Financial Statements
June 30, 2020

Santa Clarita Community College District

eidebailly.com

EideBailly®

Schedule of Findings and Questioned Costs

COLLEGE OF THE CANYONS

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

26455 Rockwell Canyon Road, Santa Clarita, California 91355 • (661) 259-7800 • www.canyons.edu

February 15, 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.

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 2019-2020 audit report, with no audit findings. An ***Unmodified Opinion*** is the best opinion that can be issued for an audit, i.e., "the financial statements present fairly, in all material aspects, the financial position of the business type activities of the district as of June 30, 2020." Since 2002, **97% or 81 of 83** 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 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 deal with:

- ✓ The State of California's lack of a funding mechanism for community college education; and
- ✓ Maintaining a strong financial position with adequate reserves.

It is important to note that we are, to date, one of only 12 college districts, out of 73, to return to, and then exceed, 2008 enrollment and funding levels.

OUR DILIGENCE ILLUSTRATES OUTCOMES

For the last **51 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 & Collaboration

Innovation is a core value for the College and the District. Faculty, staff, and students are welcomed to campus where they are not only challenged to take that 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:

- Were one of 70 community colleges to receive a $500,000 grant for **Online Career Education** to expand Career Technical Education (CTE) offerings and provide technical support and structural leadership to Open Educational Resources (OER) and Zero Textbook Cost (ZTC) grantees.
- Became the only community college selected to participate in the **Bringing Theory to Practice's (BTtoP) Partnerships for Listening and Action by Communities and Educators (PLACE)** initiative, a collaborative network of academic-community partnerships focused on civic-engagement and public-humanities work. The entire initiative is supported by a two-year, $800,000 grant from The Andrew W. Mellon Foundation to the Association of American Colleges and Universities (AAC&U).
- Received **$20,000** from the Greater Los Angeles New Car Dealer Association (GLANCDA) in support of the college's **Automotive Technology Program** allowing for the purchase of equipment, curriculum materials and supplies required to expand the hybrid vehicle training.
- Participated in the **Apprenticeship Initiative**, collaborating in the U.S. Department of Labor Growing Advanced Manufacturing Apprentices Across America (GAMAAA) program, which will prepare and place 5,000 workers into pre-apprenticeship and apprenticeship roles.
- Received approximately **$3.1 million** in the form of **CARES Act Emergency Grants**, which will go directly to students with needs related to the ongoing coronavirus (COVID-19) crisis.
- Led the way to seeing a change for the BRN to authorize 50% of clinical education to be taken in a simulated manner; and launched a faculty designed **telehealth program focused on providing mental health and self-care support** for Canyons Promise students. Nursing students, who provide information and support utilizing instructor-developed materials, can count the hours spend providing mental health services toward the training hours needed for their psychiatric nursing course.
- Offered more than 60 technology workshops in the **Summer Technology Institute** to attendees so they could expand their knowledge and acquire new skills related to technological advancement.
- Provided the **COC Summer Institute** for students entering grades six, seven or eight an alternative to traditional summer camps and an opportunity to consider a career path in areas including Photography, Robotics, Architecture, Forensics, Sun-Wind-Fire, MakerSpace, Windows Computer Apps, Automotive Technology, and Sports Medicine/ Rehabilitation.
- Received **$1.4 million**, an increase of nearly **$400,000** over last year, from district and regional allocations for the **Strong Workforce Program**.

- Received **$88,000** for the **Chancellor's Office Statistics Institute** to continue to provide professional development that supports mathematics faculty on how to better teach statistics, which directly relates to the implementation of AB705.
- Hosted a conference devoted to celebrating the success of the statewide **Zero Textbook Cost (ZTC) Degree** program which attracted 140 attendees from 43 colleges, the state Chancellor's Office, the CSU Chancellor's Office, the Michelson Foundation, the statewide Academic Senate, and the Online Education Initiative. Speakers included Nicole Allen, internationally recognized OER advocate; Hal Plotkin, former Special Advisor on Education for President Obama; and a panel of students.
- Received a one-year grant of **$40,000** to support COC's **RISE** program where funds provide expanded services to current/former foster youth.
- Hosted a statewide **Open Educational Resources (OER) Summit** for participants to learn about OER for career education.
- Continued to lead efforts to expand the use of Zero Textbook Cost (ZTC) materials, affordable alternatives to costly textbooks, which **saved our students more than $5 million in textbook costs.**
- Added **three new Associate Degree for Transfer (ADT) programs** – **Environmental Science, Hospitality Management, and Public Health Science** – to help students transfer to California State University campuses, bringing the total ADT offerings at COC to 31 programs.
- Offered the **first Pathways Professional Institute** this summer, with 36 employees completing all four sessions and becoming **Certified Pathways Professionals**.
- Received **$3 million** from the **South Coast Air Quality Management District** to help purchase and upgrade equipment with cleaner and energy efficient technologies.
- Received a **$260,000 Education Futures Grant** in support of our **TEACH program** to create a community of practice for increasing the number of teachers in the state.
- Secured a **$25,000** grant from Edison International for our **Fire Technology Program** to purchase valuable equipment used for interactive learning, including structural firefighter coats, helmets and axes.
- Received approval from the **US Department of Labor** to offer apprenticeships for **Medical Laboratory Technician and Certified Nursing Assistant**, which will enable us to collaborate with employers in developing a pipeline of talent to address these urgent workforce needs.
- Launched a mobile app to make personalized information convenient and available to students on their mobile devices.
- Secured **$898,434** of ongoing funding through **AB19 – California College Promise**, which will enable us to cover enrollment fees for an additional 500 first-time, full-time students, and encouraging persistence from Fall to Spring. Received two grants totaling $500,000 for **Open Educational Resources (OER)** through the **California Virtual Campus – Online Education Initiative**, which will enable us to expand online and OER for **Architecture, ECE, Surveying and Water,** and continue to **expand the leadership role** we have had with the **statewide Zero Textbook Cost program** since 2017.
- Received a **$49,000 Textbook Affordability Program Award** that will enable faculty to adopt high quality, free and open educational resources for course 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 **2020 graduating class** during the college's 50th annual commencement ceremony on June 5, 2020. The virtual event was truly unlike any other in the college's 50-year history.
    - The class of 2020 was comprised of **2,427 students who petitioned for graduation.**
    - The class represented **102 majors with 945 students graduating with two or more degrees, a 15.7% increase** from 2019.
    - The **average GPA for the class of 2020 was 3.19**: **Seven hundred and forty-six** (**746**) **students, or 30.1% graduated with honors** (3.5 or higher GPA)
    - **Eighty (80) students had a perfect 4.0 GPA and qualified as valedictorian, a 74% increase** from 2019.

  - Notably, there were **77 veteran graduates** in the class of 2020.
  - This year we were pleased to have **55 graduates from the school's Mathematics, Engineering and Science Achievement (MESA) program.**
  - In the 2020 class, **64.4% have completed at least one course at the college's Canyon Country campus**, which first opened in 2007.
  - Additionally, the 2020 graduating class included **85 COC student-athletes, with a combined GPA of 3.30**, who will be earning an associate degree or transferring to a four-year school.
- Admitted 732 students for the 2019-20 **College Promise** cohort which received 1,242 applications, a 151% increase in applicants since its launch in 2017.
- Congratulated interior design students in bringing the **fourth win in five years** in the **People's Choice Award at the International Interior Design Association's LA Haunt Couture** show.
- Welcomed COC's first organized Taiwanese delegation since 2014 to plan with the college's **International Services & Programs (ISP)** team to expand partner schools in Taiwan and China.
- Sent a team of students to NASA Wallops Flight Facility in Virginia for pre-flight testing and launch of its **NASA RockSatX Payload** which was envisioned and manufactured by COC students.
- Congratulated ten COC students who received $600 scholarships from the C**alifornia Space Grant Consortium** in recognition for their work on **NASA HASP and NASA's RockSatX**.
- Kicked off the first **International Forum on Youth** program with speakers from Egypt, Taiwan, Japan, and Algeria covering a wide range of topics and what they uniquely mean to this generation's youth.
- Celebrated the **COC Model United Nations (COCMUN)** attendance and outstanding performance in a competition at Santiago Canyon College and participation in the dynamic TrojanMUN conference.
- Hosted the **California State Fall Business Leadership Conference** organized by **COC Future Business Leaders of America (FBLA) – Phi Beta Lambda (PBL)** which gathered students from across the state to participate in workshops to enhance leadership and community skills, and to compete in business case analysis competitions.
- Won back-to-back state championships, the **Southern California Regional Championship and the Western State Conference Title** in Women's Golf.
- Celebrated as two of COC's award-winning choirs were among the eight choirs chosen to participate in the **American Choral Directors Association State Conference** in San Jose.
- Congratulated our Model UN Team, which was ranked in the **Top 50 MUN programs in the country,** their **fifth consecutive semester** to achieve that distinction, and again the only community college represented in the rankings.
- Welcomed a new cohort of 72 students from 21 countries to our **International Services and Programs** for Fall of 2020.
- Congratulated students Arturo Fernandez and Brenden Davis, who were selected for the 2019 Phi Theta Kappa All California Academic Team.
- Won the **2019 California Community College Athletic Association (CCCAA) State Championships** in both Men's and Women's Golf.
- Awarded a record setting **330 scholarships totaling $296,280 to 289 students**, at our Scholarship Awards Ceremony, a special event to honor the donors and connect them with the student recipients.

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:

- Hosted **Meet the Grant Makers**, which offered Santa Clarita Valley's non-profits an opportunity to learn how to improve their fundraising efforts and see their organizations thrive.
- Invited the community to a special **Homecoming Celebration** as part of College of the Canyons 50^{th} Anniversary year of service to the Santa Clarita Valley.
- Welcomed the community to the Canyon Country Campus for a special **20^{th} Star Party**, which coincided with the college's 50^{th} anniversary and Apollo 11's historic moon landing, where high-powered telescopes

provided by local astronomy clubs and our own Astronomy & Physics Club were available for the public to view the night sky.

- Received the **15th and largest contract of its kind** awarded to the college of **$749,760** for the **Employee Training Institute (ETI)** from the Employment Training Panel (ETP) to provide local companies with customized training programs that will include industry-recognized certifications, new skills and opportunities for employees to take their skills to the next level.
- Provided 70 Easter lunch **meals for first responders at Henry Mayo Newhall Hospital (HMNH) and L.A. County Fire Department (LACFD)** COVID-19 testing site in Santa Clarita. Funds were raised by COC classified staff, faculty administrators and Board of Trustees members for meals prepared by community vendors, Old Town Junction, Marston's and Bake in the Day.
- Launched a dedicated English as a Second Language (ESL) cohort of 14 **Stratasys Direct Manufacturing** employees to bring education directly to the workplace.
- Partnered with **William S. Hart Union High School District** to offer eight college classes at high school campuses during the regular school day to help prepare Hart District students for transfer or for career technical education.
- Launched the pilot class funded through a grant from Supervisor Kathryn Barger, **Ready to Work Academy,** for seven students from Carousel Ranch for certification-based courses in a variety of subjects offered to young adults with special needs.
- Partnered with **California Institute for the Arts (CalArts)** to launch a workforce training program for CalArts employees as part of the Computer Application and Web Technology (CAWT) courses.
- Hosted a **United Kingdom Delegation, the Association of Employment and Learning Providers (AELP)**, to discuss global trends in apprenticeship and workforce development, shared best practices and to foster an international partnership.
- Partnered with **Golden Valley High School to host the "Men of Tomorrow"** event for 40 Golden Valley High School juniors and seniors who were able to interact with business leaders in the community to discuss careers and life after graduation.
- Launched a second English as a Second Language (ESL) cohort for **McDonald's** employees to bring education directly to the workplace.
- Partnered with **Cardinal Health** through the Employee Training Institute (ETI) for a series of eight Career Skills Courses for Cardinal Health employees.
- Partnered with the **Santa Clarita Environmental Education Consortium (SCEEC)** to host the fifth annual **Green STEM Summit** where students had the opportunity to explore careers and had hands-on mentoring from industry, government and academic STEM professionals.
- Partnered with **Chic-fil-A** on numerous training programs for their employees.
- Opened the Basic Needs Center (BaNC) to help meets the needs of housing and food insecure students.
- Hosted the **2019 Media Day,** which connected more than 250 high school and college students with Hollywood directors, broadcast journalists and DreamWorks animators.
- Graduated 71 Sheriff's deputies from the **Los Angeles County Sheriff's Department Training Academy** hosted on our Valencia Campus.
- Established a new partnership with **Jobs for the Future**, becoming one of just a few community colleges to deliver curriculum designed by Google that will enable 25 students, primarily veterans, to take online courses, and earn an **IT Certification from Google**.
- Created a partnership that will offer college classes at our local high school campuses during the regular school day to help prepare students for transfer or for **career technical education**.
- Partnered with the **Sulphur Springs Union School District** to participate in a grant that resulted in **$878,343** award from the **California Department of Education** to provide K-6 students access to well-rounded educational opportunities, centered in science, technology, engineering, art and math (STEAM).

In addition to boosting economic development, we also built relevant and creative partnerships with entities on and off campus, which boosted 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.

Given 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 also is one of 12 members of the **Student Centered Funding Formula Oversight Committee** charged by the state Legislature with evaluating the current community college funding formula and recommending changes.

Also, Assistant Superintendent/Vice President of Business Services Sharlene Coleal is a member of the **Advisory Workgroup on Fiscal Affairs**, which is providing input to the California Community College's Chancellor's Office on the impact of the Student Centered Funding Formula.

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 2019-20 we:

- Issued the **second bond issuance of Measure E**, the Santa Clarita Community College District general obligation bonds, were sold in August 7, yielding $85 million to assist College of the Canyons in building out the Canyon Country campus and upgrading the Valencia campus.
- Began planning much-needed **renovations to Boykin Hall**, a 44-year old science laboratory facility on the Valencia Campus, thanks to the efforts of Senator Scott Wilk (R-Santa Clarita) and Assemblywoman Christy Smith (D-Santa Clarita). The $397,000 included in the state budget will fund preliminary plans and working drawings for the renovation project.
- Modernized the **West Physical Education Building**, which was built in the mid-1970s and houses the college's main gym, indoor pool, and locker rooms.
- Opened the **Valencia campus parking structure** on schedule for the start of the spring semester, providing 1,659 new spaces for students and employees, including 53 electric vehicle charging stations.
- Completed structural and aesthetic upgrades to the **Boykin Lecture Hall,** the college's oldest lecture hall, including new seating, updated audio-visual systems, and replacing 1970s-era wood paneling with fabric-wrapped acoustical panels.
- Continued 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.
- Submitted project plans for approval to the Department of State Architect to build the **Student Services/Learning Resources Center** adjacent to the Science Center at the Canyon Country Campus.
- Built a new **Central Plant** at the Canyon Country Campus to provide energy-efficient heating and cooling to permanent buildings planned for the campus.
- Completed *Phase I* of the **ADA Transition Plan and Barrier Removal** project, which included the installation of new push-button door locks on classrooms and labs that enable the rooms to be locked from the inside without a key.

Awards & Recognition

Our position as a leader among community colleges is illustrated in the external recognitions of our efforts in the 2019-20 fiscal year. We were:

- Recognized by *Washington Monthly* magazine, which ranked COC among the **"Best Two-Year Colleges for Adult Learners"** in the nation and **No.1 in Los Angeles County**.

- **Ranked nationally No. 22 and 25** in **The Hispanic Outlook in Higher Education Magazine** for enrolling the largest number of Hispanic students and granting the most degrees, respectively.
- Awarded **three Paragon Awards from the National Council for Marketing & Public Relations (NCMPR)** in recognition for the outstanding work of our **District Communications Office** which is comprised of 20 full-time and part-time staff in five departments: Public Information Office, Sports Information, Graphic Design Center, Reprographics Center, and Communications Center/Mailroom.
- Recognized as a **Champion of Higher Education** for the second year in a row for exemplary work in implementing the Associate Degree for Transfer (ADT) and dedicated leadership in working to ensure a strong transfer pathway.
- Recognized four times at the "**All In Challenge**" **Awards Ceremony** which acknowledged the work of over 1,000 two-year and four-year colleges and university campuses nationwide for improving college democratic engagement.
- Presented with the **15-Year Membership award** from LA Economic Development Corporation (EDC) Board of Governors.
- Recognized by the **South Bay Workforce Investment Board** for our **CNC Fast Track Program** cohort **achieving a 100% job placement rate**.
- Named by *Washington Monthly*, as one of **America's Best Colleges for Student Voting** for our efforts to increase voter participation among the student body.
- Highlighted by *EdSource* for the **trailblazing role we played in making major reforms in remedial education**, which led to the passage of AB705 and statewide adoption of many of our ideas.
- Recognized by the **Small Business Administration** with **"Excellence and Innovation Award 2019,"** for our efforts to support entrepreneurs and small businesses in the region.
- Awarded second place for **"Best Overall Magazine, Large Community Colleges, Pacific-Western Division of the U.S"** from the Community College Humanities Association (CCHA) for our **Cul-de-Sac literary magazine.**
- Honored with **nine Medallion Awards** by the National Council for Marketing & Public Relations (NCMPR) District 6 for our work in strategic communications.
- Awarded **"The Star Performer Innovation Award"** at the **Contract Education 2019 Summit** for launching the Uniquely Abled Academy, which provides job training for individuals with high-functioning autism and prepares them for work in advanced manufacturing.
- **Received** six awards from the Community College Public Relations Organization (CCPRO) recognizing the work of the college's **Public Information Office**
- Honored with the Santa Clarita Valley Chamber of Commerce's **2020 Lifetime Achievement Award**

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;
- ✓ Championing increased access for an increasingly diverse student base;
- ✓ 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. During our 50th anniversary, we are at a stage in the life of the College where 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);
- Finalizing the fundraising campaign for the **First Year Promise** program to extend it beyond the life of the grant; 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. Van Hook

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 and the aggregate remaining fund information of Santa Clarita Community College District (the District) as of and for the year ended June 30, 2020, 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 entity'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 entity'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.

