Financial Statements
June 30, 2021

Santa Clarita Community College District

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Schedule of Findings and Questioned Costs

COLLEGE OF THE CANYONS

Dr. Dianne G. Van Hook, ***Chancellor***

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December 29, 2021

Eide Bailly, LLP
10681 Foothill Blvd., Suite 300
Rancho Cucamonga, CA 91730

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 2020-2021 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, 2021." Since 2002, **98% or 84 of 86** 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.

Our Diligence Illustrates Outcomes
For the last **52 years,** College of the Canyons has built a reputation as a statewide leader by putting our students on pathways to success. Whether it is continuing with their higher education, entering the workforce, or honing their skills to meet the needs of their employer, our students know we have embraced the opportunity to providing classroom training that links that same learning to jobs. It is this commitment to learning, combined with our coordinated teamwork, that has contributed to our collective successes as we continue to provide service to our community, our region and the state.

New Initiatives, Innovative Projects, Grants & Collaborations

Innovation is a core value for the College which was evidenced during the pandemic as essential training could still be provided on-ground with faculty, staff, and students pivoting to adapt to a remote environment for all other classes, services and operations. Students 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:

- Received an award from **West LA College** in the amount of **$82,500** to provide training for 75 apprentices as Machine Operators. This award was the second of its kind for COC and increased the total amount awarded to COC to more than $170,000 in the past year. The West LA Grant is part of a $12 million national apprenticeship expansion grant that was issued by the U.S. Department of Labor in 2019 and with the new agreement, extend training through December 2023.Approved the **College Futures Foundation Board** investment for CA Guided Pathways Phase Two with a project timeline running from Fall 2020 through Fall 2023. There will be a total of 43 colleges participating in CAGP Phase Two: 22 colleges participating as "Cohort One" and 21 new colleges participating as "Cohort Two". Virtual support structures will include a monthly event series running virtually from September 2020 thru March 2021 including six "Critical Student Experiences of Guided Pathways" events, six sets of Office Hours with NCII Team Lead, and six Virtual Consultancy / Problem Solving Sessions.
- Received a **$20,000** donation from the **Greater Los Angeles New Car Dealer Association (GLANCDA)** in support of the college's Automotive Technology Program. The funds allow the program to purchase equipment, curriculum materials, and supplies required to expand hybrid vehicle training. The college's automotive technology program is designed to prepare students with the entry-level skills needed for an automotive technician position in a variety of settings including dealerships, independent automotive repair facilities, as well as with county or federal agencies.
- Launched a new joint venture program between the **Volunteer Bureau** and the **ECE Center** – The ECE Readers Program. The volunteers read remotely to an excited audience of young children on campus.
- Received a grant awarded by the **William and Flora Hewlett Foundation**, for an **Open for Anti-Racism** (OFAR) Project for the California community colleges. The one-year project aims to demonstrate how faculty can use open educational resources and open pedagogy to make instructional materials and their teaching more anti-racist. Participating faculty will learn about anti-racism, open educational resources, and open pedagogy in a newly developed course entitled Open for Anti-Racism (OFAR).
- Awarded the **Way Forward Grant**. COC, working with Cerritos College, LACC, CSUDH, CSULA, CSUN, and the California Community Colleges' Success Network (3CSN) was just awarded the nationwide "The Way Forward" grant of $12,000 by Bringing Theory to Practice (BTP). BTP is the nation's premier organization in higher education focused on civic learning and democratic engagement. This grant builds on an earlier grant addressing the need to create an intersegmental civic engagement pathway between the California Community College and California State University systems.
- Awarded a **3 year OER Grant** totaling **$370,149** by the **US Department of Education**. The funding will enable COC to design and deliver online courses for faculty at consortium partners to link OER with equity and culturally responsive teaching; design and deliver online training for support staff and student workers at consortium partners on best practices for developing and promoting OER; and organize and host virtual and in-person events to promote a community of practice in OER practices across the state.
- Received **$1,000** scholarships from Edison International to cover tuition, books and school-related fees for **ten COC Fire Technology** students. The scholarships were awarded through a $25,000 grant from Edison International in support of the college's development of present and future fire personnel. In

addition to the scholarship awards, this grant allows us to purchase uniforms for our students and storage for our firefighting gear and equipment. This is COC's third year receiving Edison's Fire Technology Grant.

- Impressed the **CA Space Grant Director** in a **NASA Event** held in December 2020 that included 14 colleges with our Aerospace & Sciences Team. The CA Space Grant Director stated at the end of the presentation that they "look forward to continuing to support our team," so we are well positioned to receive another round of student scholarships and funding for materials. All other teams constructed simple rovers using an Arduino or Rasbery Pi while our COC team is constructing NASA payloads that use student designed flight computers. 13 COC students received $650 scholarship stipends for their work on **NASA RockSatX and NASA HASP**. The team received $2000 for materials.

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 **2021 graduating class** during the college's annual commencement ceremony held from June 2 to 5, 2021 in the Honor Grove. Each in-person walk-through experience celebrated the achievements of the year's graduating class while adhering to state and county health regulations.
    - The class of 2021 was comprised of **2,360 students who petitioned for graduation.**
    - The class represented **104 majors with 930 students graduating with two or more degrees.**
    - The class of 2021 had **902 students graduating with honors (3.5 GPA or higher)** and **123 of these students had perfect 4.0 GPAs**, which granted them the status of valedictorians.
- **Removed barriers** through an innovative approach to accelerated assessment and course sequence redesign in Mathematics and English **through AB705** resulting in key improvements in completion for disproportionately-impacted students.
- Hosted a **Veterans Virtual Celebration** for Veteran graduates. Graduate Stats: 467 Student Veterans & Dependents 20/21 Enrolled (Excluding Summer 2021); 393 Veterans; 63 Dependents; 11 Spouses; 326 Student Veterans 20/21 Using Benefits; 83 Total Graduates; 69 Veteran Student Graduates; 12 Veteran Dependent Graduates; 2 Veteran Spouses; Average GPA 3.19. The top five programs were: 12 Business Administration for Transfer; 13 Psychology for Transfer; 10 Administration of Justice for Transfer; 8 Accounting; and 3 Communication Studies for Transfer. The branches of the Veteran Graduates were: 20 Army; 23 Marines; 16 Navy; and 10 Air Force.
- Held two virtual celebrations to accommodate most students of the **COC Honor Program and Phi Theta Kappa**. 64 Honors students graduated and are transferring to UCLA, UCSB, UCSD, UC Berkeley, UCI, CSUN, CSLB, USC, CSCI, and CSEB. Forty new Phi Theta Kappa members were inducted and new officers were elected for the year 21-22.
- Recognized forty **School of Personal and Professional Learning** students in a Drive-Thru Recognition event. PPL issued 1,200 certificates in the 20-21 academic year, through the pandemic. Forty students came through between the morning and evening sessions. Seventeen students came to pick up gift bags from the office. All received a flower lei and a written inspirational letter from a former student who transitioned to the credit program, as well as a car decal that says, "Proud Student of School of Personal and Professional Learning Program."
- Hosted the **ECE Department's second annual Drive-Through Graduation Ceremony**. The Department decorated Lot 8 and cheered on grads (and their families). Around 30 of our 92 ECE and EDUC graduates joined. The Department handed out a survival kit goodie bag and congratulations certificate. Many of the students and their families enjoyed taking a photo with our ECE and EDU letters.
- Celebrated **41 COC Nursing graduates** in a Zoom graduation and a drive-through pinning celebration. Over 100 Zooming families and friends joined the graduates who completed over 900 skills lab/simulation/ patient care clinical hours during the course of their studies, in addition to classroom theory lectures. Highlights of the celebration included Chancellor Van Hook's keynote speech and kind words shared from Trustees Mrs. Michelle Jenkins and Dr. Edel Alonso. Students received their Nursing pins and Alpha Delta Nu honor society pins and cords. The COC first-time pass rate for the NCLEX exam is now over 91%, up from 89% last year!

- Shared accomplishments of our globally competitive **Aerospace & Sciences Team** with the Director of the Las Cumbres Observatory (LCO). Although LCO is in Santa Barbara, they are initiating the first internship that will target community college students with College of the Canyons as the primary focus for the student pool. We continue to become more visible each year as the only community college team repeatedly being selected for **NASA HASP and NASA's RockSatX** programs.
- Congratulated MLT Spring 2021 graduates as they went on to take the American Society for Clinical Pathologists National Board Exam. All 13 students passed the exam on their first attempt, achieving a 100% pass rate.
- Congratulated College of the Canyons Women's Tennis standout **Mary MacAdam** committed to Ottawa University in Arizona, becoming the first player in program history to continue competing with a four-year program. MacAdam played just one season at COC, finishing her freshman campaign a perfect 11-0 in singles competition. In doing so, she set the program record for most consecutive singles wins and ranks second with seven consecutive Western State Conference (WSC) singles wins. Her career total of 11 singles wins is tied for the program's No. 2 mark.
- Congratulated **COC Women's Golf Team** in being selected as a California Community College Athletic Association Scholar Team recipient. The Scholar Team Award is the highest academic team achievement given annually by the CCCAA. It emphasizes the academic achievement of all members of one specific team. Only one team is selected for each CCCAA sport. To be eligible, all team members must have excelled academically with a total GPA of 3.0 or higher. The team was also recognized for demonstrating better than average accomplishments in intercollegiate athletic competition.
- Recognized the **COC Speech Team** medals at both the National and State tournaments. **Phi Rho Pi National Speech Tournament Awards** resulted in 3 Bronze Medals; 2 Impromptu and 1 Informative. **CCCFA State Speech Championship Awards** resulted in 3 Bronze Medals; 1 Prose, 1 Impromptu and 1 Informative.
- Celebrated students who presented virtually at the **Honors Transfer Council of California Research Conference** at UC Irvine in March 2021. They each presented research completed in their Honors courses. This is a very competitive conference with over 1200 abstracts being submitted in December 2020. Only 300 were selected. Our Honors program had 17 students accepted to present.
- **Awarded all available scholarships for the first time in COC history**. 311 Scholarships were awarded to 135 individual students.
- Selected to Participate in **AAC&U Event**. An eight-member team of students led by the director of COC's Center for Civic Engagement was accepted to participate in the Association of American Colleges and Universities (AAC&U) 2021 Institute on Integrative Learning and Signature Work. In this four-day virtual learning experience, teams work with ILSW faculty to develop a campus action plan specific to their individual institutions. Teams explore and create ways to build their capacity to integrate knowledge and skills across disciplines and curricular and co-curricular experiences; transfer learning to new, complex experiences within and beyond campus; and embed learning into signature work.
- Congratulated four COC students who were selected to receive the **2021 Linda Cushing Memorial Scholarship**.
- Completed 29 apprentices in the **Strong Workforce Apprenticeship Group** who will receive their State Apprenticeship Certifications as Material Coordinators and Machine Operators. Apprentices who completed the program received increases of up to 40% in their base salary. COC received an endorsement from the Defense Acquisition University to launch its Cyber Security Apprenticeship for DoD companies. COC completed its Department of Labor sub-award with Los Rios College by providing 32 apprentices in areas such as manufacturing and cyber security.
- Celebrated the continued support of our **impactful donors to the College of the Canyons Foundation** in giving the gift of education and opportunity to a group of talented and enthusiastic students. This year's virtual event provided a forum for over 50 scholarship recipients to meet with over 25 donors. Facilitating meet and greets between donors and their scholarship recipients is a joy, and we look forward to continuing engagement for many years to come.

Community Partnerships and Building the Economy

We have continued to enhance our abilities and build relevant and creative partnerships, which have boosted our fiscal base, resulting in an expansion of student access, support, outreach, and service to our community. We have:

- Received approval for 16 programs in **Employee Training Institute** (ETI) through I-Train (WIOA) to equip workers for essential industries. This positioned the college to respond to the Governor's budget that included $42 million dollars in spending to put people back to work. Course topics included Customer Service, Low Observable Technician (Northrop), Lean Sigma, Micro Soldering, and Project Management.
- Collaborated with the Williams S. **Hart Union High School District** to gear up for online instruction with leadership from the **Center for Excellence in Teaching and Learning (CETL) and Online Education.** Met with 45 Hart District administrators and instructional coaches to share best practices for online teaching and learning. The webinar included a panel discussion with experienced COC online instructors. In addition, COC collaborated with Hart instructional coaches to create a self-paced online course for Hart teachers to learn about important principles of online instruction.
- Provided training to **Northrop Grumman** employees in how to apply a special coating to drones, missiles and other defense products that will allow them to fly undetected by the enemy. College of the Canyons is the *only* community college in the country that offered this training. In addition, Northrop Grumman asked us to create and deploy a **Milling and Machining program** for those seeking a career in advanced manufacturing. This program launched in October 2020. Northrop Grumman is one of the largest Aerospace companies in the world, and we were honored to be chosen by them to provide training to their employees.
- Presented with **Bank of America** a proposal in the amount of **$10 million dollars** to reach up to 2,000 individuals from underserved communities over the next four years with skills training that will lead to immediate employment. This is a countywide proposal that will involve a number of community colleges and workforce development stakeholders. This investment by Bank of America is part of $1 billion dollar initiative to create access and economic mobility for communities of color and those who are often left out of the nation's prosperity.
- Operated the **Uniquely-Abled Academy**, which trains individuals with high-functioning Autism to become machine operators. The program has a graduation and job placement rate of more than 90%. A main feature of the program is face-to face classes, which are conducted by instructors who have more than 40 years of advanced manufacturing experience between them. But the impact of COVID-19 has meant no more face-to-face lessons so COC administrators took the steps to migrate coursework online so that COC could continue to offer training to this very important segment of our population.
- Worked with local companies to offer **$200,000** in training subsidy through the **Employment Training Panel** by creating partnerships with the Aerospace and Defense Forum to place more graduates from its program. The MakerSpace produced 450 Face Shields – now available for health care centers, restaurants and retail outlets in the Santa Clarita area. The Small Business Development Center awarded nearly $300,000 to expand ability to support small businesses impacted by COVID-19.
- Developed a **Simulated Forklift** program through **Employee Training Institute** (ETI) that trains displaced workers for positions with local fulfillment companies. ETI also offers a Certified Logistics Associate Program gives trains employees in the basics of supply chain management, which is in demand by employers across several industry sectors.
- Received a **40% increase in WIOA funding** to train CNC machinists through the Fast Track program. In addition, we anticipate full funding through WIOA of our Low Observable Training Program, a partnership between COC and Northrop Grumman.
- Devoted a session to recognizing the contributions of the African-American entrepreneurs in the Santa Clarita Valley through the **Business Alliance** at COC. Panelists were made up of a cross-section of industries from HR Consulting, Real Estate, and a restaurant owner. There was a focus to provide access to financial assistance for minority-owned businesses through the Paycheck Protection Program. Each of the panelists shared that their reason for choosing to live in Santa Clarita was its affordability, schools, and opportunities to launch their business.

- Hosted a virtual Spring Star Party as part of the Science Talks lecture series - “Perseverance on Mars – The First Two Months.” Over 150 attended this virtual event, including students, faculty, staff and community members. NASA’s Dr. Jennifer Trosper provided an update on the Mars Perseverance Rover and Ingenuity Helicopter. The local group Astronomy Club, COC faculty, and an update by our student Aerospace and Sciences Team rounded out the evening. The Science Talks series continues to engage both our campus and local communities, building excitement around the opening of the Science Center.

In addition to boosting economic development, the College built relevant and creative partnerships with entities on and off campus, which enhanced our fiscal base and resulted in an expansion of student access, support, outreach and service to our community. We have continued to work energetically with the **Santa Clarita Valley Economic Development Corporation** and community partners to prepare for future demands in our local economy, and ensure its long-term growth and vitality. The **Santa Clarita Valley Business Alliance** continued to meet on a regular basis, engaging local chief executive officers to solicit information based on their needs and trends in workforce training and development.

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.

