YOSEMITE COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENTS

June 30, 2022

YOSEMITE COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2022

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FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2022

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Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Yosemite Community College District
Modesto, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Yosemite Community College District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Yosemite Community College District's basic financial statements as listed in the table of contents.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

(Continued)

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis on pages 4 to 14 and the Schedule of Changes in Net Other Postemployment Benefits (OPEB) Liability, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions (Pensions) on pages 48 to 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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.

(Continued)

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Yosemite Community College District's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and, except for that portion marked "unaudited," was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, that information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2022 in our consideration of Yosemite Community College District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Yosemite Community College 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 Yosemite Community College District's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Sacramento, California
November 17, 2022

INTRODUCTION

The following discussion and analysis provides an overview of the financial position and activities of the Yosemite Community College District (the District) for the year ended June 30, 2022. This discussion has been prepared by management and should be read in conjunction with the financial statements, including the notes thereto, which follow this section.

HISTORY

Modesto Junior College, one of the oldest community colleges in the state, was founded in 1921 to serve the first junior college district established under the State Legislature. The District's boundaries changed in 1964 and the Yosemite Community College District was created and named by action of the electorate. The District includes two comprehensive, two-year colleges: Modesto Junior College founded in 1921, and Columbia College founded in 1967. The District includes all of two counties (Stanislaus and Tuolumne), parts of four others (Calaveras, Merced, San Joaquin, and Santa Clara), and stretches 170 miles across central California from the coastal range on the west to the Sierra Nevada's on the east. The District is governed by a seven-member Board of Trustees.

ACCOUNTING STANDARDS

The format of these financial statements follows Governmental Accounting Standards Board (GASB), Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities.* The California Community Colleges Chancellor's Office (Chancellor's Office) recommends that all state community college districts follow the business type activity (BTA) model. The District applied the BTA reporting model to comply with the recommendation and to report in a manner consistent and comparable with other community college districts.

GASB reporting standards require that the annual report include three basic financial statements that provide information on the District as a whole: the statement of net position; the statement of revenues, expenses, and change in net position; and the statement of cash flows. The information provided on the statements in the Management's Discussion and Analysis (MDA) includes all funds, including general obligation bond funds and student associations. Each statement will be discussed separately. Financial statements for the college's foundations are issued separately and can be obtained from the respective organizations.

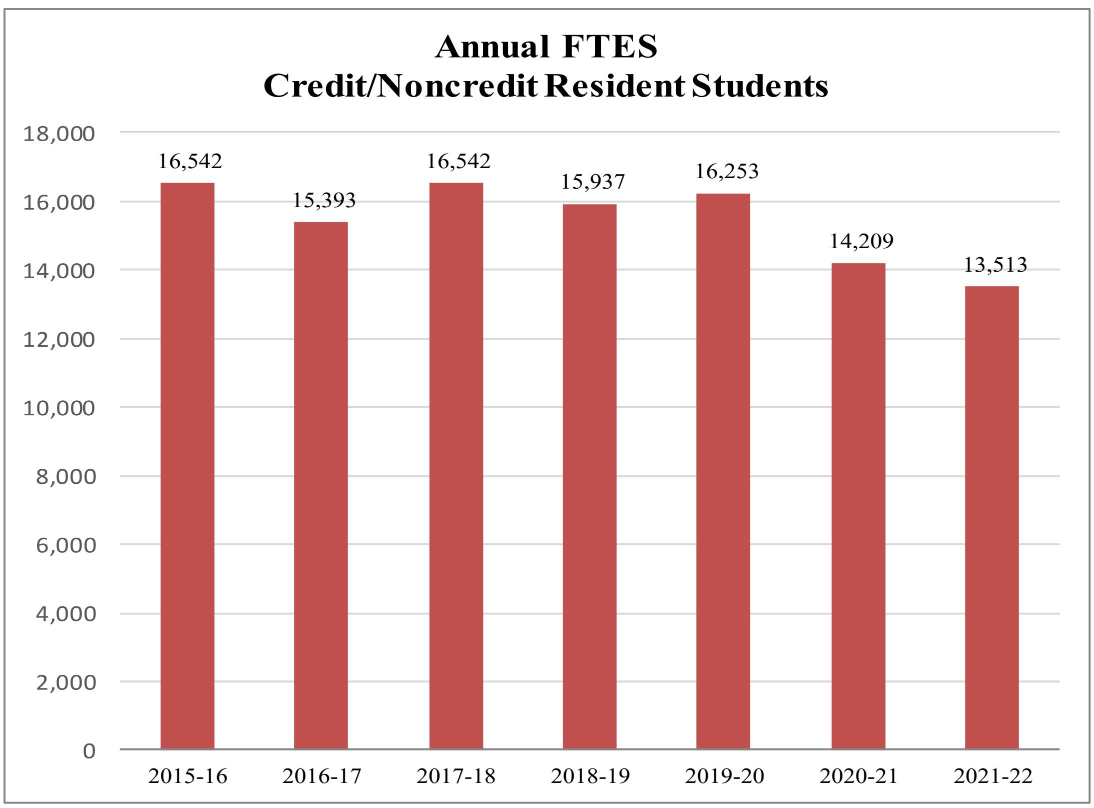
The following MDA provides an overview of the District's financial activities.

FINANCIAL HIGHLIGHTS

The Student Centered Funding Formula (SCFF) for 2021-22 continued to be calculated based on 70% Full Time Equivalent Students (FTES), 20% supplemental grant (number of students participating in the Pell Grant Program and California Promise Program), and 10% student success factors (i.e. certificates, associate degree transfers, transfer to 4-year institution, etc.). Due to the COVID-19 Pandemic, emergency conditions allowances kept the District funded at the same level of FTES as 2019-20. The district has developed a conservative budget that includes a revenue deficit factor of approximately $3.3 million. The 2021-22 ending balance for the unrestricted general fund is $39 million, which came in at a higher level than expected. This was due in part to new revenue sources, efficiencies and savings at all sights, and the revenue deficit factor being less than the budgeted amount. Additional savings which added to the increase in the ending balance include vacant positions. For the 2022-23 budget year, the District has budgeted for an unrestricted general fund balance reduction of $18,024,607, which includes $10,000,000 allocated to cover the cost of emergency facilities projects, $2,276,880 to fund an energy efficiency project, $6,6741,877 associated with prior year site specific savings and $1,005,850 associated with unspent encumbered funds from the prior year. The Final Budget also includes $1,000,000 allocated for facilities total cost of ownership, $500,000 for IT total cost of ownership and $1,000,000 to be transferred to the retiree health benefits trust account.

ATTENDANCE

With the implementation of the Student Centered Funding Formula, total funded FTES will be calculated using a three-year rolling average. Actual FTES reported in 2021-22 was 13,513. The chart below shows actual FTES reported for 2021-22 fiscal year as well as the previous six years. Both campuses are addressing the reduction in FTES with the goal of removing barriers so that students are able to return and creating a safe campus environment so that they feel comfortable when they return.



GENERAL FUND RESERVE

The District had a designated reserve in the General Fund of $12 million, or approximately 10% of the General Fund unrestricted expenditures budget for 2021-22. For the 2022-23 budget year, the District has a 10% designated reserve on the General Fund unrestricted budgeted expenditures, a $3 million additional reserve for PERS and STRS increases, $1.1 million in site specific reserve, $1 million for prior year encumbrances, and $773 thousand in undesignated reserves.

SALARIES AND BENEFITS

Eligible employees received stability pay as per their employee group contracts during the fiscal year. The California School Employees Association (CSEA) and Leadership Team (LTAC) received a 2.5% cost of living adjustment (COLA) for the 2021-22 fiscal year. The District paid the cost of a base health benefit plan for eligible employees at an annual cost per employee of $22,161. The District paid base health plan will increase to $23,145 per eligible employee in 2022-23.

OTHER POSTEMPLOYMENT BENEFITS

The District joined the Public Agency Retirement Services (PARS) on July 1, 2008 to establish an irrevocable trust for its other postemployment benefits (OPEB). The District's OPEB consists of health benefits. As of June 30, 2022, the account balance was $31,734,373. The initial contribution to the trust was made on June 1, 2009 in the amount of $14,943,947. Due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District is now required to record its full OPEB liability in its audited financial statements. As of June 30, 2022, the District's OPEB liability was $7,819,954.

The District established a Retirement Trust Committee that meets quarterly with staff from PARS and US Bank to review the OPEB Trust investments, actuarial studies, and other activities related to the District's OPEB Trust.

GENERAL OBLIGATION BOND- MEASURE E

In November 2004, voters in the District approved Measure E, the $326 million general obligation bond for the repair, upgrade, and new construction of Modesto Junior College and Columbia College facilities and the expansion of college education centers in Patterson, Oakdale, Turlock, and Angels Camp, California. The sale of the first of the three bond issues in the amount of $94 million was made in May 2005; the second sale in the amount of $150 million took place in April 2008; and the third and final bond issue was sold in June 2010 in the amount of $82 million. In July 2012, the District refunded $57,150,000 of bonds issued in 2005. The net savings of this refunding was $4,528,621. In July 2015, the District refunded $120,205,000 of bonds issued in 2005 and 2008. The net savings of this refunding was $9,196,359. In October 2020, the District refunded $2,882,328 of bonds issued in 2010, $27,875,362 of bonds issued in 2012 and $159,754,825 of bonds issued in 2015, for a total of $190,512,515. The net savings of this refunding was $6,323,347. Completed and in-use projects are: MJC auditorium, MJC Ag-modular living units, MJC Ag-animal facilities renovation, MJC roadways, MJC loop road/infrastructure, MJC parking structure/lot, MJC softball complex, MJC Ag Multipurpose Pavilion, MJC Allied Health Building, MJC Art Building Renovation, MJC Founders Hall Modernization, MJC Painting East Campus, MJC Painting West Campus, MJC Student Services Building, MJC Redbud Distance Education, MJC Science Center, MJC Science Outdoor Ed, MJC Roadways, MJC West Campus

– Parking Lot 208, Great Value Museum Education Demonstration Center, MJC ACE Equipment Facility, CC Science Natural Resources Building, Columbia College (CC) bus service loop/disabled parking lot, CC 200 space parking lot, CC child development center, CC Juniper Upgrade, CC Madrone building modernization, CC Pinyon Building Upgrade, CC Campus Wide Wayfinding, CC Public Safety Center, CC Manzanita Building, CC Manzanita Lower Level Renovation, CC roadways, Central Services (CS) Ag trailers, CS BM: Secondary Data Center, CS Hammer Throw, CS Utility Infrastructure, CS master plan, CS district office, and CS Capital Outlay Debt Service.

The Measure E Program Management Plan was Board approved in February 2006. The program, which was originally planned as a four-phase, twelve-year effort, has been reduced to a three-phase, nine-year plan. This significantly reduces the impact of inflation. The District's Board approved revised Measure E budgets for both Modesto Junior College and Columbia College in the spring of 2011. In January 2012, the District's Board approved revised Measure E budgets for Modesto Junior College and Central Services. Modesto Junior College reallocated existing funds from savings from completed projects. Based upon the bi-annual arbitrage studies that resulted in negative arbitrage calculation, Central Services augmented their allocation by $20,000,000 from investment earnings for the purpose of building a Central Services office, improving roads, and adding solar energy to the District's sites. All Measure E construction funds have been fully expended.

STATEMENTS OF NET POSITION

The statements of net position include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private sector organizations. Net position, the difference between assets and liabilities, are an indicator of the financial health of a district.