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the District as of June 30, 2020 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis on pages 4 through 36 and other required supplementary schedules on pages 94 through 97 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 opinions on the financial statements that collectively comprise the District's financial statements. The accompanying supplementary information listed in the Table of Contents, including the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements.

The schedule of expenditures of federal awards and the other accompanying 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 accompanying supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 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
February 15, 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, with 2.1 million students attending. 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.

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 2019-20 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. What we thought would be a few weeks of online learning in March 2020 turned into a months-long absence of students and employees from our campuses – with no clear end in sight.

Once the shock wore off and reality set in, 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.

While the 2019-20 academic year did not deliver the anniversary celebrations we planned, it instead brought us something to be remembered and valued. What we saw, above all, was the character of our college revealed each and every day. **Determination. Resilience. Compassion. Ingenuity**. Those qualities came to the fore as we worked to meet the needs of our students and provide assistance to our community in this most unpredictable of years.

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, 2020. 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 2019-20 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 37 through 42.

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, 2020. The District's current actuarial accrued liability is $18.7 million. Although the District has set aside over $6.6 million towards this liability in a Retiree Benefits fund as of June 30, 2020, 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, 2020. 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
As of June 30, 2020

(Amounts in thousands)

	2020	2019	Change 2019-2020
ASSETS			
Current Assets			
Cash and investments	$ 123,582	$ 67,819	$ 55,763
Accounts receivable	24,841	12,828	12,012
Other current assets	1,339	2,863	(1,525)
Total Current Assets	149,762	83,511	66,251
Capital Assets (net)	321,270	305,789	15,481
Total Assets	471,032	389,300	81,732
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	7,965	5,290	2,675
Deferred outflows of resources related to pensions	34,374	35,339	(965)
Deferred outflows of resources related to OPEB	3,504	522	2,983
Total Assets and Deferred Outflows	$ 516,875	$ 430,450	$ 86,426
LIABILITIES			
Current Liabilities			
Accounts payable and accrued interest payable	$ 29,364	$ 22,093	$ 7,271
Unearned revenue	7,190	7,526	(336)
Current portion of long-term obligations	8,034	11,572	(3,538)
Total Current Liabilities	44,588	41,192	3,397
Long-Term Obligations	516,464	419,292	97,172
Total Liabilities	561,052	460,483	100,569
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	5,826	4,705	1,120
Deferred inflows of resources related to OPEB	91	83	8
Total Liabilities and Deferred Inflows	566,969	465,272	101,697
NET POSITION			
Net investment in capital assets	79,932	50,981	28,952
Restricted	15,917	17,037	(1,120)
Unrestricted	(145,943)	(102,840)	(43,103)
Total Net Position	(50,094)	(34,822)	(15,272)
Total Liabilities, Net Position, and Deferred Inflows	$ 516,875	$ 430,450	$ 86,426

Current Assets

The District's Total Current Assets at June 30, 2020 were valued at $149.8 million. Total current assets include investments of cash held in the Los Angeles County Treasury for future expenditures for operations and construction projects. It also includes accounts receivable for pending revenue receipts such as State Apportionment and grant/categorical revenues to be received in the next fiscal year. Total current assets also include prepaid items.

Noncurrent (Capital) Assets

Total Noncurrent (Capital) Assets include non-depreciable capital assets and depreciable capital assets valued at original cost net of accumulated depreciation. The District's Total Noncurrent Assets at June 30, 2020 were $321.3 million, which included land, site improvements, buildings and improvements, and equipment.

Deferred Outflows of Resources

Deferred Outflows of Resources include the costs of issuance related to General Obligation Refunding Bonds that were fully expensed when the bonds were issued, **but for financial statement purposes the costs are amortized over the life of the debt**, and deferred outflows of resources related to pensions. The District's Total Deferred Outflows of Resources at June 30, 2020 were valued at $45.8 million and increases the net worth of the District.

Total Assets and Deferred Outflows

Total Assets and Deferred Outflows at June 30, 2020 of $516.9 million reflected an **increase of $86.4 million** from June 30, 2019. This increase can be analyzed as follows:

- $55.8 million **increase** in cash and investments in the LA County Treasury was attributable to increased cash balances in funds for Measure E General Obligation Bonds. Measure E funds were approved for construction projects which includes the Canyon Country Campus Science Building, Student Services Learning Resources Building and the Central Plant.

- $12.0 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.

- ($1.5) million **decrease** in other current assets (prepaid expenses) was attributable to a decrease in the numbers of vendors requiring pre-payment of software licensing costs attributable to the 2020-21 fiscal year. Another main factor for the decrease was for the pre-payment of 2017 Refunding COP Lease from the Debt Service Fund in 2018-19 that was not prepaid in 2019-20.

- $15.5 million **increase** in capital assets was attributable to new construction and equipment, which increased fixed assets by $24.2 million, offset by the decrease in depreciation expense for the fiscal year of $8.7 million.

- $2.6 million **increase** in the outstanding value of deferred charges on refunding. This increase is the result of the issuance of the 2019 General Obligation Refunding Bonds in November. 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 and are amortized to interest expense over the life of the liability.

- $2.0 million **increase** in deferred outflows based on the actuarial study the District will be required to pay out more 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, which greatly increased our liability and deferred outflows. 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 $37.9 million at June 30, 2020, an increase of $2 million from the $35.9 million reported at June 30, 2019, and consisted of entries for:
        - The District's pension contributions after the date of the latest available actuarial study, which is June 30, 2020.
        - 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.

Total Current Liabilities

Total Current Liabilities consisted of accounts payable and accrued interest payable, unearned (deferred) revenue, and the current portion (due within one year) of accrued compensated absences (earned vacation, compensatory time off, and faculty load banking) and debt obligations (General Obligation Bonds, Certificates of Participation, Early Retirement Incentives, and net Other Postemployment Benefits obligations). The District's Total Current Liabilities at June 30, 2020 were $44.6 million.

Total Noncurrent Liabilities (Long-Term Obligations)

Total Noncurrent Liabilities represented the long-term portion (due beyond one year) of accrued compensated absences (earned vacation, compensatory time off, and faculty load banking) and debt obligations (General Obligation Bonds, Certificates of Participation, Early Retirement Incentives, and net Other Postemployment Benefits obligations), and totaled $516.5 million at June 30, 2020.

Total Liabilities and Deferred Inflows

Total Liabilities and Deferred Inflows at June 30, 2020 of $567.0 million reflected an **increase of $101.7 million** from June 30, 2019. This decrease can be attributable to the following:

- $7.3 million **increase** in accounts payable and accrued interest payable. The increase of $6.4

million is primarily due to accounts payable for construction and retention holdings, Financial Aid disbursements to students which include funding from the CARES Act, and Educational Protection Act (EPA) Funding which was offset by a higher receivable from the State General Fund for Apportionment. An increase of $0.9 million is due to the value of accrued interest payable (un-matured interest on General Obligation Bonds).

- ($0.3) million **decrease** in deferred revenue mainly due to decreased deferred revenue for the Performing Arts Center Fund for 2020-21 as the season was put on hold due to COVID-19.

- ($3.6) million **decrease** in current portion of long-term obligations other than pensions due to the 2019 General Obligation Refunding Bonds.

- $97.2 million **increase** in the District's Long-Term Obligations.
    - $7.6 million increase for the Aggregate Net Pension Obligation, from $117.8 million to $125.5 million (STRS decreased from $60.4 million to $58.5 million, a $1.9 million decrease and PERS increased from $57.5 million to $67.0 million, a $9.5 million increase).
    - $82.1 million increase in Long-Term Liabilities other than OPEB and pensions $81.0 million increase in General Obligation Bonds, Unamortized Premiums and Certificate of Participation; $0.3 million in Early Retirement; and $0.8 million in Compensated Absences/Load Banking.
    - $7.5 million increase in OPEB Liability.

- $1.1 million **increase** in deferred inflows of resources due to higher 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.

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.

Total Net Position

The District's Total Net Position at June 30, 2020 was ($50.1) 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 ($50,094,236):

- **$50,070,315** in **Net Investment in Capital Assets**. This category includes the General Obligation Bond fund with an ending fund balance of $80,052,177 (Fund 45). GASB 35 manual entries are then applied as follows: **Add** the value of capital assets based on acquisition cost of $428,646,757, **deduct** accumulated depreciation of $107,376,820, **add** the value of debt issuance expenses (costs of issuance) amortized over the life of the debt of $7,964,967, **deduct** related debt (General Obligation Bond debt, Certificates of Participation, and notes payable) of $359,216,766.

- **$9,261,462** 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 – $13,986,305) and the second for all other debt repayment (Fund 29 - $402,718) for a total of $14,389,023. GASB 35 manual entries are then applied as follows: **Deduct** un-matured interest on long-term obligations of $5,127,561. 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.

- **$3,467,891** in **Assets Restricted for Capital Projects Expenditures**. This amount represents the ending fund balances in the District's capital funds (Fund 41 - $24, Fund 43 - $3,098,381, Fund 44 - $4,904, and Fund 49 - $364,582) as of June 30, 2020 - except the General Obligation Bond Fund.

- **$2,544,597** 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.

- **$642,659** in **Assets Restricted for Other Activities**. This amount represents the ending fund balance of the Student Center Remodel fund (Fund 39), which holds the student approved Student Center Fee income that comes from students fees assessed at $1.00 per unit until it is needed to pay debt service on the Student Center Remodel Project.

- **($116,081,160)** 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, 32, 33, 37, 57, 58, 59, 68, and 74) of $16,586,856.

  GASB 35 manual entries are then applied as follows: **Deduct** other District liabilities from early retirement incentives, compensated absences, and Net OPEB obligation of $25,865,655 **deduct** general obligation bond capital appreciation bond accreted interest to date of $13,291,397, and **deduct** the District's share of STRS and PERS aggregate net pension obligations and related adjustments of $93,510,964. 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 2014-15 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, 2020

(Amounts in thousands)

	2020	2019	Change 2019-2020
Operating Revenues			
Tuition and fees, net	$ 13,039	$ 13,847	$ (808)
Federal, State, and Local grants and contracts	34,998	34,500	498
Total Operating Revenues	48,037	48,347	(310)
Operating Expenses			
Salaries and benefits	133,430	130,489	2,940
Supplies, maintenance, and other expenses	52,360	50,371	1,989
Depreciation	9,117	9,024	93
Total Operating Expenses	194,906	189,884	5,023
Loss on Operations	(146,870)	(141,536)	(5,333)
Nonoperating Revenues			
State apportionments	66,148	64,768	1,380
Property taxes	28,816	27,567	1,250
Taxes levied for other specific purposes	13,019	17,271	(4,251)
Grants and contracts	22,237	18,116	4,121
State revenues	4,154	4,583	(429)
Net interest expense	(11,151)	(10,677)	(474)
Investment income	1,927	1,514	414
Other nonoperating revenues and transfers	2,192	2,744	(551)
Total Nonoperating Revenue	127,342	125,884	1,458
Other Revenues and (Losses)			
State and local capital income	4,300	5,776	(1,476)
Loss on disposal of capital assets	(45)	(151)	106
Total Other Revenues and (Losses)	4,255	5,625	(1,369)
Net Change in Net Position	$ (15,272)	$ (10,028)	$ (5,244)

STATEMENT OF CASH FLOWS - GOVERNMENT-WIDE
For the Year Ended June 30, 2020

(Amounts in thousands)

	2020	2019	Change 2019-2020
Cash From			
Operating activities	$ (119,590)	$ (132,072)	$ 12,481
Noncapital financing activities	112,789	118,582	(5,794)
Capital financing activities	60,898	(39,502)	100,400
Investing activities	1,667	1,300	367
Net Change in Cash	55,763	(51,691)	107,454
Cash, Beginning of Year	67,819	119,510	(51,691)
Cash, End of Year	$ 123,582	$ 67,819	$ 55,763

FUNCTIONAL EXPENSES CLASSIFICATION
For the Year Ended June 30, 2020

The District's operating expenses by functional classification for the fiscal year ended June 30, 2020, are:

(Amounts in thousands)

	Salaries and Benefits	Operation and Maintenance of Plant	Supplies, Material, and Other Expenses and Services	Equipment Maintenance and Repairs	Depreciation	Total
Instructional activities	$ 73,986	$ 3,639	$ 9,962	$ 810	$ 3,606	$ 92,003
Academic support	$ 5,192	$ 294	$ 234	$ 166	$ 306	$ 6,193
Student services	$ 16,341	$ 793	$ 1,300	$ 170	$ 767	$ 19,370
Community services and economic development	$ 5,079	$ 396	$ 619	$ 0	$ 345	$ 6,439
Institutional support	$ 16,614	$ 1,776	$ 9,526	$ 1,937	$ 1,386	$ 31,238
Plant operations and maintenance	$ 4,385	-$ 7,494	$ 3,056	$ 54	$ 0	$ 0
Ancillary services and auxiliary operations	$ 10,161	$ 596	$ 1,079	$ 63	$ 582	$ 12,482
Student Aid	$ 0	$ 0	$ 22,388	$ 0	$ 0	$ 22,388
Physical property and related acquisitions	$ 1,672	$ 0	$ 895	$ 102	$ 2,124	$ 4,794
Total	$ 133,430	$ 0	$ 49,058	$ 3,302	$ 9,117	$ 194,906

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 2017-18
In 2017-18, 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 2018-19
In 2018-19 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 2017-18 Total Computational Revenue (TCR) plus 2018-19 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 2017-18 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.

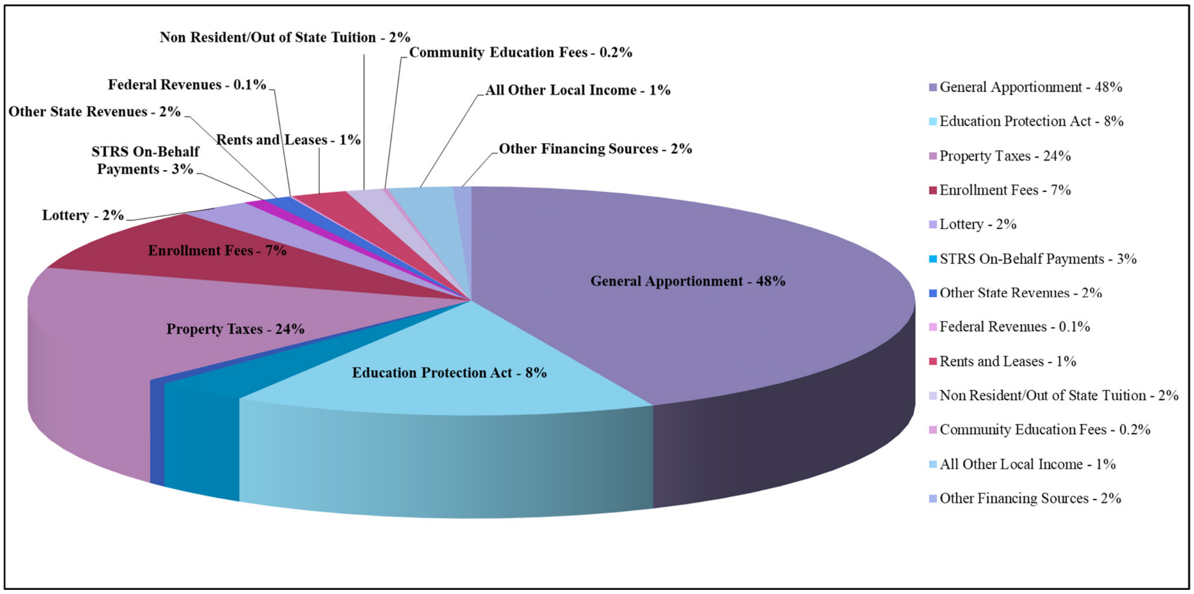
Fiscal Year 2019-20
In 2019-20 the District received apportionment funding based on the SCFF formula while using the Emergency Conditions Allowance provided by the State. This allowed the District to be funded based on the 2019-20 P1 when calculating apportionment revenue using the SCFF, 2019-20 FTES at that date and Supplemental and Success metrics as of 2018-19.

