,489	$ 6,165,995	$ 37,076,362	$ 29,059,354

CATEGORIES	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2021 only)			
1. Noncredit*	92.49	-	92.49
2. Credit	1,871.66	-	1,871.66
B. Summer Intersession (Summer 2022 - Prior to July 1, 2022)			
1. Noncredit*	17.61	-	17.61
2. Credit	41.54	-	41.54
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	3,382.55	-	3,382.55
(b) Daily Census Contact Hours	1,191.35	-	1,191.35
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit*	377.38	-	377.38
(b) Credit	487.27	-	487.27
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Procedure Courses	3,517.57	-	3,517.57
(b) Daily Census Procedure Courses	2,289.42	-	2,289.42
(c) Noncredit Independent Study/Distance Education Courses	243.71	-	243.71
D. Total FTES	13,512.55	-	13,512.55
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. In-Service Training Courses (FTES)	1,708.33	-	1,708.33
F. Basic Skills Courses and Immigrant Education			
1. Noncredit*	90.88	-	90.88
2. Credit	28.14	-	28.14
CCFS-320 Addendum			
CDCP Noncredit FTES	154.01	-	154.01
Centers FTES			
1. Noncredit*	1,094.25	-	1,094.25
2. Credit	7.71	-	7.71

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

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Academic Salaries							
Instructional Salaries							
Contract or Regular	1100	$ 19,687,720	$ -	$ 19,687,720	$ 19,810,380	$ -	$ 19,810,380
Other	1300	16,059,915	-	16,059,915	16,065,915	-	16,065,915
Total Instructional Salaries		35,747,635	-	35,747,635	35,876,295	-	35,876,295
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	7,226,078	-	7,226,078
Other	1400	-	-	-	1,716,997	-	1,716,997
Total Noninstructional Salaries		-	-	-	8,943,075	-	8,943,075
Total Academic Salaries		35,747,635	-	35,747,635	44,819,370	-	44,819,370
Classified Salaries							
Noninstructional Salaries							
Regular Status	2100	-	-	-	18,943,278	-	18,943,278
Other	2300	-	-	-	817,184	-	817,184
Total Noninstructional Salaries		-	-	-	19,760,462	-	19,760,462
Instructional Aides							
Regular Status	2200	1,636,215	-	1,636,215	1,636,214	-	1,636,214
Other	2400	948,361	-	948,361	950,374	-	950,374
Total Instructional Aides		2,584,576	-	2,584,576	2,586,588	-	2,586,588
Total Classified Salaries		2,584,576	-	2,584,576	22,347,050	-	22,347,050
Employee Benefits	3000	13,903,665	-	13,903,665	26,241,876	-	26,241,876
Supplies and Material	4000	-	-	-	673,461	-	673,461
Other Operating Expenses	5000	1,559,793	-	1,559,793	11,766,239	-	11,766,239
Equipment Replacement	6420	-	-	-	1,353,629	-	1,353,629
Total Expenditures Prior to Exclusions		53,795,669	-	53,795,669	107,201,625	-	107,201,625

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Exclusions</u>							
Activities to Exclude							
Instructional Staff - Retirees' Benefits and Retirement Incentives	5900	$ 688,086	$ -	$ 688,086	$ 688,086	$ -	$ 688,086
Student Health Services Above Amount	6441	-	-	-	16,473	-	16,473
Student Transportation	6491	-	-	-	-	-	-
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	6740	-	-	-	744,174	-	744,174
Objects to Exclude							
Rents and Leases	5060	-	-	-	349,178	-	349,178
Lottery Expenditures							-
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines, and Periodicals	4200	-	-	-	-	-	-
Instructional Supplies and Materials	4300	-	-	-	-	-	-
Noninstructional Supplies and Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	-	-	-

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Other Operating Expenses and Services	5000	$ -	$ -	$ -	$ 3,023,845	$ -	$ 3,023,845
Capital Outlay	6000						
Library Books	6300	-	-	-	18,011	-	18,011
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	1,304,441	-	1,304,441
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	1,322,452	-	1,322,452
Total Capital Outlay							
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		688,086	-	688,086	6,144,208	-	6,144,208
Total for ECS 84362, 50 Percent Law		$ 53,107,583	$ -	$ 53,107,583	$ 101,057,417	$ -	###########
Percent of CEE (Instructional Salary Cost/Total CEE)		52.55%		52.55%	100.00%		100.00%
50% of Current Expense of Education					$ 50,528,709		$ 50,528,709

Activity Classification	Object Code				Unrestricted
EPA Proceeds:	8630				$ 33,308,460
Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	1000-5900	$ 33,308,460	$ -	$ -	$ 33,308,460
Total Expenditures for EPA		$ 33,308,460	$ -	$ -	$ 33,308,460
Revenues Less Expenditures					$ -