	2022	2021	Change
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 86,100,550	$ 49,726,187	73%
Receivables	17,909,455	33,558,802	-47%
Inventory, prepaid, and other assets	469,864	1,006,031	-53%
Total Current Assets	104,479,869	84,291,020	24%
NONCURRENT ASSETS			
Restricted cash and cash equivalents	33,085,916	29,128,069	14%
Long-term investments	-	155,909	-100%
Loans to students	71,798	84,870	-15%
Capital assets - net	377,045,360	385,080,204	-2%
Total Noncurrent Assets	410,203,074	414,449,052	-1%
Total Assets	514,682,943	498,740,072	3%
DEFERRED OUTFLOW OF RESOURCES			
Deferred outflows of resources - pensions	25,743,933	33,738,623	-24%
Deferred amount on debt refunding	3,807,754	8,985,641	-58%
Deferred amount on resources - OPEB	5,323,447	1,323,962	302%
TOTAL ASSETS AND DEFERRED OUTFLOWS	549,558,077	542,788,298	1%
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	12,488,093	8,485,415	47%
Advances from grantors and students	29,971,071	19,222,838	56%
Other current liabilities	25,454,027	21,001,695	21%
Total Current Liabilities	67,913,191	48,709,948	39%
NONCURRENT LIABILITIES			
Long-term liabilities - noncurrent portion	444,339,410	514,591,278	-14%
Total Liabilities	512,252,601	563,301,226	-9%
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pensions	58,913,000	4,173,000	1312%
Deferred inflows of resources - OPEB	3,626,357	7,204,990	-50%
NET POSITION			
Net investment on capital assets	111,100,768	118,329,113	-6%
Restricted	31,583,056	26,589,827	19%
Subtotal	142,683,824	144,918,940	-2%
Unrestricted:			
General Reserve	11,801,000	10,864,000	9%
Contingency reserve and other designation	(179,718,705)	(187,673,858)	-4%
Total Unrestricted	(167,917,705)	(176,809,858)	-5%
Total Net Position	$ (25,233,881)	$ (31,890,918)	-21%

Current cash and cash equivalents consist mainly of cash in the County Treasury.

Receivables include receivables from state and federal grants as well as general apportionment earned but not received by year end.

Restricted cash and cash equivalents consist of amounts relating to the Capital Outlay Projects Fund and the General Obligations Bond Fund.

Long-term investments consist mainly of certificates of deposits and equity securities for the scholarship and loan programs.

Loans to students consist of notes receivable due from students under the Federal Nursing Loan program.

Net capital assets are the historical value of land, buildings, and equipment less accumulated depreciation. A total of $12.2 million was added to net capital assets as a result of completed project funded by the General Obligation Bond Funds. The footnotes to the financial statements contain a breakdown of the net capital assets.

Accounts payable and accrued liabilities consist mainly of accrued payroll and payables due to vendors.

Advances from grantors and students relate to federal, state, and local program funds received but not yet earned as of the end of the fiscal year. Most grant funds are earned when expended (up to the grant amount awarded). Also included are unearned enrollment fees for the 2021-22 fiscal year.

Other current liabilities include the amounts held in trust for others. Long-term liabilities (noncurrent portion) are long-term debt to be paid in one year or later. The net other post-employment benefit liability of $7,819,954, the net pension liability of $77,801,000, and the general obligation bonds of $263,621,373 are the major components of the noncurrent portion.

The 5% general reserve requirement per the State Chancellor's Office has been met and exceeded. Restricted net position consists primarily of net position held in the Capital Outlay Projects Fund for scheduled maintenance and special repairs and in the Bond Interest and Redemption Funds.

STATEMENTS OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION

The statements of revenues, expenses, and changes in net position present the operating finances of the District, as well as the nonoperating revenues and expenses. State general apportionment funds, while budgeted for operations, are considered nonoperating revenues according to generally accepted accounting principles.

	2022	2021	Change
Revenues			
Operating Revenues:			
Net tuition and fees	$ -	$ 6,809,035	-100%
Grants, contracts, and other designated revenues	52,570,412	54,478,952	-4%
Auxiliary enterprise, net	1,469,253	1,891,971	-22%
Other Operating Income	2,990,681	3,621,495	-17%
Total Operating Revenues	57,030,346	66,801,453	-15%
Total Operating Expenses	224,845,680	219,598,492	2%
Operating Loss	(167,815,334)	(152,797,039)	10%
Nonoperating revenues (expenses)			
Federal grants	36,045,911	14,800,417	144%
State apportionments - noncapital	60,473,530	56,510,815	7%
Local property taxes	53,412,961	50,760,694	5%
Lottery and other revenue	26,628,787	30,304,553	-12%
Interest Expense - Capital	(22,568,761)	(23,420,285)	-4%
Investment income	(302,346)	1,332,541	-123%
Other nonoperating revenues - net	861,191	1,244,973	-31%
Total Nonoperating Revenues	154,551,273	131,533,708	17%
Loss before other revenues, expenses, gains, or losses	**(13,264,061)**	**(21,263,331)**	38%
Apportionment and property taxes - capital	19,921,098	18,242,041	9%
Increase in Net Position	6,657,037	(3,021,290)	-320%
Net Position, beginning of year	(31,890,918)	(28,869,628)	10%
Net Position - End of Year	$ (25,233,881)	$ (31,890,918)	-21%

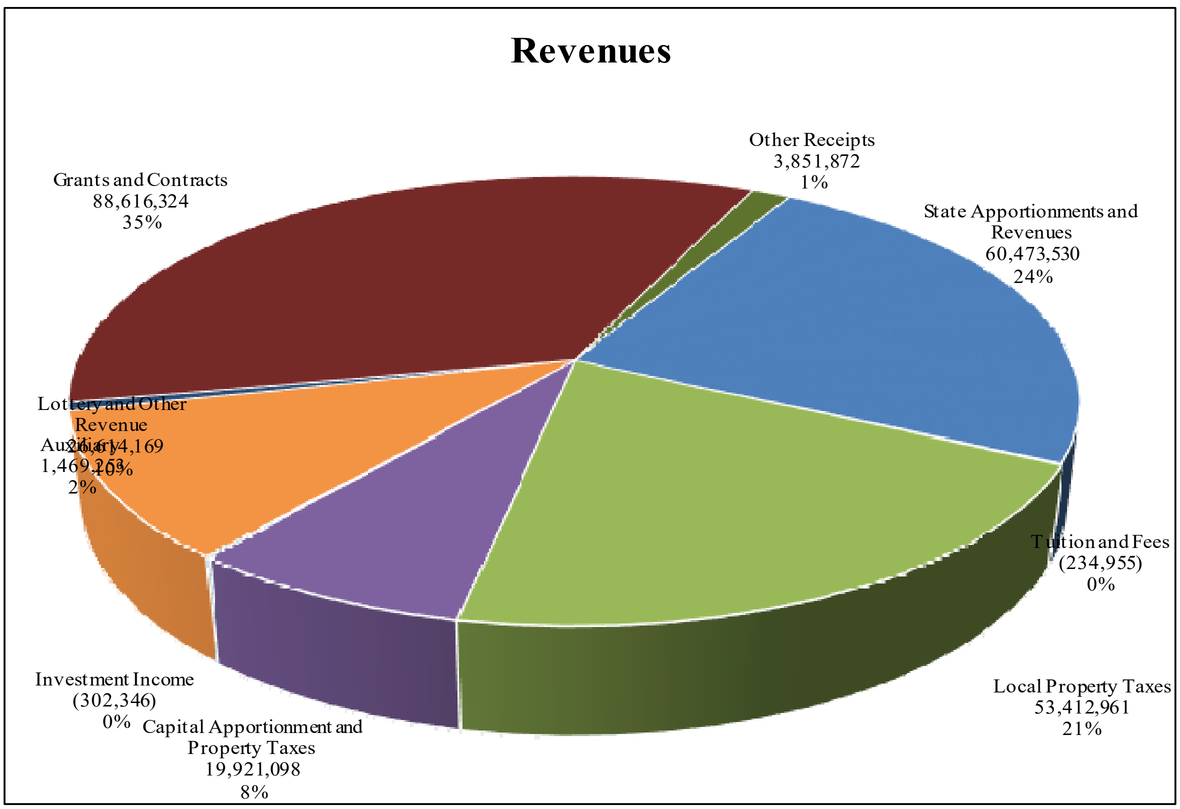
REVENUES

Net tuition and fees consist of enrollment fees of $8,213,008; nonresident tuition of $1,276,243 and all other fees of $1,442,303. These amounts were offset with COVID-19 relief funds resulting in a net total of $0. The district completed a student debt write-off, as well as implementing a “Free for Me” initiative to eliminate fees for students during the fiscal year. Regular enrollment fees are set by the State for all community colleges and were $46 per unit. Regular enrollment fees are included in the calculation of general apportionment. Auxiliary enterprise, net, is primarily bookstore sales less allowances.

Other operating income consists primarily of rentals of District facilities and non-instructional fees.

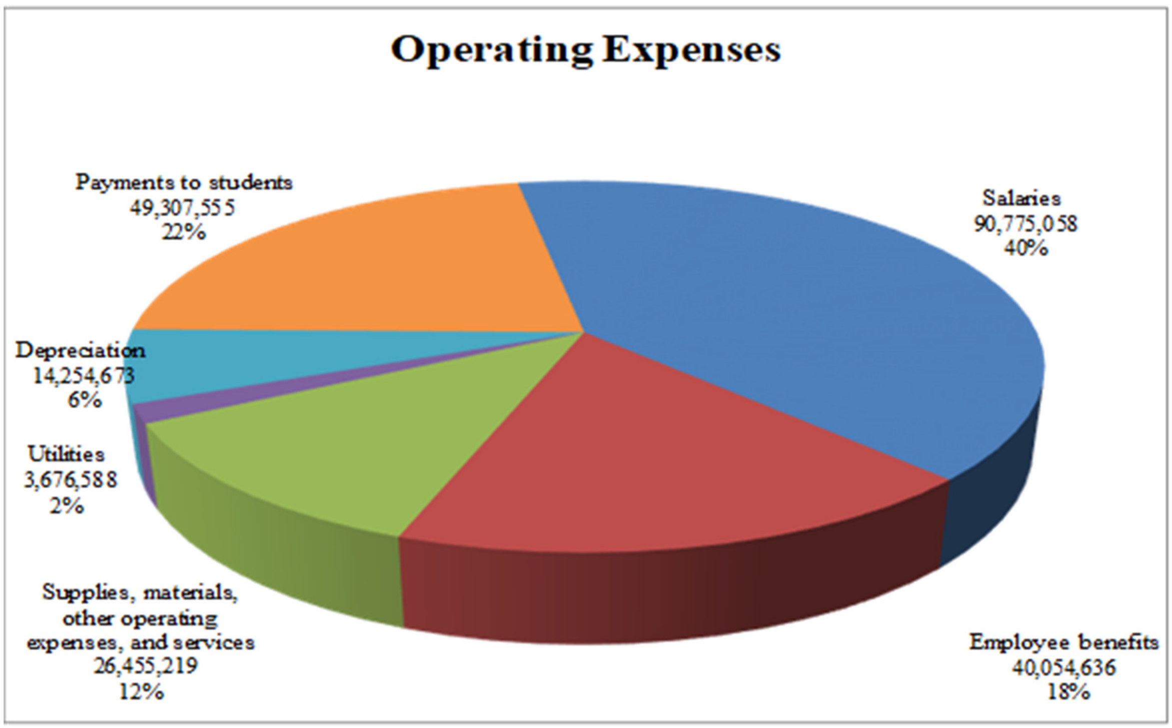
State apportionment represents total general apportionment earned less regular enrollment fees and property taxes.

Lottery and other revenues consist of Pell grant revenue of $21,070,717, unrestricted state lottery revenue of $4,220,580, and other state revenues of $1,322,872.