Unrestricted General Fund Revenues by Major Category – 3 Year History

	2017-18	2018-19	2019-20
General Apportionment (Includes Access and COLA funding from Prior Year)	$ 45,119,614	$ 47,011,556	$ 56,003,434
Education Protection Act	$ 12,620,789	$ 15,103,406	$ 9,026,369
Property Taxes	$ 25,532,298	$ 26,311,235	$ 27,873,249
Enrollment Fees	$ 8,483,380	$ 8,407,045	$ 8,229,456
Lottery	$ 2,736,034	$ 2,810,496	$ 2,627,316
STRS On-Behalf Payments	$ 2,440,674	$ 2,523,891	$ 3,920,713
Other State Revenues	$ 1,255,301	$ 2,758,999	$ 1,969,058
Federal Revenues	$ 131,262	$ 174,282	$ 141,140
Rents and Leases	$ 1,722,650	$ 1,841,865	$ 1,207,655
Non Resident/Out of State Tuition	$ 2,008,165	$ 2,386,958	$ 2,322,267
Community Education Fees	$ 149,146	$ 195,814	$ 181,465
All Other Local Income	$ 2,163,915	$ 2,287,285	$ 1,634,331
Other Financing Sources	$ 630,886	$ 1,033,744	$ 2,322,441
Total Revenue	**$ 107,786,009**	**$ 112,846,576**	**$ 117,458,894**
	3% Increase	**5% Increase**	**4% Increase**

The below chart provides a visual summary of the sources of revenue received by major category in 2019-20, and illustrates that State General Apportionment, Property Taxes, and Student Enrollment Fees accounted for 78% of the District's Unrestricted General Fund Revenues. The Education Protection Act, which is temporary funding expiring in 2030, represents 8% of the District's Unrestricted General Fund Revenues. The remaining 14% 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 – 2019-20



Unrestricted General Fund Revenues for 2019-20 as Compared to 2018-19

Revenues and other financing sources in the Unrestricted General Fund totaled $117,458,894 in fiscal year 2019-20. **This was an increase of $4,612,318 over the prior year's revenues** or a 4% increase. The reason for the increase over prior year is due mainly to increases in Total Computational Revenue for General Apportionment from the Student Centered Funding Formula, offset by a reduction in Prior Year one-time adjustments when compared to 2018-19. The following factors make up this increase in unrestricted revenue:

- **Apportionment Funding from State General Apportionment, Education Protection Act, Property Taxes, and Enrollment Fees Increased by $4,299,266. The main factors contributing to this increase were:**
    - **$4,124,642 Revenue Increase – Total Computational Revenue for Apportionment**
        - The District received a Total Computational Revenue for Apportionment increase of $4 million from the 2018-19 Total Computational Revenue of $97 million. This increase is due to the district receiving the minimum revenue increase from the State during the transition into the new Student Centered Funding Formula in 2018-19 and the District aligning its metrics in 2019-20 to maximize funding along with submitting the State's Emergency Conditions Allowance to hold FTES at a Pre-COVID-19 level for 2019-20.
    - **$174,624 Revenue Increase – Prior Year Apportionment Adjustments**
        - **$494,924 Increase** - 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.
        - **($320,300) Decrease** - In 2019-20 prior year adjustment decreased because there was an adjustment during recalculation of the 2018-19 apportionment.

- **Unrestricted Lottery Revenues Decreased by ($183,181):**
    - **($183,181) Revenue Decrease - 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 decreased in 2019-20 providing less lottery funding.
            - For unrestricted Non-Prop 20 revenue, the rate decreased from $163.73 in 2018-19 to $148.78 in 2019-20.
            - For restricted Prop 20 revenue, the rate decreased from $65.91 in 2018-19 to $48.41 in 2019-20.

- **STRS On-Behalf Revenue and Payments Increased by $1,396,822:**
    - **$1,396,822 Revenue Increase – STRS On-Behalf Payments Made By State of CA**
        - The CalSTRS retirement system is funded from employer, employee, and State "On-Behalf" payments.

- New accounting requirements issued by the State Chancellor's Office in response to GASB 68 require Districts to reflect the value of the State's "On-Behalf" payments to CalSTRS in their governmental funds.
- Prior to 2015-16, 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 2015-16, the Unrestricted General Fund has a new revenue and offsetting equal expense for the State's contribution to CalSTRS.

- **Other State Revenues Decreased by ($789,940):**

  - **($589,022) Revenue Decrease – Prior Year One-Time Apportionment Allocation**
    - For fiscal year 2019-20, the State Chancellor's Office did not allocate additional one-time apportionment.
    - The one-time apportionment allocated in 2018-19 was funding identified for fiscal year 2015-16.

  - **$8,724 Revenue Increase – 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 2019-20 the District participated (for the eighth year) in the State Mandated Cost Block Grant program which provides $28 per FTES in funding in lieu of filing mandate claims. Due to higher FTES in 2019-20 as compared to 2018-19, the District's allocation increased from $487,552 to $496,276.

  - **($18,663) Revenue Decrease – 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 2019-20 due to the decreased number of students approved for the waivers.

  - **$1,604 Revenue Increase – Part-Time Faculty Allocation**
    - The District receives an annual 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.

  - **($196,189) Revenue Decrease – 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 2019-20, the District claimed $512,873 in Part-Time Faculty Office Hours paid and received $205,080, which is about 40% of the claim.

- **$3,606 Revenue Increase – Unemployment Insurance Administration**
  - In the academic year of 2019-20, the District received additional funding 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 ($33,142):**
  - **($42,318) Revenue Decrease – 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 2015-16, the audit concluded and the Federal Government had resumed making payments for this program.
  - **$4,048 Revenue Increase – 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 2004-05 when the District began participating. The program is administered by the LA County Office of Education.
  - **($225) Revenue Decrease – Veterans' Education**
    - The District Receives Federal Revenue for Veterans' Education and the allocation varies from year to year.
  - **$5,353 Revenue Increase - Financial Aid Administrative Allowances**
    - The District receives allowances for administering financial aid, and these allowances increase as the number of students receiving financial aid increase.

- **Rents and Leases Revenue Decreased by ($634,210) over prior year revenue:**
  - **($600,437) Revenue Decrease - Facility Use Fees**
    - Facility Use revenue decreased significantly as compared to a year ago due to reduced activity as a result of COVID-19. 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.
  - **($33,773) Revenue Decrease - Bookstore Rental Income**
    - Bookstore sales commissions decreased due to reduced activity as a result of COVID-19. Faculty transitioned to classrooms utilizing more online resource materials and the "no cost" options such as Open Educational Resources as an alternative to traditional textbook sales and rentals.

- **Non Resident/Out of State Tuition Decreased by ($64,691):**

  - **($11,455) Revenue Decrease - 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.

  - **($53,236) Revenue Decrease - 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, less out of state students were enrolled for 2019-20.

- **Community Education Revenue Decreased by ($14,349):**

  - **($14,349) Revenue Decrease – Community Education**
    - Community Education revenue is established on a fee for service basis for the types of programs offered.

- **All Other Local Revenue Decreased by ($652,955):**

  - **($652,955) Revenue Decrease – All Other Local Revenues**
    The District's miscellaneous revenues decreased from the previous year as noted below:
    - **($92,299) Decrease** - Interest earned on the Unrestricted General Fund cash balance decreased as the County Treasury paid a lower interest percentage.
    - **$13,514 Increase** - Support from the COC Foundation increased from the previous year as more faculty and staff drew funds from Foundation resources.
    - **($574,170) Decrease** - Miscellaneous 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 Increased by $1,288,698:**

  - **$1,288,698 Revenue Increase – Other Financing Sources**
    - Other Financing Sources represent transfers from other District funds into the Unrestricted General Fund. This revenue source increased in 2019-20 mainly due to the transferring of $1.5 million from the STRS/PERS liability fund as compared to $350,000 in 2018-19 to cover increased costs of STRS and PERS.

EXPENDITURES

HISTORY OF UNRESTRICTED GENERAL FUND EXPENDITURES

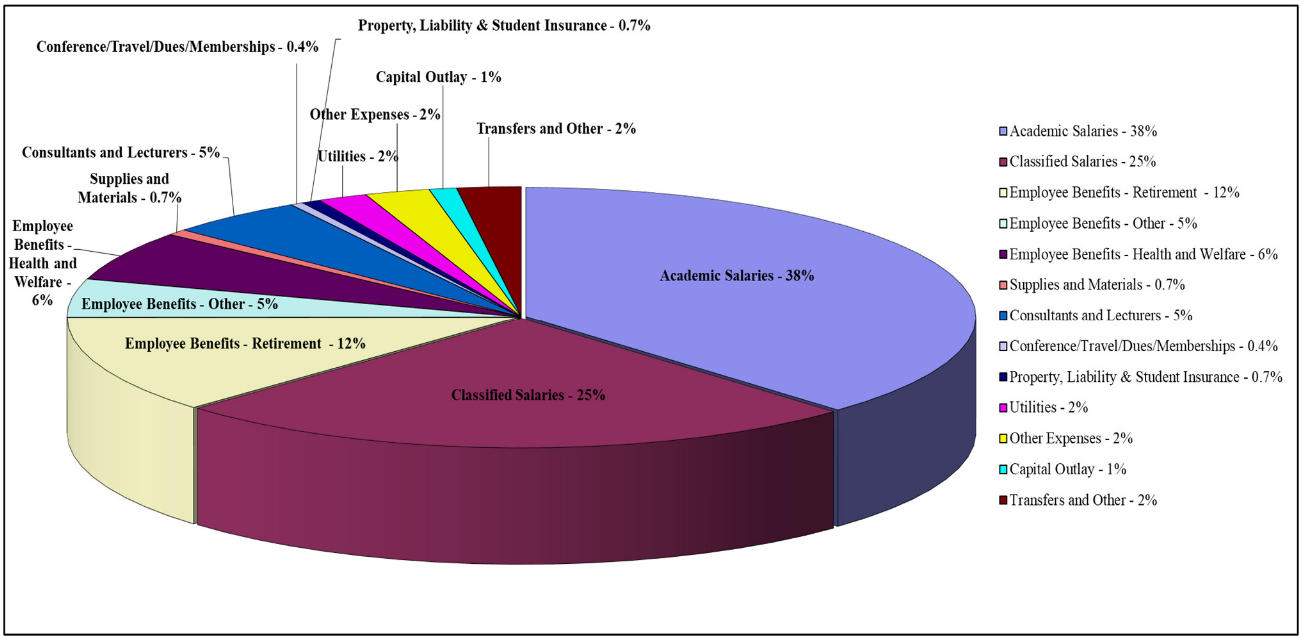
Expenditures associated with the instructional operations and related supporting activities of the District are recorded in the Unrestricted General Fund. In addition, expenditures resulting from Unrestricted General Fund resources being moved to other funds through interfund transfers are recorded here. The following chart summarizes the Unrestricted General Fund expenses by major category and provides a comparison of the last three years. It illustrates how the District's expenditures increased in 2018-19 and 2019-20 as the State provided additional on-going and one-time funding.

Unrestricted General Fund Expenditures by Major Category - 3 Year History

		2017-18		2018-19		2019-20
Academic Salaries	$	42,400,074	$	43,925,153	$	44,386,084
Classified Salaries	$	26,068,290	$	27,804,322	$	29,230,537
Employee Benefits - Retirement	$	10,362,219	$	12,051,261	$	14,327,917
Employee Benefits - Other	$	5,225,788	$	5,463,914	$	5,569,393
Employee Benefits - Health and Welfare	$	7,034,255	$	7,258,054	$	7,260,251
Supplies and Materials	$	808,176	$	899,327	$	836,803
Consultants and Lecturers	$	5,067,096	$	5,581,633	$	5,750,812
Conference/Travel/Dues/Memberships	$	641,169	$	646,035	$	524,316
Property, Liability & Student Insurance	$	733,434	$	711,958	$	792,676
Utilities	$	2,331,417	$	2,216,701	$	2,069,138
Other Expenses	$	2,756,402	$	3,561,341	$	2,723,450
Capital Outlay	$	1,140,286	$	1,178,142	$	1,140,419
Transfers and Other	$	2,988,277	$	1,176,246	$	2,693,869
Total Expenses	**$**	**107,556,883**	**$**	**112,474,087**	**$**	**117,305,665**
		3.5% Increase		**4.6% Increase**		**4.3 % Increase**

The following chart provides a visual summary of the expenditures by type made in 2019-20, and shows that salaries and fringe benefits totaled 86% of all Unrestricted General Fund expenditures, which is average.

Unrestricted General Fund Expenditures by Major Category – 2019-20



Unrestricted General Fund Expenditures for 2019-20 as Compared to 2018-19

Expenditures and other financing uses in the Unrestricted General Fund totaled **$117,305,665** in fiscal year 2019-20. This is an **increase** of $4,831,578 over the prior year's expenditures. The following factors make up the increase in unrestricted expenditures:

- **Employee Salaries Increased by $1,887,146:**
  - Employee salaries increased due to several factors:
    - **Full Time Faculty and Staff** expenses increased as the District added approximately 5 new permanent positions.
    - **Contractually obligated step and column increases** for faculty and staff, and **negotiated increases** for groups whose collective bargaining increases were confirmed before the 2019-20 books were closed also contributed to the increased expenses. Costs associated with 2019-20 negotiations not yet completed before the books were closed will be reflected in the 2020-21 fiscal year.

- **Employee Fringe Benefits Increased by $2,384,332:**

  - Employee fringe benefit costs increased due to several factors:
    - District contribution rates for STRS and PERS retirement plans increased (STRS from 16.28% in 2018-19 to 17.10% in 2019-20 and PERS from 18.06% in 2018-19 to 19.72% in 2019-20).
      - Statutory increases to STRS rates were part of the 2014-15 State Budget Legislation, and impose increases to the District contribution rate through 2020-21.
      - PERS increases are determined by a statewide board and are based on an actuarial study and interest rate projections.
    - Beginning in 2015-16, 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 ($919,800):**

  - **($62,524) Expense Decrease - Supplies and Materials**
    - In 2019-20 the expenses decreased mainly in non-instructional supplies and supply inventories due to remote operations as a result of COVID-19.

  - **$169,179 Expense Increase - Consultants, Lecturers, and Instructional Contracts**
    Contracted services expenses increased mainly due to costs related to the District's Instructional Service Agreement (ISA) Public Safety classes, which exceeded original FTES and expense estimates and produced additional FTES.

  - **($121,719) Expense Decrease - Conference/Travel/Dues/Memberships**
    Conference, Field Trip, and Membership expenses decreased due to less activity as a result of COVID-19. There were various departments attending less conferences and trainings, taking students on field trips, and exploring new professional memberships.

  - **$80,718 Expense Increase - Property, Liability, and Student Insurance**
    Insurance premiums increased for property and liability insurance coverage.

  - **($147,563) Expense Decrease - Utilities**
    Utility costs decreased as the District experienced lower usage mainly in natural gas as a result of COVID-19.

  - **($837,891) Expense Decrease - Other Operating Expenses**
    Due to COVID-19 other expenses decreased mainly in categories such as equipment rental/leases, maintenance/repairs and advertising/printing. Legal services, software licensing, and Public Election costs have also decreased. In 2019-20, the District did not have a Public Election expense as the District is required to pay costs for public elections every other year.

- **Capital Outlay Decreased by ($37,723):**
  - Capital outlay expenses decreased in 2019-20 mainly due to less new equipment purchased for the various departments.

- **Transfers and Other Disbursements Increased by $1,517,623:**
  - Interfund transfers are processed annually to move Unrestricted General Fund dollars to other designated funds for specific uses. Interfund transfers increased in 2019-20 from 2018-19 due to the following factors:
    - $0.5 million increase in the transfer to the Child Development Center for lost revenue due to COVID-19.
    - $0.5 million increase in the transfer to the Parking fund for lost revenue due to COVID-19.
    - $0.5 million increase in the transfer to Debt Service fund on 2006 COP Refinanced as in 2018-2019 this was prepaid.

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 8%.