Amounts reported for governmental activities in the Statement of Net Position are different because		
Total fund balance		
General Funds	$ 22,599,706	
Special Revenue Funds	10,007,761	
Capital Project Funds	43,742,445	
Debt Service Funds	16,501,580	
Internal Service Funds	5,882,449	
Total fund balance - all District funds		$ 98,733,941
The District's investment in the Los Angeles County Investment Pool is reported at fair market value in the Statement of Net Position.		(666,442)
Lease receivables and deferred inflows of resources related to leases are reported in the Statement of Net Position, but were not reported in District's CCFS-311 report.		
Lease receivables	659,213	
Deferred inflows of resources related to leases	(646,984)	
		12,229
Capital and right-to-use leased assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	467,609,551	
Accumulated depreciation is	(124,379,702)	
The cost of right-to-use leased assets is	975,420	
Accumulated amortization is	(205,264)	
Total capital and right-to-use leased assets, net		344,000,005
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the District's funds. Deferred outflows of resources at year-end consist of:		
Deferred outflows of resources related to debt refunding	11,284,818	
Deferred outflows of resources related to OPEB	2,815,560	
Deferred outflows of resources related to pensions	25,841,033	
Total deferred outflows of resources		39,941,411
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide statements, unmatured interest on long-term liabilities is recognized when it is incurred.		(5,145,375)

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
General obligation bonds	$ (336,696,576)	
Certificates of participation	(7,228,555)	
Leases	(779,673)	
Compensated absences (less amount already included in funds)	(4,289,891)	
Load banking	(305,648)	
Early retirement plan	(5,028,938)	
Aggregate net other postemployment benefits (OPEB) liability	(17,264,135)	
Aggregate net pension liability	(78,338,084)	
In addition, the District has issued 'capital appreciation' general obligation bonds. The accretion of interest unmatured on the general obligation bonds to date is	(13,914,180)	
Total long-term liabilities		$ (463,845,680)
Deferred inflows of resources represent an acquisition of net position in a future period and is not reported in the District's funds. Deferred inflows of resources amount to and related to		
Deferred inflows of resources related to OPEB	(5,376,757)	
Deferred inflows of resources related to pensions	(48,163,025)	
Total deferred inflows of resources		(53,539,782)
Total net position (deficit)		$ (40,509,693)

Note 1 - Purpose of Schedules

District Organization

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

Schedule of Expenditures of Federal Awards (SEFA)

Basis of Presentation
The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2022. 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 not elected to use the 10% de minimis cost rate.

Schedule of Expenditures of State Awards

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

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

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

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

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

Proposition 30 Education Protection Account (EPA) Expenditure Report

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

Reconciliation of Governmental Funds to the Statements of Net Position

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

Independent Auditor’s Reports
June 30, 2022

Santa Clarita Community College District

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CPAs & BUSINESS ADVISORS

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

Board of Trustees
Santa Clarita Community College District
Santa Clarita, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Santa Clarita Community College District (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 19, 2022.

Adoption of New Accounting Standard

As discussed in Note 2 and Note 16 to the financial statements, the District has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ending June 30, 2022. Our opinions are not modified with respect to this matter.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Eide Bailly LLP

Rancho Cucamonga, California
December 19, 2022

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

Board of Trustees
Santa Clarita Community College District
Santa Clarita, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Santa Clarita Community College District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Eide Bailly LLP

Rancho Cucamonga, California
December 19, 2022

Independent Auditor's Report on State Compliance

Board of Trustees
Santa Clarita Community College District
Santa Clarita, California

Report on State Compliance

We have audited Santa Clarita Community College District's (the District) compliance with the types of compliance requirements described in the 2021-2022 California Community Colleges Chancellor's Office *Contracted District Audit Manual* applicable to the state laws and regulations listed in the table below for the year ended June 30, 2022.

Opinion

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the State programs noted in the table below that were audited for the year ended June 30, 2022.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the standards and procedures identified in the 2021-2022 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Our responsibilities under those standards and the 2021-2022 California Community Colleges Chancellor's Office *Contracted District Audit Manual* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on state compliance with the compliance requirements subject to audit in the 2021-2022 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements listed in the table below has occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the 2021-2022 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 2021-2022 California Community Colleges Chancellor's Office *Contracted District Audit Manual*, we:

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

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

Compliance Requirements Tested

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

Section 411	SCFF Data Management Control Environment
Section 412	SCFF Supplemental Allocation Metrics
Section 413	SCFF Success Allocation Metrics
Section 421	Salaries of Classroom Instructors (50 Percent Law)
Section 423	Apportionment for Activities Funded From Other Sources
Section 424	Student Centered Funding Formula Base Allocation: FTES
Section 425	Residency Determination for Credit Courses
Section 426	Students Actively Enrolled
Section 427	Dual Enrollment (CCAP)
Section 430	Scheduled Maintenance Program

Section 431	Gann Limit Calculation
Section 444	Apprenticeship Related and Supplemental Instruction (RSI) Funds
Section 475	Disabled Student Programs and Services (DSPS)
Section 490	Propositions 1D and 51 State Bond Funded Projects
Section 491	Education Protection Account Funds
Section 492	Student Representation Fee
Section 499	COVID-19 Response Block Grant Expenditures

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

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the 2021-2022 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Rancho Cucamonga, California
December 19, 2022

Schedule of Findings and Questioned Costs
June 30, 2022

Santa Clarita Community College District

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

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

Identification of major programs:

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

Dollar threshold used to distinguish between type A and type B programs:	$1,356,738
Auditee qualified as low-risk auditee?	Yes

STATE COMPLIANCE

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

None reported.

None reported.

None reported.

Summarized below is the current status of all audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

Financial Statement Findings

None reported.

Federal Awards Findings

None reported.

State Awards Findings

None reported.