OPERATING EXPENSES (BY NATURAL CLASSIFICATION – ALL FUNDS)

	2022	2021	Change
Salaries	$ 90,775,058	$ 85,717,623	6%
Employee benefits	40,054,636	55,145,349	-27%
Supplies, materials, other operating expenses, and services	26,542,215	21,250,618	25%
Utilities	3,676,588	3,060,374	20%
Depreciation	14,254,673	13,790,702	3%
Payments to students	49,542,510	40,633,826	22%
Total Operating Expenses	$ 224,845,680	$219,598,492	2%



STATEMENTS OF CASH FLOWS

The statements of cash flows provide information about cash receipts and cash payments during the fiscal year. These statements also help users assess the District's ability to generate net cash flows, its ability to meet its obligations as they come due, and the need for external financing.

	2022	2021
Cash provided (used) by:		
Operating activities	$ (141,568,526)	$ (141,495,236)
Noncapital financing activities	169,629,952	142,164,739
Capital and related financing activites	12,525,761	(2,578,131)
Investment activities	(254,977)	1,142,545
Net Decrease in Cash	40,332,210	(766,083)
Cash - Beginning of the Fiscal Year	78,854,256	79,620,339
Cash - End of the Fiscal Year	$ 119,186,466	$ 78,854,256

FUTURE ECONOMIC OUTLOOK

The 2021-22 fiscal year was expected to be the last year of emergency conditions protections enabled by California Education Code Section 58146. On June 14, 2022, the California Community Colleges Chancellor's Office notified districts that the Emergency Conditions Allowance would be continued into the 2022-23 fiscal year. The intent behind this protection is that districts should not lose full-time equivalent students (FTES) apportionment as a result of an emergency or extraordinary condition as created by the pandemic. The Chancellor's Office will continue to operate under these regulations for one final fiscal year in 2022-23 to protect districts from FTES declines. For the District, our base allocation which makes up 70% of the SCFF, is funded on our 2019-20 FTES calculations. Even though our FTES has declined during the pandemic, District revenue allocations have remained consistent due to being funded at a higher FTES level compared to our actual FTES calculations.

Fund 11 beginning balance for the District budget is $39 million. For the 2022-23 fiscal year, the Board of Trustees has approved one-time expenditures of over $12 million to support an energy efficiency project and to work on facilities projects that have reached a critical threshold to have the work completed. The District also carries approximately $6.8 million in its revocable STRS and PERS trust.

The District cannot predict what actions will be taken in the future by the State Legislature and the Governor to address changing State revenues and expenditures or the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the District will have no control. The past few years highlighted and heightened California's key challenges.

The District feels confident that it has the fiscal strength, resiliency and reserves to be able to absorb future adjustments to state apportionment funding due to fluctuations in enrollment, the economy and fixed cost increases. Prudent fiscal management practices will remain in place to ensure the District has adequate reserves to sustain operations and support the success of its students. The needs of the District are many, and while it is a challenge to adequately meet all, the District strives to make progressive steps toward funding for infrastructure, facilities maintenance, technology innovations, and security/public safety. The District will maintain reserves above the 10% reserve as mandated in Board Policy 6305.

YOSEMITE COMMUNITY COLLEGE DISTRICT
STATEMENT OF NET POSITION
June 30, 2022

ASSETS	
Current assets:	
Cash and cash equivalents	$ 86,100,550
Receivables, net	17,909,455
Inventory	76,696
Prepaid expenses	393,168
Total current assets	104,479,869
Noncurrent assets:	
Restricted cash and cash equivalents	33,085,916
Loans to students	71,798
Nondepreciable capital assets	16,006,042
Depreciable capital assets, net	361,039,318
Total noncurrent assets	410,203,074
Total assets	514,682,943
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflow of resources - pensions	25,743,933
Deferred outflow of resources - OPEB	5,323,447
Deferred loss on debt refunding	3,807,754
Total deferred outflows of resources	34,875,134
Total assets and deferred outflows of resources	$ 549,558,077
LIABILITIES	
Current liabilities:	
Accounts payable	$ 5,141,556
Unearned revenue	29,971,071
Accrued salaries and benefits payable	7,346,537
Other accrued liabilities	6,580,326
Amounts held in trust for others	577,117
Long-term liabilities, current portion	18,296,584
Total current liabilities	67,913,191
Noncurrent liabilities:	
Long-term liabilities, net of current portion	444,339,410
Total liabilities	512,252,601
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pensions	58,913,000
Deferred inflows of resources - OPEB	3,626,357
Total deferred inflows of resources	62,539,357
NET POSITION	
Net investment in capital assets	111,100,768
Restricted for debt service	18,466,492
Restricted for capital projects	13,116,564
Unrestricted	(167,917,705)
Total net position	(25,233,881)
Total liabilities, deferred inflows of resources and net position	$ 549,558,077

See accompanying notes to the basic financial statements.

YOSEMITE COMMUNITY COLLEGE DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
For the Year Ended June 30, 2022

Operating revenues:	
Tuition and fees	$ 10,210,288
Less: scholarship discounts and allowances	(10,210,288)
Net tuition and fees	-
Grants and contracts, non-capital:	
Federal	9,921,327
State	39,764,662
Local	2,884,423
Other operating receipts	2,990,681
Auxiliary enterprise sales and charges	1,469,253
Total operating revenues	57,030,346
Operating expenses:	
Salaries	90,775,058
Employee benefits	40,054,636
Supplies, materials, and other operating expenses	19,799,331
Equipment, maintenance and repairs	6,742,884
Utilities	3,676,588
Depreciation	14,254,673
Payments to students	49,542,510
Total operating expenses	224,845,680
Loss from operations	(167,815,334)
Non-operating revenues (expenses):	
State apportionments	60,473,530
Local property taxes, non-capital	53,412,961
State taxes and other revenues	5,558,070
Federal grants, non-capital	36,045,911
Pell grants	21,070,717
Investment loss, non-capital	(410,886)
Interest income, capital	108,540
Interest expense on capital asset related debt	(22,568,761)
Other non-operating revenues	861,191
Total non-operating revenues	154,551,273
Loss before capital contributions	(13,264,061)
Capital contributions:	
Local property taxes and revenues, capital	19,921,098
Change in net position	6,657,037
Net position, beginning of year	(31,890,918)
Net position, end of year	$ (25,233,881)

See accompanying notes to the basic financial statements.

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

Cash flows from operating activities:	
Tuition and fees	$ 1,670,573
Federal, state and local grants and contracts	67,272,703
Payments to suppliers	(26,552,912)
Payments to / on behalf of employees	(138,890,386)
Payments to / on behalf of students	(49,528,438)
Auxiliary enterprises sales and charges	1,469,253
Other operating revenues	2,990,681
Net cash used in operating activities	(141,568,526)
Cash flows from noncapital financing activities:	
State apportionment and receipts	70,664,490
Property taxes	53,412,961
State taxes and other revenues	5,558,070
Federal grants	36,045,911
Pell grants	21,070,717
Due to others	4,890
Other receipts (payments)	(17,127,087)
Net cash provided by noncapital financing activities	169,629,952
Cash flows from capital and related financing activities:	
Purchases of capital assets	(6,219,829)
Principal paid on capital debt	4,906,312
Interest paid on capital debt	(6,190,360)
Interest and dividends from capital investments	108,540
Local property taxes and other revenues for capital	19,921,098
Net cash used in capital and related financing activities	12,525,761
Cash flows from investing activities:	
Interest received	(410,119)
Sale of investments	155,142
Net cash provided by investing activities	(254,977)
Net change in cash and cash equivalents	40,332,210
Cash and cash equivalents, beginning of year	78,854,256
Cash and cash equivalents, end of year	$ 119,186,466

(Continued)

Reconciliation of loss from operations to net cash used in operating activities:	
Loss from operations	$ (167,815,334)
Adjustments to reconcile loss from operations to net cash used in operating activities:	
Depreciation expense	14,254,673
Changes in assets and liabilities:	
Receivables, net	5,794,331
Inventory	595,918
Prepaid expenses	(59,751)
Loans to students	13,072
Deferred outflows of resources - pensions	7,994,690
Deferred outflows of resources - OPEB	(3,999,485)
Accounts payable	3,419,364
Unearned revenue	10,364,656
Accrued salaries and benefits payable	583,314
Other accrued liabilities	(74,763)
Compensated absences	(236,274)
Net pension liability	(71,119,000)
Net OPEB Liability	7,554,696
Deferred inflows of resources - OPEB	(3,578,633)
Deferred inflows of resources - pensions	54,740,000
Net cash used in operating activities	$ (141,568,526)
Supplementary disclosure of non-cash transactions:	
Amortization of premiums on debt	$ 828,912
Amortization of deferred loss on refunding	$ 1,654,858
Accretion of interest	$ 12,476,705
Refunding of debt directly through issuance of new debt	$ 126,200,000

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

Reporting Entity: Yosemite Community College District (the "District") is a political subdivision of the State of California and provides educational services to the local residents of the surrounding area. While the District is a political subdivision of the State, it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Codification Section (Cod. Sec.) 2100.101. The District is classified as a state instrumentality under Internal Revenue Code Section 115.

The decision to include potential component units in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America and GASB Cod. Sec. 2100. The three criteria for requiring a legally separate, tax-exempt organization to be presented as a component unit are the "direct benefit" criterion, the "entitlement/ability to access" criterion, and the "significance" criterion. The District has no component units for the year ended June 30, 2022.

Basis of Presentation and Accounting: For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB. Under this model, the District's financial statements provide a comprehensive entity-wide perspective at the District's financial position and activities. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when the obligation has been incurred. All significant intra-agency transactions have been eliminated. The budgetary and financial accounts of the District are recorded and maintained in accordance with the Chancellor's Office's *Budget and Accounting Manual*.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents: The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and all highly liquid investments purchased with an original maturity of three months or less.

Restricted Cash and Cash Equivalents: Cash that is externally restricted for contractual obligations such as debt service payments, sinking or reserve funds, or to purchase or construct capital or other noncurrent assets is classified as a noncurrent asset in the statement of net position.

Investments: Investments are reported at fair value. The District is restricted by state law and the Board's investment policy in the types of investments that can be made. Permissible investments include the county treasury, the state Local Agency Investment Fund (LAIF), federally insured deposits, and individual securities. The District's investment policy further limits its investments to U.S. government and government agency instruments, negotiable certificates of deposits, and corporate notes and bonds. The weighted average maturity of funds invested in the county treasury must be three years or less. The District's investment policy established safety of principal as the primary investment objective. The District's investment strategy is to realize a reasonable interest yield, and investment decisions are executed with the intent that they will be held to maturity.

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables: Receivables 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. Accounts receivable also include amounts due from the federal government, state and local governments, or private sources, in connection with reimbursements of allowable expenditures made pursuant to the District's grants and contracts.

Inventory: Inventory consists of stores supplies, cafeteria food, and textbooks. Except for bookstore inventories, which are valued using the retail method, inventories are stated at the lower of cost (first-in, first-out method) or market.

Capital Assets: Capital assets are recorded at cost on the date of acquisition or acquisition value at the date of donation. The District's capitalization policy includes all items with a unit cost of $5,000 or more and an estimated useful life of greater than one year. Renovations to buildings and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repair and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful life of the assets, generally 50 years for buildings, 30 years for building improvements or additions, 10 years for land improvements, 8 years for equipment, 7 years for library books, and 3 years for technology equipment. Land and construction in progress are considered nondepreciable capital assets; therefore, no depreciation is computed.