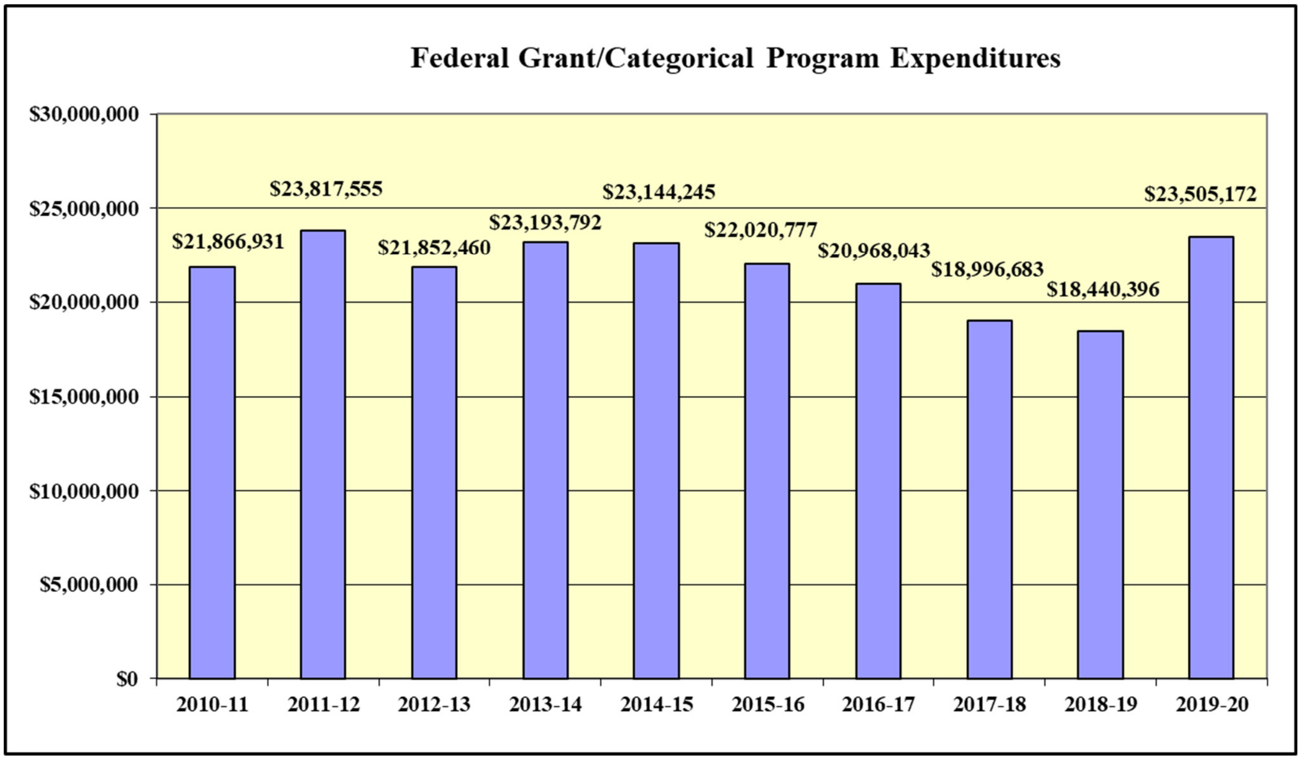
Federal grant program expenditures for fiscal year 2019-20 totaled $23,505,172. Compared to Federal grant/categorical expenditures for fiscal year 2018-19, this represents an **increase of $5,064,776**, which is 27%. This increase is attributable to additional aid provided through the US Department of Education under the CARES Act in response to the COVID-19 Coronavirus pandemic.

In 2019-20, Federal grants provided diverse support to many significant initiatives:

- **CalFresh – $56,736** funding provided to enhance access to food assistance to potentially eligible students, by providing CalFresh outreach and application assistance.
- **Career and Technical Education – $455,254** in Perkins funding provided support to emerging CTE programs.
- **CARES - $3,163,367** funding from **The CARES Act** establishes and funds the Higher Education Emergency Relief Fund (HEERF) allows 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).
- **Department of Defense - $100,928 in California Advanced Supply Chain Analysis & Diversification Effort** funding works with education to provide instruction that aligns with the needs of employers, offering strategic support and guidance to the workforce development community aiding in the integration of apprenticeship into their workforce agenda, creating guided

pathways to gainful employment leading to long-term economic growth and prosperity.

- **National Science Foundation – $230,365 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.
- **U.S. Department of Health and Human Services – $32,595 in Medical Administrative Activities (MAA)** funding provided support for the Student Health and Wellness Centers at both campuses.



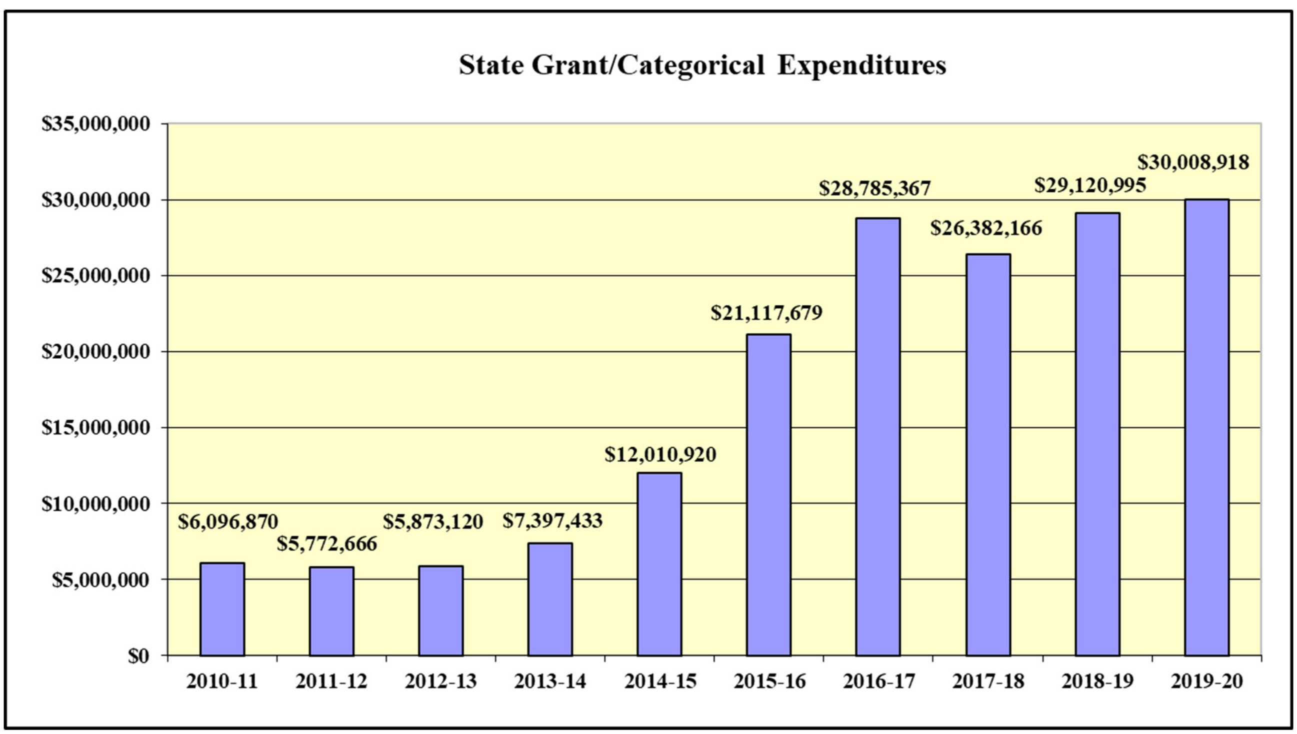
State Grant/Categorical Expenditures

The State of California provides grant and categorical funding to the District. Over the last ten years, State grant/categorical expenditures increased 392%. 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 2019-20, State Grant/Categorical expenditures totaled $30,008,918. Compared to State Grant/Categorical expenditures for fiscal year 2018-19, this represents an **increase of $887,923**, or 3%. The main reason for this increase is that the State approved IEPI Year 5 carryforward at the end of 2018-19 so expenditures were made against the grant in 2019-20. Noteworthy State funding included the following grant and categorical initiatives:

- **Advanced Technology Center – $1,500,000** in funding for creating a world-class Advanced Technology Center (ATC) 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 – $415,484** in funding providing support to expand and improve adult education through linkages between high schools and community colleges.
- **California College Promise AB19 – $1,720,110** 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 2019-20 academic year.
- **Full Time Student Success – $1,701,268** in financial aid grants for students attending Community College full time.
- **Hunger Free Campus – $146,901** in categorical funding. The California State Legislature approved one-time funding in the 2018-19 State Budget for California Community Colleges willing to provide particular services that address the food security of their students. The 2019-20 State Budget allocated $3.9 million in funding to continue these services. Funding ensures that students have the information they need to enroll in CalFresh, and hosts a food pantry and regular food distributions on campus.
- **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.
- **Mental Health Services Program – $546,249** in grant and categorical funds to support the California Community Colleges Mental Health Services Program. These grant funds are to collaborate with county behavioral health departments. The purpose of this funding is to improve student access to mental health services and early identification and intervention programs.
- **Online Educational Resource – $692,540** in grant funding provide students with a more affordable college education by using Open Educational Resources (OER) instead of costly traditional textbooks. Open Educational Resources are teaching and learning materials that have been released in the public domain or under an intellectual property license as a no cost alternative to traditional textbooks. The grants: California Virtual Campus Online Education Initiative, Zero Textbook Cost Degree Technical Assistance Provider, and Textbook Affordability AB798 help students who might otherwise be unable to attaining their educational goals due to financial constraints. College of the Canyons students save an estimated $1 million per year using OER materials.

- **Regional Director – $600,000** 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 – $1,000,000 in Distance Education** grant funding coordinates assistance to all California Community Colleges to facilitate and fund live and off-line captioning and transcription services.
- **Statewide Director – $372,000** 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 – $2,919,745** 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, counseling
- **Veterans Resource Grant – $200,000** in grant funding provides funding to enhance existing on-campus VRCs, assisting with the adjustment some face when transitioning to life after military service, and particularly after combat deployment.

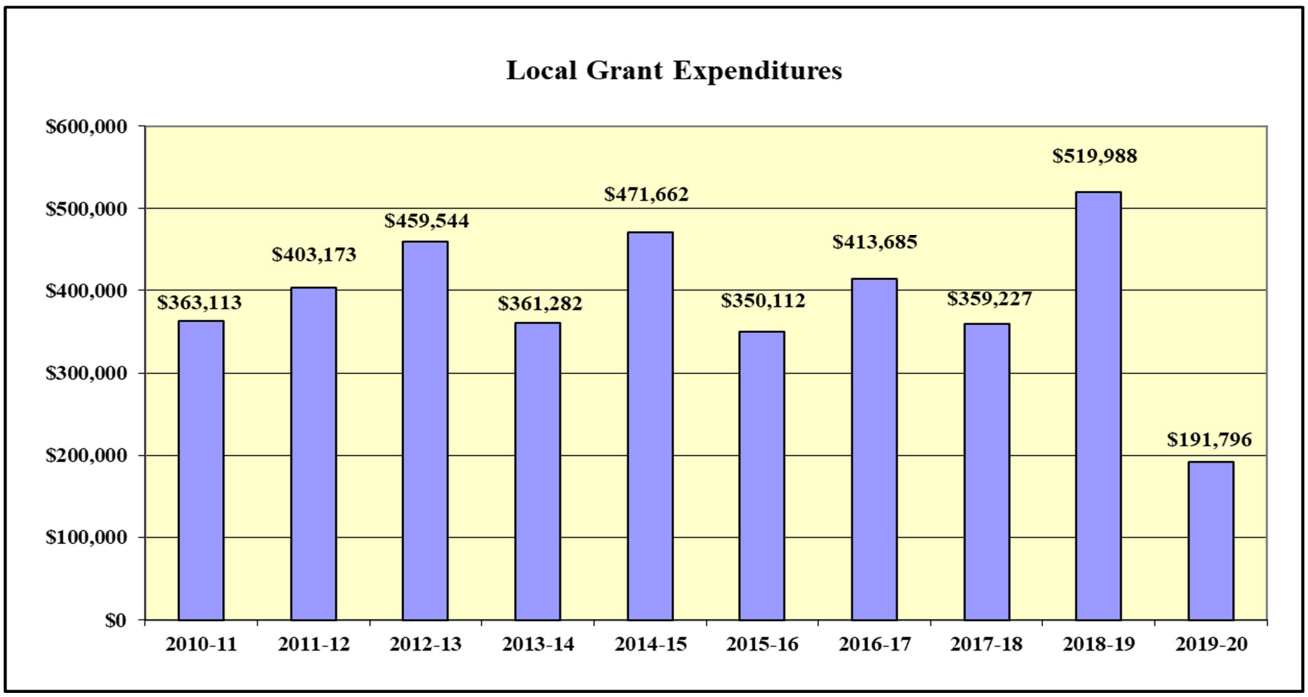


Local Grant Expenditures
Grants received from sources other than Federal or State funding are referred to as Local Grants. Local Grants come from private foundations, cities, and for-profit companies, and have been an important way to augment Federal and State Grant/Categorical funding.

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 2009-10 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 2014-15.

In 2019-20, local grant expenditures totaled $191,796, a ($328,192) or 63% **decrease** over 2018-19. The decrease is mainly due to the ending of the Makerspace Implementation grant, which accounts for $292,764 of expenses. The remaining decrease of $35,428 is comprised of smaller awards ending such as Suicide Prevention, Student Advocates-Michelson Foundation, and CA Community Foundation.

Local grant dollars received in 2019-20 benefited the AACU-Bring Theory to Practice (PLACE), Health and Information Communication Technology Deputy Sector Navigator programs, Kaiser Pipeline Mental Health, and the Small Business Development Center.



Student Financial Aid Expenditures

In 2019-20, 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 **$19,233,103**. 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 2010-11. 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 **$1,911,295** in Direct Loans and earned **$451,592** 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

		2016-17		**2017-18**		**2018-19**		**2019-20**
Federal Pell Grants *	$	14,849,480	$	13,651,309	$	13,057,554	$	13,983,344
Cal Grants *	$	1,303,573	$	1,456,787	$	1,247,446	$	1,701,268
Full Time Student Success Grants*	$	335,435	$	669,727	$	2,000	$	-
Federal SEOG Grants **	$	407,167	$	530,903	$	665,240	$	663,466
Federal Higher Ed Relief Fund Grant (CARES) *	$	-	$	-	$	-	$	2,885,025
Subtotal - Grants	**$**	**16,895,655**	**$**	**16,308,726**	**$**	**14,972,240**	**$**	**19,233,103**
Direct Student Loans***	$	2,970,029	$	2,394,528	$	2,031,039	$	1,911,295
Federal Work Study Wages **	$	343,177	$	338,249	$	418,064	$	451,592
Total Grants and Work Study	**$**	**20,208,861**	**$**	**19,041,503**	**$**	**17,421,343**	**$**	**21,595,990**

* 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 2019-20, through a combination of the funding sources highlighted below:

- **State Funding for Capital Projects**
  - The District expended **$231,000 in Prop 39 and Scheduled Maintenance Funding** in 2019-20.
    - 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.

  - **As of June 30, 2020, Measure E proceeds in the amount of $61,702,865 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
    - Canyon Country Campus Science Building and Classroom Structure
    - Canyon Country Campus Student Services and Learning Resource Center
    - 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
    - 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 gconstruction 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 2019-20, local funding totaling $587,708 was expended on projects such as**:
        - Equipment for Various Instructional and Non-Instructional Departments:
            - ✓ Academic/Faculty Senate
            - ✓ Campus Wide Computer Replacement
            - ✓ Custodial Services
            - ✓ Performing Arts Center
        - Capital Improvement Projects
        - Scheduled Maintenance/Repair projects

FUND BALANCE AND FUND BALANCE CLASSIFICATIONS

UNRESTRICTED GENERAL FUND ENDING FUND BALANCE

	2015-16	2016-17	2017-18	2018-19	2019-20
Reserved/Assigned	$ 1,120,816	$ 1,237,961	$ 1,053,458	$ 1,736,591	$ 1,244,882
Unassigned	8,887,932	9,394,204	9,807,833	9,497,190	10,142,128
Ending Fund Balance	**$ 10,008,748**	**$ 10,632,165**	**$ 10,861,291**	**$ 11,233,781**	**$ 11,387,010**
Percentage of Unrestricted Expenses	**9.6%**	**10.2%**	**10.1%**	**10.0%**	**10.1%**

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 10.1% each year.**

- The ending fund balance for the Unrestricted General Fund as of June 30, 2020, was $11,387,010, which was 10.1% of Unrestricted General Fund expenditures.
  - The District **avoided deficit spending in 2019-20** and did not spend down reserves.

- The 2019-20 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, 2020.

  - The reserved portion of the ending fund balance was $1,244,882 and consists of three 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 $1,115,882. The District pre-paid software licenses, insurance premiums, and memberships in the last few months of the 2019-20 fiscal year in order to comply with vendors' payment deadlines and to ensure uninterrupted service. These expenses will be deducted from 2020-21 budget funds.

SUMMARY

This Annual Financial Report for the Period Ending June 30, 2020, 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 2019-20, 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 19 years, the District has **only had 11 audit findings in 83 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 and compliance. 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 2019-20, the District provided oversight for the expenditure of $227 million for all funds, including $117.3 million in Operating Funds and $57.5 million in highly regulated Federal and State Financial Aid, State Competitive Grants and State Categorical Program funds. The District received $34.3 million in grant and categorical funding for over 100 programs that augment and complement District instructional programs. Additionally there were expenditures in Capital Outlay funds of $26.1 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 in 2020-21 and 2021-22.

In 2017-18, GASB 75 established a new approach of how to record the District's full Post Employment Benefit 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 $6.6 million set aside in a separate fund. This new GASB requirement caused the District's liabilities to increase between 2017-18 and 2018-19.

The District is also providing 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. In partnership with the State Chancellor's Office, College of the Canyons Administration has worked collaboratively with the Academic Senate and other Community College representatives who serve on the IEPI Advisory Committee, to establish a framework of fiscal and student success indicators that serve as a foundation for on-going improvement through technical assistance team visits and seed grants that provide funding for new initiatives. After five 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. These PRT teams cover topics that include Enrollment Management, Non-Credit Programs and Budget/Program Reviews.

With a nationwide focus on workforce training and preparing the next generation of workers who will require some college or college degrees, the District has established a presence at the State level with the District Chancellor serving on the Community College "Doing What Matters" Regional Board. Funding allocations through regional initiatives 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 that limited higher education 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, nursing, Medical Lab Technology, EMT and culinary. 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, largely in the form of on-line as well as hybrid classes. These classes would allow students to complete AA/AS degrees as well as transfer to four-year colleges. The District's ability to be innovative and responsive to 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 32½ years, with key Vice President positions occupied by the same individuals for 17 to 22 years and four of the five Board members with 7 to 35+ years of experience serving the district with two previously serving as president of the COC Foundation.