Facilities Improvements

With more than 35,000 students enrolled, we are mindful that ample, high-quality facilities are needed to facilitate learning. So that we can continue to meet our students’ and communities’ needs, we pursue with energy and focus our plans to build new facilities and renovate existing classrooms and labs to ensure that we not only have the capacity needed to serve our enrollment, but also the spaces, equipment, and technology that support student success. In 2020-21 we:

- Refunded **$36.8 M in General Obligation Bonds saving Taxpayers over $2.9 M.** Since 2013, the District’s refinancing efforts have resulted in nearly $50 M in savings to the taxpayers.
- Completed construction on the 55,000-square-foot **Science Center** at the Canyon Country Campus, which will meet the growing student demand for biology, chemistry and physical sciences courses.
- Continued **renovations to Boykin Hall**, a 44-year old science laboratory facility on the Valencia Campus. This project will include a full seismic retrofit of the building with a complete modernization of all three floors and ADA compliant upgrades to the restrooms and elevators.
- Began construction on the **Student Services/Learning Resources Center** adjacent to the Science Center at the Canyon Country Campus with expected completion in Summer of 2022.
- Built a new **Central Plant** at the Canyon Country Campus to provide energy-efficient heating and cooling to permanent buildings planned for the campus.
- Began *Phase II* of the **ADA Transition Plan and Barrier Removal** project, which included modifications to the parking areas and site paths of travel. The plans for this scope of work are currently in design and will be submitted to the State Architect in January 2022.
- Completed Benelli Hall Cooling Tower. This project replaced the original cooling tower that was installed in 1994. The life cycle of a cooling tower is 15-20 years, using exceptional levels of maintenance, we preserved the functionality of the cooling tower well beyond its useful life.

Awards & Recognition

Our position as a leader among community colleges is illustrated in the external recognitions of our efforts in the 2020-21 fiscal year. We were:

- **Bellwether Award Honors Innovative Transfer Growth -** Selected as a **Top 10 Bellwether Finalist** for its submission entitled "Dismantling Barriers to Support Students: Placement Exams & Developmental courses." Considered one of the nation's most distinguished honors for community colleges, the 2021 Bellwether Award recognized the college's innovative approach to assessment and course sequence redesign in English and mathematics. The resulting changes reduced transfer-level completion in English and math by two semesters, and significantly decreased racial-equity gaps. Ultimately, the changes allowed students to graduate faster, and transfer to four-year universities or begin their careers. COC's efforts paved the way for groundbreaking legislation that eliminated mandatory developmental courses in those subjects for students at all California community colleges.
- **College Among Best in U.S. for Hispanic Enrollment -** College of the Canyons was ranked No. 18 nationally by The Hispanic Outlook on Higher Education for enrolling the largest number of Hispanic students. The magazine's rankings for the Top 25 Community Colleges for Hispanics were based on enrollment data from the National Center for Education Statistics, which showed that the college's Hispanic population of 15,703 students represented 45 percent of total enrollment in spring 2019. That figure moved closer to 47 percent at the end of the 2019-20 academic year.
- **State Award Recognizes Virtual Learning Success -** The College of the Canyons **School of Personal and Professional Learning (PPL)** received a 2020-21 Exemplary Program Honorable Mention Award from the Academic Senate for California Community Colleges. In light of the COVID-19 pandemic, the Academic Senate chose "Equitable Practices in a Virtual Educational Environment" as the theme for the awards program. Since the start of the pandemic, the PPL served a pivotal role in providing equitable educational opportunities in a virtual environment. PPL's tuition-free classes provided opportunities to underserved populations and created equitable pathways toward students' career and academic goals.
- **"Pandemic Leadership Award" –** The SBDC was selected as a finalist for its work in assisting companies with the Paycheck Protection Program. The **SBDC** has provided assistance to more than 500 companies, and continues to be the leading resource in the Santa Clarita Valley for employers looking to access resources to help them get through these difficult times.
- **2021 California Community College Chief Information Systems Officers Association (CISOA) Virtual Technology Summit** - Recognized with two awards for outstanding support in transitioning the college's operations and instructional programs to a remote environment in response to the COVID-19 pandemic. The division's Computer Support Services (CSS) Team will receive a CISOA 2021 Technology Excellence Award, which annually recognizes demonstrated excellence through technological advancements by a community college. In addition, Dr. James Temple, the college's Vice President of Technology, who leads the IT division, received a 2021 Excellence in Technology Leadership Award by the California Community Colleges Chancellor's Office (CCCCO), which distinguishes individuals demonstrating exemplary leadership contributions within the technology profession.
- **2021 California Community College Athletic Trainers' Association Athletic Trainer of the Year**. Chad Peters has served his students, his college, and our statewide organization with distinction for many years. His contributions are directly responsible for a higher level of health and safety and student success, both on the field and in the classroom for students at community colleges across the state.
- **California Campus Compact's Community Engagement Student Fellowship (CESF) Program** – The College was selected in Spring 2021 to participate in a 4-month initiative specifically designed to support student leaders advancing community and civic engagement at California Campus Compact member campuses throughout the state. Two COC students are serving as California Campus Compact's 2021 Community Engagement Student Fellows.
- **Recognized for Student Voting -** College of the Canyons was one of two California community colleges recognized as one of "America's Best Colleges for Student Voting" by Washington Monthly magazine for its commitment to inspiring students to vote and actively participate in community decisions.

- **Chancellor Named to "Valley 200" -** College of the Canyons Chancellor Dr. Dianne G. Van Hook was named to the San Fernando Valley Business Journal's "Valley 200" list in 2021. The 200 people on the list were selected for being the most influential in the Valley area.

IN SUMMARY

This report confirms the District's consistent practice of complying with general accounting standards, anticipating new requirements, and maintaining adequate internal budget controls. As a result, we have been able to safeguard the assets of the District, while we regularly assess and strengthen our processes as needed to help us maintain fiscal integrity, program integrity, and compliance with State and Federal regulations; as such, we stand out from the rest. In summary and as illustrated above the District has demonstrated its commitment to:

- ✓ Understanding the importance of proper stewardship of district funds with established controls;
- ✓ Championing increased access for an increasingly diverse student base through its diversity programs;
- ✓ Continuing to support student success *and* student equity;
- ✓ Ensuring compliance with all Federal and State statutory requirements as well as the district's Board policies;
- ✓ Serving the educational needs of the community and the State in an exemplary manner;
- ✓ Providing students the opportunity to learn or train for tomorrow's jobs utilizing state-of-the-art equipment;
- ✓ Supporting increased growth via strategic enrollment management and student access; increasing fiscal resources through a commitment to enhancing: grant writing, the district's Foundation and possible funds through refinement of the Student Centered Funding Formula;
- ✓ Focusing on our increasingly global student body and determining how best to serve them now and into the future as we continue to learn from one another; and
- ✓ Continuing to develop a budget plan that supports enrollment management; growth of our fiscal resources; professional development of our most important resource – our faculty and staff; and fiscal stability both now and in the future.
- ✓ Achieve distinction and exceed our target outcomes in a number of areas.

As we move forward with action plans to achieve our Strategic Goals and implement our Comprehensive Plans, we reaffirm our commitment to serve our community with the same high standards, quality educational programs, and innovative partnerships that have formed the foundation of the current success at College of the Canyons. We look forward to:

- Continuing and completing the construction of permanent buildings at the Canyon Country Campus, including plans for six two-story buildings totaling 240,000 square feet (including the Science Center);
- Developing plans to best utilize State one-time and on-going funding in support of student basic needs programs including; housing, food, mental health, 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,
- Expanding the capacity of our faculty, initiating new curriculum, technology, programs, and launching additional partnerships that will enable us to meet our community's needs and continue to enhance the success and possibilities for our students.

Given all that we have accomplished in the past year, and what we have planned for the future, it is clear that College of the Canyons is poised to meet the community's evolving needs with enthusiasm, energy, optimism, ambitious and aspirational goals, and an entrepreneurial spirit.

Sincerely,

Dr. Dianne G. VanHook

Dr. Dianne G. Van Hook
Chancellor

Independent Auditor's Report

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

Report on the Financial Statements
We have audited the accompanying financial statements of the business-type activities of Santa Clarita Community College District (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District as of June 30, 2021, and the respective changes in financial position and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Change in Accounting Principle
As discussed in Note 2 and Note 16 to the financial statements, the District adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which resulted in a restatement of net position (deficit) as of July 1, 2020. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 35 and other required supplementary schedules on pages 81 through 86 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, including the schedule of expenditures of federal awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (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.

The schedule of expenditures of federal awards and other supplementary information listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and other supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 29, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Eide Bailly LLP

Rancho Cucamonga, California
December 29, 2021

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 transferring to a four-year college or university or seeking job- training skills for today's workforce. Nearly 80,000 students are transferred to University of California and California State University campuses from a California community college campus. The California Community Colleges is 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 or so 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. **We serve more than 33,000 students annually** on two campuses and rank 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 250,000 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.

We began the 2020-2021 academic year with plans to celebrate our history and the proud accomplishments of our alumni, along with the contributions of our faculty, staff members, administrators, board members, donors, and community leaders who helped to build College of the Canyons and shape it into the highly regarded and deeply valued resource that it is today.

As we all know, 2020 surprised us with its uncertainty and volatility as a global pandemic became the new reality. With a "stay-at-home" order issued by Los Angeles County on March 13, 2020, what we thought would be a few weeks of online learning in turned into a months-long absence of students and employees from our campuses as we transitioned to remote instruction and operations within 36 hours.

Our college responded to the challenges as it always has throughout its history. **Our faculty, classified staff and administrative team found ways to not simply persevere, but to push forward with bold determination to ensure we continued to deliver on the promise of opportunity for the students and community we serve**. With the authorization to train essential workers, the college rallied to meet the required protocol for on-ground classes that prepared our students for work as EMTs, Nurses, Medical Lab Technicians and even for welding and food service.

Overcoming obstacles along the way was not always easy, but it was ultimately rewarding. We fast-tracked the implementation of new technology, found novel ways to connect with each other, our students, and our community, and, at the end of the academic year, focused on the accomplishments of our students by creatively celebrating their achievements while observing social-distancing requirements.

What we saw, above all, was the character of our college revealed each and every day. **Determination. Resilience. Compassion. Ingenuity**. **Flexibility. Courage.** Those qualities came to the fore as we worked to meet the needs of our students and provide assistance to our community in another unpredictable year.

They are the same 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; prepares 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, 2021. 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 2020-2021 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 ____ through ____.

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, 2021.

The District's current actuarial accrued liability is $18.5 million. Although the District has set aside over $6.2 million towards this liability in a Retiree Benefits fund as of June 30, 2021, 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, 2021. 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
- Reconciliation of Annual Financial and Budget Report (CCFS-311) With Fund Financial Statements
- 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 Awards 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, 2021

(Amounts in thousands)

	2021	2020, as restated	Change 2020-2021
ASSETS			
Cash and investments	$ 129,159	$ 132,456	$ (3,297)
Receivables, net	27,422	24,755	2,667
Other current assets	2,144	1,369	775
Capital assets, net	331,439	321,270	10,169
Total Assets	**490,164**	**479,850**	**10,314**
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to debt refunding	11,864	7,965	3,899
Deferred outflows of resources related to OPEB	2,050	3,504	(1,454)
Deferred outflows of resources related to pensions	30,743	34,375	(3,632)
Total Deferred Outflows of Resources	**$ 44,657**	**$ 45,844**	**$ (1,187)**
LIABILITIES			
Accounts payable and accrued liabilities	54,660	36,683	17,977
Current portion of long-term liabilities	12,498	8,034	4,464
Noncurrent portion of long-term liabilities	519,733	516,464	3,269
Total Liabilities	**586,891**	**561,181**	**25,710**
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	**3,408**	**5,917**	**(2,509)**
NET POSITION			
Net investment in capital assets	55,255	50,070	5,185
Restricted	21,369	24,606	(3,237)
Unrestricted	(132,101)	(116,081)	(16,020)
Total Net Position	**(55,477)**	**(41,405)**	**(14,072)**

Assets

Total Assets at June 30, 2021 of $490.2 million reflected an **increase of $10.3 million** from June 30, 2020. This increase can be analyzed as follows:

- ($3.3) 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.

- $2.6 million **increase** in accounts receivable was attributable to higher accounts receivable balance for general apportionment in the unrestricted general fund due to a delay in the final payments of State apportionment. Grant and categorical funding increased mainly due to additional aid provided through the US Department of Education under the CARES Act in response to the COVID-19 Coronavirus pandemic.

- $0.8 million **increase** in other current assets (prepaid expenses) was attributable to an increase in the numbers of vendors requiring pre-payment of software licensing costs attributable to the 2021-2022 fiscal year.

- $10.2 million **increase** in capital assets was attributable to new construction and equipment, which increased fixed assets by $15.7 million, offset by the decrease in depreciation expense for the fiscal year of $5.5 million.

Deferred Outflows of Resources

Deferred Outflows of Resources at June 30, 2021 of $44.7 million reflected a **decrease of ($1.2) million** from June 30, 2020. The decrease can be attributable to the following:

- $3.9 million **increase** 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 larger deferred outflow.

- ($5.1) 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 $32.8 million at June 30, 2021, a decrease of $5.1 million from the $37.9 million reported at June 30, 2020, 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, 2021.
- 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, 2021 of $586.9 million reflected an **increase of $25.7 million** from June 30, 2020. This increase can be attributable to the following:

- $18.0 million **increase** in accounts payable and accrued interest payable. The increase of $1.0 million is primarily due to accounts payable for construction and retention holdings and Financial Aid disbursements to students which include funding from the CARES Act. An increase of $17.0 million is due to the outstanding Tax and Revenue Anticipation Notes (TRANS) 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 are scheduled to mature on December 30, 2021.

- $7.7 million **increase** in the District's Long-Term Liabilities.
    - $4.4 million increase in Current Long-Term Liabilities that are due within one year.
    - $3.3 million increase 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.

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, 2021 of $3.4 million reflected a **decrease of ($2.5) million** from June 30, 2020. The decrease can be attributable to the following:

- ($2.5) million **decrease** in deferred inflows of resources due to lower values for three STRS and PERS pension system adjustments**:**
    - 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, 2021 was ($55.5) 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 ($55,477,445):

- **$55,255,012** in **Net Investment in Capital Assets**. This category includes the General Obligation Bond fund with an ending fund balance of $59,109,173 (Fund 45). GASB 35 manual entries are then applied as follows: **Add** the value of capital assets based on acquisition cost of $447,263,959, **deduct** accumulated depreciation of $115,824,809, **deduct** the value of debt issuance expenses (costs of issuance) amortized over the life of the debt, General Obligation Bond debt, Certificates of Participation, and notes payable) of $335,293,311.

- **$11,407,419** 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 – $16,104,006) and the second for all other debt repayment (Fund 29 – $406,772) for a total of $16,510,778. GASB 35 manual entries are then applied as follows: **Deduct** un-matured interest on long-term obligations of $5,103,359. 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.

- **$4,156,926** in **Assets Restricted for Capital Projects Expenditures**. This amount represents the ending fund balances in the District's capital funds (Fund 41 - $78, Fund 43 - $3,737,533, Fund 44 - $4,903, and Fund 49 - $414,412) as of June 30, 2021 - except the General Obligation Bond Fund.

- **$2,287,490** 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.

- **$3,516,928** 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.

- **($132,101,220)** 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 $23,040,358.