Unearned Revenue: Revenue from Federal, State and local special projects and programs is recognized when qualified expenditures have been incurred. Tuition, fees and other support received but not earned are recorded as unearned revenue until earned.

Amounts Held in Trust for Others: The District administers funds for certain college related organizations. The liability represents the amount of funds held for these organizations.

Compensated Absences: Compensated absences costs are accrued when earned by employees. Accumulated unpaid employee vacation benefits are recognized at year-end as liabilities of the District.

Accumulated Sick Leave: Sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expenditure or expense in the period taken since such benefits do not vest nor is payment probable.

Postemployment Benefits Other Than Pensions (OPEB): For purpose of measuring the net OPEB liability, information about the fiduciary net position of the Public Agencies Post-Employment Benefits Trust (the "Trust") and additions to/deductions from the Trust's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Trust 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 interest-earning investment contracts that are reported at cost. There is a separately issued report of the Trust.

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The District has recognized a deferred loss on refunding reported, which is in the statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shortened life of the refunded or refunding debt. The District has recognized a deferred outflow of resources relate to recognition of the net pension liability and the Net OPEB liability reported in the Statement of Net Position.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time. The District has recognized a deferred inflow of resources related to the recognition of the net pension liability and the Net OPEB liability reported which is in the Statement of Net Position.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State Teachers' Retirement Plan (STRP) and Public Employers Retirement Fund B (PERF B) and additions to/deductions from STRP's and PERF B's fiduciary net position have been determined on the same basis as they are reported by STRP and PERF B. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Certain investments are reported at fair value. The following is a summary of pension amounts in aggregate:

	STRP	PERF B	Total
Deferred outflows of resources	$ 15,727,632	$ 10,016,301	$ 25,743,933
Deferred inflows of resources	$ 36,357,000	$ 22,556,000	$ 58,913,000
Net pension liability	$ 26,859,000	$ 50,942,000	$ 77,801,000
Pension expense	$ 2,992,820	$ 7,541,000	$ 10,533,820

Net Position: The District's net position is classified as follows:

Net investment in capital assets: This represents the District's total investment in capital assets, net of associated outstanding debt obligations related to those capital assets and deferred outflows of resources. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted net position: Restricted expendable net position include resources in which the District is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties. Nonexpendable restricted net position consist of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. At June 30, 2022, there is no balance of nonexpendable restricted net position.

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unrestricted net position: Unrestricted net position represents resources derived from student tuition and fees, State apportionments, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the District, and may be used at the discretion of the governing board to meet current expenses for any purpose.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the District's policy is to first apply the expense toward restricted resources, and then towards unrestricted resources.

On-Behalf Payments: GASB Statement No. 24 requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees of another legally separate entity be recognized as revenue and expenditures by the employer government. The State of California makes direct on-behalf payments for retirement benefits to the State Teachers' Employees' Retirement System on behalf of all Community Colleges in California. The government-wide conversion entries relating to the pension reporting requirements of GASB Statement No. 68 rely on LEAs having recognized the state's on-behalf pension contribution in their funds. Prior to the issuance of GASB Statement No. 68, the district recorded this entry at the consolidation entry level for GASB Statement No. 35 business-type activity reporting.

Classification of Revenues and Expenses: The District has classified its revenues as either operating or nonoperating revenues. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenues, as defined by GASB Cod. Sec. Co5.101 including State appropriations, local property taxes, and investment income. Nearly all the District's expenses are from exchange transactions. Revenues and expenses are classified according to the following criteria:

Operating revenues and expenses: Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, (3) most Federal, State and local grants and contracts and Federal appropriations. All expenses are considered operating expenses except for interest expense on capital related debt.

Nonoperating revenues and expenses: Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as Pell grants, gifts and contributions, and other revenue sources described in GASB Cod. Sec. Co5.101, such as State appropriations and investment income. Interest expense on capital related debt is the only non-operating expense.

Scholarship Discounts and Allowances: Student tuition and fee revenue are reported net of the Board of Governors fee waivers and allowances in the statement of revenues, expenses and change in net position. Certain governmental grants, and other federal, state and nongovernmental programs are recorded as operating revenues, while Federal Pell Grants are classified as non-operating revenues in the District's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the District has recorded a scholarship discount and allowance.

Risk Management: The District retains risk for property damage on the first $5,000 of each claim. The District retains risk on the first $1,500 of each auto physical damage claim. The District retains no risk for general and auto liability and for workers' compensation claims, and coverage is provided by pooled insurance as a member.

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Certain liability coverage in excess of $1,000,000 and up to $25,000,000 is provided by pooled insurance as a member of a joint powers authority of California community colleges and school districts. Property damage in excess of $5,000 and up to $100,000,000 is provided by pooled insurance as a member of a joint powers authority. There have been no significant reductions in insurance coverage from coverage in the prior year.

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results may differ from those estimates.

General Apportionment and Property Tax: The District's general apportionment is received from a combination of local property taxes, state apportionments, and other local sources.

The counties are responsible for assessing, collecting, and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property in the counties. Secured property taxes attach as an enforceable lien on property as of January 1. Property taxes on the secured roll are due on November 1 and February 1 and become delinquent after December 10 and April 10, respectfully. Unsecured property taxes are payable in one installment on or before August 31.

Secured property taxes are recorded as revenue when apportioned in the fiscal year of the levy. The counties apportion secured property tax revenue in accordance with the alternate method of distribution prescribed by Section 4705 of the California Revenue and Taxation Code. This alternate method provides for crediting each applicable fund with its total secured taxes based upon historical collection percentages and a true up of the balance of the adjusted secured tax roll in June.

Property taxes are recorded as local revenue sources by the District. The California Community Colleges Chancellor's Office reduces the District's entitlement by the District's local property tax revenue and student fees. The balance is paid from the State's General Fund and is referred to as the state apportionment. The District's base revenue is the amount of general purpose tax revenue, per full-time equivalent student (FTES) that the District is entitled to by law. Any prior year corrections due to a recalculation will be recorded in the year completed by the State. When known and measurable, these recalculations and corrections are accrued in the year in which FTES are generated.

New Accounting Pronouncement: In June 2017, the GASB issued GASB Statement No. 87, Leases. GASB Statement No. 87 requires the recognition of certain 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. Under this statement a lease is required to be recognized as a lease liability and an intangible right to use lease asset and the lessor is required to recognize a lease receivable and deferred inflow of resources. This statement was originally effective for fiscal years beginning after December 15, 2019, but due to the adoption of GASB Statement No. 95, the implementation date was extended to reporting periods beginning after June 15, 2021. As a result of this implementation, there was no impact to the beginning net position.

(Continued)

NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

The following is a summary of cash and cash equivalents at June 30, 2022:

Cash in County Treasury	$ 97,261,119
Cash in banks	13,320,624
Cash with Fiscal Agent	6,846,944
Cash on hand	44,026
Revolving Cash	75,000
Money market mutual funds	1,638,753
Total cash and cash equivalents	119,186,466
Less: Restricted cash and cash equivalents	33,085,916
Net cash and cash equivalents	$ 86,100,550

Cash in County Treasury: In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the County Treasurer's Investment Fund. The District is considered to be an involuntary participant in an external investment pool. The District's investment in the pool is reported in the financial statements at amounts based upon the District's pro-rata share of the fair value 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.

Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party and the District's share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial risk classifications is required.

The District's deposits in the fund are considered to be highly liquid. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool. The County Treasurer has indicated that there are no derivatives in the pool as of June 30, 2022.

Cash with Fiscal Agent: Cash with Fiscal Agent represents funds held for future pension costs in a trust administered by the Public Agency Retirement Services ("PARS"). At June 30, 2022, the funds are held with a bank in a money market account and recorded at cost.

Custodial Credit Risk – Deposits: For deposits, custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. The District does not have a deposit policy for custodial credit risk. The District limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to $250,000 by the Federal Deposit Insurance Corporation ("FDIC") and are collateralized by the respective financial institution. At June 30, 2022, the carrying amount of the District's cash in banks was $13,395,624 and the bank balance was $13,979,498. The bank balance amount insured was $271,049.

(Continued)

NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

The California Government Code requires California banks and savings and loan associations to secure the District's deposits by pledging government securities as collateral. The market value of pledged securities must equal 110 percent of an agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of 150 percent of an agency's total deposits and collateral is considered to be held in the name of the District. All cash held by the financial institutions that is not insured is collateralized.

NOTE 4 - RECEIVABLES

Receivables consisted of the following at June 30, 2022:

State grants and contracts	$ 3,963,132
Federal grants and contracts	8,032,937
Local grants and contracts	248,307
Enrollment	3,210,717
Other	2,454,362
Total	$ 17,909,455

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, is as follows:

	Balance July 1, 2021	Additions and Transfers	Deductions and Transfers	Balance June 30, 2022
Non-depreciable:				
Construction in progress	$ 9,600,601	$ 2,626,696	$ (12,227,297)	$ -
Land	16,006,042	-	-	16,006,042
Depreciable:				
Site improvements	75,647,498	12,227,297	-	87,874,795
Buildings and improvements	381,611,655	27,668	-	381,639,323
Equipment	46,935,795	3,580,082	(175,313)	50,340,564
Total	529,801,591	18,461,743	(12,402,610)	535,860,724
Less accumulated depreciation:				
Site improvements	18,307,320	3,659,999	-	21,967,319
Buildings and improvements	90,221,364	8,496,432	-	98,717,796
Equipment	36,192,703	2,098,242	(160,696)	38,130,249
Total	144,721,387	14,254,673	(160,696)	158,815,364
Capital assets, net	$ 385,080,204	$ 4,207,070	$ (12,241,914)	$ 377,045,360

(Continued)

NOTE 6 - UNEARNED REVENUE

Unearned revenue consisted of the following at June 30, 2022:

State grants and contracts	$ 17,681,305
Local sources	6,041,208
Federal grants and contracts	6,248,558
Total	$ 29,971,071

NOTE 7 - LONG TERM LIABILITIES

On March 19, 2008, the District issued $150,000,000 of 2004 General Obligation Bonds Series 2008C bonds to finance the repair, construction, equipping and acquisition of certain District property and facilities and to pay the costs of bond issuance. Capital Appreciation Bonds of $40,000,000, mature August 1, 2016 through August 1, 2025 with interest accreting at 6.05%, compounded semiannually each year and due upon maturity.

Unamortized premiums and accreted interest on the capital appreciation bonds were $139,594 and $17,758,766 at June 30, 2022, respectively.

The following is a schedule of future payments for the Series 2008C General Obligation Bonds:

	Principal	Interest	Total
2023	$ 3,309,895	$ 5,500,000	$ 8,809,895
2024	3,409,180	5,500,000	8,909,180
2025	3,497,187	5,500,000	8,997,187
2026	3,576,121	5,500,000	9,076,121
Totals	$ 13,792,383	$ 22,000,000	$ 35,792,383

On May 12, 2010, the District issued $81,728,980 of 2004 General Obligation Bonds Series 2010D bonds to finance the repair, construction, equipping and acquisition of certain District property and facilities and to pay the costs of bond issuance. Current interest bonds of $3,950,000 bear interest ranging from 2.00% and 5.00% and matured through August 1, 2026. Current Interest Bonds of $2,785,000 were refunded during the fiscal year ended June 30, 2021. Interest payments are due semiannually on February 1 and August 1 of each year. Capital appreciation bonds of $20,865,753, mature through August 1, 2040 with interest accreting at 6.05%, compounded semiannually each year and due upon maturity. Convertible capital appreciation bonds of $56,913,237 mature through August 1, 2042 and accrete interest semiannually at 6.55% until August 1, 2032 when the accreted value bears interest and is payable semiannually on February 1 and August 1 of each year.