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 she was asked to serve on the Bipartisan Policy Center's Higher Education Task Force, in Washington, D.C. This task force consists of 18 former policy makers and high-profile individuals, including senators, governors, congress people and a few higher education leaders who are tasked to make recommendations towards reforming financial aid, accreditation and certification standards and other issues that are affecting higher education at the national level. She was also legislatively appointed to the State SCFF Oversight Committee to develop recommendations for the new funding formula as well as participated on the Community College CEO SCFF task force. Dr. Van Hook has a clear vision, unparalleled leadership skills, strong technical knowledge regarding college finances, an astute ability to assess risk, and established 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	
Current Assets	
Cash and cash equivalents	$ 707,124
Investments	122,875,062
Accounts receivable	22,720,141
Student receivables	1,974,136
Due from fiduciary funds	146,447
Prepaid expenses	1,338,682
Total current assets	149,761,592
Noncurrent Assets	
Nondepreciable capital assets	64,517,553
Depreciable capital assets, net of accumulated depreciation	256,752,384
Total noncurrent assets	321,269,937
Total assets	471,031,529
Deferred Outflows of Resources	
Deferred charges on refunding	7,964,967
Deferred outflows of resources related to pensions	34,374,450
Deferred outflows of resources related to other postemployment benefits (OPEB)	3,504,305
Total deferred outflows of resources	45,843,722
Liabilities	
Current Liabilities	
Accounts payable	24,236,574
Interest payable	5,127,561
Unearned revenue	7,189,937
Long-term liabilities other than OPEB and pensions due within one year	8,034,319
Total current liabilities	44,588,391
Noncurrent Liabilities	
Long-term liabilities other than OPEB and pensions due in more than one year	371,881,796
Aggregate net pension liability	125,472,547
Aggregate net OPEB liability	19,109,581
Total noncurrent liabilities	516,463,924
Total liabilities	561,052,315
Deferred Inflows of Resources	
Deferred inflows of resources related to pensions	5,825,913
Deferred inflows of resources related to OPEB	91,259
Total deferred inflows of resources	5,917,172
Net Position	
Net investment in capital assets	50,070,314
Restricted for	
Debt service	9,261,462
Capital projects	3,467,892
Educational programs	2,544,597
Other activities	642,658
Unrestricted (deficit)	(116,081,159)
Total net position (deficit)	$ (50,094,236)

Operating Revenues	
Student tuition and fees	$ 21,647,063
Less: scholarship discounts and allowances	(8,608,298)
Net tuition and fees	13,038,765
Grants and contracts, noncapital	
Federal	4,324,026
State	28,941,074
Local	1,732,840
Total grants and contracts, noncapital	34,997,940
Total operating revenues	48,036,705
Operating Expenses	
Salaries	89,881,740
Employee benefits	43,548,147
Supplies, materials, and other operating expenses and services	25,304,228
Student financial aid	23,753,986
Equipment, maintenance, and repairs	3,301,611
Depreciation	9,116,762
Total operating expenses	194,906,474
Operating Loss	(146,869,769)
Nonoperating Revenues (Expenses)	
State apportionments, noncapital	66,148,271
Local property taxes, levied for general purposes	28,816,371
Taxes levied for other specific purposes	13,019,337
Federal financial aid grants, noncapital	19,277,263
State financial aid grants, noncapital	2,959,293
State taxes and other revenues	4,153,599
Investment income	1,702,073
Interest expense on capital related debt	(11,151,187)
Interest income on capital asset-related debt, net	225,338
Transfer from fiduciary funds	1,800
Transfer to fiduciary funds	(12,700)
Other nonoperating revenues	2,203,026
Total nonoperating revenues (expenses)	127,342,484
Loss before other revenues and (losses)	(19,527,285)
Other Revenues and (Losses)	
State revenues, capital	4,063,620
Local revenues, capital	236,464
Loss on disposal of capital assets	(44,600)
Total other revenues and (losses)	4,255,484
Change in Net Position	(15,271,801)
Net Position, Beginning of Year	(34,822,435)
Net Position, End of Year	$ (50,094,236)

Operating Activities	
Tuition and fees	$ 12,327,719
Federal and State grants and contracts, noncapital	34,153,378
Payments to or on behalf of employees	(122,010,518)
Payments to vendors for supplies and services	(20,307,049)
Payments to students for scholarships and grants	(23,753,986)
Net Cash Flows from Operating Activities	(119,590,456)
Noncapital Financing Activities	
State apportionments	56,719,245
Federal and State financial aid grants	22,236,556
Property taxes - nondebt related	28,816,371
State taxes and other revenue	2,660,368
Other nonoperating	2,356,361
Net Cash Flows from Noncapital Financing Activities	112,788,901
Capital Financing Activities	
State apportionments, capital projects	4,063,620
Local revenue, capital projects	236,464
Proceeds from capital debt	124,006,846
Acquisition and construction of capital assets	(24,642,418)
Property taxes - related to capital debt	13,019,337
Principal paid on capital debt	(44,346,767)
Interest received on capital debt	225,338
Interest paid on capital debt	(11,664,320)
Net Cash Flows from Capital Financing Activities	60,898,100
Investing Activities	
Investment income	1,666,771
Net Change in Cash and Cash Equivalents	55,763,316
Cash and Cash Equivalents, Beginning of Year	67,818,870
Cash and Cash Equivalents, End of Year	$ 123,582,186

Reconciliation of operating loss to net cash flows from operating activities	
Operating loss	$ (146,869,769)
Adjustments to reconcile operating loss to net cash flows from operating activities	
Depreciation expense	9,116,762
Changes in assets, deferred outflows, liabilities, and deferred inflows	
Accounts receivable	(1,219,119)
Prepaid expenses	1,524,795
Accounts payable	6,396,643
Unearned revenue	(336,489)
Deferred outflows of resources related to pensions	964,528
Deferred outflows of resources related to OPEB	(2,982,775)
Deferred inflows of resources related to pensions	1,120,446
Deferred inflows of resources related to OPEB	8,130
Aggregate net pension liability	7,689,435
Aggregate net OPEB liability	3,951,886
Compensated absences, early retirement plan, and load banking	1,045,071
Total adjustments	27,279,313
Net Cash Flows from Operating Activities	$ (119,590,456)
Cash and Cash Equivalents Consist of the Following	
Cash in banks	$ 707,124
Cash with county treasury	122,875,062
Total cash and cash equivalents	$ 123,582,186
Noncash Transactions	
Amortization of deferred charges on refunding	$ 2,870,370
Amortization of debt premium	$ 2,946,767
Accretion of interest on capital appreciation bonds	$ 1,288,135

	Trust Funds
Assets	
Cash and cash equivalents	$ 1,361,861
Investments	7,511,580
Accounts receivable	61,091
Prepaid expenses	29,911
Total assets	8,964,443
Liabilities	
Accounts payable	6,775
Due to primary government	146,447
Unearned revenue	122,084
Due to student groups	550,255
Total liabilities	825,561
Net Position	
Unrestricted	$ 8,138,882

	Trust Funds
Additions	
Local revenues	$ 1,219,370
Transfer from primary government	12,700
Total additions	1,232,070
Deductions	
Employee benefits	380,315
Services and operating expenditures	634,032
Capital outlay	260
Transfer to primary government	1,800
Other uses - student aid	384,117
Total deductions	1,400,524
Change in Net Position	(168,454)
Net Position - Beginning of Year	8,307,336
Net Position - End of Year	$ 8,138,882

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 principles to determine whether certain organizations, for which the District is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the District. The three components used to determine the presentation are: providing a "direct benefit", the "environment and ability to access/influence reporting", and the "significance" criterion. As defined by accounting principles generally accepted in the United States of America and established by the Governmental Accounting Standards Board, the financial reporting entity consists of the primary government and the District.

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, 2020, is as follows:

Condensed Statement of Net Position

Assets		
Investments	$	402,395
Accounts receivable		323
Total assets	$	402,718
Net Position		
Restricted for		
Debt service	$	402,718

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

Nonoperating Revenues (Expenses)		
Principal expense on capital related debt	$	(745,000)
Interest expense on capital related debt		(359,081)
Investment income		3,238
Total nonoperating expenses		(1,100,843)
Loss Before Transfers		(1,100,843)
Transfers in		1,398,116
Change in Net Position		297,273
Net Position, Beginning of Year		105,445
Net Position, End of Year	$	402,718

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting - Measurement Focus and Financial Statement Presentation

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB Statements No. 34 and No. 35 as amended by GASB Statements No. 37, No. 38, No. 39, and No. 61. This presentation provides a comprehensive government-wide perspective of the District's assets, liabilities, activities, and cash flows and replaces the fund group perspective previously required. Fiduciary activities, with the exception of the Student Financial Aid Fund, are excluded from the basic financial statements. Accordingly, 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 prescribed 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. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. The District considers revenues to be available if they are collected within one year after year-end, except for property taxes, which are considered available if collected within 60 days. For the District, operating revenues consist primarily of student fees, noncapital grants and contracts.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include State apportionments, property taxes, Federal and State financial aid 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 financial aid grants are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements may include time and/or purpose requirements.

Operating expenses are costs incurred to provide instructional services including support costs, auxiliary services, and depreciation of capital assets. All other expenses not meeting this definition are reported as nonoperating. Expenses are recorded on the accrual basis as they are incurred, when goods are received, or services are rendered.

The financial statements are presented in accordance with the reporting model as prescribed in GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments,* and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities,* as amended by GASB Statements No. 37, No. 38, No. 39, and No. 61. The business-type activities model followed by the District requires the following components of the District's financial statements:

- Management's Discussion and Analysis
- Basic Financial Statements for the District as a whole including:
  - Statement of Net Position - Primary Government
  - Statement of Revenues, Expenses, and Changes in Net Position - Primary Government
  - Statement of Cash Flows - Primary Government
  - Financial Statements for the Fiduciary Funds including:
    - Statement of Fiduciary Net Position
    - Statement of Changes in Fiduciary Net Position
- Notes to the Financial Statements

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 with original maturities greater than one year 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 are stated at cost or amortized cost. Fair values of investments in County investment pools are determined by the program sponsor.

Accounts Receivable

Accounts receivable include amounts due from the Federal, State, and/or local governments or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff, the majority of each residing in the State of California. 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, leasehold improvements, and equipment. The District maintains an initial unit cost capitalization threshold of $5,000 and an estimated useful life greater than one year. Assets are recorded at historical cost, or estimated historical cost, when purchased or constructed. The District does not possess any infrastructure. Donated capital assets are recorded at acquisition value at the date of donation. Improvements to buildings and land that significantly increase the value or extend the useful life of the asset are capitalized; the costs of routine maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are charged as an operating expense in the year in which the expense was incurred. Major outlays for capital improvements are capitalized as construction in progress as the projects are constructed.

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

Accrued Liabilities and Long-Term Liabilities

All payables, accrued liabilities, and long-term liabilities are reported in the government-wide financial statements.

Compensated Absences

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

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense until then. The District reports deferred outflows of resources for deferred charges on refunding of debt, pension related items, and OPEB related items. The deferred charges on 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.

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 and OPEB 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 recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

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 includes primarily (1) amounts received for tuition and fees prior to the end of the fiscal year that are related to the subsequent fiscal year and (2) amounts received from Federal and State grants received before the eligibility requirements are met.

Noncurrent Liabilities

Noncurrent liabilities include general obligation bonds, compensated absences, load banking, early retirement plan, and 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 their 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 $15,916,609 of restricted net position.

Operating 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 Statements No. 34 and No. 35. Classifications are as follows:

> **Operating revenues** - Operating revenues include activities that have the characteristics of exchange transactions such as student tuition and fees, net of scholarship discounts and allowances, Federal, State, and local grants and contracts, and sales and services of auxiliary enterprises.
>
> **Nonoperating revenues** - Nonoperating revenues include activities that have the characteristics of nonexchange transactions such as State apportionments, property taxes, investment income, gifts and contributions, and other revenue sources defined in GASB Statements No. 34 and No. 35.

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. 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.

Scholarships, Discounts, and Allowances

Student tuition and fee revenue is reported net of scholarships, discounts, and allowances. Fee waivers approved by the 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.

Federal Financial Assistance Programs

The District participates in federally funded Pell Grants, Federal Supplemental Educational Opportunity Grants (FSEOG) Grants, Direct Loans, and Federal Work-Study programs, as well as other programs funded by the Federal government. Financial aid to students is either reported as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to students in the form of reduced tuition. These 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.

Interfund Activity

Interfund transfers and interfund receivables and payables are eliminated during the consolidation process in the Primary Government and Fiduciary Funds' financial statements, respectively.

Change in Accounting Principles

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Implementation Guide No. 2017-3*, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*
- Implementation Guide No. 2018-1, *Implementation Guidance Update—2018*
- Implementation Guide No. 2019-1, *Implementation Guidance Update—2019*
- Implementation Guide No. 2019-2, *Fiduciary Activities*

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

The provisions of this Statement have been implemented as of June 30, 2020, with the exception of Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The District has already implemented this standard as of June 30, 2020.

New Accounting Pronouncements

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.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for the reporting periods beginning after December 15, 2019. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

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.

As a result of the implementation of GASB Statement No. 95, the requirements of 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.

In August 2018, the GASB issued Statement 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 60*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100% equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100% equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. The effects of this change on the District's financial statements have not yet been determined.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

A conduit debt obligation is defined as a debt instrument having all of the following characteristics:

- There are at least three parties involved: (1) an issuer, (2) a third-party obligor, and (3) a debt holder or a debt trustee.
- The issuer and the third-party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.
- If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.
- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer, at the inception of the arrangement, should recognize the entire capital asset and a deferred inflow of resources. The deferred inflow of resources should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for the reporting periods beginning after December 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

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

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reporting
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statement 67 and 68,* as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers

- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective as follows:

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

Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

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

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

As a result of the implementation of GASB Statement No. 95, the removal of LIBOR as an appropriate benchmark interest rate (paragraph 11b) is effective for reporting periods ending after December 31, 2021. Paragraph 13 and 14 related to lease modifications is effective for reporting periods beginning after June 15, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020.

Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.
The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.

The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. 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

In accordance with the *Budget and Accounting Manual*, 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, 2020, consist of the following:

Primary government	$ 123,582,186
Fiduciary funds	8,873,441
Total deposits and investments	$ 132,455,627

Cash on hand and in banks	$ 1,361,861
Cash in revolving	130,000
Cash collections awaiting deposit	577,124
Investments	130,386,642
Total deposits and investments	$ 132,455,627

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 primarily investing in the Los Angeles County Investment pool evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Specific Identification

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

Investment Type	Reported Amount	Weighted Average Days/Date to Maturity
Los Angeles County Investment Pool	$ 130,071,050	590
Certificate of Deposit	315,592	March 8, 2021
Total	$ 130,386,642	

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the Los Angeles County Investment Pool and the Certificate of Deposit are not required to be rated, nor have they been rated as of June 30, 2020.

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, 2020, 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 - Fair Value Measurements

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

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

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

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

Uncategorized - Investments in the Los Angeles County Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at $1.00 net asset value per share. The Los Angeles County Treasury Investment Pool has a daily redemption frequency period and a one-day redemption notice period.

The District's fair value measurements are as follows at June 30, 2020:

Investment Type	Reported Amount	Level 1 Inputs	Uncategorized
Los Angeles County Investment Pool	$ 130,071,050	$ -	$ 130,071,050
Certificate of Deposit	315,592	315,592	-
Total	$ 130,386,642	$ 315,592	$ 130,071,050

All assets have been valued using a market approach, with quoted market prices.

Note 5 - Accounts Receivable

Accounts receivable at June 30, 2020, consisted of the following:

	Primary Government	Fiduciary Funds
Federal Government		
Categorical aid	$ 3,219,970	$ -
State Government		
Categorical aid	6,957,283	-
Lottery	840,188	-
Apportionment	9,457,484	-
Other State	1,462,811	-
Local Sources		
Interest	326,343	33,534
Foundation	32,221	18,833
Other local	423,841	8,724
Total	$ 22,720,141	$ 61,091
Student receivables	$ 1,974,136	$ -

Note 6 - Capital Assets

Capital asset activity for the District for the fiscal year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Capital Assets Not Being Depreciated				
Land	$ 14,309,904	$ -	$ -	$ 14,309,904
Construction in progress	53,066,430	23,329,077	(26,187,858)	50,207,649
Total capital assets not being depreciated	67,376,334	23,329,077	(26,187,858)	64,517,553
Capital Assets Being Depreciated				
Site improvements	23,023,058	785,133	-	23,808,191
Buildings and improvements	293,756,699	25,402,725	-	319,159,424
Equipment	20,282,015	1,313,341	(433,767)	21,161,589
Total capital assets being depreciated	337,061,772	27,501,199	(433,767)	364,129,204
Total capital assets	404,438,106	50,830,276	(26,621,625)	428,646,757
Less Accumulated Depreciation				
Site improvements	(13,512,421)	(1,062,870)	-	(14,575,291)
Buildings and improvements	(71,277,953)	(6,787,577)	-	(78,065,530)
Equipment	(13,858,851)	(1,266,315)	389,167	(14,735,999)
Total accumulated depreciation	(98,649,225)	(9,116,762)	389,167	(107,376,820)
Net capital assets	$ 305,788,881	$ 41,713,514	$ (26,232,458)	$ 321,269,937

Depreciation expense for the year was $9,116,762.