GASB 35 manual entries are then applied as follows: **Deduct** $155,141,578 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, 2021

(Amounts in thousands)

	2021	2020, as restated	Change 2020-2021
Operating Revenues			
Tuition and fees, net	$ 10,137	$ 13,039	$ (2,902)
Federal, State, and Local grants and contracts	69,140	34,998	34,142
Total Operating Revenues	79,277	48,037	31,240
Operating Expenses			
Salaries and benefits	135,407	133,430	1,977
Supplies, services, equipment, maintenance, and other expenses	26,323	28,606	(2,283)
Student financial aid	29,567	23,754	5,813
Depreciation	9,481	9,117	364
Total Operating Expenses	200,778	194,906	5,872
Loss on Operations	(121,501)	(146,870)	25,369
Nonoperating Revenues			
State apportionments	37,046	66,148	(29,102)
Property taxes	51,170	41,836	9,334
Grants and contracts	22,508	22,236	272
State revenues	710	4,154	(3,444)
Net interest expense	(10,822)	(9,224)	(1,598)
Other nonoperating revenues and transfers	2,565	2,192	373
Total Nonoperating Revenue	103,177	127,342	(24,165)
Other Revenues and (Losses)			
State and local capital income	4,252	4,255	(3)
Total Other Revenues and (Losses)	4,252	4,255	(3)
Net Change in Net Position	$ (14,072)	$ (15,272)	$ 1,200

STATEMENT OF CASH FLOWS - GOVERNMENT-WIDE
For the Year Ended June 30, 2021

(Amounts in thousands)

	2021	2020, as restated	Change 2020-2021
Cash From			
Operating activities	$ (103,821)	$ (119,591)	$ 15,770
Noncapital financing activities	114,518	112,789	1,729
Capital financing activities	(14,370)	60,898	(75,268)
Investing activities	692	1,149	(457)
Net Change in Cash	**(2,981)**	**55,245**	**(58,226)**
Cash, Beginning of Year	132,140	76,895	55,245
Cash, End of Year	**$ 129,159**	**$ 132,140**	**$ (2,981)**

FUNCTIONAL EXPENSES CLASSIFICATION
For the Year Ended June 30, 2021

(Amounts in thousands)

	Salaries and Benefits	Supplies, Materials, and Other Expenses and Services	Student Financial Aid	Total
Instructional activities	$ 70,382	$ 3,189	$ 1,265	$ 74,836
Academic support	4,321	152		4,473
Student services	18,421	536	376	19,333
Community services and economic development	5,550	18		5,567
Institutional support	19,327	7,649	4,836	31,812
Plant operations and maintenance	4,690	1,841		6,531
Ancillary services and auxiliary operations	10,895	574		11,468
Student Aid	0	14	23,091	23,105
Physical property and related acquisitions	1,821	12,350		14,172
Depreciation		9,481		9,481
Total	**$ 135,408**	**$ 35,804**	**$ 29,567**	**$ 200,779**

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.

Fiscal Year 2017-2018
In 2017-2018, the last year for the SB361 funding formula, the State provided 1% in Growth funding and 1.56% statutory COLA. The District closed the year achieving 1.12% growth, and was fully funded for this "over-cap" growth because many other Districts were not growing.

Fiscal Year 2018-2019
In 2018-2019, the State implemented the Student Centered Funding Formula (SCFF). The new formula does not reimburse Districts for growth with the same methodology as SB361. Instead, it is a performance based funding model that splits funding between Base Funding or FTES (70%), Supplemental Funding or Financial Aid Students (20%) and Success Funding or Completion of Degrees or Certificates (10%).
Districts are guaranteed a minimum revenue of at least their 2017-2018 Total Computational Revenue (TCR) plus 2018-2019 COLA (2.71%) but some districts received much higher revenue under the new formula because of the increased funding attributed to financial aid or the Supplemental metric. In addition, because of a change to the definition of a transfer student, based on the last college attended, that was made at the end of the year to the Success Allocation of the SCFF, our district received the minimum funding level of 2017-2018 TCR plus COLA of 2.71%. This minimum level of funding was defined as SCFF Hold Harmless funding to protect districts from drastic drops in funding.

Fiscal Year 2019-2020
In 2019-2020, the District received apportionment funding based on the SCFF formula while using the Emergency Conditions Allowance provided by the State. This allowed the District to be funded based on the 2019-2020 P1 when calculating apportionment revenue using the SCFF, 2019-2020 FTES at that date and Supplemental and Success metrics as of 2018-2019.

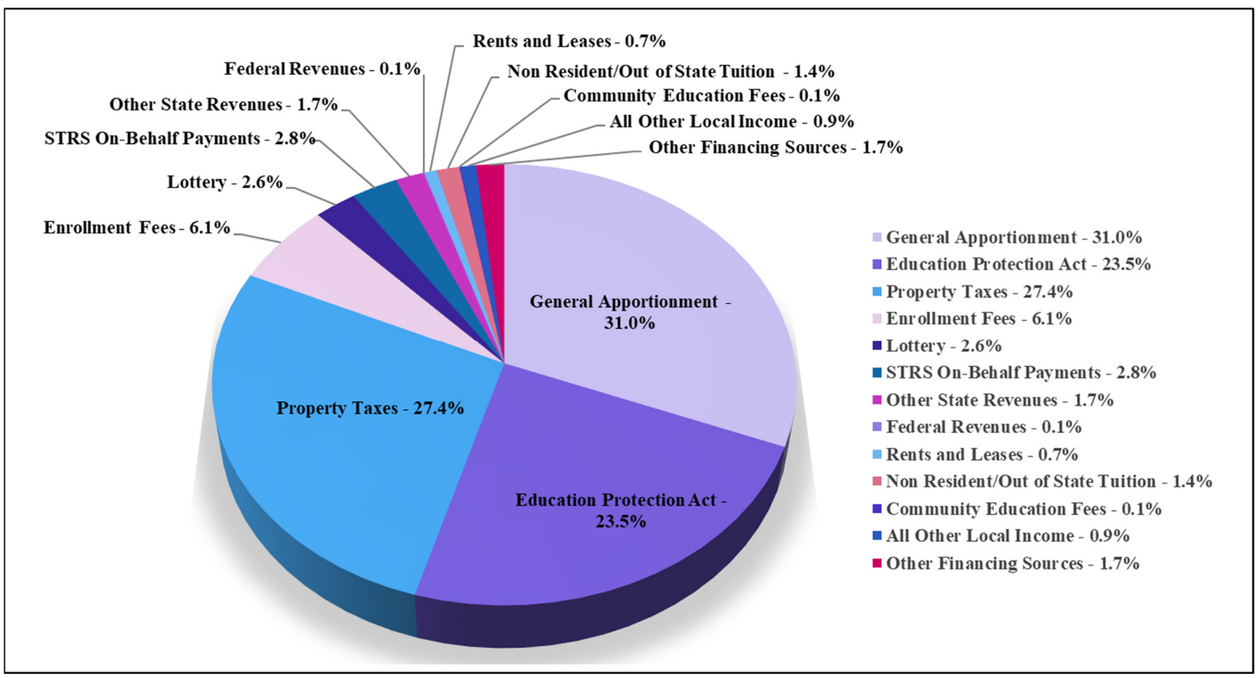
Fiscal Year 2020-2021
In 2020-2021, the Emergency Conditions Allowance was extended allowing Districts to use FTES generated from prior to COVID-19 in order to calculate their Total Computational Revenue inside the SCFF. Because of this the District maintained its revenue level at a pre-pandemic level.

Unrestricted General Fund Revenues by Major Category – 3 Year History

	2018-19	2019-20	2020-21
General Apportionment (Includes Access and COLA funding from Prior Year)	$ 47,011,556	$ 56,003,434	$ 35,910,320
Education Protection Act	$ 15,103,406	$ 9,026,369	$ 27,207,721
Property Taxes	$ 26,311,235	$ 27,873,249	$ 31,733,049
Enrollment Fees	$ 8,407,045	$ 8,229,456	$ 7,037,860
Lottery	$ 2,810,496	$ 2,627,316	$ 2,958,295
STRS On-Behalf Payments	$ 2,523,891	$ 3,920,713	$ 3,275,146
Other State Revenues	$ 2,758,999	$ 1,969,058	$ 1,996,045
Federal Revenues	$ 174,282	$ 141,140	$ 89,982
Rents and Leases	$ 1,841,865	$ 1,207,655	$ 839,945
Non Resident/Out of State Tuition	$ 2,386,958	$ 2,322,267	$ 1,619,448
Community Education Fees	$ 195,814	$ 181,465	$ 70,350
All Other Local Income	$ 2,287,285	$ 1,634,331	$ 1,095,907
Other Financing Sources	$ 1,033,744	$ 2,322,441	$ 1,974,732
Total Revenue	**$ 112,846,576**	**$ 117,458,894**	**$ 115,808,800**
	5% Increase	**4% Increase**	**1% Decrease**

The below chart provides a visual summary of the sources of revenue received by major category in 2020-2021, and illustrates that State General Apportionment, Property Taxes, and Student Enrollment Fees accounted for 64% of the District's Unrestricted General Fund Revenues. The Education Protection Act, which is temporary funding expiring in 2030, represents 24% of the District's Unrestricted General Fund Revenues. The remaining 12% 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 – 2020-2021



Unrestricted General Fund Revenues for 2020-2021 as Compared to 2019-2020

Revenues and other financing sources in the Unrestricted General Fund totaled $115,808,800 in fiscal year 2020-2021. **This was a decrease of ($1,650,094) over the prior year's revenues** or a (1.40%) decrease. The reason for the decrease over prior year is due mainly to decreases in Total Computational Revenue for General Apportionment from the Student Centered Funding Formula, Federal Revenues, and Community Education Fees. The decreases are offset by a larger increase in the Education Protection Act as compared to 2019-2020.
The following factors make up this decrease in unrestricted revenue:

- **Apportionment Funding from State General Apportionment, Education Protection Act, Property Taxes, and Enrollment Fees Increased by $756,442. The main factors contributing to this increase were:**

    - **$790,836 Revenue Increased in Total Computational Revenue for Apportionment**
        - The District received a Total Computational Revenue for Apportionment increase of $790,836 from the 2019-2020 Total Computational Revenue of $101 million. This increase is due to the District submitting FTES using the State's Emergency Conditions Allowance to hold FTES at a Pre-COVID-19 level for 2020-2021.

    - **($34,394) Revenue Decreased 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 2020-2021 the Prior Year Apportionment Adjustment was lower than 2019-2020.

- **Unrestricted Lottery Revenues Increased by $330,979:**

    - **$330,979 Revenue Increased in Lottery Allocation**
        - Lottery funding is based on the District's total number of students, including non-resident students, and is paid using a funding rate per FTES. The funding rate increased in 2020-2021 providing more lottery funding.
            - For unrestricted Non-Prop 20 revenue, the rate increased from $148.78 in 2019-2020 to $169.72 in 2020-2021.
            - For restricted Prop 20 revenue, the rate increased from $48.41 in 2019-2020 to $73.63 in 2020-2021.

- **STRS On-Behalf Revenue and Payments Decreased by ($645,567):**

    - **($645,567) Revenue Decreased in STRS On-Behalf Payments Made By State of CA**
        - The CalSTRS retirement system is funded from employer, employee, and State "On- Behalf" payments.

- 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.
- Prior to 2015-2016, the State's "On-Behalf" payments were reflected in the District's consolidated financials, but not in the various funds of the District.
- Beginning in 2015-2016, the Unrestricted General Fund has a new revenue and offsetting equal expense for the State's contribution to CalSTRS.

- **Other State Revenues Increased by $26,987:**

  - **$17,044 Revenue Increased in On-Going Mandated Cost Block Grant**
    - Mandated Costs are defined as costs incurred by Districts as a result of the passage of State Legislation, and are required to be reimbursed by the State.
    - In 2020-2021 the District participated (for the ninth year) in the State Mandate Cost Block Grant program which provides the proportional rate of $30.12 per FTES in funding in lieu of filing mandate claims. Due to higher proportional rate as compared to $28 per FTES in 2019-2020, the District's allocation increased from $496,276 to $513,320.

  - **($10,005) 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 in 2020-2021 due to the decreased number of students approved for the waivers.

  - **($50) Revenue Decreased in Part-Time Faculty Allocation**
    - The District receives an allocation to provide on-going funding to support increases in part time faculty compensation put in place several years ago.
    - 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.

  - **$27,209 Revenue Increased 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 2020-2021, the District claimed $452,625 in Part-Time Faculty Office Hours paid and received $232,289, which is about 50% of the claim.

  - **($7,211) Revenue Decreased in Unemployment Insurance Administration**
    - In the academic year of 2020-2021, the State reversed funding that was 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.

- **Federal Revenues Decreased by ($51,157):**

  - **($32,010) Revenue Decreased in Medical Administrative Allocation (MAA)**
    - The District participates in the MAA program where various departments, in partnership with the Student Health Center, receive Federal funding for informing students of different State health programs available to them. Over the past several years, the Federal Government suspended payments for this program due to a nationwide audit. In 2015-2016, the audit concluded and the Federal Government had resumed making payments for this program.

  - **($11,756) Revenue Decreased in Forest People Revenues**
    - The District receives Federal Revenue for each student that has an address in a national forest area. The allocation varies from year to year based on the current student population and available Federal funding. The District's annual revenue from this program has fluctuated from approximately $5,000 to $30,000 a year since 2004-2005 when the District began participating. The program is administered by the LA County Office of Education.

  - **($849) Revenue Decreased in Veterans' Education**
    - The District Receives Federal Revenue for Veterans' Education and the allocation varies from year to year.

  - **($6,542) Allowances Decreased in Financial Aid Administrative Allowances**
    - The District receives allowances for administering financial aid, and these allowances change as the number of students receiving financial aid changes.

- **Rents and Leases Revenue Decreased by ($367,711):**

  - **($257,744) Revenue Decreased in Facility Use Fees**
    - Facility Use revenue decreased significantly as compared to a year ago due to reduced activity as a result of COVID-19; however, the District was able to claim this lost revenue to be reimbursed by the Higher Education Emergency Relief Funds (HEERF). This backfilling of lost revenue will be seen as a "Transfer-in". Filming activity and other campus rentals are variable and subject to outside user interest and demand. 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.

  - **($109,967) Revenue Decreased in Bookstore Rental Income**
    - Bookstore sales commissions decreased due to reduced activity as a result of COVID-19; however, the District was able to claim this lost revenue to be reimbursed by the Higher Education Emergency Relief Funds (HEERF). This backfilling of lost revenue is identified as a "Transfer-in". The lost revenue can be attributed to a decline in student enrollment and to utilizing more online resource materials and the "no cost" options such as Open Educational Resources as an alternative to traditional textbook sales and rentals when faculty transitioned to remote instruction.

- **Non-Resident/Out of State Tuition Decreased by ($702,819):**

  - **($394,313) Revenue Decreased in International Students**
    - International Students income decreased due to less enrollment as a result of COVID-19. The International Services Program will continue to expand recruiting efforts.

- **($308,506) Revenue Decreased 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. As a result of COVID-19, fewer out-of-state students were enrolled for 2020-2021.

- **Community Education Revenue Decreased by ($111,115):**

  - **($111,115) Revenue Decreased in Community Education**
    - Community Education revenue is established on a fee for service basis for the types of programs offered. This revenue decreased in this last year due to fewer classes being offered due to COVID-19 as these are primarily on ground, in person classes.

- **All Other Local Revenue Decreased by ($538,424):**

  - **($538,424) Revenue Decreased in All Other Local Revenues**
    The District's miscellaneous revenues decreased from the previous year as noted below:
    - **$173,876 Increase in Interest Earned** - Interest earned on the Unrestricted General Fund cash balance increased mainly due to interest received on TRANS funding.
    - **($194,531) Decrease in COC Foundation Support** - Support from the COC Foundation decreased from the previous year as fewer faculty and staff drew funds from Foundation resources.
    - **($517,769) Decrease in Miscellaneous Revenues** - locally derived revenues decreased in unclaimed student refunds, culinary arts meal service, reimbursement from Hart School District for outreach activities, reimbursement from Associated Student Government for staff expenses, and parking ticket revenue.

- **Other Financing Sources Decreased by ($347,709):**

  - **(347,709) Revenue Decreased in Other Financing Sources**
    - Other Financing Sources represent transfers from other District funds into the Unrestricted General Fund. This revenue source decreased in 2020-2021 mainly due to the transfer in of $1.2 million in HEERF II funds to offset lost revenue and indirect support. This is offset by the District not needing to process a transfer of $1.5 million from the STRS/PERS liability fund to cover increased costs of STRS and PERS which was done in 2019-2020.