Unamortized premiums were $816,702 and accreted interest on the capital appreciation bonds and convertible capital appreciation bonds were $88,781,613 at June 30, 2022.

(Continued)

NOTE 7 - LONG TERM LIABILITIES (Continued)

The following is a schedule of future payments for the Series 2010D General Obligation Bonds:

	Principal	Interest	Total
2023	$ -	$ -	$ -
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028-2032	6,788,949	22,691,051	29,480,000
2033-2037	20,110,770	166,654,103	186,764,873
2038-2042	39,246,887	286,107,376	325,354,263
2043	11,632,384	80,232,851	91,865,235
Totals	$ 77,778,990	$ 555,685,381	$ 633,464,371

On July 24, 2012, the District issued $59,205,000 of 2012 General Obligation Refunding Bonds. Proceeds were used to refund a portion of the outstanding Series 2005A General Obligation Bonds and to pay the costs of issuing the 2012 Refunding Bonds. The 2012 Refunding Bonds are general obligations of the District payable solely from ad valorem property taxes. The 2012 Refunding Bonds matured through August 1, 2029 and bear interest at rates ranging from 2.00% to 5.00% with interest due semiannually on August 1 and February 1. Current Interest Bonds of $34,270,000 were refunded during the fiscal year ended June 30, 2021. For financial reporting purposes, the refunded debt has been considered defeased and therefore removed from the District's financial statements. On October 20, 2020, the District issued 2020 General Obligation Refunding Bonds, Series A to refund a portion of Election of 2004 General Obligation Bonds, Series 2010D. The remaining 2012 Refunding Bonds mature through August 1, 2023.

Unamortized premiums on the 2012 Refunding Bonds were $2,947,109 at June 30, 2022.

The following is a schedule of the future payments for the 2012 Refunding Bonds:

	Principal	Interest	Total
2023	$ 3,990,000	$ 76,050	$ 4,066,050

(Continued)

NOTE 7 - LONG TERM LIABILITIES (Continued)

On July 28, 2015, the District issued $120,205,000 of 2015 General Obligation Refunding Bonds. Proceeds were used to refund the outstanding Series 2005A General Obligation Bonds, advance refund a portion of the Series 2008C General Obligation Bonds, and to pay the costs of issuing the 2015 Refunding Bonds. The 2015 Refunding Bonds are general obligations of the District payable solely from ad valorem property taxes. The 2015 Refunding Bonds matured through August 1, 2032 and bear interest at rates ranging from 2.00% to 5.00% with interest due semiannually on August 1 and February 1. For financial reporting purposes, the refunded debt has been considered defeased and therefore removed from the District's financial statements. On January 27, 2022, the District issued $126,200,000 of 2022 General Obligation Refunding Bonds. Proceeds were used to advance refund a portion of the 2015 General Obligation Refunding Bonds. The remaining 2015 Refunding Bonds mature through August 2025.

Unamortized premiums on the 2015 Refunding Bonds were $295,567 at June 30, 2022.

The following is a schedule of the future payments for the 2015 Refunding Bonds:

	Principal	Interest	Total
2023	$ 755,000	$ 153,375	$ 908,375
2024	820,000	114,000	934,000
2025	895,000	71,125	966,125
2026	975,000	24,375	999,375
Totals	$ 3,445,000	$ 362,875	$ 3,807,875

On October 20, 2020, the District issued $2,485,000 of 2020 General Obligation Refunding Bonds, Series A. Proceeds were used to refund a portion of Election of 2004 General Obligation Bonds, Series 2010D, and to pay the costs of issuing the 2020, Series A Refunding Bonds. The 2020, Series A Refunding Bonds are general obligations of the District payable solely from ad valorem property taxes. The 2020, Series A Refunding Bonds mature through August 1, 2026 and bear interest of 4.0% with interest due semiannually on August 1 and February 1. For financial reporting purposes, the refunded debt has been considered defeased and therefore removed from the District's financial statements.

Unamortized premiums on the 2020, Series A Refunding Bonds were $293,375 at June 30, 2022.

The following is a schedule of the future payments for the 2020 Refunding, Series A Bonds:

	Principal	Interest	Total
2023	$ 200,000	$ 88,800	$ 288,800
2024	230,000	80,800	310,800
2025	265,000	71,600	336,600
2026	305,000	61,000	366,000
2027	1,220,000	48,800	1,268,800
Totals	$ 2,220,000	$ 351,000	$ 2,571,000

(Continued)

NOTE 7 – LONG TERM LIABILITIES (Continued)

On October 20, 2020, the District issued $37,170,000 of 2020 General Obligation Refunding Bonds, Series B. Proceeds were used to advance refund a portion of the 2012 General Obligation Refunding Bonds and to pay the costs of issuing the 2020, Series B Refunding Bonds. The 2020, Series B Refunding Bonds are general obligations of the District payable solely from ad valorem property taxes. The 2020, Series B Refunding Bonds mature through August 1, 2029 and bear interest at rates ranging from 0.245% to 2.002% with interest due semiannually on August 1 and February 1. For financial reporting purposes, the refunded debt has been considered defeased and therefore removed from the District's financial statements.

The following is a schedule of the future payments for the 2020 Refunding, Series B Bonds:

	Principal	Interest	Total
2023	$ 655,000	$ 459,463	$ 1,114,463
2024	4,970,000	456,876	5,426,876
2025	5,170,000	428,994	5,598,994
2026	5,390,000	387,427	5,777,427
2027	5,220,000	336,546	5,556,546
2028-2030	14,790,000	550,713	15,340,713
Totals	$ 36,195,000	$ 2,620,019	$ 38,815,019

On January 27, 2022, the District issued $126,200,000 of 2022 General Obligation Refunding Bonds. Proceeds were used to advance refund a portion of the 2015 General Obligation Refunding Bonds and to pay the costs of issuance. The 2022 Refunding Bonds are general obligations of the District payable solely from ad valorem property taxes. The 2022 Refunding Bonds mature through August 1, 2032 and bear interest at rates ranging from 0.079% to 2.607% with interest due semiannually on August 1 and February 1. For financial reporting purposes, the refunded debt has been considered defeased and therefore removed from the District's financial statements.

Calculation of Difference in Cash Flow Requirements and Economic Gain

Cash Flow Difference	
Old debt service cash flows	$155,769,575
New debt service cash flows	147,758,856
	$ 8,010,719

Economic Gain: The economic gain or difference between the present value of the old debt service requirements and the present value of the new debt service requirements, discounted at the effective interest rate is $6,740,986.

(Continued)

NOTE 7 - LONG TERM LIABILITIES (Continued)

The following is a schedule of the future payments for the 2022 Refunding Bonds:

	Principal	Interest	Total
2023	$ 1,445,000	$ 1,297,030	$ 2,742,030
2024	2,345,000	2,835,723	5,180,723
2025	2,375,000	2,808,990	5,183,990
2026	2,405,000	2,774,790	5,179,790
2027	13,360,000	2,734,170	16,094,170
2028-2032	76,940,000	8,395,660	85,335,660
2033	27,330,000	712,493	28,042,493
Totals	$ 126,200,000	$ 21,558,856	$ 147,758,856

General Obligation Bonds: A summary of General Obligation Bonds payable as of June 30, 2022 as follows:

Series	Interest Rate	Original Maturity	Balance July 1, 2021	Current Year Issuance	Current Year Refunded and Matured	Balance June 30, 2022
2008C	6.05%	2026	$ 16,996,070	$ -	$ 3,203,687	$ 13,792,383
2010D	2.00-6.55%	2043	77,778,990	-	-	77,778,990
2012 Refunding	2.00-5.00%	2030	7,635,000	-	3,645,000	3,990,000
2015 Refunding	2.00-5.00%	2033	116,650,000	-	113,205,000	3,445,000
2020 Refunding, Series A	4.00%	2027	2,485,000	-	265,000	2,220,000
2020 Refunding, Series B	0.245-2.002%	2030	37,170,000	-	975,000	36,195,000
2022 Refunding	0.790-2.607%	2032	-	126,200,000	-	126,200,000
			$ 258,715,060	$ 126,200,000	$ 121,293,687	$ 263,621,373

The annual requirements to amortize the General Obligation Bonds payable and outstanding as of June 30, 2022 are as follows:

	Principal	Interest	Total
2023	$ 10,354,895	$ 7,574,718	$ 17,929,613
2024	11,774,180	8,987,399	20,761,579
2025	12,202,187	8,880,709	21,082,896
2026	12,651,121	8,747,592	21,398,713
2027	19,800,000	3,119,516	22,919,516
2028-2032	98,518,949	31,637,424	130,156,373
2033-2037	47,440,770	167,366,596	214,807,366
2038-2042	39,246,887	286,107,376	325,354,263
2043-2047	11,632,384	80,232,851	91,865,235
	$ 263,621,373	$ 602,654,181	$ 866,275,554

(Continued)

NOTE 7 - LONG TERM LIABILITIES (Continued)

The long-term liabilities activity for the year ended June 30, 2022, is as follows:

	Beginning Balance	Additions	Payments and Reductions	Ending Balance	Current Portion
Debt					
General obligation bonds	$ 258,715,060	$ 126,200,000	$ 121,293,687	$ 263,621,373	$ 10,354,895
Unamortized bond premiums	22,234,885	-	18,035,913	4,198,972	822,269
Accreted interest	97,949,988	12,476,705	3,886,313	106,540,380	4,465,105
Other Long-term Liabilities					-
Net pension liability	148,920,000	-	71,119,000	77,801,000	-
Net OPB liability	265,258	7,554,696	-	7,819,954	-
Compensated absences	2,890,590	-	236,275	2,654,315	2,654,315
Total	$ 530,975,781	$ 146,231,401	$ 214,571,188	$ 462,635,994	$ 18,296,584

NOTE 8 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN

General Information about the State Teachers' Retirement Plan

Plan Description: Teaching-certified employees of the District are provided with pensions through the State Teachers' Retirement Plan (STRP) – a cost-sharing multiple-employer defined benefit pension plan administered by the California State Teachers' Retirement System (CalSTRS). The Teachers' Retirement Law (California Education Code Section 22000 et seq.), as enacted and amended by the California Legislature, established this plan and CalSTRS as the administrator. The benefit terms of the plans may be amended through legislation. CalSTRS issues a publicly available financial report that can be obtained at http://www.calstrs.com.

Benefits Provided: The STRP Defined Benefit Program has two benefit formulas:

- CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS.
- CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS.

The Defined Benefit (DB) Program provides retirement benefits based on members' final compensation, age and years of service credit. In addition, the retirement program provides benefits to members upon disability and to survivors/beneficiaries upon the death of eligible members. There are several differences between the two benefit formulas which are noted below.

CalSTRS 2% at 60 - CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor, up to the 2.4 percent.

NOTE 8 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

CalSTRS calculates retirement benefits based on a one-year final compensation for members who retired on or after January 1, 2001, with 25 or more years of credited service, or for classroom teachers with less than 25 years of credited service if the employer elected to pay the additional benefit cost prior to January 1, 2014. One-year final compensation means a member's highest average annual compensation earnable for 12 consecutive months calculated by taking the creditable compensation that a member could earn in a school year while employed on a fulltime basis, for a position in which the person worked. For members with less than 25 years of credited service, final compensation is the highest average annual compensation earnable for any three consecutive years of credited service.

CalSTRS 2% at 62 - CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

All CalSTRS 2% at 62 members have their final compensation based on their highest average annual compensation earnable for 36 consecutive months of credited service.

Contributions: Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Current contribution rates were established by California Assembly Bill 1469 (CalSTRS Funding Plan), which was passed into law in June 2014, and various subsequent legislation.