Note 7 - Prepaid Expenses

Prepaid expenses at June 30, 2020, consisted of the following:

	Primary Government	Fiduciary Funds
Software and Technology	$ 101,202	$ -
Sub-recipient Payments	166,666	-
Insurance	170,124	-
Retirement Planning	690,953	-
Other	209,737	29,911
Total	$ 1,338,682	$ 29,911

Note 8 - Accounts Payable

Accounts payable at June 30, 2020, consisted of the following:

	Primary Government	Fiduciary Funds
Accrued payroll and benefits	$ 10,443,888	$ -
Apportionment	3,731,379	-
Instructional service agreements	2,136,820	-
Construction	5,048,324	-
Federal categorical	12,423	-
State categorical	46,036	-
Other liabilities	2,817,704	6,775
Total	$ 24,236,574	$ 6,775

Note 9 - Unearned Revenue

Unearned revenue at June 30, 2020, consisted of the following:

	Primary Government	Fiduciary Funds
Federal categorical	$ 64,482	$ -
State categorical	4,895,322	-
Student tuition and fees	1,653,403	122,084
Capital Improvement	14,364	-
Other local	562,366	-
Total	$ 7,189,937	$ 122,084

Note 10 - Interfund Transactions

Interfund Receivables and Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund activity within the primary government and fiduciary funds has been eliminated respectively in the consolidation process of the basic financial statements. Balances owing between the primary government and the fiduciary funds are not eliminated in the consolidation process. As of June 30, 2020, the amounts owed between the primary government and fiduciary funds were $146,447 and $0, respectively.

Interfund Operating Transfers

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 funds of the District have been eliminated in the consolidation process. Transfers between the primary government and the fiduciary funds are not eliminated in the consolidation process. During fiscal year ended, June 30, 2020, the amount transferred to the primary government from the fiduciary funds amounted to $1,800. The amount transferred to the fiduciary funds from the primary government amounted to $12,700.

Note 11 - 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 consisted of the following:

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Due in One Year
General obligation bonds	$ 262,612,912	$ 120,688,135	$ (40,655,000)	$ 342,646,047	$ 5,735,000
Unamortized premiums	20,112,037	4,606,846	(2,946,767)	21,772,116	-
Certificate of Participation	8,835,000	-	(745,000)	8,090,000	760,000
Compensated absences	4,169,979	735,330	-	4,905,309	651,878
Load banking	266,114	18,255	-	284,369	-
Early retirement plan	1,926,788	982,440	(690,954)	2,218,274	887,441
Total	$ 297,922,830	$ 127,031,006	$ (45,037,721)	$ 379,916,115	$ 8,034,319

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) is 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.

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, 2020, the principal balance outstanding was $14,255,660.

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, 2020, the principal balance outstanding was $8,510,387.

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, 2020, the principal balance outstanding was $1,990,000. Unamortized premium received on issuance of the bonds amounted to $118,548 as of June 30, 2020.

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. The refunding resulted in a cumulative cash flow saving of $4,520,284 over the life of the new debt and an economic gain of $3,730,822 based on the difference between the present value of the existing debt service requirements and the new debt service requirements discounted at 2.403%. At June 30, 2020, the principal balance outstanding was $29,545,000. Unamortized premium received on issuance of the bonds amounted to $2,788,508 as of June 30, 2020.

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, 2020, the principal balance outstanding was $23,570,000. Unamortized premium received on issuance of the bonds amounted to $926,553 as of June 30, 2020.

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. The refunding resulted in a cumulative cash flow saving of $35,068,066 over the life of the new debt and an economic gain of $22,824,480 based on the difference between the present value of the existing debt service requirements and the new debt service requirements discounted at 2.682%. At June 30, 2020, the principal balance outstanding was $87,510,000. Unamortized premium received on issuance of the bonds amounted to $8,148,954 as of June 30, 2020.

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, 2020, the principal balance outstanding was $19,315,000. Unamortized premium received on issuance of the bonds amounted to $1,377,579 as of June 30, 2020.

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, 2020, the principal balance outstanding was $38,550,000. Unamortized premium received on issuance of the bonds amounted to $3,111,834 as of June 30, 2020.

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, 2020, the principal balance outstanding was $85,000,000. Unamortized premium received on issuance of the bonds amounted to $4,466,081 as of June 30, 2020.

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. The refunding resulted in a cumulative cash flow saving of $4,027,464 over the life of the new debt. At June 30, 2020, the principal balance outstanding was $34,400,000.

Bonded Debt

The outstanding general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding Beginning of Year	Issued	Accreted Interest Addition	Redeemed	Bonds Outstanding End of Year
2003	08/01/28	1.05%-5.60%	$ 17,498,982	$ 14,951,497	$ -	$ 794,163	$ (1,490,000)	$ 14,255,660
2005	08/01/30	3.00%-5.00%	42,981,087	8,016,415	-	493,972	-	8,510,387
2012	08/01/27	2.00%-5.00%	35,000,000	33,065,000	-	-	(31,075,000)	1,990,000
2013	08/01/28	2.00%-5.00%	33,765,000	30,610,000	-	-	(1,065,000)	29,545,000
2014	08/01/39	2.00%-5.00%	25,000,000	23,810,000	-	-	(240,000)	23,570,000
2016	08/01/46	2.00%-5.00%	94,050,000	89,005,000	-	-	(1,495,000)	87,510,000
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	43,840,000	-	-	(5,290,000)	38,550,000
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	-	-	34,400,000
				$262,612,912	$ 119,400,000	$ 1,288,135	$(40,655,000)	$342,646,047

The General Obligation Bonds, Series 2003, mature through 2029 as follows:

Fiscal Year	Principal (Including Accreted Interest to Date)	Accreted Interest	Total
2021	$ 1,519,565	$ 40,435	$ 1,560,000
2022	1,514,015	125,985	1,640,000
2023	1,502,179	217,821	1,720,000
2024	1,491,273	313,727	1,805,000
2025	1,476,014	413,986	1,890,000
2026-2029	6,752,614	3,277,386	10,030,000
Total	$ 14,255,660	$ 4,389,340	$ 18,645,000

The General Obligation Bonds, Series 2005, mature through 2031 as follows:

Fiscal Year	Principal (Including Accreted Interest to Date)	Accreted Interest	Total
2030-2031	$ 8,510,387	$ 7,154,613	$ 15,665,000

The General Obligation Bonds, Series 2012, mature through 2028 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2021	$ 135,000	$ 68,925	$ 203,925
2022	210,000	60,300	270,300
2023	285,000	47,925	332,925
2024	-	40,800	40,800
2025	-	40,800	40,800
2026-2028	1,360,000	83,100	1,443,100
Total	$ 1,990,000	$ 341,850	$ 2,331,850

The 2013 General Obligation Refunding Bonds mature through 2029 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2021	$ 1,140,000	$ 1,237,400	$ 2,377,400
2022	1,210,000	1,190,400	2,400,400
2023	3,365,000	1,098,900	4,463,900
2024	3,570,000	942,350	4,512,350
2025	3,825,000	757,475	4,582,475
2026-2029	16,435,000	1,150,725	17,585,725
Total	$ 29,545,000	$ 6,377,250	$ 35,922,250

The General Obligation Bonds, Series 2014, mature through 2040 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2021	$ 220,000	$ 945,975	$ 1,165,975
2022	275,000	936,075	1,211,075
2023	345,000	921,950	1,266,950
2024	415,000	902,950	1,317,950
2025	495,000	880,200	1,375,200
2026-2030	3,925,000	3,901,000	7,826,000
2031-2035	6,930,000	2,828,019	9,758,019
2036-2040	10,965,000	1,174,300	12,139,300
Total	$ 23,570,000	$ 12,490,469	$ 36,060,469

The 2016 General Obligation Refunding Bonds mature through 2047 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2021	$ 1,605,000	$ 3,385,775	$ 4,990,775
2022	1,725,000	3,302,525	5,027,525
2023	-	3,259,400	3,259,400
2024	-	3,259,400	3,259,400
2025	85,000	3,258,550	3,343,550
2026-2030	3,555,000	15,999,800	19,554,800
2031-2035	10,440,000	14,654,275	25,094,275
2036-2040	19,580,000	12,167,150	31,747,150
2041-2045	32,705,000	7,079,500	39,784,500
2046-2047	17,815,000	727,900	18,542,900
Total	$ 87,510,000	$ 67,094,275	$ 154,604,275

The General Obligation Bonds, Series 2016, mature through 2047 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2021	$ -	770,519.00	770,519.00
2022	-	770,519.00	770,519.00
2023	30,000	770,069.00	800,069.00
2024	60,000	768,719.00	828,719.00
2025	95,000	766,394.00	861,394.00
2026-2030	1,145,000	3,705,969.00	4,850,969.00
2031-2035	2,600,000	3,276,219.00	5,876,219.00
2036-2040	4,480,000	2,650,241.00	7,130,241.00
2041-2045	7,115,000	1,518,700.00	8,633,700.00
2046-2047	3,790,000	154,600.00	3,944,600.00
Total	$ 19,315,000	$ 15,151,949	$ 34,466,949

The General Obligation Bonds, Series 2017, mature through 2048 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2021	$ 240,000	$ 1,637,375	$ 1,877,375
2022	290,000	1,626,775	1,916,775
2023	335,000	1,612,600	1,947,600
2024	395,000	1,594,350	1,989,350
2025	455,000	1,573,100	2,028,100
2026-2030	3,295,000	7,433,500	10,728,500
2031-2035	5,365,000	6,465,413	11,830,413
2036-2040	8,050,000	4,949,925	12,999,925
2041-2045	11,385,000	2,944,900	14,329,900
2046-2048	8,740,000	538,400	9,278,400
Total	$ 38,550,000	$ 30,376,338	$ 68,926,338

The General Obligation Bonds, Series 2019, mature through 2050 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2021	$ -	$ 2,878,550	$ 2,878,550
2022	3,805,000	2,783,425	6,588,425
2023	2,835,000	2,617,425	5,452,425
2024	3,235,000	2,465,675	5,700,675
2025	3,670,000	2,293,050	5,963,050
2026-2030	1,800,000	10,937,500	12,737,500
2031-2035	7,585,000	10,000,400	17,585,400
2036-2040	12,950,000	8,412,000	21,362,000
2041-2045	19,965,000	5,966,625	25,931,625
2046-2050	29,155,000	2,312,325	31,467,325
Total	$ 85,000,000	$ 50,666,975	$ 135,666,975

The 2019 General Obligation Refunding Bonds mature through 2040 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2021	$ 835,000	$ 950,759	$ 1,785,759
2022	615,000	937,649	1,552,649
2023	625,000	926,007	1,551,007
2024	1,000,000	910,203	1,910,203
2025	1,090,000	888,937	1,978,937
2026-2030	5,645,000	4,082,177	9,727,177
2031-2035	10,210,000	2,983,143	13,193,143
2036-2040	14,380,000	1,152,606	15,532,606
Total	$ 34,400,000	12,831,481	47,231,481

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, 2020, the principal balance outstanding was $8,090,000. Unamortized premium received on issuance of the certificates amounted to $834,059 as of June 30, 2020.

The certificates mature through 2032 as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$ 760,000	332,706	1,092,706
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
2026-2030	3,575,000	465,156	4,040,156
2031-2032	480,000	15,009	495,009
Total	$ 8,090,000	1,821,320	9,911,320

Compensated Absences

At June 30, 2020, the liability for compensated absences was $4,905,309.

Load Banking

At June 30, 2020, the liability for load banking was $284,369.

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 $2,218,274 on behalf of the retirees over the next five years in accordance with the following schedule:

Year Ending June 30,	
2021	$ 887,441
2022	741,369
2023	196,488
2024	196,488
2025	196,488
Total	$ 2,218,274

Note 12 - Aggregate Net Other Postemployment Benefits (OPEB) Liability

For the fiscal year ended June 30, 2020, 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	$ 18,682,751	$ 3,504,305	$ 91,259	$ 977,287
Medicare Premium Payment (MPP) Program	426,830	-	-	(46)
Total	$ 19,109,581	$ 3,504,305	$ 91,259	$ 977,241

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, 2019, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	187
Active employees	654
	841

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, 2020, the District contributed $359,582 to the plan, all of which was used for current premiums.

Total OPEB Liability of the District

The District's total OPEB liability of $18,682,751 was measured as of June 30, 2020, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of June 30, 2019.

Actuarial Assumptions

The total OPEB liability as of June 30, 2020 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. The following assumptions were applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75 percent
Salary increases	2.75 percent
Investment rate of return	2.20 percent
Healthcare cost trend rates	4.00 percent

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

Mortality rates were based on the 2009 CalSTRS Mortality Table for certificated employees and the 2014 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, 2020 valuation were based on the results of an actual experience study as of July 2019.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2019	$ 14,730,819
Service cost	597,864
Interest	326,477
Differences between expected and actual experience	(20,174)
Changes of assumptions or other inputs	3,407,347
Benefit payments	(359,582)
Net change in total OPEB liability	3,951,932
Balance at June 30, 2020	$ 18,682,751

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

Changes of assumptions and other inputs reflect a change in the discount rate from 3.5% to 2.20% since the previous valuation.

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

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

Discount Rate	Total OPEB Liability
1% decrease (1.20%)	$ 22,017,593
Current discount rate (2.20%)	18,682,751
1% increase (3.20%)	16,150,269

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

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 healthcare cost trend rates that are one percent lower or higher than the current healthcare costs trend rates:

Healthcare Cost Trend Rates	Total OPEB Liability
1% decrease (3.00%)	$ 17,169,523
Current healthcare cost trend rate (4.00%)	18,682,751
1% increase (5.00%)	20,652,729

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB for the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 91,259
Changes of assumptions	3,504,305	-
Total	$ 3,504,305	$ 91,259

Amounts reported as deferred outflows/(inflows) of resources related to 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
2021	$ 412,528
2022	412,528
2023	412,528
2024	412,528
2025	412,528
Thereafter	1,350,406
	$ 3,413,046

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, 2018 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, 2020, the District reported a liability of $426,830 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. 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, 2019 and June 30, 2018, was 0.1146% and 0.1115%, respectively, resulting in a net increase in the proportionate share of 0.0031%.

For the year ended June 30, 2020, the District recognized OPEB expense of $(46).

Actuarial Methods and Assumptions

The June 30, 2019 total OPEB liability was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2018, and rolling forward the total OPEB liability to June 30, 2019, using the assumptions listed in the following table:

Measurement Date	June 30, 2019	June 30, 2018
Valuation Date	June 30, 2018	June 30, 2017
Experience Study	July 1, 2010 through June 30, 2015	July 1, 2010 through June 30, 2015
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.50%	3.87%
Medicare Part A Premium Cost Trend Rate	3.70%	3.70%
Medicare Part B Premium Cost Trend Rate	4.10%	4.10%

For the valuation as of June 30, 2018, 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-2016) 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 380 or an average of 0.23% of the potentially eligible population (165,422).

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, 2019, 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, 2019, is 3.50%. As the MPP Program is funded on a pay-as-you-go basis as previously noted, the OPEB Plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 3.50%, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2019, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate decreased 0.37% from 3.87% as of June 30, 2018.

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

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

Discount Rate	Net OPEB Liability
1% decrease (2.50%)	$ 465,770
Current discount rate (3.50%)	426,830
1% increase (4.50%)	391,028

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 Rates	Net OPEB Liability
1% decrease (2.7% Part A and 3.1% Part B)	$ 400,068
Current Medicare costs trend rates (3.7% Part A and 4.1% Part B)	426,830
1% increase (4.7% Part A and 5.1% Part B)	480,288

Note 13 - Lease Revenues

The District has property held for lease with an estimated cost of $2,852,725 and accumulated depreciation of $1,628,996. 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,	
2021	$ 330,177
2022	508,677
2023	633,677
2024	696,677
2025	749,677
Total	$ 2,918,885

Note 14 - 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, 2020, 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 2020, 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 15 - 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, 2020, 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	$ 58,517,112	$ 17,033,061	$ 5,204,889	$ 7,819,433
CalPERS	66,955,435	17,341,389	621,024	12,439,609
Total	$ 125,472,547	$ 34,374,450	$ 5,825,913	$ 20,259,042

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, 2018, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

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

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

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

The STRP provisions and benefits in effect at June 30, 2020, are summarized as follows:

	STRP Defined Benefit Program	
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	17.10%	17.10%
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 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 AB 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, 2020, are presented above, and the District's total contributions were $6,755,103.

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

At June 30, 2020, 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	$ 58,517,112
State's proportionate share of net pension liability associated with the District	31,924,991
Total	$ 90,442,103

The net pension liability was measured as of June 30, 2019. 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, 2019 and June 30, 2018, was 0.0648% and 0.0657%, respectively, resulting in a net decrease in the proportionate share of 0.0009%.