EXPENDITURES

HISTORY OF UNRESTRICTED GENERAL FUND EXPENDITURES

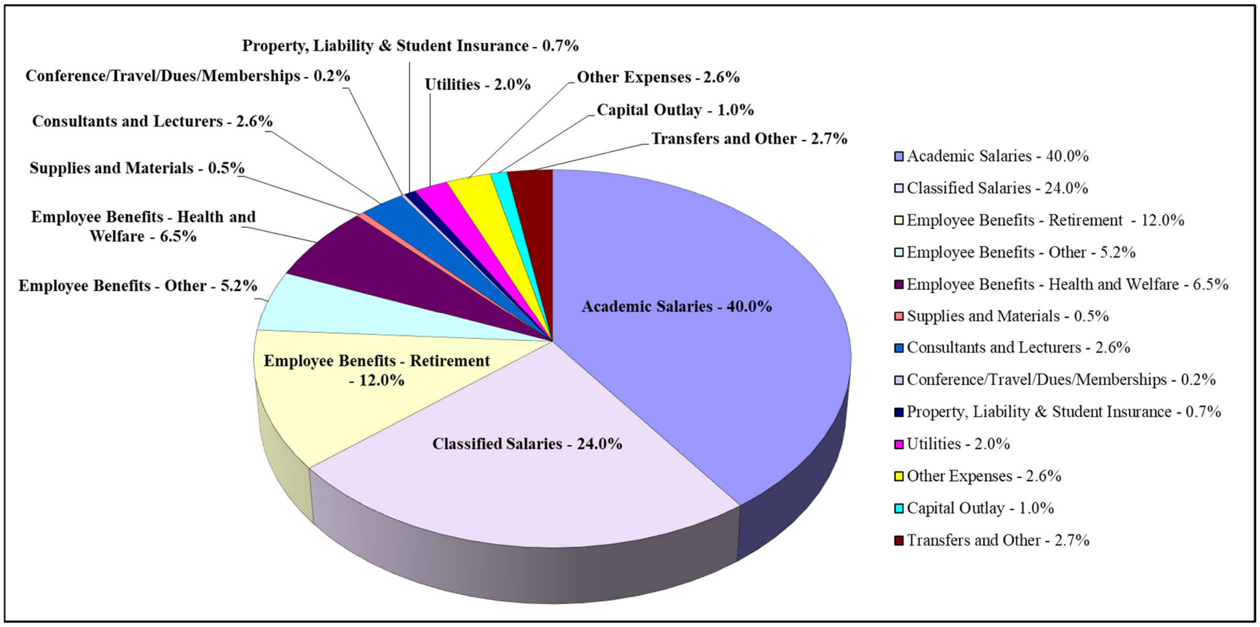
Expenditures associated with the instructional operations and related supporting activities of the District are recorded in the Unrestricted General Fund. In addition, expenditures resulting from Unrestricted General Fund resources being moved to other funds through interfund transfers are recorded here. 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 decreased in 2020-2021 as compared to 2019-2020 with the State provided additional on-going and one-time funding.

Unrestricted General Fund Expenditures by Major Category - 3 Year History

	2018-19	2019-20	2020-21
Academic Salaries	$ 43,925,153	$ 44,386,084	$ 46,186,421
Classified Salaries	$ 27,804,322	$ 29,230,537	$ 27,675,823
Employee Benefits - Retirement	$ 12,051,261	$ 14,327,917	$ 13,796,082
Employee Benefits - UE, WC, SUI, etc.	$ 5,463,914	$ 5,569,393	$ 6,006,887
Employee Benefits - Health and Welfare	$ 7,258,054	$ 7,260,251	$ 7,491,331
Supplies and Materials	$ 899,327	$ 836,803	$ 553,869
Consultants and Lecturers	$ 5,581,633	$ 5,750,812	$ 3,040,610
Conference/Travel/Dues/Memberships	$ 646,035	$ 524,316	$ 260,492
Property, Liability & Student Insurance	$ 711,958	$ 792,676	$ 782,026
Utilities	$ 2,216,701	$ 2,069,138	$ 2,312,080
Operating Expenses	$ 3,561,341	$ 2,723,450	$ 3,049,785
Capital Outlay	$ 1,178,142	$ 1,140,419	$ 1,151,471
Transfers and Other	$ 1,176,246	$ 2,693,869	$ 3,077,598
Total Expenses	**$ 112,474,087**	**$ 117,305,665**	**$ 115,384,475**
	3.5% Increase	**4.6% Increase**	**(1.6%) Decrease**

The following chart provides a visual summary of the expenditures by type made in 2020-2021, and shows that salaries and fringe benefits totaled 88% of all Unrestricted General Fund expenditures, which is above the Statewide recommended average of 85%.

Unrestricted General Fund Expenditures by Major Category – 2020-2021



Unrestricted General Fund Expenditures for 2020-2021 as Compared to 2019-2020

Expenditures and other financing uses in the Unrestricted General Fund totaled **$115,384,475** in fiscal year 2020-2021. This is a **decrease** of $1,921,190 over the prior year's expenditures. The following factors make up the decrease in unrestricted expenditures:

- **Employee Salaries Increased by $245,623:**
    - 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, and **negotiated increases were** confirmed for groups whose collective bargaining increased before the 2020-2021 books were closed also contributed to the increased expenses. Costs associated with 2020-2021 negotiations not yet completed before the books were closed will be reflected in the 2021-2022 fiscal year.

- **Employee Fringe Benefits Increased by $136,739:**

  - Employee fringe benefit costs increased due to several factors:
    - District contribution rates for PERS retirement plans increased from **19.72% in 2019-2020 to 20.70% in 2020-2021**. STRS retirement plans rates decreased from **17.10% in 2019-2020 to 16.15% in 2020-2021**.
      - In 2020-2021 the State provided a pension subsidy that helped to reduced PERS rates from a planned rate of 22.67% to 20.7% and planned STRS rate from 18.41% to 16.15%.
      - PERS increases are determined by a statewide board and are based on an actuarial study and interest rate projections.
      - In past years, statutory increases to STRS rates were part of the 2014-2015 State Budget Legislation, and imposed increases to the District contribution rate through 2019-2020. In 2020-2021 the rate was to remain flat, but because of a State Pension buy down, the rate decreased.
    - 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.
    - 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 Decreased by ($2,698,333):**

  - **($282,934) Expense Decreased in Supplies and Materials**
    - In 2020-2021 the expenses decreased mainly in non-instructional supplies and supply inventories due to remote operations as a result of COVID-19.

  - **($2,710,202) Expense Decreased in Consultants, Lecturers, and Instructional Contracts** Contracted services expenses decreased mainly due to costs related to the District's Instructional Service Agreement (ISA) Public Safety classes. The defunding of certain public safety agency budgets decreased the number of employees as well as the funding for training which attributed to approximately 469 fewer FTES in Public Safety Training.

  - **($263,824) Expense Decreased in Conference/Travel/Dues/Memberships**
    Conference, Field Trip, and Membership expenses decreased due to less activity as a result of COVID-19 which restricted travel and therefore prevented attendance at conferences and trainings, taking students on field trips, and exploring new professional memberships.

  - **($10,650) Expense Decreased in Property, Liability, and Student Insurance**
    Student insurance premiums decreased mainly in coverage for athletic students as fewer students were on campus due to COVID-19.

  - **$242,942 Expense Increased in Utilities**
    Utility costs increased as the District experienced higher costs for natural gas.

  - **$326,335 Expense Increased in Other Operating Expenses**

Other expenses increased mainly in categories such as maintenance/repairs of buildings and equipment and Public Election costs. In 2019-2020, the District did not have a Public Election expense as the District is scheduled to pay costs for public elections every even year.

- **Capital Outlay Increase of $11,052:**
  - Capital outlay expenses increased in 2020-2021 mainly due to new equipment purchased for the various departments.

- **Transfers and Other Disbursements Increase of $383,729:**
  - Interfund transfers are processed annually to move Unrestricted General Fund dollars to other designated funds for specific uses. Interfund transfers increased in 2020-2021 from 2019-2020 due to the following factors:
    - $500,000 increase in the transfer to the Retiree Benefit Fund for future OPEB liability based on the actuarial study.
    - $800,000 increase in the transfer to the Capital Outlay Fund for forced cost expenses and future capital outlay expenses identified through Program Review budget requests.
    - ($900,000 million) decrease in the transfers to the Child Development Center, and Parking Fund as HEERF funding was 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

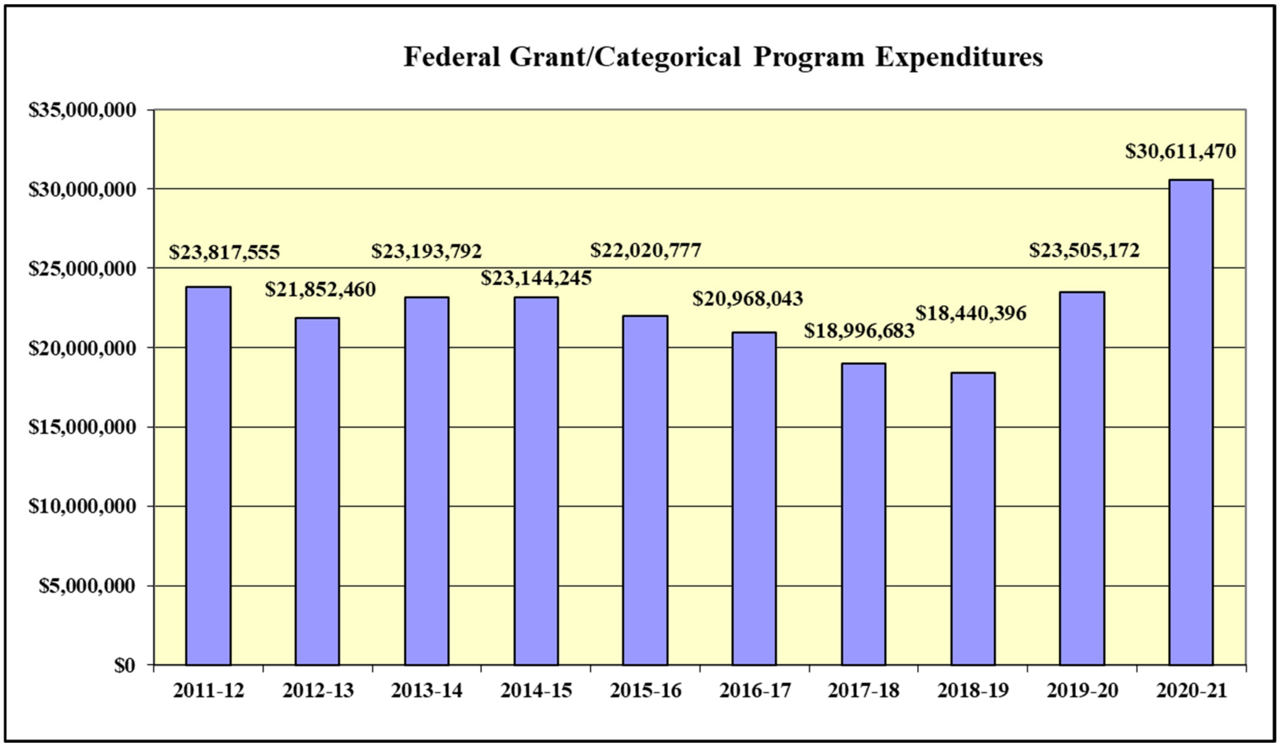
Federal funds provide substantial additional resources for the District and its students. Over the last ten years, Federal grant expenditures have increased 28.5%.

Federal grant program expenditures for fiscal year 2020-2021 totaled $30,611,470. Compared to Federal grant/categorical expenditures for fiscal year 2019-2020, this represents an **increase of $7,106,298**, which is 30%, year over 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 2020-2021, ***Federal grants*** provided diverse support to many significant initiatives:

- **CalFresh – $56,736** for the second year of funding provided to enhance access to food assistance to potentially eligible students, by providing CalFresh outreach and application assistance.
- **Career and Technical Education – $500,771** in Perkins funding to provide support to emerging CTE programs.
- **Higher Education Emergency Relief Fund - $11,263,833** funding from **Coronavirus Response and Relief Supplemental Appropriation (CRRSA) Act** funds and authorizes institutions of higher education to use the funds they receive to cover any costs associated with significant changes to the delivery of instruction due to the coronavirus (COVID-19).

- **Open Textbooks Pilot Program - $370,149** in **U.S. Department of Education** funding to develop culturally relevant OER, develop training materials for faculty on delivering that OER, host curated and created material on multiple open-license platforms, deploy mini-grants for subject matter experts and students to create culturally relevant OER materials, and engage other Hispanic Serving Institutions in a dissemination plan. Content development focuses on closing gaps in GE courses with high Hispanic enrollments**.**
- **National Science Foundation – $128,676** in **California Regional Consortium for Engineering Advances in Technical Education (CREATE) & Science, Technology, Engineering and Mathematics Program (STEM)** funding provided for research and education in most fields of science and engineering.



State Grant/Categorical Expenditures

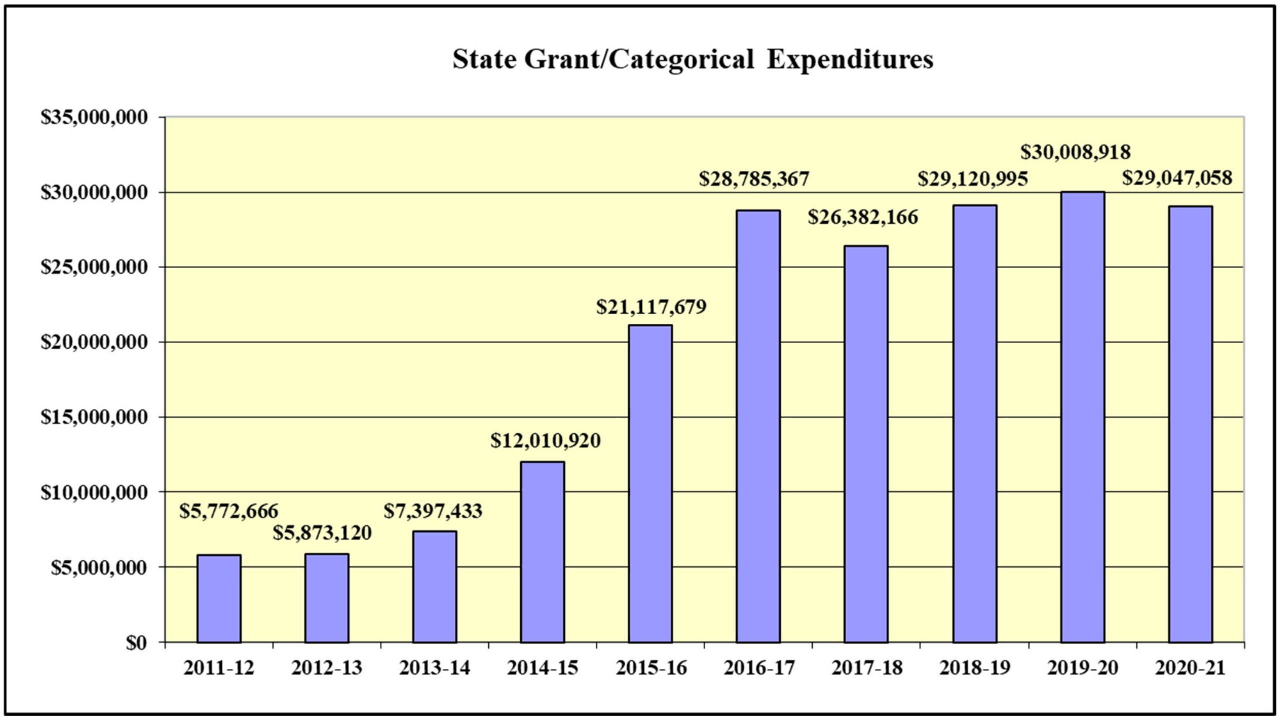
The State of California provides grant and categorical funding to the District. Over the last ten years, State grant/categorical revenues and expenditures increased 403.2%. The chart below illustrates how the availability of State grant/categorical funding fluctuated widely over the last ten years in response to State Budget conditions.