The CalSTRS Funding Plan established a schedule of contribution rate increases shared among members, employers, and the State of California to bring CalSTRS toward full funding by fiscal year 2046. California Senate Bill 90 and California Assembly Bill 84 (collectively the "Special Legislation"), were signed into law in June 2019 and June 2020, respectively, and provided supplemental contributions to the DB Program along with supplemental contribution rate relief to employers through fiscal year 2021-22.

A summary of statutory contribution rates and other sources of contributions to the DB Program pursuant to the CalSTRS Funding Plan, and the Special Legislation, are as follows:

Members – Under CalSTRS 2% at 60, the member contribution rate was 10.250 percent of applicable member earnings for fiscal year 2021-22.

Under CalSTRS 2% at 62, members contribute 50 percent of the normal cost of their retirement plan, which resulted in a contribution rate of 10.205 percent of applicable member earnings for fiscal year 2021-22. According to current law, the contribution rate for CalSTRS 2% at 62 members is adjusted if the normal cost increases or decreases by more than 1 percent since the last time the member contribution rate was set. Based on the June 30, 2020, valuation adopted by the board in June 2021, the increase in normal cost was less than 1 percent. Therefore, the contribution rate for CalSTRS 2% at 62 members did not change effective July 1, 2021.

Employers – 16.920 percent of applicable member earnings. This rate reflects the original employer contribution rate of 19.10 percent resulting from the CalSTRS Funding Plan and subsequently reduced for the 2.18 percent to be paid on behalf of employers pursuant to the Special Legislation.

Beginning in fiscal year 2021–22, the CalSTRS Funding Plan authorizes the board to adjust the employer supplemental contribution rate up or down by a maximum of 1% for a total rate of no higher than 20.25% and no lower than 8.25%. In June 2021, the CalSTRS board voted to keep the employer supplemental contribution rate the same for fiscal year 2021-22; it remained at 10.85% effective July 1, 2021.

(Continued)

NOTE 8 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

Through the Special Legislation approved in June 2019 and June 2020, the State made supplemental contributions of approximately $2.2 billion to CalSTRS on behalf of employers to supplant the amounts submitted by employers for fiscal years 2019–20 through 2021-22. Specifically, employers will remit 1.03%, 2.95% and 2.18% less than is required by the CalSTRS Funding Plan for fiscal years 2019–20, 2020–21 and 2021-22, respectively.

The CalSTRS employer contribution rates effective for fiscal year 2021-22 through fiscal year 2046-47 are summarized in the table below:

Effective Date	Base Rate	Supplemental Rate Per CalSTRS Funding Plan	Rate Adjustment Per Special Legislation	Total
July 1, 2021	8.250%	10.850%	(2.180%)	16.920%
July 1, 2022 to June 30, 2046	8.250%	(1)	N/A	(1)
July 1, 2046	8.250%	Increase from AB 1469 rate ends in 2046-47		

(1) The CalSTRS Funding Plan authorizes the board to adjust the employer contribution rate up or down by up to 1% each year, but no higher than 20.250% total and no lower than 8.250%.

The District contributed $7,500,632 to the plan for the fiscal year ended June 30, 2022.

State – 10.828 percent of the members' calculated based on creditable compensation from two fiscal years prior.

The state is required to contribute a base contribution rate set in statute at 2.017%. Pursuant to the CalSTRS Funding Plan, the state also has a supplemental contribution rate, which the board can increase by up to 0.5% each fiscal year to help eliminate the state's share of the CalSTRS unfunded actuarial obligation by 2046. In June 2021, the board approved an increase of 0.5% for fiscal year 2021-22, which will increase the state supplemental contribution rate to 6.311% effective July 1, 2021.

Special legislation appropriated supplemental state contributions to reduce the state's portion of the unfunded actuarial obligation of the DB Program in fiscal years 2019-20 through 2022-23. These contributions are funded from future excess General Fund revenues, pursuant to the requirements of California Proposition 2, Rainy-Day Budget Stabilization Fund Act, which passed in 2014. Accordingly, the contribution amounts are subject to change each year based on the availability of funding. For fiscal year 2020–21, CalSTRS received $297.0 million in supplemental state contributions from Proposition 2 funds. Of this total, approximately $170.0 million is designated to cover forgone contributions due to the suspension of the 0.5% increase to the state supplemental contribution rate in fiscal year 2020–21. The remaining $127.0 million is designated to reduce the state's share of CalSTRS' unfunded actuarial obligation.

(Continued)

NOTE 8 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

The CalSTRS state contribution rates effective for fiscal year 2021-22 and beyond are summarized in the table below.

Effective Date	Base Rate	Supplemental Rate Per CalSTRS Funding Plan	SBMA Funding(1)	Total
July 1, 2021	2.017%	6.311%	2.50%	10.828%
July 1, 2022 to June 30, 2046	2.017%	2	2.50%	2
July 1, 2046	2.017%	3	2.50%	3

(1) The SBMA contribution rate excludes the $72 million that is reduced from the required contribution in accordance with Education Code section 22954.
(2) The board has limited authority to adjust the state contribution rate annually through June 2046 in order to eliminate the remaining unfunded actuarial obligation. The board cannot increase the supplemental rate by more than 0.5% in a fiscal year, and if there is no unfunded actuarial obligation, the supplemental contribution rate imposed would be reduced to 0%.
(3) From July 1, 2046, and thereafter, the rates in effect prior to July 1, 2014, are reinstated, if necessary, to address any remaining unfunded actuarial obligation.

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

District's proportionate share of the net pension liability	$ 26,859,000
State's proportionate share of the net pension liability associated with the District	15,980,000
Total	$ 42,839,000

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school districts and the State. At June 30, 2021, the District's proportion was 0.06 percent, which was a decrease of 0.01 percent in the proportion measured as of June 30, 2020.

(Continued)

NOTE 8 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

For the year ended June 30, 2022, the District recognized pension expense of $2,992,820 and revenue of $8,978,394 for support provided by the State. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 67,000	$ 2,858,000
Changes of assumptions	3,806,000	-
Net differences between projected and actual earnings on investments	-	21,246,000
Changes in proportion and differences between District contributions and proportionate share of contributions	4,354,000	12,253,000
Contributions made subsequent to measurement date	7,500,632	-
Total	$ 15,727,632	$ 36,357,000

$7,500,632 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2023	$ (6,065,367)
2024	$ (4,497,367)
2025	$ (6,444,867)
2026	$ (7,440,867)
2027	$ (1,522,867)
2028	$ (2,158,665)

Differences between expected and actual experience, changes in assumptions, and changes in proportion and differences between District contributions and proportionate share of contributions are amortized over a closed period equal to the average remaining service life of plan members, which is 7 years as of the June 30, 2021 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

(Continued)

NOTE 8 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

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

Valuation Date	June 30, 2020
Experience Study	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%
Post-retirement Benefit Increases	2.00% simple for DB, maintain 85% Purchasing power level for DB. Not applicable for DBS/CBB

Discount Rate: The discount rate used to measure the total pension liability was 7.10 percent, which was unchanged from the prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increase per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those 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 the total pension liability.

Mortality: 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 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

(Continued)

NOTE 8 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

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 investment staff and investment consultants as inputs to the process. The actuarial investment rate of return assumption was adopted by the CalSTRS board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS consulting actuary reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term* Expected Real Rate of Return
Public Equity	42%	4.8%
Real Estate Assets	15	3.6
Private Equity	13	6.3
Fixed Income	12	1.3
Risk Mitigating Strategies	10	1.8
Inflation Sensitive	6	3.3
Cash / Liquidity	2	(0.4)

* 20-year geometric average

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the net pension liability	$ 54,675,000	$ 26,859,000	$ 3,772,000

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CalSTRS financial report.

(Continued)

NOTE 9 - NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B

General Information about the Public Employer's Retirement Fund B

Plan Description: The schools cost-sharing multiple-employer defined benefit pension plan Public Employer's Retirement Fund B (PERF B) is administered by the California Public Employees' Retirement System (CalPERS). Plan membership consists of non-teaching and non-certified employees of public schools (K-12), community college districts, offices of education, charter and private schools (elective) in the State of California.

The Plan was established to provide retirement, death and disability benefits to non-teaching and non-certified employees in schools. The benefit provisions for Plan employees are established by statute. CalPERS issues a publicly available financial report that can be obtained at:

https://www.calpers.ca.gov/docs/forms-publications/acfr - 2021.pdf.

Benefits Provided: The benefits for the defined benefit plans are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years (10 years for State Second Tier members) of credited service.

Contributions: The benefits for the defined benefit pension plans are funded by contributions from members and employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer's benefit formulas. Employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Employer contributions, including lump sum contributions made when districts first join PERF B, are credited with a market value adjustment in determining contribution rates.

The required contribution rates of most active plan members are based on a percentage of salary in excess of a base compensation amount ranging from zero dollars to $863 monthly.

Required contribution rates for active plan members and employers as a percentage of payroll for the year ended June 30, 2022 were as follows:

Members – The member contribution rate was 7.00 percent of applicable member earnings for fiscal year 2021-2022.

Employers – The employer contribution rate was 22.91 percent of applicable member earnings.

The District contributed $8,495,301 to the plan for the fiscal year ended June 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2022, the District reported a liability of $50,942,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school districts. At June 30, 2021, the District's proportion was 0.25 percent, which was the same proportion percentage measured as of June 30, 2020.

(Continued)

NOTE 9 - NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

For the year ended June 30, 2022, the District recognized pension expense of $7,541,000. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,521,000	$ 120,000
Changes of assumptions	-	-
Net differences between projected and actual earnings on investments	-	22,143,000
Changes in proportion and differences between District contributions and proportionate share of contributions	-	293,000
Contributions made subsequent to measurement date	8,495,301	-
Total	$ 10,016,301	$ 22,556,000

$8,495,301 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2023	$ (4,793,500)
2024	$ (5,294,500)
2025	$ (5,510,000)
2026	$ (5,437,000)

Differences between expected and actual experience, changes in assumptions, and changes in proportion and differences between District contributions and proportionate share of contributions are amortized over a closed period equal to the average remaining service life of plan members, which is 4 years as of the June 30, 2020 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

(Continued)

NOTE 9 - NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

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

Valuation Date	June 30, 2020
Experience Study	June 30, 1997 through June 30, 2015
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.15%
Consumer Price Inflation	2.50%
Wage Growth	Varies by entry age and service
Post-retirement Benefit Increases	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies 2.50% thereafter

The mortality table used was developed based on CalPERS specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90% of Scale MP 2016. For more details on this table, please refer to the 2017 experience study report.

All other actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found at CalPERS' website.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class	Long -Term* Assumed Asset Allocation	Expected Real Rate of Return Years 1 - 10 (1)	Expected Real Rate of Return Years 11+ (2)
Global Equity	50%	4.80%	5.98%
Fixed Income	28	1.00	2.62
Inflation Assets	-	0.77	1.81
Private Equity	8	6.30	7.23
Real Estate Assets	13	3.75	4.93
Liquidity	1	-	(0.92)

* 10-year geometric average
(1) An expected inflation rate of 2.00% used for this period
(2) An expected inflation rate of 2.92% used for this period

NOTE 9 - NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

Discount Rate: The discount rate used to measure the total pension liability was 7.15 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Plan. The results of the crossover testing for the Plan are presented in a detailed report that can be obtained at CalPERS' website.

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.