For the year ended June 30, 2020, the District recognized pension expense of $7,819,433. In addition, the District recognized pension expense and revenue of $4,754,320 for support provided by the State. At June 30, 2020, 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	$ 6,755,103	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	2,729,097	1,301,849
Differences between projected and actual earnings on pension plan investments	-	2,254,096
Differences between expected and actual experience in the measurement of the total pension liability	147,725	1,648,944
Changes in assumptions	7,401,136	-
Total	$ 17,033,061	$ 5,204,889

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
2021	$ (227,364)
2022	(1,789,487)
2023	(371,524)
2024	134,279
Total	$ (2,254,096)

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
2021	$ 1,757,953
2022	1,902,623
2023	1,735,413
2024	1,857,374
2025	262,001
Thereafter	(188,199)
Total	$ 7,327,165

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, 2018, and rolling forward the total pension liability to June 30, 2019. The financial reporting actuarial valuation as of June 30, 2018, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Experience study	July 1, 2010 through June 30, 2015
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-2016) 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, 2019, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	4.80%
Fixed income	12%	1.30%
Real estate	13%	3.60%
Private equity	13%	6.30%
Risk Mitigating Strategies	9%	1.80%
Inflation sensitive	4%	3.30%
Cash/liquidity	2%	-0.40%

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%)	$ 87,136,824
Current discount rate (7.10%)	58,517,112
1% increase (8.10%)	34,785,921

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, 2018, 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 provisions and benefits in effect at June 30, 2020, are summarized as follows:

	School Employer Pool (CalPERS)	
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	19.721%	19.721%

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, 2020, are presented above, and the total District contributions were $6,665,383.

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

As of June 30, 2020, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $66,955,435. The net pension liability was measured as of June 30, 2019. 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, 2019 and June 30, 2018, was 0.2297% and 0.2153%, respectively, resulting in a net increase in the proportionate share of 0.0144%.

For the year ended June 30, 2020, the District recognized pension expense of $12,439,609. At June 30, 2020, 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	$ 6,665,383	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	2,625,068	-
Differences between projected and actual earnings on pension plan investments	-	621,024
Differences between expected and actual experience in the measurement of the total pension liability	4,863,652	-
Changes of assumptions	3,187,286	-
Total	$ 17,341,389	$ 621,024

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
2021	$ 613,019
2022	(1,224,487)
2023	(185,555)
2024	175,999
Total	$ (621,024)

The deferred outflows 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 of Resources
2021	$ 6,073,632
2022	2,884,829
2023	1,561,407
2024	156,138
Total	$ 10,676,006

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, 2018, and rolling forward the total pension liability to June 30, 2019. The financial reporting actuarial valuation as of June 30, 2018, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
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 services

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90 percent 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%)	$ 96,511,857
Current discount rate (7.15%)	66,955,435
1% increase (8.15%)	42,436,341

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, 2020, which amounted to $3,334,667 (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, 2020. 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.

Senate Bill 90 (Chapter 33, Statutes of 2019), which was signed by the Governor on June 27, 2019, appropriated an additional 2019–2020 contribution on-behalf of school employers of $1.1 billion for CalSTRS. A proportionate share of these contributions has 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 16 - 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, 2020, the District made payments of $2,022,735, $661,724, $1,004,123, $206,262, and $5,353,458 to PIPS, SWACC/SAFER, ACSIG/Edge, ACSIG, and SISC JPAs, respectively.

Note 17 - 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, 2020.

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, 2020.

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, 2020, amounted to approximately $150,163.

Construction Commitments

As of June 30, 2020, the District had the following commitments with respect to the unfinished capital projects:

Capital Projects	Remaining Construction Commitments	Expected Dates of Completion
CCC - Central Plant	$ 573,202	November 30, 2020
CCC - Science-Lecture Bldg. #1	7,273,389	December 31, 2020
CCC - Student Services Learning Resources Bldg. #2	29,810,033	February 28, 2022
ADA Transition Plan - Phase 1	226,886	November 30, 2020
Bloom Fuel Cell Project	5,100	June 30, 2021
Bonelli Hall Cooling Tower	15,090	January 31, 2021
Boykin Hall Modernization Phase 2	495,000	August 31, 2022
CCC - Quad Modernization - HVAC	198,625	December 15, 2020
PE West Modernization	2,875	November 30, 2020
Tick Canyon Fire Clean Up	31,265	September 30, 2021
ADA Transition Plan - Phase 2	351,300	February 28, 2022
Parking Lot 7 Utilities	60,130	December 31, 2020
	$ 39,042,895	

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.

Note 18 - Subsequent Events

Subsequent to year end, the District has been negatively impacted by the effects of the world-wide coronavirus pandemic. The District is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the issuance date of these financial statements, the full impact to the District's financial position is not known beyond increased cash flow monitoring due to state apportionment deferrals.

Required Supplementary Information
June 30, 2020

Santa Clarita Community College District

	2020	2019	2018
Total OPEB Liability			
Service cost	$ 597,864	$ 436,238	$ 413,136
Interest	326,477	492,562	471,671
Changes of benefit terms	-	747,173	-
Differences between expected and actual experience	(20,174)	-	-
Experience gains/losses	-	(93,026)	-
Changes of assumptions or other inputs	3,407,347	583,618	-
Benefit payments	(359,582)	(359,582)	(346,593)
Net change in total OPEB liability	3,951,932	1,806,983	538,214
Total OPEB Liability - Beginning	14,730,819	12,923,836	12,385,622
Total OPEB Liability - Ending	$ 18,682,751	$ 14,730,819	$ 12,923,836
Covered Payroll	N/A[1]	N/A[1]	N/A[1]
District's Total OPEB Liability as a Percentage of Covered Payroll	N/A[1]	N/A[1]	N/A[1]
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018

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

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

	2020	2019	2018
Year ended June 30,			
District's proportion of the net OPEB liability	0.1146%	0.1115%	0.1049%
District's proportionate share of the net OPEB liability	$ 426,830	$ 426,876	$ 441,354
District's covered payroll	N/A[1]	N/A[1]	N/A[1]
District's proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A[1]	N/A[1]	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	-0.81%	-0.40%	0.01%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017

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

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

	2020	2019	2018	2017	2016	2015
CalSTRS						
District's proportion of the net pension liability	0.0648%	0.0657%	0.0616%	0.0643%	0.0644%	0.0625%
District's proportionate share of the net pension liability	$ 58,517,112	$ 60,375,178	$ 56,994,059	$ 52,007,869	$ 43,356,157	$ 36,549,539
State's proportionate share of the net pension liability associated with the District	31,924,991	34,567,613	33,717,204	29,607,152	22,930,627	22,070,189
Total	$ 90,442,103	$ 94,942,791	$ 90,711,263	$ 81,615,021	$ 66,286,784	$ 58,619,728
District's covered payroll	$ 38,629,263	$ 36,652,349	$ 32,921,367	$ 31,151,911	$ 25,442,973	$ 27,811,867
District's proportionate share of the net pension liability as a percentage of its covered payroll	151.48%	164.72%	173.12%	166.95%	170.41%	131.42%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%	77%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS						
District's proportion of the net pension liability	0.2297%	0.2153%	0.2153%	0.2101%	0.2102%	0.2058%
District's proportionate share of the net pension liability	$ 66,955,435	$ 57,407,934	$ 51,396,096	$ 41,487,302	$ 30,976,787	$ 23,365,441
District's covered payroll	$ 31,869,068	$ 29,121,280	$ 28,198,934	$ 24,896,193	$ 21,783,893	$ 21,565,373
District's proportionate share of the net pension liability as a percentage of its covered payroll	210.10%	197.13%	182.26%	166.64%	142.20%	108.35%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	79%	83%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

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

	2020	2019	2018	2017	2016	2015
CalSTRS						
Contractually required contribution	$ 6,755,103	$ 6,288,844	$ 5,288,934	$ 4,141,508	$ 3,342,600	$ 2,259,336
Contributions in relation to the contractually required contribution	6,755,103	6,288,844	5,288,934	4,141,508	3,342,600	2,259,336
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 39,503,526	$ 38,629,263	$ 36,652,349	$ 32,921,367	$ 31,151,911	$ 25,442,973
Contributions as a percentage of covered payroll	17.10%	16.28%	14.43%	12.58%	10.73%	8.88%
CalPERS						
Contractually required contribution	$ 6,665,383	$ 5,756,191	$ 4,522,826	$ 3,916,268	$ 2,949,452	$ 2,564,182
Contributions in relation to the contractually required contribution	6,665,383	5,756,191	4,522,826	3,916,268	2,949,452	2,564,182
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 33,798,403	$ 31,869,068	$ 29,121,280	$ 28,198,934	$ 24,896,193	$ 21,783,893
Contributions as a percentage of covered payroll	19.721%	18.062%	15.531%	13.888%	11.847%	11.771%

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

Note 1 - Purpose of Schedules

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

This schedule presents information on the District's changes in the total OPEB liability, including beginning and ending balances, 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 discount rate changed from 3.50% to 2.20% 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 3.87% to 3.50% since the previous valuation.

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

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

***Changes in Benefit Terms* -** There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.

Changes of Assumptions - There were no changes in economic assumptions since the previous valuations for both CalSTRS and 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, 2020

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.

Governing Board

Member	Office	Term Expires
Michele R. Jenkins	President	2020
Joan W. MacGregor	Vice President	2022
Edel Alonso	Clerk	2020
Michael D. Berger	Member	2022
Steve D. Zimmer	Member	2020

Administration

Dianne G. Van Hook, Ed.D.	Chancellor/Secretary/Parliamentarian to the Governing Board
Michael Wilding, Ph.D.	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.	Assistant Superintendent/Vice President, Human Resources
Jim Schrage	Assistant Superintendent/Vice President, Facilities Planning, Operations, and Construction
Eric Harnish	Vice President, Public Information, Advocacy, and External Relations
Jason Hinkle	Associate Vice President, Business Services

Auxiliary Organizations in Good Standing

College of the Canyons Foundation, established 1987
Master Agreement entered into July 1, 2019
Cathy Ritz, Foundation Chief Operating Officer and Director

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Entity Identifying Number	Program 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	$ 21,375
Forest Service Schools and Roads Cluster			
Passed through Los Angeles County Office of Education			
Forest Reserve	10.665	[1]	22,717
Total Forest Service Schools and Roads Cluster			22,717
Supplemental Nutrition Assistance Program (SNAP) Cluster			
Passed through Chico State Enterprises			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	SUB19-011	11,106
Total SNAP Cluster			11,106
Total U.S. Department of Agriculture			55,198
National Science Foundation			
Research and Development Cluster			
Passed through Madison Area Technical College			
Center for Renewable Energy Advanced Technological Education Support Center (CREATE-SC)	47.076	1600934	100,191
CREATE: Energy Storage Project (CREATE-ESP)	47.076	1800893	33,924
CREATE: SCADA Project	47.076	1901852	58,319
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	9,890
Passed through Forsyth Technical Community College			
Skills for Biomedical Emerging Technology Applications	47.076	1800909	19,392
Promoting STEM Education at 2 Year Colleges	47.076	1931740	41,424
Promoting STEM Education at 2 Year Colleges	47.076	1931264	205,980
Total Research and Development Cluster			469,120
Total National Science Foundation			469,120
Small Business Administration			
Passed through Long Beach City Community College District			
Small Business Development Center	59.037	CN 99765.2	174,428
Small Business Development Center	59.037	CN 99780.1	250,433
Subtotal			424,861
Total Small Business Administration			424,861
U.S. Department of Veterans Affairs			
Veterans Outreach Program - Administration	64.117		7,185
Total U.S. Department of Veterans Affairs			7,185

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Entity Identifying Number	Program Expenditures
U.S. Department of Education			
Student Financial Assistance Cluster			
Federal Pell Grant Program (PELL)	84.063		$ 13,983,344
Federal Pell Grant Program Administration Allowance	84.063		22,890
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		497,600
Federal Work-Study Program (FWS)	84.033		338,694
Federal Work-Study Program Administration Allowance	84.033		55,753
Federal Direct Student Loans	84.268		1,911,295
Total Student Financial Assistance Cluster			16,809,576
COVID-19: CARES Act Higher Education Emergency Relief Funds, Student Portion	84.425E		2,885,025
COVID-19: CARES Act Higher Education Emergency Relief Funds, Institutional Portion	84.425F		1,481,574
Subtotal			4,366,599
Passed through California Community Colleges Chancellor's Office			
Career and Technical Education Act, Perkins Title I, Part C	84.048A	19-C01-054	455,254
CTE Transitions	84.048A	19-C01-054	46,195
Subtotal			501,449
Title V - Institutional Aid	84.031S		323,678
Passed through University Corporation (CSUN)			
Title III - Bridging the Gap: Enhancing AIMS2 for Student Success	84.031C	A17-0013-S001	83,328
Title V - Developing California's Workforce: Creating Pathways for Latino Transfer Students in High Demand Careers	84.031S	A17-0033-S002	125,194
Subtotal			532,200
Total U.S. Department of Education			22,209,824
U.S. Department of Health and Human Services			
Passed through California Community Colleges Chancellor's Office			
Foster and Kinship Care Education (FKCE)	93.658	[1]	33,206
Child Care and Development Fund (CCDF) Cluster			
Passed through Yosemite Community College			
Child Development Training Consortium	93.575	19-20-2888	9,803
Passed through Chabot-Las Positas Community College District			
Child Development Mentor Teacher	93.575	CN180198	1,584
Passed through California Department of Education			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	13609	40,772
Child Care and Development Block Grant	93.575	15136	18,743
Total Child Care and Development (CCDF) Cluster			70,902

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Entity Identifying Number	Program Expenditures
Passed through California Community Colleges Chancellor's Office			
Temporary Assistance for Needy Families (TANF)	93.558	[1]	$ 64,976
Passed through Los Angeles County Department of Public Social Services			
Temporary Assistance for Needy Families (TANF)	93.558	CCCP18011	62,169
Subtotal			127,145
Total U.S. Department of Health and Human Services			231,253
U.S. Department of Defense			
Passed through from California Office of Planning and Research			
Cybersecurity Apprenticeships	12.617	OPR19108	43,008
Total U.S. Department of Defense			43,008
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	64,723
Total U.S. Department of Labor			64,723
Total Expenditures of Federal Awards			$ 23,505,172

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

Program	Program Entitlements: Current Year	Program Entitlements: Prior Year Carryforward	Program Entitlements: Total Entitlement	Program Revenues: Cash Received	Program Revenues: Accounts Receivable	Program Revenues: Accounts Payable	Program Revenues: Unearned Revenue	Program Revenues: Total Revenue	Program Expenditures
ADN Enrollment Growth (7/1/19-6/30/20)	$ 110,107	$ -	$ 110,107	$ 110,107	$ -	$ -	$ -	$ 110,107	$ 110,107
Adult Education Block Grant - AB104 (Yr 3) 19-20	415,484	-	415,484	415,483	-	-	316,841	98,642	98,642
Adult Education Block Grant - AB104 (Yr 4) 17-18	-	386,508	386,508	32,691	-	-	-	32,691	32,691
Adult Education Block Grant - AB104 18-19	-	402,355	402,355	402,355	-	-	-	402,355	402,355
Advanced Technology Center	500,000	-	500,000	-	25,180	-	-	25,180	25,180
Board Financial Assistance Program (BFAP)	532,572	-	532,572	532,572	-	-	-	532,572	521,599
CACT	-	106,766	106,766	115,179	-	-	8,413	106,766	106,766
CA Apprenticeship Initiative	-	55,629	55,629	111	55,518	-	-	55,629	55,629
CA Pre-Apprenticeship Initiative	-	90,125	90,125	-	90,124	-	-	90,124	90,124
CA College Promise AB19 19-20	1,720,110	-	1,720,110	1,720,110	-	-	-	1,720,110	945,366
CA College Promise AB19 18-19	-	725,754	725,754	725,754	-	-	-	725,754	725,754
CA Virtual Campus Online Educ Initiative- 19-012	400,210	-	400,210	110,116	102,265	-	-	212,381	212,381
CA Virtual Campus Online Educ Initiative- Program Support	15,000	-	15,000	15,000	-	-	-	15,000	15,000
CA Virtual Campus Online Educ Initiative- 19-013	99,790	-	99,790	48,354	26,239	-	-	74,593	74,593
CA Work Opportunities and Responsibilities	377,356	-	377,356	377,356	-	3,016	-	374,340	374,340
Cal Grant	1,687,474	13,794	1,701,268	1,579,513	121,755	-	-	1,701,268	1,701,268
Campus Safety and Sexual Assault	-	29,489	29,489	29,489	-	-	-	29,489	5,200
Certified Nursing Assistant Program	-	30,000	30,000	30,000	-	-	22,616	7,384	7,384
Chancellor's Office Statistics Institute	88,000	27,419	115,419	21,020	23,152	-	-	44,172	44,172
Student Success Completion Grant	1,243,649	14,376	1,258,025	1,162,782	95,243	-	-	1,258,025	1,258,025
CCC eTranscript Mini Grant	-	1,244	1,244	1,244	-	-	1,244	-	-
Career Tech Educ- Data Unlocked	-	29,788	29,788	29,788	-	-	23,398	6,390	6,390
Child Development - Child Nutrition	979	-	979	979	-	-	-	979	979
Child Development - Foster Parent	50,755	-	50,755	50,755	-	-	4,292	46,463	46,463
Child Development - General Childcare & Dev Programs	198,170	-	198,170	182,820	-	37,270	-	145,550	182,820
Child Development - State Preschool Contract	306,566	-	306,566	279,627	13,278	-	-	292,904	279,627
Closed Caption Grant - Distance Ed - Butte	-	119,853	119,853	119,853	-	-	119,853	-	-
Closed Caption Grant - Distance Ed - FY 18-19	-	767,950	767,950	170,320	600,000	-	-	770,320	770,320