In 2020-2021, State Grant/Categorical expenditures totaled $29,047,058. Compared to State Grant/Categorical expenditures for fiscal year 2019-2020, this represents a **decrease of ($961,860)**, or **(3.2%)**. The main reason for this decrease is that the State approved IEPI Year 6 carryforward at the end of 2019-2020 so expenditures were made against the grant in 2020-2021 which is less than the carry forward from 2018-19 to 2019-2020. Noteworthy State funding included the following grant and categorical initiatives:

- **Advanced Technology Center – $1,000,000** in funding an Advanced Technology Center (ATC), this is in addition to the $500,000 already awarded in prior year to bring the total **to $1.5 million** to spend over three years. This is to serve Northern Los Angeles County's workforce and economic development needs including existing and emerging programs: Integrated Advanced Manufacturing/Computerized Machining (CNC), Welding/Material joining, Robotic Welding, Integrated Personal Fabrication (Fab Lab, Maker Space), Construction Trades, Industry 4.0 and integration with the Internet of Things (IoT)
- **California Adult Education Plan AB 104 – $409,769** in funding providing support to expand and improve adult education through linkages between high schools and community colleges.
- **California College Promise AB19 – $1,629,942** 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 2020-2021 academic year.
- **CalFresh Immediate Action - $39,086** in funding from the State Chancellor's Office to create outreach materials, host CalFresh sign-up events, support equipment needs, and support application assistance, including hiring staff and student workers to assist students applying for CalFresh and understanding how to use their CalFresh benefits
- **Student Retention and Outreach Immediate Action - $274,309** 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 - $68,524** 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 – $7,500,000** 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.
- **Economic Workforce Regional Directors – $750,000** in grant funding provide regional support by building long-term relationships between Advanced Manufacturing, Health, and Information Communication Technologies employers and education providers in the South-Central Region.
- **Statewide Closed Captioning – $1,500,000 in Distance Education** grant funding coordinates assistance to all California Community Colleges to facilitate and fund live and off-line captioning and transcription services.
- **California Statewide Director of Health – $300,000** grant funding provides statewide support by building long-term relationships between Health employers and education providers across the state.
- **Strong Workforce Local Share and Strong Workforce Regional Share – $3,119,669** 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 – $5,342,073** 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.

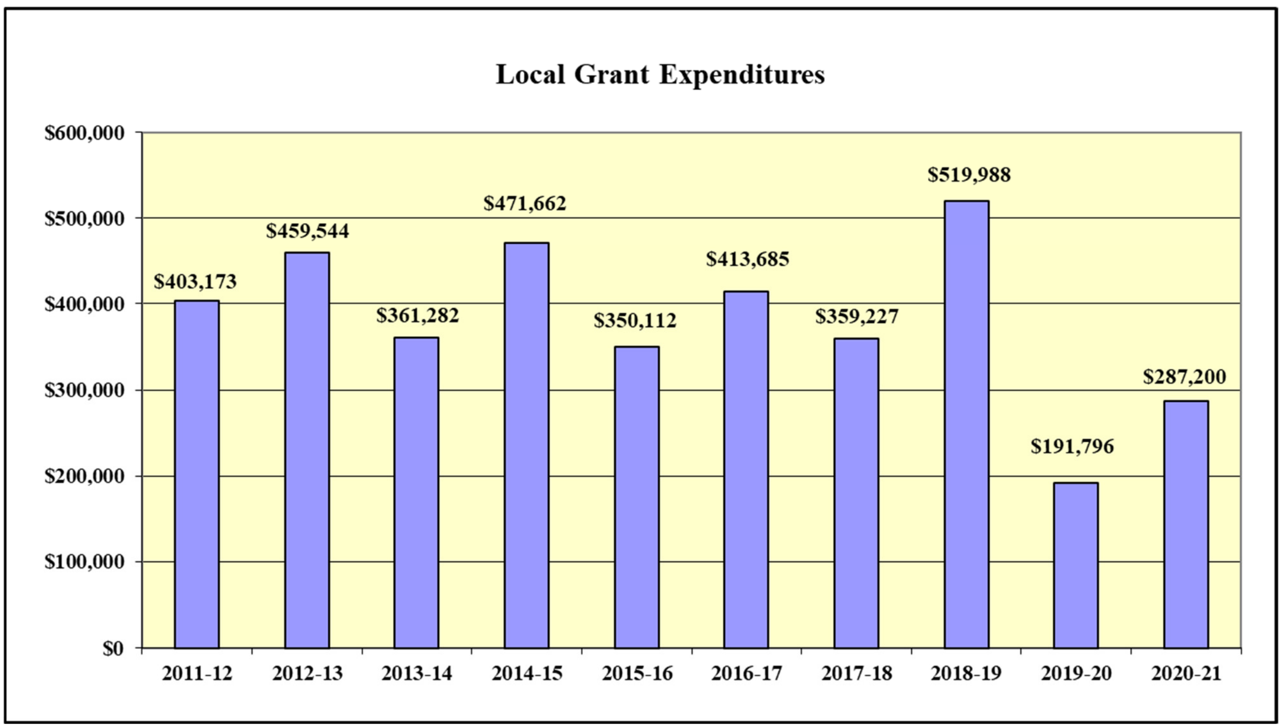


Local Grant Revenues and Expenditures
Grants received from sources other than Federal or State funding are referred to as Local Grants. Local Grants come from private foundations, cities, and for-profit companies, and have been an important way to augment Federal and State Grant/Categorical funding.

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 2020-2021, local grant expenditures totaled $287,200, an **increase of $95,404** or **50%** over 2019-2020. The increase is mainly due to the Kaiser Mental Health carryforward at the end of 2019-2020 so expenditures were made against the grant in 2020-2021.

Local grant dollars received in 2020-2021 benefited College Promise, Health and Information Communication Technology Deputy Sector Navigator programs, Kaiser Mental Health, and the Small Business Development Center.



Student Financial Aid Expenditures

In 2020-2021, 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 **$16,535,159**, which is a decrease of $$2,697,944 from fiscal year 2019-2020. Pell grants went down due to lower number of students enrolled receiving Federal Pell grants. Another reason for the decrease is due to lower one-time HEERF student aid provided in 2020-2021 as compared to 2019-2020. 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 **$1,315,345** in Direct Loans and earned **$262,511** 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

		2017-18		2018-19		2019-20		2020-21
Federal Pell Grants *	$	13,651,309	$	13,057,554	$	13,983,344	$	12,363,641
Cal Grants *	$	1,456,787	$	1,247,446	$	1,701,268	$	1,664,528
Full Time Student Success Grants *	$	669,727	$	2,000	$	-	$	-
Federal SEOG Grants **	$	530,903	$	665,240	$	663,466	$	825,197
Federal Higher Ed Relief Fund Grant (CARES) *	$	-	$	-	$	2,885,025	$	1,681,793
Subtotal - Grants	**$**	**16,308,726**	**$**	**14,972,240**	**$**	**19,233,103**	**$**	**16,535,159**
Direct Student Loans ***	$	2,394,528	$	2,031,039	$	1,911,295	$	1,315,345
Federal Work Study Wages **	$	338,249	$	418,064	$	451,592	$	262,511
Total Grants and Work Study	**$**	**19,041,503**	**$**	**17,421,343**	**$**	**21,595,990**	**$**	**18,113,015**

***** 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 2020-2021, through a combination of the funding sources highlighted below:

- **State Funding for Capital Projects**
    - The District expended **$166,000 in Prop 39 and Scheduled Maintenance Funding** in 2020-2021 for the Boykin Hall Modernization Phase 2

- **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, 2021, Measure E proceeds in the amount of $82,689,622 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 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
        - Boykin Hall Modernization Phase 2
        - Campuswide Computer Replacement
        - Canyon Country Campus Arts & Lecture Facility
        - Canyon Country Campus Central Plant
        - Canyon Country Campus Quad Modernization
        - Canyon Country Campus Science Building and Classroom Structure
        - Canyon Country Campus Student Services and Learning Resource Center
        - CTE Building
        - Valencia Student Center Remodel

- **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 2020-2021, local funding totaling $500,952 was expended on projects such as**:
    - Equipment for Various Instructional and Non-Instructional Departments:
      - ✓ Campus Safety
      - ✓ Del Valle ISA
    - Capital Improvement Projects
    - Scheduled Maintenance/Repair projects

FUND BALANCE AND FUND BALANCE CLASSIFICATIONS

Unrestricted General Fund Ending Fund Balance

	2016-17	2017-18	2018-19	2019-20	2020-21
Reserved/Assigned	$ 1,237,961	$ 1,053,458	$ 1,736,591	$ 1,244,882	$ 1,985,807
Unassigned	9,394,204	9,807,833	9,497,190	10,142,128	9,825,527
Ending Fund Balance	**$ 10,632,165**	**$ 10,861,291**	**$ 11,233,781**	**$ 11,387,010**	**$ 11,811,334**
Percentage of Unrestricted Expenses	**10.2%**	**10.1%**	**10.0%**	**9.7%**	**10.2%**

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 10.05% each year.**

- The ending fund balance for the Unrestricted General Fund as of June 30, 2021, was $11,811,334, which was 10.2% of Unrestricted General Fund expenditures.
  - The District **avoided deficit spending in 2020-2021** and did not spend down reserves.

- The 2020-2021 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, 2021.
  - The reserved portion of the ending fund balance was $1,985,807 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 $1,856,807. The District pre-paid software licenses, insurance premiums, and memberships in the last few months of the 2020-2021 fiscal year in order to comply with vendors' payment deadlines and to ensure uninterrupted service. These expenses will be deducted from 2021-2022 budget funds.

SUMMARY

This Annual Financial Report for the Period Ending June 30, 2021, 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 2020-2021, 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 20 years, the District has **only had 11 audit findings in 86 audits** (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 2020-2021, the District provided oversight for the expenditure of $222 million for all funds, including $115.4 million in Operating Funds and $63.1 million in highly regulated Federal and State Financial Aid, State Competitive Grants and State Categorical Program funds. The District received $38.2 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. These costs included millions in stipends for faculty and staff to provide on-ground support during COVID and/or to transition to remote instruction and operations. Other costs included technology such as laptops and other hardware and software for students, faculty and staff. There were costs for the daily cleaning of facilities as well as upgrading HVAC systems for better air circulation. Legal and consulting fees were paid to assist with the development and update of the County mandated COVID plan for Higher Education and as operations returned to campus, for staffing 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.

Additionally, there were expenditures in Capital Outlay funds of $21.7 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.

In 2017-2018, GASB 75 established a new approach of how to record the District's full Post Employment Benefit (OPEB) liability on the Statement of Net Position to be in alignment with GASB 68 from 2015 which requires the District proportionate share of the CalPERS and CalSTRS unfunded pension liabilities to be included on the Total Net Position in the financial statements. To address the legislatively mandated increases to District contribution rates for STRS and the actuarially estimated increases to PERS Pension Plans, the District continues to strategically set aside some of the one-time savings for future STRS/PERS costs until ongoing funding can be identified with $6.2 million set aside in a separate fund. This new GASB requirement has caused the District's liabilities to increase since 2017-2018.

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 seven years, College of the Canyons has been recognized for moving the initiative forward quickly and successfully with accolades from the 73 Community College Districts that have benefited from Partnership Resource Team (PRT) visits.

With a nationwide focus on workforce training, preparing the next generation of workers is more critical than ever. The District has established a presence at the State level with the District Chancellor serving on the Community College "Doing What Matters" Regional Board that provides direction to Strong Workforce funding allocations through regional initiatives that will benefit local businesses and communities through a connected effort that reaches statewide and produces trained workers to fuel the State economy.

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. Originally, 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, District administrators were able to quickly develop protocols in alignment with Los Angeles County Health orders 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 would allow 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 operated under the leadership of Dr. Dianne Van Hook for the last 33 years, with key Vice President positions occupied by the same individuals for 17 to 22 years and four of the five Board members with 5 to 36+ 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 named in the San Fernando Valley Business Journal's "Valley 200" list. She was listed among the most influential people in the region who are engaged and active leaders. In her tenure of 33 plus years, she has served on over 35 statewide commissions and boards and was named as the Santa Clarita Valley Newsmaker of the Year as well as No. 1 most influential person in the Santa Clarita Valley by the Signal. Dr. Van Hook was also recognized by the Santa Clarita Valley Chamber of Commerce with the Chamber's 2020 Lifetime Achievement Award. According to their press release, this award is one of the top honors a business leader can receive in the Santa Clarita Valley and is "given to leaders that have demonstrated a significant, long-term, positive impact on the business community and the greater Santa Clarita Valley." 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	$ 2,880,750
Investments	126,278,277
Accounts receivable	22,558,400
Student receivables	4,864,041
Prepaid expenses	2,143,638
Capital assets	
Nondepreciable capital assets	78,003,334
Depreciable capital assets, net of depreciation	253,435,816
Total capital assets	331,439,150
Total assets	490,164,256
Deferred Outflows of Resources	
Deferred outflows of resources related to debt refunding	11,863,691
Deferred outflows of resources related to OPEB	2,050,201
Deferred outflows of resources related to pensions	30,743,407
Total deferred outflows of resources	44,657,299
Liabilities	
Accounts payable	21,939,203
Tax and revenue anticipation notes payable	17,000,000
Accrued interest payable	5,103,359
Unearned revenue	10,617,120
Long-term liabilities	
Long-term liabilities other than OPEB and pensions, due within one year	13,121,131
Long-term liabilities other than OPEB and pensions, due in more than one year	365,050,916
Aggregate net other postemployment benefits (OPEB) liability	18,957,616
Aggregate net pension liability	135,101,541
Total liabilities	586,890,886
Deferred Inflows of Resources	
Deferred inflows of resources related to pensions	3,408,114
Net Position	
Net investment in capital assets	55,255,012
Restricted for	
Debt service	11,407,419
Capital projects	4,156,926
Educational programs	2,287,490
Other activities	3,516,928
Unrestricted (deficit)	(132,101,220)
Total net position (deficit)	$ (55,477,445)

Operating Revenues	
Tuition and fees	$ 18,983,711
Less: Scholarship discounts and allowances	(8,846,454)
Net tuition and fees	10,137,257
Grants and contracts, noncapital	
Federal	12,354,089
State	55,946,050
Local	839,944
Total grants and contracts, noncapital	69,140,083
Total operating revenues	79,277,340
Operating Expenses	
Salaries	87,918,423
Employee benefits	47,489,112
Supplies, materials, and other operating expenses and services	21,808,662
Student financial aid	29,567,121
Equipment, maintenance, and repairs	4,514,050
Depreciation	9,481,134
Total operating expenses	200,778,502
Operating Loss	(121,501,162)
Nonoperating Revenues (Expenses)	
State apportionments, noncapital	37,045,992
Local property taxes, levied for general purposes	31,647,939
Taxes levied for other specific purposes	19,522,280
Federal and State financial aid grants	22,508,437
State taxes and other revenues	710,411
Investment income	254,459
Interest expense on capital related debt	(11,171,143)
Investment income on capital asset-related debt, net	93,574
Other nonoperating revenue	2,565,207
Total nonoperating revenues (expenses)	103,177,156
Loss Before Other Revenues and Losses	(18,324,006)
Other Revenues and Losses	
State revenues, capital	4,237,946
Local revenues, capital	46,680
Loss on disposal of capital assets	(32,966)
Total other revenues and losses	4,251,660
Change In Net Position	(14,072,346)
Net Position (deficit), Beginning of Year, as Restated	(41,405,099)
Net Position (deficit), End of Year	$ (55,477,445)