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 and forecasted information for all the funds' asset classes, expected compound (geometric) returns were calculated over the short term (first 10 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.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.15 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15 percent) or 1-percentage-point higher (8.15 percent) than the current rate:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
District's proportionate share of the net pension liability	$ 89,895,000	$ 50,942,000	$ 21,923,000

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

(Continued)

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description: The District provides post-employment healthcare benefits (OPEB) through the Public Agencies Post-Employment Benefits Trust (the "Trust") for certain groups of employees who retire from the District. During the year ended June 30, 2006 the District signed an irrevocable trust agreement. The District appointed a Board of Authority with authority to make decisions on behalf of the District with respect to the Trust. Public Agency Retirement Services (PARS) was appointed as the trust administrator, U.S. Bank the trustee. Benefit provisions are established and may be amended by District labor agreements which are approved by the Board of Trustees. The District's contributions to the irrevocable trust is included in the Trust, which is included in the Public Agencies Post-Employment Benefits Trust financial statements. Copies of the Public Agencies Post-Employment Benefits Trust independent financial statements may be obtained from the Public Agency Retirement Services – 4350 Von Karman Ave – Newport Beach, CA 92660.

Benefits Provided: The District provides postemployment health care benefits to employees who retire from the District based on the rule of 70. The rule of 70 is any combination of the retiree's minimum age of 50 and years of regular District service equal to 70 or more. The District covers the retiree and all eligible dependents until the employee reaches age 65. Employees hired prior to July 1, 2004, receive District paid healthcare benefits to the retiree's age of 70. Benefits are provided by the District on a pay-as-you-go basis. The Plan pays benefits through an agent multiple-employer OPEB plan that is administered by the Public Agency Retirement Services ("PARS")."

Employees covered by benefit term. The following is a table of plan participants at June 30, 2022 (measurement date):

	Number of Participants
Inactive Employees/Dependents Receiving Benefits	179
Inactive Employees/Dependents Entitled to but not yet Receiving Benefits	-
Active Employees	680
	859

Contributions: California Government Code specifies that the District's contribution requirements for covered employees are established and may be amended by the Governing Board. Eligible employees are not permitted to make contributions to the Trust. The Plan administrator shall, on behalf of the employer, make all contributions to the Trustee. All contributions shall be paid to the Trustee for investment and reinvestment pursuant to the terms of the trust agreement. The District does not have contractually required contributions rates, but contributes in an amount sufficient to fully fund the Net OPEB liability over a period not to exceed 30 years. Contributions to the Trust from the District were $2,205,588 for the year ended June 30, 2022.

(Continued)

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

OPEB Plan Investments: The plan discount rate of 5.75% was determined using the following asset allocation and assumed rate of return:

Asset Class	Percentage of Portfolio	Rate of Return*
US Large Cap	40%	7.545%
US Mid Cap	20%	7.545%
Long-Term Corporate Bonds	20%	5.045%
Long-Term Government Bonds	15%	4.25%
Intermediate-Term Government Bonds	5%	4.25%

* Geometric average

Rolling periods of time for all asset classes in combination we used to appropriately reflect correlation between asset classes. This means that the average returns for any asset class do not necessarily reflect the averages over time individually, but reflect the return for the asset class for the portfolio average. Additionally, the historic 16 year real rates of return for each asset class along with the assumed long-term inflation assumption was used to set the discount rate. The investment return was offset by assumed investment expenses of 25 basis points. It was further assumed that contributions to the plan would be sufficient to fully fund the obligation over a period not to exceed 16 years.

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

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Census data	The census was provided by the District as of June 30, 2021
Actuarial cost methods	Entry age actuarial cost method
Inflation rate	2.50%
Investment rate of return / discount rate	5.75%
Health care cost trend rate	4.00%
Payroll increase	2.75%
Mortality	For certificated employees the 2020 CalSTRS mortality tables were used. For classified employees the 2017 CalPERS active mortality for miscellaneous employees were used.

(Continued)

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Changes in the Net OPEB Liability

	Incease (Decrease)		
	Total OPEB Liability (a)	Total Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance July 1, 2021	$ 38,645,701	$ 38,380,444	$ 265,257
Changes for the year:			
Service cost	1,426,433	-	1,426,433
Interest	2,185,420	-	2,185,420
Employer contributions	-	2,205,588	(2,205,588)
Employee contributions	-	-	-
Expected investment income	-	2,170,967	(2,170,967)
Investment gain/loss	-	(7,555,510)	7,555,510
Experience gain/loss	627,142	-	627,142
Changes in assumptions	-	-	-
Administrative expense	-	(136,747)	136,747
Benefit payments	(3,330,369)	(3,330,369)	-
Net change	908,626	(6,646,071)	7,554,697
Balance, June 30, 2022	$ 39,554,327	$ 31,734,373	$ 7,819,954

Fiduciary Net Position as a % of the Total OPEB Liability, at June 30, 2022: 80%

Sensitivity of the net OPEB liability to assumptions: The following presents the net OPEB liability calculated using the discount rate of 5.75 percent. The schedule also shows what the net OPEB liability would be if it were calculated using a discount rate that is 1 percent lower (5.0 percent) and 1 percent higher (7.0 percent):

	Discount Rate 1% Lower (4.75%)	Valuation Discount Rate (5.75%)	Discount Rate 1% Higher (6.75%)
Net OPEB liability	$ 10,210,682	$ 7,819,954	$ 5,580,547

The following table presents the net OPEB liability calculated using the heath care cost trend rate of 4.0 percent. The schedule also shows what the net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percent lower (3.0 percent) and 1 percent higher (5.0 percent):

	Health Care Trend Rate 1% Lower (3.0%)	Valuation Health Care Trend Rate (4.0%)	Health Care Trend Rate 1% Higher (5.0%)
Net OPEB liability	$ 4,262,463	$ 7,819,954	$ 11,882,933

(Continued)

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

For the year ended June 30, 2022, the District recognized OPEB expense of $2,182,166. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 882,656	$ 227,481
Changes of assumptions	829,307	3,398,876
Net differences between projected and actual earnings on investments	3,611,484	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
Contributions made subsequent to measurement date	-	-
Total	$ 5,323,447	$ 3,626,357

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ended June 30,	
2023	$ 594,058
2024	$ 500,691
2025	$ 371,376
2026	$ 1,299,587
2027	$ (194,924)
Thereafter	$ (873,698)

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 10.4 years as of the June 30, 2022 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

(Continued)

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Contingent Liabilities: The District is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the District.

The District has received Federal and State funds for specific purposes that are subject to review or audit by the grantor agencies. Although such audits could result in expenditure disallowances under terms of the grants, it is management's opinion that any required reimbursements or future revenue offsets subsequently determined will not have a material effect on the District's financial statements.

Construction Commitments: As of June 30, 2022, the District has no outstanding commitments on construction contracts.

NOTE 12 - JOINT POWER AGREEMENTS

The District participates in joint ventures under joint power agreements with the following joint powers authorities (JPAs): Valley Insurance Program (VIP) and Self-Insured Schools of California (SISC III). The relationship between the District and the JPAs is such that the JPAs are not component units of the District for financial reporting purposes. The JPAs arrange for and provide property, liability, workers' compensation, dental, vision, and excess liability coverage for their members. Each member pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to its participation in the JPA.

Each JPA is governed by a board consisting of representatives from the members. The boards control the operations of the JPAs, including selection of management and approval of operating budgets, independent of any influence by the members beyond their representation on the boards. Each member pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to its participation in the JPA. The District's share of year end assets, liabilities, or fund equity is not calculated by the JPA's. Separately issued financial statements can be requested from each JPA.

The District is also a member of the JPA, Tuolumne Public Power Agency (TPPA), whose members operate for the public benefit within Tuolumne County. TPPA supplies members electrical power at a rate below the current market rate. TPPA is not a component unit of the District for financial reporting purposes.

Condensed financial information of the JPAs for the most recent year available is as follows:

	VIP June 30, 2021	SISC III September 30, 2021	TPPA June 30, 2020
Total assets	$ 17,318,245	$ 1,021,448,838	$ 2,306,232
Total liabilities	$ 1,509,329	$ 231,863,981	$ 203,845
Net position	$ 15,808,916	$ 789,584,857	$ 2,102,387
Total revenues	$ 7,365,141	$ 2,725,489,512	$ 2,292,413
Total expenses	$ 8,183,867	$ 2,620,106,815	$ 2,251,894
Change in net position	$ (818,726)	$ 105,382,697	$ 40,519

(Continued)

NOTE 13 – SUBSEQUENT EVENT

In October 2022, the District entered into a loan agreement with the State of California, Energy Commission in the amount of $3,000,000. Principal and interest payments are due in June and December of each year, through June 2037. The note bears an interest rate of 1.00 percent.

REQUIRED SUPPLEMENTARY INFORMATION

YOSEMITE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN NET
OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY
For the Year Ended June 30, 2022

Last 10 Fiscal Years

	2017	2018	2019	2020	2021	2022
Total OPEB liability						
Service cost	$ 948,427	$ 974,509	$ 1,001,308	$ 1,422,274	$ 1,461,387	$ 1,426,433
Interest	2,412,744	2,437,881	2,485,155	2,419,325	2,478,282	2,185,420
Change in assumptions	-	-	1,373,119	-	(4,208,134)	-
Experience gain/loss	-	-	(130,640)	344,970	90,773	627,142
Benefit payments	(3,415,675)	(2,585,374)	(2,811,625)	(3,234,326)	(3,184,475)	(3,330,369)
Net change in total OPEB liability	(54,504)	827,016	1,917,317	952,243	(3,362,167)	908,626
Total OPEB liability, beginning of year	38,365,796	38,311,292	39,138,308	41,055,625	42,007,868	38,645,701
Total OPEB liability, end of year (a)	$ 38,311,292	$ 39,138,308	$ 41,055,625	$ 42,007,868	$ 38,645,701	$ 39,554,327
Plan fiduciary net position						
Employer contributions	$ 2,739,226	$ 2,047,587	$ 2,646,856	$ 1,021,104	$ 1,571,820	$ 2,205,588
Interest	642,153	-	-	-	-	-
Employee contributions	-	-	-	841,236	-	-
Expected investment income	-	-	2,097,572	1,969,651	1,957,396	2,170,967
Investment gain/loss	3,138,462	1,964,128	(466,842)	(646,584)	4,641,059	(7,555,510)
Experience gain/loss	-	-	(486,892)	-	-	-
Administrative expense	(127,405)	(65,229)	(123,453)	-	(69,895)	(136,747)
Benefits payment	(3,415,675)	(2,585,374)	(2,811,625)	(3,234,326)	(3,184,475)	(3,330,369)
Other	-	-	-	(57)	-	-
Change in plan fiduciary net position	2,976,761	1,361,112	855,616	(48,976)	4,915,905	(6,646,071)
Fiduciary trust net position, beginning of year	28,320,026	31,296,787	32,657,899	33,513,515	33,464,539	38,380,444
Fiduciary trust net position, end of year (b)	$ 31,296,787	$ 32,657,899	$ 33,513,515	$ 33,464,539	$ 38,380,444	$ 31,734,373
Net OPEB liability, ending (a) - (b)	$ 7,014,505	$ 6,480,409	$ 7,542,110	$ 8,543,329	$ 265,257	$ 7,819,954
Covered employee payroll	$ 58,495,456	$ 61,615,853	$ 66,564,858	$ 67,580,297	$ 65,267,770	$ 67,062,634
Plan fiduciary net position as a percentage of the total OPEB liability	82%	83%	82%	80%	99%	80%
Net OPEB liability as a percentage of covered-employee payroll	12.00%	11.00%	11.00%	13.00%	0.41%	11.66%

This is a 10 year schedule, however the information in this schedule is not required to be presented retrospectively.