	Program Entitlements			Program Revenues					
Program	Current Year	Prior Year Carryforward	Total Entitlement	Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue	Total Revenue	Program Expenditures
Closed Caption Grant - Distance Ed - FY 19-20	$ 1,000,000	$ -	$ 1,000,000	$ -	$ 470,290	$ -	$ -	$ 470,290	$ 470,290
Currently and Formerly Incarcerated Student Reentry Program	113,636	-	113,636	45,454	30,630	-	-	76,084	76,084
Cooperative Agency Res for Education (CARE)	101,585	-	101,585	101,585	-	-	-	101,585	101,585
Deputy Sector Navigator-Advanced Manufacturing FY 18-19	-	105,928	105,928	105,928	-	-	-	105,928	105,928
Deputy Sector Navigator-Advanced Manufacturing FY 19-20	200,000	-	200,000	160,000	-	-	7,795	152,205	152,205
Deputy Sector Navigator-Health FY 18-19	-	96,266	96,266	96,266	-	-	-	96,266	96,266
Deputy Sector Navigator-Health	200,000	-	200,000	160,000	-	-	10,631	149,369	149,369
Deputy Sector Navigator-Info Comm Tech FY 18-19	-	70,328	70,328	70,328	-	-	-	70,328	70,328
Deputy Sector Navigator-Info Comm Tech	200,000	-	200,000	160,000	-	-	22,587	137,413	137,413
Disabled Student Programs and Services	1,217,335	-	1,217,335	1,218,026	-	-	-	1,218,026	1,190,037
Economic Development - Econ Dev Center Coord Svcs	-	528,045	528,045	134,488	-	-	-	134,488	134,488
Education Futures	-	73,319	73,319	73,319	-	-	-	73,319	73,319
Extended Opportunity Program and Services	679,541	-	679,541	679,541	-	5,750	-	673,791	673,791
Financial Aid Technology 18-19	-	208,403	208,403	208,403	-	-	180,408	27,995	27,995
Financial Aid Technology 19-20	62,341	-	62,341	62,341	-	-	-	62,341	62,341
Guided Pathways (Year 1 of 5)	-	58,424	58,424	58,425	-	-	-	58,425	58,425
Gui Coord Svcs (FY 18-19) #190	-	452,195	452,195	452,195	-	-	239,159	213,036	213,036
Guided Pathways (Year 3 of 5)	376,830	-	376,830	376,830	-	-	376,830	-	-
Hunger Free Campus FY 19-20	54,586	-	54,586	54,586	-	-	54,586	-	-
Hunger Free Campus FY 18-19	-	146,901	146,901	146,356	-	-	19,357	126,999	126,999
Industry Sector Projects In Common- Health (ISPICS)	-	131,000	131,000	131,000	-	-	-	131,000	131,000
Institutional Support Services	504,066	-	504,066	504,066	-	-	-	504,066	504,066

	Program Entitlements			Program Revenues					
Program	Current Year	Prior Year Carryforward	Total Entitlement	Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue	Total Revenue	Program Expenditures
Institutional Support Services	$ 24,190	$ -	$ 24,190	$ 24,190	$ -	$ -	$ -	$ 24,190	$ 24,190
Institutional Effectiveness and Technical Assistance Mini Grant (PRT Outreach)	200,000	-	200,000	200,000	-	-	199,040	960	960
Institutional Effectiveness and Technical Assistance (Year 6)	7,500,000	-	7,500,000	3,000,000	-	-	572,315	2,427,685	2,427,685
Institutional Effectiveness and Technical Assistance Carry Forward (Year 5)	-	4,881,187	4,881,187	-	4,881,187	-	-	4,881,187	4,881,187
Institutional Equipment Support (Block Grant) 18-19	-	134,505	134,505	-	-	-	-	-	134,505
Institutional Equipment Support (Block Grant) 19-20	196,423	-	196,423	196,423	-	-	-	196,423	96,531
K-14 TAP	285,000	-	285,000	228,000	-	-	228,000	-	-
Mental Health Services Program #19-036-012	400,000	-	400,000	-	-	-	-	-	-
Mental Health Support	-	146,249	146,249	141,140	-	-	18,730	122,410	122,410
OER Zero Textbook Cost Degree Technical assistance	-	136,640	136,640	136,640	-	-	-	136,640	136,640
OER Textbook Affordability AB798 #2	-	40,900	40,900	33,551	-	-	30,046	3,505	3,505
Quality Start (QRIS) Preschool	12,000	-	12,000	12,000	-	-	-	12,000	12,000
Quality Start (QRIS) Infant Toddler	6,000	-	6,000	6,000	-	-	-	6,000	6,000
Quality Start (QRIS) Preschool #2	4,060	-	4,060	4,060	-	-	3,948	112	112
Quality Start (QRIS) Infant Toddler #2	7,742	-	7,742	7,742			7,563	179	179
SBDC - GO Biz (CN 99772.8)	-	100,000	100,000	-	77,426	-	-	77,426	77,426
SBDC - GO Biz (CN 99760.7)	-	300,000	300,000	82,831	137,262	-	-	220,093	220,093
SBDC - GO Biz (CN 99774.4)	200,000	-	200,000	-	100,483	-	-	100,483	100,483
Sector Navigator - Health	372,000	-	372,000	297,600	-	-	45,939	251,661	251,661
Sector Navigator - Health 2018-19	-	45,424	45,424	45,424	-	-	-	45,424	45,424
Song Brown Special Programs	-	24,023	24,023	24,023	-	-	-	24,023	24,023
Song Brown Capitation	40,000	-	40,000	30,000	10,000	-	-	40,000	40,000
Song Brown	61,778	-	61,778	10,990	7,513	-	-	18,503	18,503
Staff Development	-	67,644	67,644	67,572	-	-	-	67,572	2,461
Staff Diversity	50,000	-	50,000	50,000	-	-	-	50,000	44,808

	Program Entitlements			Program Revenues					
Program	Current Year	Prior Year Carryforward	Total Entitlement	Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue	Total Revenue	Program Expenditures
Staff Diversity Carry Forward	$ -	$ 6,764	$ 6,764	$ -	$ -	$ -	$ -	$ -	$ 6,065
Strong Workforce Local Share	1,786,495	-	1,786,495	1,786,495	-	-	598,653	1,187,842	1,187,842
Strong Workforce Carry Forward	-	640,914	640,914	640,914	-	-	-	640,914	640,914
Strong Workforce Regional Share 19-20 allocation	936,250	-	936,250	936,250	-	-	841,714	94,536	94,536
Strong Workforce Regional Share 17-18 allocation	-	775,950	775,950	775,950	-	-	434,994	340,956	340,956
Strong Workforce Regional Share 18-19 allocation	-	1,227,775	1,227,775	1,227,775	-	-	506,370	721,405	721,405
Student Equity and Achievement Plan 2019-20	5,342,073	-	5,342,073	5,342,073	-	-	-	5,342,073	4,158,862
Student Equity and Achievement Plan 2018-19	-	1,245,034	1,245,034	1,245,034	-	-	-	1,245,034	1,245,034
Student Success - Mesa Grant	74,515	-	74,515	29,806	18,177	-	-	47,983	47,983
Student Success - Middle College HS (AOC)	100,000	-	100,000	40,000	60,000	-	-	100,000	100,000
Veterans' Resource Center (FY 18-19)	-	6,153	6,153	-	-	-	-	-	6,153
Veterans' Resource Center (FY19-20)	125,758	-	125,758	125,758	-	-	-	125,758	57,140
Veterans' Resource Center Grant	-	200,000	200,000	62,114	11,196	-	-	73,310	73,310
Water Talks	25,000	-	25,000	9,427	365	-	-	9,792	9,792
Total State Programs	$ 30,205,426	$ 14,651,021	$ 44,856,447	$ 30,082,297	$ 6,957,283	$ 46,036	$ 4,895,322	$ 32,098,221	$ 30,008,918

	**Reported Data	Audit Adjustments	Audited Data
Categories			
A. Summer Intersession (Summer 2019 only)			
1. Noncredit*	20.55	-	20.55
2. Credit	580.53	-	580.53
B. Summer Intersession (Summer 2020 - Prior to July 1, 2020)			
1. Noncredit*	15.69	-	15.69
2. Credit	552.61	-	552.61
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	7,413.94	-	7,413.94
(b) Daily Census Contact Hours	1,847.03	-	1,847.03
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit*	459.13	-	459.13
(b) Credit	627.66	-	627.66
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Procedure Courses	1,446.16	-	1,446.16
(b) Daily Census Procedure Courses	1,799.56	-	1,799.56
(c) Noncredit Independent Study/Distance Education Courses	10.44	-	10.44
D. Total FTES	14,773.30	-	14,773.30
Supplemental Information (Subset of Above Information)			
E. In-Service Training Courses (FTES)	1,640.57	-	1,640.57
F. Basic Skills Courses and Immigrant Education			
1. Noncredit*	80.01	-	80.01
2. Credit	57.79	-	57.79
CCFS-320 Addendum			
CDCP Noncredit FTES	86.13	-	86.13
Centers FTES			
1. Noncredit*	9.08	-	9.08
2. Credit	1,174.15	-	1,174.15

* Including Career Development and College Preparation (CDCP) FTES.
** Revised October 29, 2020

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Academic Salaries							
Instructional Salaries							
Contract or Regular	1100	$ 18,631,207	$ -	$ 18,631,207	$ 18,765,689	$ -	$ 18,765,689
Other	1300	16,171,336	-	16,171,336	16,178,924	-	16,178,924
Total Instructional Salaries		34,802,543	-	34,802,543	34,944,613	-	34,944,613
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	6,049,363	-	6,049,363
Other	1400	-	-	-	1,523,638	-	1,523,638
Total Noninstructional Salaries		-	-	-	7,573,001	-	7,573,001
Total Academic Salaries		34,802,543	-	34,802,543	42,517,614	-	42,517,614
Classified Salaries							
Noninstructional Salaries							
Regular Status	2100	-	-	-	17,766,702	-	17,766,702
Other	2300	-	-	-	1,436,043	-	1,436,043
Total Noninstructional Salaries		-	-	-	19,202,745	-	19,202,745
Instructional Aides							
Regular Status	2200	1,470,389	-	1,470,389	1,485,138	-	1,485,138
Other	2400	1,020,532	-	1,020,532	1,172,349	-	1,172,349
Total Instructional Aides		2,490,921	-	2,490,921	2,657,487	-	2,657,487
Total Classified Salaries		2,490,921	-	2,490,921	21,860,232	-	21,860,232
Employee Benefits	3000	12,884,473	-	12,884,473	23,403,745	-	23,403,745
Supplies and Material	4000	-	-	-	666,876	-	666,876
Other Operating Expenses	5000	2,381,755	-	2,381,755	11,228,771	-	11,228,771
Equipment Replacement	6420	-	-	-	1,107,843	-	1,107,843
Total Expenditures		52,559,692	-	52,559,692	100,785,081	-	100,785,081

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110 Reported Data	Audit Adjustments	Revised Data	ECS 84362 B Total CEE AC 0100 - 6799 Reported Data	Audit Adjustments	Revised Data
Exclusions							
Activities to Exclude							
Instructional Staff - Retirees' Benefits and	5900	$ 323,917	$ -	$ 323,917	$ 323,917	$ -	$ 323,917
Student Health Services Above Amount	6441	-	-	-	12,538	-	12,538
Student Transportation	6491	-	-	-	-	-	-
Noninstructional Staff - Retirees' Benefits	6740	-	-	-	367,036	-	367,036
Objects to Exclude							
Rents and Leases	5060	-	-	-	343,731	-	343,731
Lottery Expenditures							
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines, and Periodicals	4200	-	-	-	-	-	-
Instructional Supplies and Materials	4300	-	-	-	-	-	-
Noninstructional Supplies and Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	-	-	-

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Other Operating Expenses and Services	5000	$ -	$ -	$ -	$ 2,627,316	$ -	$ 2,627,316
Capital Outlay	6000						
Library Books	6300	-	-	-	8,295	-	8,295
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	1,099,548	-	1,099,548
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	1,099,548	-	1,099,548
Total Capital Outlay		-	-	-	1,107,843	-	1,107,843
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		323,917	-	323,917	4,782,381	-	4,782,381
Total for ECS 84362,		$ 52,235,775	$ -	$ 52,235,775	$ 96,002,700	$ -	$ 96,002,700
Percent of CEE (Instructional Salary		54.41%		54.41%	100.00%		100.00%
50% of Current Expense of Education					$ 48,001,350		$ 48,001,350

See Note to Supplementary Information

There were no adjustments to the Annual Financial and Budget Report (CCFS-311), which required reconciliation to the audited financial statements at June 30, 2020.

Activity Classification	Object Code				Unrestricted
EPA Revenue:	8630				$ 9,026,369
Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	1000-5900	$ 9,026,369	$ -	$ -	$ 9,026,369
Total Expenditures for EPA		$ 9,026,369	$ -	$ -	$ 9,026,369
Revenues Less Expenditures					$ -

Amounts reported for governmental activities in the statement of net position are different because:		
Total Fund Balances and Due to Student Groups:		
General Funds	$ 13,931,607	
Special Revenue Funds	1,169,595	
Capital Projects Funds	83,520,068	
Debt Service Funds	14,389,023	
Internal Service Fund	4,536,706	
Fiduciary Funds	136,204	
Total fund balance - all Governmental funds		$ 117,683,203
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	428,646,757	
Accumulated depreciation is	(107,376,820)	
Net capital assets		321,269,937
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term liabilities is recognized when it is incurred.		(5,127,561)
Deferred outflows of resources represent a consumption of net position in a future period and are not reported in the District's funds. Deferred outflows of resources at year-end consist of:		
Deferred charges on refunding	7,964,967	
Aggregate net other postemployment benefits (OPEB) liability	3,504,305	
Aggregate net pension liability	34,374,450	
Total deferred outflows of resources		45,843,722
Deferred inflows of resources represent an acquisition of net position that applies to a future period and are not reported in the District's funds. Deferred inflows of resources at year-end consist of:		
Aggregate net other postemployment benefits (OPEB) liability	(91,259)	
Aggregate net pension liability	(5,825,913)	
Total deferred inflows of resources		(5,917,172)

Aggregate net OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.		$ (19,109,581)
Aggregate net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		(125,472,547)
Long-term liabilities 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 bond payable	350,292,707	
Certificate of participation	8,924,059	
Compensated absences (less amount set up in Governmental Funds)	4,253,431	
Load banking	284,369	
Early retirement plan	2,218,274	
In addition, the District issued 'capital appreciation' general obligation bonds. The accretion of interest unmatured on the general obligation bonds to date is:	13,291,397	(379,264,237)
Total net position		$ (50,094,236)

Note 1 - Purpose of Schedules

District Organization

This schedule provides information about the District's governing board members, administration members, and auxiliary organizations in good standing as of June 30, 2020.

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, 2020. 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.

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

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

SEFA Reconciliation
The following schedule provides reconciliation between revenues reported on the statement of revenues, expenses, and changes in net position, and the related expenditures reported on the schedule of expenditures of federal awards.

Description	CFDA Number	Amount
Total Federal Revenues From the Statement of Revenues, Expenses, and Changes in Net Position:		$ 23,601,289
Coronavirus Relief Fund	21.019	(96,117)
Total Expenditures of Federal Awards		$ 23,505,172

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 proceeds and summarizes the expenditures of EPA proceeds.

Reconciliation of Governmental Funds to the Statements of Net Position

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

Independent Auditor's Reports
June 30, 2020

Santa Clarita Community College District

EideBailly
CPAs & BUSINESS ADVISORS

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate remaining fund information of Santa Clarita Community College District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 15, 2021.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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.

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

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 entity'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
February 15, 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, 2020. 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, 2020.

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 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
February 15, 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 2019-2020 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, 2020.

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 2019-2020 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 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 439 Proposition 39 Clean Energy Fund
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

The District did not have any projects funded under no Proposition 39 Clean Energy Fund; therefore, the compliance tests within this section were not applicable.

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 above that are applicable to the State programs noted in the table above that were audited for the year ended June 30, 2020.

The purpose on this report on state compliance is solely to describe the results of our testing based on the requirements of the 2019-2020 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Rancho Cucamonga, California
February 15, 2021

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:	No

Identification of major programs:

Name of Federal Program or Cluster	CFDA Number
Student Financial Assistance Cluster	84.007, 84.033, 84.063, 84.268
COVID-19: CARES Act Higher Education Emergency Relief Funds, Student Portion	84.425E
COVID-19: CARES Act Higher Education Emergency Relief Funds, Institutional Portion	84.425F

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

STATE AWARDS

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

None reported.

None reported.

None reported.

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

Financial Statement Findings

None reported.

Federal Awards Findings

None reported.

State Awards Findings

None reported.