Cash Flows from Operating Activities	
Tuition and fees	$ 9,219,511
Federal, state, and local grants and contracts, noncapital	67,533,471
Payments to or on behalf of employees	(120,093,267)
Payments to vendors for supplies and services	(30,914,127)
Payments to students for scholarships and grants	(29,567,121)
Net cash flows from operating activities	(103,821,533)
Cash Flows from Noncapital Financing Activities	
State apportionments	39,156,890
Federal and state financial aid grants	23,238,252
Property taxes - nondebt related	31,647,939
Proceeds from issuance of tax revenue anticipation notes	17,000,000
State taxes and other apportionments	710,411
Other nonoperating activities	2,764,805
Net cash flows from noncapital financing activities	114,518,297
Cash Flows from Capital Financing Activities	
Purchase of capital assets	(19,567,392)
Proceeds from sales of capital debt	42,757,705
State revenue, capital	4,237,946
Local revenue, capital	46,680
Property taxes - related to capital debt	19,522,280
Principal paid on capital debt	(43,300,000)
Interest paid on capital debt	(18,160,689)
Interest received on capital asset-related debt	93,574
Net cash flows from capital financing activities	(14,369,896)
Cash Flows from Investing Activities	
Proceeds from sales and maturities of investments	315,592
Interest received from investments	376,532
Net cash flows from investing activities	692,124
Change In Cash and Cash Equivalents	(2,981,008)
Cash and Cash Equivalents, Beginning of Year, as Restated	132,140,035
Cash and Cash Equivalents, End of Year	$ 129,159,027

Reconciliation of net operating loss to net cash flows from operating activities	
Operating Loss	$ (121,501,162)
Adjustments to reconcile operating loss to net cash flows from operating activities	
Depreciation expense	9,481,134
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources	
Accounts receivable	(2,209,737)
Student receivables	(2,889,905)
Prepaid expenses	(775,045)
Deferred outflows of resources related to OPEB	1,454,104
Deferred outflows of resources related to pensions	3,631,043
Accounts payable	(2,420,067)
Unearned revenue	2,575,284
Compensated absences	(215,386)
Load banking	(8,723)
Early retirement plan	2,088,956
Aggregate net OPEB liability	(151,965)
Aggregate net pension liability	9,628,994
Deferred inflows of resources related to OPEB	(91,259)
Deferred inflows of resources related to pensions	(2,417,799)
Total adjustments	17,679,629
Net cash flows from operating activities	$ (103,821,533)
Cash and Cash Equivalents Consist of the Following:	
Cash in banks	$ 2,880,750
Cash in county treasury	126,278,277
Total cash and cash equivalents	$ 129,159,027
Noncash Transactions	
Amortization of deferred outflows of resources related to debt refunding	$ 372,791
Amortization of debt premiums	$ 3,066,620
Accretion of interest on capital appreciation bonds	$ 1,282,705

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, 2021, is as follows:

Condensed Statement of Net Position

Assets		
Investments	$	406,540
Accounts receivable		232
Total assets	$	406,772
Net Position		
Restricted for		
Debt Service	$	406,772

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

Nonoperating Expenses		
Principal expense on capital related debt	$	(760,000)
Interest expense on capital related debt		(332,706)
Other expense		(144)
Total nonoperating expenses		(1,092,850)
Loss Before transfers		(1,092,850)
Transfers in		1,096,904
Change in Net Position		4,054
Net Position, Beginning of Year		402,718
Net Position, End of Year	$	406,772

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 balances for purposes of the statement of cash flows.

Investments

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

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

Accounts Receivable

Accounts receivable include amounts due from the Federal, State, and/or local governments or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. 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, 2021.

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 pension related items.

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 total 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 are current liabilities outstanding at June 30, 2021, and were issued as short-term obligations to provide cash flow needs. This liability is offset with cash deposits in the County Treasurer, which have been set aside to repay the notes.

Noncurrent Liabilities

Noncurrent liabilities include general obligation bonds, certificates of participation, 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 $21,368,763 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.

Change in Accounting Principles

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all State and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

The impact to the primary government and fiduciary funds resulted in a restatement of their respective beginning net positions as of July 1, 2020 due to the reclassification of associated students, student representation fee, scholarship and loan, and retiree benefit fund into the financial statements of the primary government. The effect of the implementation of this standard on beginning net position (deficit) is disclosed in Note 16. The provisions of this Statement have been implemented as of June 30, 2021.

New Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring 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. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements for this Statement are effective for the reporting periods beginning after June 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

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, 2021, consist of the following:

	Primary Government
Cash on hand and in banks	$ 2,730,750
Cash in revolving	150,000
Investments	126,278,277
Total deposits and investments	$ 129,159,027

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, 2021.

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	$ 126,278,277	1,045	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, 2021, 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, 2021, consisted of the following:

	Primary Government
Federal Government	
Categorical aid	$ 6,221,651
State Government	
Apportionment	7,346,586
Categorical aid	7,212,440
Lottery	1,149,761
Other state sources	106,137
Local Sources	
Interest	237,804
Other local sources	284,021
Total	$ 22,558,400
Student receivables	$ 4,864,041

Note 5 - Capital Assets

Capital asset activity for the District for the year ended June 30, 2021, was as follows:

	Balance, Beginning of Year	Additions	Deductions	Balance, End of Year
Capital Assets Not Being Depreciated				
Land	$ 14,309,904	$ -	$ -	$ 14,309,904
Construction in progress	50,207,649	18,982,830	(5,497,049)	63,693,430
Total capital assets not being depreciated	64,517,553	18,982,830	(5,497,049)	78,003,334
Capital Assets Being Depreciated				
Land improvements	23,808,191	-	-	23,808,191
Buildings and improvements	319,159,424	5,525,755	-	324,685,179
Furniture and equipment	21,161,589	671,777	(1,066,111)	20,767,255
Total capital assets being depreciated	364,129,204	6,197,532	(1,066,111)	369,260,625
Total capital assets	428,646,757	25,180,362	(6,563,160)	447,263,959
Less Accumulated Depreciation				
Land improvements	(14,575,291)	(1,047,075)	-	(15,622,366)
Buildings and improvements	(78,065,530)	(7,196,025)	-	(85,261,555)
Furniture and equipment	(14,735,999)	(1,238,034)	1,033,145	(14,940,888)
Total accumulated depreciation	(107,376,820)	(9,481,134)	1,033,145	(115,824,809)
Net capital assets	$ 321,269,937	$ 15,699,228	$ (5,530,015)	$ 331,439,150

Note 6 - Prepaid Expenses

Prepaid expenses at June 30, 2021, consisted of the following:

Software and Technology	$ 125,420
Health and Welfare	231,044
Workers' Compensation Insurance	170,124
Retirement Planning	544,881
Other prepaid expenses	1,072,169
Total	$ 2,143,638

Note 7 - Tax and Revenue Anticipation Notes

At June 30, 2021, the District has outstanding Tax and Revenue Anticipation Notes in the amount of $17,000,000. The notes were issued on February 3, 2021, bearing an interest rate of 2.00% and are scheduled to mature on December 30, 2021. The notes were issued to supplement cash flows.

	Balance, Beginning of Year	Additions	Deductions	Balance, End of Year
2021 2.00% TRANS	$ -	$ 17,000,000	$ -	$ 17,000,000

Note 8 - 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, 2021, consisted of the following:

	Balance, Beginning of Year	Additions	Deductions	Balance, End of Year	Due in One Year
General obligation bonds	$ 342,646,047	$ 42,757,705	$ (42,540,000)	$ 342,863,752	$ 10,425,000
Bond premium	20,938,057	-	(2,991,368)	17,946,689	-
Certificates of participation (COP)	8,090,000	-	(760,000)	7,330,000	785,000
COP premium	834,059	-	(75,252)	758,807	
Compensated absences	4,905,309	-	(215,386)	4,689,923	547,130
Load banking	284,369	-	(8,723)	275,646	-
Early retirement plan	2,218,274	3,172,585	(1,083,629)	4,307,230	1,364,001
Total	$ 379,916,115	$ 45,930,290	$ (47,674,358)	$ 378,172,047	$ 13,121,131

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 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, 2021, the principal balance outstanding was $13,452,826.

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, 2021, the principal balance outstanding was $9,035,926.

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, 2021, the principal balance outstanding was $1,855,000. Unamortized premium received on issuance of the bonds amounted to $99,061 as of June 30, 2021.

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, 2021, the principal balance outstanding was $8,145,000. Unamortized premium received on issuance of the bonds amounted to $739,818 as of June 30, 2021.

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, 2021, the principal balance outstanding was $6,805,000. Unamortized premium received on issuance of the bonds amounted to $641,463 as of June 30, 2021.

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, 2021, the principal balance outstanding was $85,905,000. Unamortized premium received on issuance of the bonds amounted to $7,836,534 as of June 30, 2021.

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, 2021, the principal balance outstanding was $19,315,000. Unamortized premium received on issuance of the bonds amounted to $1,324,764 as of June 30, 2021.

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, 2021, the principal balance outstanding was $38,310,000. Unamortized premium received on issuance of the bonds amounted to $2,992,530 as of June 30, 2021.

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, 2021, the principal balance outstanding was $85,000,000. Unamortized premium received on issuance of the bonds amounted to $4,312,519 as of June 30, 2021.

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, 2021, the principal balance outstanding was $33,565,000.

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. The refunding resulted in a cumulative cash flow saving of $3,536,947 over the life of the new debt. At June 30, 2021, the principal balance outstanding was $41,475,000.

Debt Maturity

The outstanding general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Balance, Beginning of Year	Issued	Accreted Interest	Redeemed	Balance, End of Year
2003	08/01/28	1.05%-5.60%	$ 17,498,982	$ 14,255,660	$ -	$ 757,166	$ (1,560,000)	$ 13,452,826
2006	08/01/30	3.00%-5.00%	42,981,087	8,510,387	-	525,539	-	9,035,926
2012	08/01/42	2.00%-5.00%	35,000,000	1,990,000	-	-	(135,000)	1,855,000
2013	08/01/28	2.00%-5.00%	33,765,000	29,545,000	-	-	(21,400,000)	8,145,000
2014	08/01/39	2.00%-5.00%	25,000,000	23,570,000	-	-	(16,765,000)	6,805,000
2016	08/01/46	2.00%-5.00%	94,050,000	87,510,000	-	-	(1,605,000)	85,905,000
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	38,550,000	-	-	(240,000)	38,310,000
2019	08/01/49	3.00%-5.00%	85,000,000	85,000,000	-	-	-	85,000,000
2019	08/01/39	1.787%-3.046%	34,400,000	34,400,000	-	-	(835,000)	33,565,000
2021	08/01/38	0.157-2.621%	41,475,000	-	41,475,000	-	-	41,475,000
				$ 342,646,047	$ 41,475,000	$ 1,282,705	$ (42,540,000)	$ 342,863,752

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
2022	$ 10,381,868	$ 43,132	$ 11,789,030	$ 22,214,030
2023	10,330,788	134,212	11,894,049	22,359,049
2024	11,174,881	230,119	11,522,324	22,927,324
2025	12,059,382	330,618	11,188,778	23,578,778
2026	8,957,757	437,243	10,999,556	20,394,556
2027-2031	53,204,076	9,085,924	52,126,120	114,416,120
2032-2036	49,195,000	-	39,644,928	88,839,928
2037-2041	68,785,000	-	27,545,980	96,330,980
2042-2046	77,375,000	-	20,089,700	97,464,700
2047-2050	41,400,000	-	3,494,600	44,894,600
Total	$ 342,863,752	$ 10,261,248	$ 200,295,065	$ 553,420,065

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, 2021, the principal balance outstanding was $7,330,000. Unamortized premium received on issuance of the certificates amounted to $758,807 as of June 30, 2021.

The certificates mature through 2032 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2022	$ 785,000	$ 301,806	$ 1,086,806
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
2027-2031	3,150,000	314,881	3,464,881
2032	245,000	3,828	248,828
Total	$ 7,330,000	$ 1,488,614	$ 8,818,614

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 $4,307,230 on behalf of the retirees over the next five years in accordance with the following schedule:

Year Ending June 30,	
2022	$ 1,364,001
2023	819,120
2024	819,120
2025	819,120
2026	485,869
Total	$ 4,307,230

Note 9 - Aggregate Net Other Postemployment Benefits (OPEB) Liability

For the year ended June 30, 2021, 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	$ 18,476,723	$ 2,050,201	$ -	$ 1,576,218
Medicare Premium Payment (MPP) Program	480,893	-	-	54,063
Total	$ 18,957,616	$ 2,050,201	$ -	$ 1,630,281

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, 2021, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	194
Active employees	618
Total	812

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 contribution requirements of the Plan members and the District are established and may be amended by the District and the District's bargaining units. The required contribution is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District and bargaining units. For the measurement period of June 30, 2021, the District contributed $424,617 to the plan, all of which was used for current premiums.

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, 2021, the District paid $424,617 in benefits.

Total OPEB Liability of the District

The District's total OPEB liability of $18,476,723 was measured as of June 30, 2021, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions

The total OPEB liability in the June 30, 2021 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	2.16 percent
Healthcare cost trend rates	4.00 percent for 2021

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

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

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance, June 30, 2020	$ 18,682,751
Service cost	872,725
Interest	421,223
Difference between expected and actual experience	209,005
Changes of assumptions	(1,284,364)
Benefit payments	(424,617)
Net change in total OPEB liability	(206,028)
Balance, June 30, 2021	$ 18,476,723

There were no changes in the benefit terms since the previous valuation.

Changes of assumptions and other inputs reflect a change in the inflation rate from 2.75% to 2.50%, change in discount rate from 2.20% to 2.16% 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	Liability
1% decrease (1.16%)	$ 21,236,436
Current discount rate (2.16%)	18,476,723
1% increase (3.16%)	16,189,928

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%)	$ 17,227,719
Current healthcare cost trend rate (4.00%)	18,476,723
1% increase (5.00%)	19,919,608

Deferred Outflows of Resources Related to OPEB

At June 30, 2021, the District reported deferred outflows of resources related to OPEB for the following:

	Deferred Outflows of Resources
Differences between expected and actual experience	$ 105,487
Changes of assumptions	1,944,714
Total	$ 2,050,201

The deferred outflows 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
2022	$ 287,486
2023	287,486
2024	287,486
2025	287,486
2026	287,486
Thereafter	612,771
Total	$ 2,050,201

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, 2019 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, 2021, the District reported a liability of $480,893 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019. 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, 2020 and June 30, 2019, was 0.1135% and 0.1146%, respectively, resulting in a net decrease in the proportionate share of 0.0011%.

For the year ended June 30, 2021, the District recognized OPEB expense of $54,063.

Actuarial Methods and Assumptions

The June 30, 2020 total OPEB liability was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2019, and rolling forward the total OPEB liability to June 30, 2020, using the assumptions listed in the following table:

Measurement Date	June 30, 2020
Valuation Date	June 30, 2019
Experience Study	June 30, 2024 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	2.21%
Medicare Part A Premium Cost Trend Rate	4.50%
Medicare Part B Premium Cost Trend Rate	5.40%

For the valuation as of June 30, 2019, 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 0.18% of the potentially eligible population (159,339).

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, 2020, 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, 2020, is 2.21%. 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 2.21%, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2020, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate decreased 1.29% from 3.50% as of June 30, 2019.

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 (1.21%)	$ 531,761
Current discount rate (2.21%)	480,893
1% increase (3.21%)	437,608

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)	$ 436,042
Current Medicare costs trend rates (4.5% Part A and 5.4% Part B)	480,893
1% increase (5.5% Part A and 6.4% Part B)	532,524

Note 10 - Lease Revenues

The District has property held for lease with an estimated cost of $2,852,725 and accumulated depreciation of $2,033,506. Lease agreements have been entered into with various lessors for terms that exceed one year. None of the agreements contain purchase options. All of the agreements contain a termination clause providing for cancellation after a specified number of days written notice to lessors, but it is unlikely that the District will cancel any of the agreements prior to the expiration date. The future minimum lease payments expected to be received under these agreements are as follows:

Year Ending June 30,	Lease Revenue
2022	$ 403,835
2023	488,835
2024	593,835
2025	633,835
2026	654,835
Total	$ 2,775,175

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, 2021, 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 2021, 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, 2021, the District reported its proportionate share of 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	$ 63,110,962	$ 16,903,228	$ 2,762,278	$ 8,799,519
CalPERS	71,990,579	13,840,179	645,836	15,434,522
Total	$ 135,101,541	$ 30,743,407	$ 3,408,114	$ 24,234,041

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, 2019, 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, 2021, 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	16.15%	16.15%
Required State contribution rate	10.328%	10.328%

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, 2021, are presented above, and the District's total contributions were $6,518,447.

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

At June 30, 2021, 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	$ 63,110,962
State's proportionate share of net pension liability associated with the District	32,533,709
Total	$ 95,644,671

The net pension liability was measured as of June 30, 2020. 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, 2020 and June 30, 2019, was 0.0651 % and 0.0648%, respectively, resulting in a net increase in the proportionate share of 0.0003%.

For the year ended June 30, 2021, the District recognized pension expense of $8,799,519. In addition, the District recognized pension expense and revenue of $4,557,653 for support provided by the State. At June 30, 2021, 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	$ 6,518,447	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	2,620,054	982,441
Differences between projected and actual earnings on pension plan investments	1,499,153	-
Differences between expected and actual experience in the measurement of the total pension liability	111,362	1,779,837
Changes of assumptions	6,154,212	-
Total	$ 16,903,228	$ 2,762,278

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
2022	$ (914,774)
2023	510,790
2024	1,019,081
2025	884,056
Total	$ 1,499,153

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
2022	$ 1,937,857
2023	1,844,586
2024	1,966,903
2025	361,689
2026	(88,374)
Thereafter	100,689
Total	$ 6,123,350

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, 2019, and rolling forward the total pension liability to June 30, 2020. The financial reporting actuarial valuation as of June 30, 2019, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
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 (Pension Consulting Alliance-PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in February 2017 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2020, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public equity	42.0%	4.8%
Private equity	13.0%	6.3%
Real estate	15.0%	3.6%
Inflation sensitive	6.0%	3.3%
Fixed income	12.0%	1.3%
Risk mitigating strategies	10.0%	1.8%
Cash/liquidity	2.0%	-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%)	$ 95,351,873
Current discount rate (7.10%)	63,110,962
1% increase (8.10%)	36,491,551

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, 2019, 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, 2021, 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	20.70%	20.70%

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, 2021, are presented above, and the total District contributions were $6,873,356.

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

As of June 30, 2021, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $71,990,579. The net pension liability was measured as of June 30, 2020. 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, 2020 and June 30, 2019, was 0.2346% and 0.2297%, respectively, resulting in a net increase in the proportionate share of 0.0049%.

For the year ended June 30, 2021, the District recognized pension expense of $15,434,522. At June 30, 2021, 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	$ 6,873,356	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	1,633,704	645,836
Differences between projected and actual earnings on pension plan investments	1,498,615	-
Differences between expected and actual experience in the measurement of the total pension liability	3,570,512	-
Changes of assumptions	263,992	-
Total	$ 13,840,179	$ 645,836

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
2022	$ (560,812)
2023	500,225
2024	869,473
2025	689,729
Total	$ 1,498,615

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
2022	$ 2,980,239
2023	1,628,674
2024	208,401
2025	5,058
Total	$ 4,822,372

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, 2019, and rolling forward the total pension liability to June 30, 2020. The financial reporting actuarial valuation as of June 30, 2019, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
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%)	$ 103,499,586
Current discount rate (7.15%)	71,990,579
1% increase (8.15%)	45,839,685

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, 2021, which amounted to $3,681,850 (10.328%) 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. No contributions were made for CalPERS for the year ended June 30, 2021. 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, 2021, the District made payments of $2,041,488, $686,397, $907,378, $204,180, and $5,433,844 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, 2021.

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, 2021.

Operating Leases

The District has entered into various operating leases for classrooms/office facilities and equipment. None of these agreements contain purchase options. All agreements contain a termination clause providing for cancellation after a six month written notice to lessors. It is expected that, in the normal course of business, most of these leases will be replaced by similar leases. Expenditures for rent under leases for the year ended June 30, 2021, amounted to approximately $74,735.

Construction Commitments

As of June 30, 2021, the District had approximately $23,514,982 million 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	$ 316,385	July 31, 2021
College of the Canyons - Science-Lecture Bldg. #1	656,600	July 31, 2021
College of the Canyons - Student Services Learning Resources Bldg. #2	20,555,988	February 28, 2022
ADA Transition Plan - Phase 1	6,500	July 31, 2021
Bloom Fuel Cell Project	5,100	July 31, 2021
Bonelli Hall Cooling Tower	88,330	October 1, 2021
Boykin Hall Modernization Phase 2	1,615,011	August 31, 2022
Tick Canyon Fire Clean Up	12,025	September 30, 2021
HVAC System Review	4,935	September 30, 2021
ADA Transition Plan - Phase 2	172,992	February 28, 2022
Parking Lot 7 Utilities	60,130	July 31, 2021
Founders Walk/Builders Wall	20,986	July 31, 2021
Total	$ 23,514,982	

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, 2021. Donated services are provided to the College of the Canyons Foundation per the master agreement. These services were valued at $939,569 and was recognized by the Foundation as of June 30, 2021.

Note 16 - Restatement of Prior Year Net Position

The District adopted GASB Statement No. 84, *Fiduciary Activities*, in the current year. As a result, the effect on the current fiscal year is as follows:

Primary Government	
Net Position (deficit) - Beginning	$ (50,094,236)
Inclusion of assets and liabilities of funds previously identified as fiduciary in nature from the adoption of GASB Statement No. 84	8,689,137
Net Position (deficit) - Beginning, as Restated	$ (41,405,099)

Fiduciary Funds	
Net Position - Beginning	$ 8,138,882
Exclusion of assets and liabilities of funds previously identified as fiduciary in nature from the adoption of GASB Statement No. 84	(8,138,882)
Net Position - Beginning, as Restated	$ -

Required Supplementary Information
June 30, 2021

Santa Clarita
Community College District

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	$ 872,725	$ 597,864	$ 436,238	$ 413,136
Interest	421,223	326,477	492,562	471,671
Changes of benefit terms	-	-	747,173	-
Difference between expected and actual experience	209,005	(20,174)	-	-
Experience gains/losses	-	-	(93,026)	-
Changes of assumptions	(1,284,364)	3,407,347	583,618	-
Benefit payments	(424,617)	(359,582)	(359,582)	(346,593)
Net change in total OPEB liability	(206,028)	3,951,932	1,806,983	538,214
Total OPEB Liability - Beginning	18,682,751	14,730,819	12,923,836	12,385,622
Total OPEB Liability - Ending	$ 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]
Total OPEB Liability as a Percentage of Covered Payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Measurement Date	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,	2021	2020	2019	2018
Proportion of the net OPEB liability	0.1135%	0.1146%	0.1115%	0.1049%
Proportionate share of the net OPEB liability	$ 480,893	$ 426,830	$ 426,876	$ 441,354
Covered payroll	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]
Plan fiduciary net position as a percentage of the total OPEB liability	-0.71%	-0.81%	-0.40%	0.01%
Measurement Date	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.

	2021	2020	2019	2018
CalSTRS				
Proportion of the net pension liability	0.0651%	0.0648%	0.0657%	0.0616%
Proportionate share of the net pension liability	$ 63,110,962	$ 58,517,112	$ 60,375,178	$ 56,994,059
State's proportionate share of the net pension liability associated with the District	32,533,709	31,924,991	34,567,613	33,717,204
Total	$ 95,644,671	$ 90,442,103	$ 94,942,791	$ 90,711,263
Covered payroll	$ 39,503,526	$ 38,629,263	$ 36,652,349	$ 32,921,367
Proportionate share of the net pension liability as a percentage of its covered payroll	159.76%	151.48%	164.72%	173.12%
Plan fiduciary net position as a percentage of the total pension liability	72%	73%	71%	69%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
CalPERS				
Proportion of the net pension liability	0.2346%	0.2297%	0.2153%	0.2153%
Proportionate share of the net pension liability	$ 71,990,579	$ 66,955,435	$ 57,407,934	$ 51,396,096
Covered payroll	$ 33,798,403	$ 31,869,068	$ 29,121,280	$ 28,198,934
Proportionate share of the net pension liability as a percentage of its covered payroll	213.00%	210.10%	197.13%	182.26%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	71%	72%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

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

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

	2021	2020	2019	2018
CalSTRS				
Contractually required contribution	$ 6,518,447	$ 6,755,103	$ 6,288,844	$ 5,288,934
Contributions in relation to the contractually required contribution	(6,518,447)	(6,755,103)	(6,288,844)	(5,288,934)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 40,361,901	$ 39,503,526	$ 38,629,263	$ 36,652,349
Contributions as a percentage of covered payroll	16.15%	17.10%	16.28%	14.43%
CalPERS				
Contractually required contribution	$ 6,873,356	$ 6,665,383	$ 5,756,191	$ 4,522,826
Contributions in relation to the contractually required contribution	(6,873,356)	(6,665,383)	(5,756,191)	(4,522,826)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 33,204,618	$ 33,798,403	$ 31,869,068	$ 29,121,280
Contributions as a percentage of covered payroll	20.700%	19.721%	18.062%	15.531%

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

	2017	2016	2015
CalSTRS			
Contractually required contribution	$ 4,141,508	$ 3,342,600	$ 2,259,336
Contributions in relation to the contractually required contribution	(4,141,508)	(3,342,600)	(2,259,336)
Contribution deficiency (excess)	$ -	$ -	$ -
Covered payroll	$ 32,921,367	$ 31,151,911	$ 25,442,973
Contributions as a percentage of covered payroll	12.58%	10.73%	8.88%
CalPERS			
Contractually required contribution	$ 3,916,268	$ 2,949,452	$ 2,564,182
Contributions in relation to the contractually required contribution	(3,916,268)	(2,949,452)	(2,564,182)
Contribution deficiency (excess)	$ -	$ -	$ -
Covered payroll	$ 28,198,934	$ 24,896,193	$ 21,783,893
Contributions as a percentage of covered payroll	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, the Plan's fiduciary net position, and the total OPEB liability. In the future, as data becomes available, ten years of information will be presented.

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

- *Changes of Assumptions* - The inflation rate changed from 2.75% to 2.50% and the discount rate changed from 2.20% to 2.16% 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 3.50% to 2.21% 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, 2021

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, 2021

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, 2021

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 Preside
Jim Schrage	Assistant Superintendent/Vice President, Facilities Planning, Ope
Eric Harnish	Vice President, Public Information, Advocacy, and External Relati
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
Michelle Rey, 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	$ 13,010
Passed through Los Angeles County Office of Education			
Forest Service Schools and Roads Cluster			
Forest Reserve	10.665	[1]	10,961
Subtotal Forest Service Schools and Roads Cluster			10,961
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	6,815
Subtotal SNAP Cluster			6,815
Total U.S. Department of Agriculture			30,786
Research and Development Cluster			
National Science Foundation			
Passed through Madison Area Technical College			
Center for Renewable Energy Advanced Technological Education Support Center (CREATE-SC)	47.076	1066934	28,094
CREATE: Resource Center Project	47.076	2000714	93,552
CREATE: Energy Storage Project (CREATE-ESP)	47.076	1800893	20,997
CREATE: SCADA Project	47.076	1901852	27,550
Passed through Mathematical Association of America			
Professional Development Emphasizing Data-Centered Resources and Pedagogies for Instructors of Undergraduate Introductory Statistics (StatPREP)	47.076	3-8-711-889	5,071
Passed through from Forsyth Technical Community College			
Skills for Biomedical Emerging Technology Applications	47.076	1800909	23,167
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	2,494
Promoting STEM Education at 2 Year Colleges	47.076		156,954
Subtotal Research and Development Cluster			357,879
Total National Science Foundation			357,879

[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 99765.2	$ 94,494
Small Business Development Centers	59.037	CN 99780.1	139,567
COVID-19: Small Business Development Centers CARES Act	59.037	CN 99785.3	258,241
Subtotal			492,302
Total Small Business Administration			492,302
U.S. Department of Veterans Affairs			
Veterans Outreach Program - Administration	64.117		6,336
Total U.S. Department of Veterans Affairs			6,336
U.S. Department of Education			
Student Financial Assistance Cluster			
Federal Pell Grant Program	84.063		12,363,641
Federal Pell Grant Program Administrative Allowance	84.063		17,715
Federal Direct Student Loans	84.268		1,315,345
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		618,898
Federal Work-Study Program	84.033		196,884
Federal Work-Study Program Administrative Allowance	84.033		54,385
Subtotal Student Financial Assistance Cluster			14,566,868
COVID-19: Higher Education Emergency Relief Funds, Student Aid Portion	84.425E		9,466,111
COVID-19: Higher Education Emergency Relief Funds, Institutional Portion	84.425F		3,402,983
COVID-19: Higher Education Emergency Relief Funds, Minority Serving Institution Portion	84.425L		456,100
Subtotal			13,325,194
Passed through California Community Colleges Chancellor's Office			
Career and Technical Education Act (CTEA), Title I, Part C	84.048A	19-C01-054	500,771
Passed through University Corporation (CSUN)			
Title III - Bridging the GAP: Enhancing AIMS2 for Student Success	84.031C	A17-0013-S001	71,601
Title V - Developing California's Workforce: Creating Pathways for Latino Transfer Students in High Demand Careers	84.031S	A17-0033-S002	108,178
Subtotal			179,779
Passed through West Hills Community College District			
Open Textbooks Program	84.116T	P116T20017	52,540
Total U.S. Department of Education			28,625,152

[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 Relief Fund	21.019	[1]	$ 705,033
Total U.S. Department of the Treasury			705,033
U.S. Department of Health and Human Services			
Passed through California Community Colleges Chancellor's Office			
Foster and Kinship Care Education	93.658	[1]	32,969
Child Care and Development Fund (CCDF) Cluster			
Passed through Yosemite Community College District			
Child Development Training Consortium	93.575	20-21-2888	13,798
Passed through California Department of Education			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	13609	24,773
Child Care and Development Block Grant	93.575	15136	12,087
Subtotal Child Care and Development Fund (CCDF) Cluster			50,658
Passed through California Community Colleges Chancellor's Office			
Temporary Assistance for Needy Families (TANF)	93.558	[1]	61,933
Passed through Los Angeles County Department of Social Services			
Temporary Assistance for Needy Families (TANF)	93.558	CCCP18011	62,250
Subtotal			124,183
Total U.S. Department of Health and Human Services			207,810
U.S. Department of Defense			
Passed through California Office of Planning and Research			
Cybersecurity Apprenticeships	12.617	OPR19108	38,481
Total U.S. Department of Defense			38,481
U.S. Department of Labor			
Passed through Los Rios Community College District			
Northern California Community College Apprenticeship Initiative	17.268	AP-27832-15-60-A-6	27,275
Passed through West Los Angeles College			
Growing Advanced Manufacturing Apprentices Across America (GAMAAA)	17.268	4500280538	120,416
Subtotal			147,691
Total U.S. Department of Labor			147,691
Total Federal Financial Assistance			$ 30,611,470

[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
California Adult Education Plan (CAEP) 19-20	316,842	-	-	-	316,842	316,842
California Adult Education Plan (CAEP) 20-21	409,769	-	-	280,965	128,804	128,804
Advanced Technology Center	97,203	158,650	-	32,300	223,553	252,553
Board Financial Assistance Program (BFAP)	534,132	-	-	-	534,132	521,642
Board Financial Assistance Program (BFAP) 2019-20	10,973	-	-	-	10,973	-
CACT	8,413	-	-	6,463	1,950	1,950
CA College Promise AB19 2021	1,629,942	-	-	-	1,629,942	1,048,168
CA College Promise AB19 1920	-	-	-	-	-	774,744
CA Virtual Campus Online Educ Initiative- 19-012	187,758	-	-	-	187,758	187,758
CA Virtual Campus Online Educ Initiative- Program Support	-	30,000	-	-	30,000	30,000
CA Virtual Campus Online Educ Initiative- 19-013	21,819	-	-	-	21,819	24,819
CA Work Opportunities and Responsibilities	360,421	-	-	-	360,421	262,873
CalFresh Immediate Action	39,086	-	-	39,086	-	-
Cal Grant	1,640,046	26,154	-	-	1,666,200	1,666,200
Campus Safety and Sexual Assault	24,289	-	-	-	24,289	6,727
Certified Nursing Assistant Program	22,616	-	-	-	22,616	22,616
Chancellor's Office Statistics Institute	31,510	29,284	-	-	60,794	60,794
Student Success Completion Grant	1,466,355	-	-	-	1,466,355	1,466,355
CCC eTranscript Mini Grant	1,244	-	-	1,244	-	-
Career Tech Educ- Data Unlocked	23,398	-	-	23,398	-	-
Child Development - Child Nutrition	558	98	-	-	656	656
Child Development - Foster Parent	47,675	-	-	-	47,675	47,675
Child Development - Foster Parent Carry Forward	4,292	-	-	-	4,292	4,292
Child Development - General Childcare and Dev Programs	107,269	4,802	-	-	112,071	112,071
Child Development - State Preschool Contract	304,403	-	-	-	304,403	304,403

Program	Program Revenues: Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue	Total Revenue	Program Expenditures
Closed Caption Grant - Distance Ed - Butte	$ 119,853	$ -	$ -	$ 119,853	$ -	$ -
Closed Caption Grant - Distance Ed - FY 19-20	529,710	-	-	-	529,710	529,710
Closed Caption Grant - Distance Ed - FY 20-21	600,000	121,561	-	-	721,561	721,561
COVID-19 Response Block Grant	983,422	-	-	401,713	581,709	581,709
Currently and Formerly Incarcerated Student Reentry Program	26,188	-	-	24,107	2,081	2,081
Cooperative Agency Res for Education (CARE)	91,427	-	-	-	91,427	54,018
Deputy Sector Navigator-Advanced Manufacturing FY 19-20	47,795	-	-	-	47,795	47,795
Deputy Sector Navigator-Advanced Manufacturing	200,000	-	-	31,752	168,248	168,248
Deputy Sector Navigator-Health FY 19-20	50,631	-	-	-	50,631	50,631
Deputy Sector Navigator-Health	200,000	-	-	39,229	160,771	160,771
Deputy Sector Navigator-Info Comm Tech FY 19-20	62,587	-	-	-	62,587	62,587
Deputy Sector Navigator-Info Comm Tech	200,000	-	-	48,109	151,891	151,891
Disabled Student Programs and Services	1,222,534	-	-	-	1,222,534	872,400
Disabled Student Programs and Services CF	-	-	-	-	-	27,989
Undocumented Resources Liaison	68,524	-	-	-	68,524	7,590
Early Action Emergency Financial Aid Assistance Immediate Action	1,083,537	-	-	-	1,083,537	1,083,537
Extended Opportunity Program and Services	725,233	-	-	-	725,233	616,015
Financial Aid Technology 18-19	64,279	-	-	-	64,279	64,279
Financial Aid Technology 19-20	180,408	-	-	-	180,408	111,251
Disaster Relief Emergency Student Financial Aid	138,348	-	-	-	138,348	138,348
Guided Pathways (Year 4 of 5)	150,732	-	-	150,732	-	-
Guided Pathways (Year 2 of 5)	239,159	-	-	2,340	236,819	236,819
Guided Pathways (Year 3 of 5)	376,830	-	-	337,116	39,714	39,714
Hunger Free Campus FY 19-20	54,586	-	-	-	54,586	54,586
Hunger Free Campus FY 18-19	19,357	-	-	-	19,357	19,357

	Program Revenues					
Program	Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue	Total Revenue	Program Expenditures
Institutional Support Services	$ 390,157	$ -	$ -	$ -	$ 390,157	$ 390,157
Institutional Support Services	13,026	-	-	-	13,026	-
Institutional Effectiveness and Technical Assistance Mini Grant	199,040	-	-	102,674	96,366	96,366
Institutional Effectiveness and Technical Assistance (Year 7)	3,000,000	-	-	16,369	2,983,631	2,983,631
Institutional Effectiveness and Technical Assistance Carry Forward (Year 6)	572,314	2,759,732	-	-	3,332,046	3,332,046
Institutional Equipment Support (Block Grant) 19-20	-	-	-	-	-	99,892
K-14 TAP Yr 1	75,005	-	-	-	75,005	75,005
K-14 TAP Yr 2	144,000	-	-	69,073	74,927	74,927
Mental Health Services Program #19-036-012	160,000	29,565	-	-	189,565	189,565
Mental Health Support	18,730	-	-	-	18,730	18,730
OER Textbook Affordability AB798 #2	37,396	-	-	37,194	202	202
Quality Start (QRIS) Preschool	19,968	-	-	5,968	14,000	14,000
Quality Start (QRIS) Infant Toddler	4,000	-	-	-	4,000	4,000
Quality Start (QRIS) Preschool #2	7,948	-	-	3,947	4,001	4,001
Quality Start (QRIS) Infant Toddler #2	9,563	-		2,000	7,563	7,563
SBDC - GO Biz (CN 99772.8)	22,574	-	-	-	22,574	22,574
SBDC - GO Biz (CN 99789.4)	-	145,931	-	-	145,931	145,931
SBDC - GO Biz (CN 99790.2)	-	99,350	-	-	99,350	99,350
SBDC - GO Biz (CN 99774.4)	99,517	-	-	-	99,517	99,517
Sector Navigator - Health	240,000	-	12,537	-	227,463	227,463
Sector Navigator - Health 2019-20	120,339	-	-	-	120,339	120,339
Song Brown Special Programs	-	61,778	-	-	61,778	61,778
Song Brown	1,824	41,451	-	-	43,275	43,275
Staff Development	65,111	-	-	-	65,111	-
Staff Diversity	50,000	-	-	-	50,000	37,351
Staff Diversity Carry Forward	5,891	-	-	-	5,891	1,877

Program	Program Revenues: Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue	Total Revenue	Program Expenditures
Strong Workforce Local Share	$ 1,714,501	$ -	$ -	$ 758,188	$ 956,313	$ 956,313
Strong Workforce Carry Forward	598,653	-	-	-	598,653	598,653
Strong Workforce Regional Share Round 4	1,528,452	-	-	1,179,996	348,456	348,456
Strong Workforce Regional Share Round 5	1,352,587	-	-	1,278,667	73,920	73,920
Strong Workforce Regional Share Round 3	506,371	-	-	320,517	185,854	185,854
Student Equity and Achievement Plan 2020-21	479,287	3,528,488	-	-	4,007,775	4,007,775
Student Equity and Achievement Plan 2019-20	1,183,211	-	-	-	1,183,211	1,183,211
Student Service Administration	3,240	-	-	-	3,240	3,240
Retention and Outreach Immediate Action	274,309	-	-	249,466	24,843	24,843
Student Success - Mesa Grant	-	24,213	-	-	24,213	24,215
Student Success - Mesa Grant CR	-	41,532	-	-	41,532	41,532
Student Success - Middle College HS (AOC)	-	108,599	-	-	108,599	108,599
Veterans' Resource Center (FY 19-20)	68,618	-	-	-	68,618	68,618
Veterans' Resource Center (FY20-21)	125,758	-	-	-	125,758	2,432
Veterans' Resource Center Grant	107,616	-	-	-	107,616	107,616
Veteran's Resource Program	68,070	-	-	65,606	2,464	2,464
Water Talks I	3,589	-	-	-	3,589	3,589
Water Talks II	-	1,252	-	-	1,252	1,252
Total state programs	$28,105,925	$ 7,212,440	$ 12,537	$ 5,628,072	$29,677,756	$ 29,047,058

CATEGORIES	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2020 only)			
1. Noncredit*	81.62	-	81.62
2. Credit	1,496.65	-	1,496.65
B. Summer Intersession (Summer 2021 - Prior to July 1, 2021)			
1. Noncredit*	18.41	-	18.41
2. Credit	117.04	-	117.04
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	4,329.62	-	4,329.62
(b) Daily Census Contact Hours	605.78	-	605.78
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit*	382.69	-	382.69
(b) Credit	571.05	-	571.05
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Procedure Courses	3,786.80	-	3,786.80
(b) Daily Census Procedure Courses	2,411.87	-	2,411.87
(c) Noncredit Independent Study/Distance Education Courses	198.42	-	198.42
D. Total FTES	13,999.95	-	13,999.95
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. In-Service Training Courses (FTES)	990.60	-	990.60
F. Basic Skills Courses and Immigrant Education			
1. Noncredit*	119.15	-	119.15
2. Credit	47.01	-	47.01
CCFS-320 Addendum			
CDCP Noncredit FTES	121.36	-	121.36
Centers FTES			
1. Noncredit*	7.99	-	7.99
2. Credit	1,133.99	-	1,133.99

*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	Reported	Audit	Revised	Reported	Audit	Revised
Academic Salaries							
Instructional Salaries							
Contract or Regular	1100	$ 18,701,400	$ -	$ 18,701,400	$ 18,829,259	$ -	$ 18,829,259
Other	1300	17,692,443	-	17,692,443	17,698,998	-	17,698,998
Total Instructional Salaries		36,393,843	-	36,393,843	36,528,257	-	36,528,257
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	6,301,420	-	6,301,420
Other	1400	-	-	-	1,575,626	-	1,575,626
Total Noninstructional Salaries		-	-	-	7,877,046	-	7,877,046
Total Academic Salaries		36,393,843	-	36,393,843	44,405,303	-	44,405,303
Classified Salaries							
Noninstructional Salaries							
Regular Status	2100	-	-	-	17,840,644	-	17,840,644
Other	2300	-	-	-	646,823	-	646,823
Total Noninstructional Salaries		-	-	-	18,487,467	-	18,487,467
Instructional Aides							
Regular Status	2200	1,464,687	-	1,464,687	1,473,092	-	1,473,092
Other	2400	539,121	-	539,121	562,131	-	562,131
Total Instructional Aides		2,003,808	-	2,003,808	2,035,223	-	2,035,223
Total Classified Salaries		2,003,808	-	2,003,808	20,522,690	-	20,522,690
Employee Benefits	3000	12,699,063	-	12,699,063	23,508,125	-	23,508,125
Supplies and Material	4000	-	-	-	538,309	-	538,309
Other Operating Expenses	5000	1,221,849	-	1,221,849	9,078,057	-	9,078,057
Equipment Replacement	6420	-	-	-	1,142,591	-	1,142,591
Total Expenditures Prior to Exclusions		52,318,563	-	52,318,563	99,195,075	-	99,195,075

See Note to Supplementary Information

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP	Reported	Audit	Revised	Reported	Audit	Revised
Exclusions							
Activities to Exclude							
Instructional Staff - Retirees' Benefits and Retirement Incentives	5900	$ 526,110	$ -	$ 526,110	$ 526,110	$ -	$ 526,110
Student Health Services Above Amount	6441	-	-	-	14,920	-	14,920
Student Transportation	6491	-	-	-	-	-	-
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	6740	-	-	-	557,520	-	557,520
Objects to Exclude							
Rents and Leases	5060	-	-	-	364,123	-	364,123
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	Reported	Audit	Revised	Reported	Audit	Revised
Other Operating Expenses and Services	5000	$ -	$ -	$ -	$ 2,958,295	$ -	$ 2,958,295
Capital Outlay	6000						
Library Books	6300	-	-	-	912	-	912
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	1,141,679	-	1,141,679
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	1,142,591	-	1,142,591
Total Capital Outlay							
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		526,110	-	526,110	5,563,559	-	5,563,559
Total for ECS 84362, 50 Percent Law		$ 51,792,453	$ -	$ 51,792,453	$ 93,631,516	$ -	$ 93,631,516
Percent of CEE (Instructional Salary Cost/Total CEE)		55.32%		55.32%	100.00%		100.00%
50% of Current Expense of Education					$ 46,815,758		$ 46,815,758

There were no adjustments to the Annual Financial and Budget Report (CCFS-311), which required reconciliation to the audited financial statements at June 30, 2021.

Activity Classification	Object Code				Unrestricted
EPA PRevenue:	8630				$ 27,207,721
Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	1000-5900	$ 27,207,721	$ -	$ -	$ 27,207,721
Total Expenditures for EPA		$ 27,207,721	$ -	$ -	$ 27,207,721
Revenues Less Expenditures					$ -

Amounts reported for governmental activities in the Statement of Net Position are different because		
Total fund balance		
General Funds	$ 14,098,824	
Special Revenue Funds	9,710,033	
Capital Project Funds	63,266,099	
Debt Service Funds	16,510,778	
Internal Service Funds	5,035,919	
Total fund balance - all District funds		$ 108,621,653
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	447,263,959	
Accumulated depreciation is	(115,824,809)	
Total capital assets, net		331,439,150
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	11,863,691	
Deferred outflows of resources related to OPEB	2,050,201	
Deferred outflows of resources related to pensions	30,743,407	
Total deferred outflows of resources		44,657,299
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.		(5,103,359)

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	$ (347,157,002)	
Certificates of participation	(8,088,807)	
Compensated absences	(4,142,793)	
Load banking	(275,646)	
Early retirement plan	(4,307,230)	
Aggregate net other postemployment benefits (OPEB) liability	(18,957,616)	
Aggregate net pension liability	(135,101,541)	
In addition, the District has issued 'capital appreciation' general obligation bonds. The accretion of interest unmatured on the general obligation bonds to date is	(13,653,439)	
Total long-term liabilities		$ (531,684,074)
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 pensions		(3,408,114)
Total net position		$ (55,477,445)

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, 2021. 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.

Donated Personal Protective Equipment (PPE) (unaudited)
Nonmonetary assistance of PPE received during the emergency period of the COVID-19 pandemic was $655,770 and is based on the estimated fair market value of the PPE received. The donated PPE was generally provided by donors without information about compliance or reporting requirements associated with federal financial assisting listings or CFDA Listing numbers. The donated PPE is not included in the schedule of expenditures of federal awards.

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.

Reconciliation of Annual Financial and Budget Report (CCFS-311) With Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Form CCFS-311 to the District's audited financial statements.

Proposition 30 Education Protection Account (EPA) Expenditure Report

This schedule provides information about the District's EPA revenues 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, 2021

Santa Clarita Community College District

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

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

We have audited, in accordance with the 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, 2021, 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 29, 2021.

Emphasis of Matter – Change in Accounting Principle
As discussed in Note 2 and Note 16 to the financial statements, the District adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which resulted in a restatement of net position as of July 1, 2020. Our opinion is not modified with respect to this matter.

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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

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 29, 2021

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
We have audited Santa Clarita Community College District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. 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.

Management's Responsibility
Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of *Federal Regulations Part* 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 29, 2021

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 2020-2021 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, 2021.

Management's Responsibility

Management is responsible for compliance with the state laws and regulations as identified in the table below.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of each of the District's state programs based on our audit of the types of compliance requirements referred in the table below. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the standards and procedures identified in the 2020-2021 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements listed in the table below has occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on state compliance. However, our audit does not provide a legal determination of the District's compliance.

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 and Non-CCAP)
Section 430	Scheduled Maintenance Program
Section 431	Gann Limit Calculation
Section 435	Open Enrollment
Section 444	Apprenticeship Related and Supplemental Instruction (RSI) Funds
Section 475	Disabled Student Programs and Services (DSPS)
Section 479	To Be Arranged Hours (TBA)
Section 490	Proposition 1D and 51 State Bond Funded Projects
Section 491	Education Protection Account Funds
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 District reports no attendance for classes with To Be Arranged (TBA) Hours for Apportionment Funding; therefore, the compliance test within this section were not applicable.

Unmodified Opinion
In our opinion, the District complied, in all material respects, with the compliance requirements referred to in the table above that are applicable to the state programs noted in the table above that were audited for the year ended June 30, 2021.

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the 2020-2021 California Community College Chancellor's Office *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Rancho Cucamonga, California
December 29, 2021

Schedule of Findings and Questioned Costs
June 30, 2021

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 Assistance Listing/ Federal CFDA Numb
Student Financial Assistance Cluster	84.007, 84.033, 84.063, 84.268
COVID-19: Higher Education Emergency Relief Funds, Student Aid Portion	84.425E
COVID-19: Higher Education Emergency Relief Funds, Institutional Portion	84.425F
COVID-19: Higher Education Emergency Relief Funds, Minority Serving Institutions Portion	84.425L

Dollar threshold used to distinguish between type A and type B programs:	$918,344
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.