YOSEMITE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2022

State Teacher's Retirement Plan
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022
District's proportion of the net pension liability	0.08%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.06%
District's proportionate share of the net pension liability	$ 43,990,000	$49,494,000	$ 59,824,000	$61,188,000	$ 62,447,000	$62,107,000	$ 71,691,000	$ 26,859,000
State's proportionate share of the net pension liability associated with the District	26,563,000	26,177,000	34,060,000	36,199,000	35,754,000	33,883,000	39,179,000	15,980,000
Total net pension liability	$ 70,553,000	$ 75,671,000	$ 93,884,000	$ 97,387,000	$ 98,201,000	$ 95,990,000	$ 110,870,000	$ 42,839,000
District's covered payroll	$ 33,529,000	$34,122,000	$36,863,000	$36,300,000	$36,169,000	$36,962,000	$39,944,000	$34,836,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	131.20%	145.05%	162.29%	168.56%	172.65%	168.03%	179.48%	77.10%
Plan fiduciary net position as a percentage of the total pension liability	76.52%	74.02%	70.04%	69.46%	70.99%	72.56	71.82%	87.21%

The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

All years prior to 2015 are not available.

(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2022

Public Employers Retirement Fund B
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022
District's proportion of the net pension liability	0.26%	0.25%	0.26%	0.25%	0.25%	0.25%	0.25%	0.25%
District's proportionate share of the net pension liability	$ 29,485,000	$ 36,882,000	$ 50,638,000	$ 59,486,000	$ 67,311,000	$ 73,363,000	$ 77,229,000	$ 50,942,000
District's covered payroll	$ 27,265,000	$ 27,701,000	$ 30,760,000	$ 31,575,000	$ 33,298,000	$ 34,866,000	$ 36,256,000	$ 33,816,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	108.14%	133.14%	164.62%	188.40%	202.15%	210.41%	213.01%	141.73%
Plan fiduciary net position as a percentage of the total pension liability	83.38%	79.43%	73.89%	71.87%	70.85%	70.05%	70.00%	80.97%

The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

All years prior to 2015 are not available.

YOSEMITE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the Year Ended June 30, 2022

State Teachers' Retirement Plan
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	$ 3,030,075	$ 3,955,353	$ 4,566,583	$ 5,219,159	$ 6,935,291	$ 7,255,139	$ 6,653,623	$ 7,500,632
Contributions in relation to the contractually required contribution	(3,030,075)	(3,955,353)	(4,566,583)	(5,338,643)	(6,935,291)	(7,255,139)	(6,653,623)	(7,500,632)
District's covered payroll	$34,122,000	$ 36,863,000	$36,300,000	$ 36,169,000	$36,962,000	$ 39,944,000	$ 34,836,000	$ 39,270,000
Contributions as a percentage of covered payroll	8.88%	10.73%	12.58%	14.43%	18.76%	17.10%*	16.15%**	16.92%***

* This rate reflects the original employer contribution rate of 18.13 percent under AB1469, reduced for the 1.03 percentage points to be paid on behalf of employers pursuant to SB 90.

** This rate reflects the original employer contribution rate of 19.10 percent under AB1469, reduced for the 2.95 percentage points to be paid on behalf of employers pursuant to SB 90.

*** This rate reflects the original employer contribution rate of 19.10 percent under AB1469, reduced for the 2.18 percentage points to be paid on behalf of employers pursuant to SB 90.

All years prior to 2015 are not available.

(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the Year Ended June 30, 2022

Public Employers Retirement Fund B
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	$ 3,260,715	$ 3,644,136	$ 4,385,133	$ 5,171,520	$ 6,355,462	$ 7,216,297	$ 7,000,000	$ 8,495,301
Contributions in relation to the contractually required contribution	(3,260,715)	(3,644,136)	(4,385,133)	(5,171,520)	(6,355,462)	(7,216,297)	(7,000,000)	(8,495,301)
District's covered payroll	$ 27,701,000	$ 30,760,000	$ 31,575,000	$ 33,298,000	$ 34,866,000	$ 36,256,000	$ 33,816,000	$ 37,081,000
Contributions as a percentage of covered payroll	11.77%	11.85%	13.89%	15.53%	18.23%	19.90%	20.70%	22.91%

All years prior to 2015 are not available.

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Changes in Net Other Postemployment Benefits (OPEB) Liability and Related Ratios: The Schedule of Changes in Net OPEB liability is presented to illustrate the elements of the District's Net OPEB liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Schedule of the District's Proportionate Share of the Net Pension Liability: The Schedule of the District's Proportionate Share of the Net Pension Liability is presented to illustrate the elements of the District's Net Pension Liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Schedule of the District's Contributions (Pensions): The Schedule of the District's Contributions is presented to illustrate the District's required contributions relating to the pensions. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Changes of Benefit Terms (Pensions): There are no changes in benefit terms reported in the Required Supplementary Information.

Changes of Assumptions: The discount rates used for the Public Employer's Retirement Fund B (PERF B) was 7.50, 7.65, 7.65, 7.15, 7.15, 7.15, 7.15 and 7.15 percent in the June 30, 2013, 2014, 2015, 2016, 2017, 2018, 2019, and 2020 actuarial reports, respectively.

The following are the assumptions for State Teachers' Retirement Plan:

	Measurement Period						
Assumption	As of June 30, 2021	As of June 30, 2020	As of June 30, 2019	As of, June 30, 2018	As of, June 30, 2017	As of, June 30 2016	As of, June 30, 2015
Consumer price inflation	2.75%	2.75%	2.75%	2.75%	2.75%	3.00%	3.00%
Investment rate of return	7.10%	7.10%	7.10%	7.10%	7.10%	7.60%	7.60%
Wage growth	3.50%	3.50%	3.50%	3.50%	3.50%	3.75%	3.75%

(Continued)

NOTE 1 - PURPOSE OF SCHEDULES (Continued)

OPEB

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Census data	The census was provided by the District as of June 30, 2021
Actuarial cost method	Entry age actuarial cost method
Inflation rate	2.50%
Investment rate of return / discount rate	5.75%
Health care cost trend rate	4.00%
Payroll increase	2.75%
Participation rates	100% for certificated and classified employees.
Mortality	For certificated employees the 2020 CalSTRS mortality tables were used. For classified employees the 2017 CalPERS active mortality for miscellaneous employees were used.
Spouse prelevance	To the extent not provided and when needed to calculate benefit liabilities, 80% of retirees assumed to be married at retirement. After retirement, the percentage married is adjusted to reflect mortality.
Spouse ages	To the extent spouse dates of birth are not provided and when needed to calculate benefit liabilities, female spouse assumed to be three years younger than male.
Turnover	For certificated employees the 2020 CalSTRS termination rates were used. For classified employees the 2017 CalPERS termination rates for school employees were used.
Retirement rates	For certificated employees the 2020 CalSTRS retirement rates were used. For classified employees hired before 2013 the 2017 CalPERS retirement rates for school employees were used. For classified employees hired after 2012 the 2017 CalPERS 2%@62 retirement rates were used

SUPPLEMENTARY INFORMATION

The District, a political subdivision of the State of California, was established in July 1, 1964, and commenced operations on July 1, 1965. Its territories encompass portions of Calaveras, Merced, Santa Clara, Stanislaus, San Joaquin and Tuolumne counties. There were no changes in boundaries during the fiscal year.

The District provides higher education instruction for the first and second years of college education and vocations training at Modesto Junior College and Columbia College.

BOARD OF TRUSTEES

Members	Office	Term Expires
Margie Bulkin	Member	November 2022
Darin Gharat	Board Chair	November 2024
Antonio Aguilar	Member	November 2024
Leslie Beggs	Vice Chair	November 2024
Nancy Hinton	Member	November 2022
Jenny Nicolau	Member	November 2022
Milton Richards	Member	November 2024
Arshia Amirsolaimani	Student Trustee	2021 - 2022

ADMINISTRATION

Mr. Henry C.V. Yong, Ed.S.
Chancellor

Trevor Stewart
Vice Chancellor, Administrative Services

Dr. G.H. Javaheripour
Vice Chancellor, Educational Services

Dr. Santanu Bandyopadhyay
President, Modesto Junior College

Dr. Lena Tran
President, Columbia College

YOSEMITE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
For the Year Ended June 30, 2022

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass Through Grant Number	Federal Expenditures
U.S. Department of Education			
Direct Programs:			
Student Financial Aid Cluster:			
College Work Study Program	84.033	-	$ 372,994
Pell Grant Program	84.063	-	21,032,020
Federal Supplemental Education Opportunity Grant	84.007	-	1,374,295
Federal Direct Student Loans	84.268	-	67,764
U.S. Department of Health and Human Services			
Passed through California Department of Education:			
Nursing Student Loans	93.364	-	103,885
Subtotal Student Financial Aid Cluster			22,950,958
U.S. Department of Education			
Direct Programs:			
TRIO Cluster:			
Talent Search	84.044	-	399,128
Upward Bound	84.047		557,510
Student Support Services	84.042	-	601,445
Mother Lode Educational Opportunity Center	84.066A	-	287,640
Subtotal TRIO Cluster			1,845,723
Higher Education Emergency Relief Fund:			
COVID-19 HEERF - Student Portion	84.425E	-	14,565,237
COVID-19 HEERF- Institutional Portion	84.425F	-	20,676,030
COVID-19 HEERF - Strengthening Institutions	84.425L	-	619,021
COVID-19 HEERF- Minority Serving Institutions	84.425M	-	185,623
Subtotal Higher Education Emergency Relief Fund			36,045,911
Passed Through California Department of Education:			
Career and Technical Education Program: Tech Prep	84.048	19-CO1-70 x8110	842,425
Higher Education Institutional Aid Program:			
Title III. Strengthen Institute - Other Gen Supp Svs.	84.031A	-	304,206
Improving Institutional Effectiveness and Student Retention	84.031A	-	817,787
Subtotal Higher Education Institutional Aid Program			1,121,993
Total U.S. Department of Education			62,807,010

(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
For the Year Ended June 30, 2022

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass Through Grant Number	Federal Expenditures
U.S Department of Veteran Affairs			
Direct Program:			
Post- Vietnam Era Veterans' Educational Assistance	64.120	-	$ 3,918
Total U.S Department of Veteran Affairs			3,918
U.S. Department Agriculture			
Passed through California Department of Education:			
Child and Adult Care Food Program	10.558	04226-CACFP-50-CC-C5	45,966
Forest Reserve - Forest Service Schools and Road Cluster	10.665	-	12,551
Total U.S. Department of Agriculture			58,517
U.S. Department of Health and Human Services			
Passed through California Department of Education:			
Child Care and Development Block Grant	93.575	CN19011	2,615,513
Passed through California Community College Chancellor's Office:			
Temporary Assistance for Needy Families	93.558	-	163,426
Foster Care	96.658	FKCE	165,523
Refugee Family Child Care Microenterprise Development Program	93.576	-	36,816
Total U.S. Department of Health and Human Services			2,981,278
U.S. Department of Commerce			
Passed through California Department of Education:			
Economic Adjustment Assistance -Economic Development Cluster	11.307	-	185,702
Total U.S. Department of Commerce			185,702
U.S. Department of the Treasury			
Passed through California Community College Chancellor's Office:			
SB85 Emergency Financial Assistance	21.027		1,203,584
Total U.S. Department of the Treasury			1,203,584
Total Federal Programs			$ 67,240,009

See accompanying note to supplementary information.

YOSEMITE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF STATE FINANCIAL AWARDS
For the Year Ended June 30, 2022

	Program Revenues				
	Cash Received	Accounts Receivable	Unearned Revenue/ Accounts Payable	Total	Total Program Expenditures
Adult Education and AEGB Consortium	$ 641,228	$ -	$ 4,647,321	$ 5,288,549	$ 5,288,549
Apprenticeship (Training and Instruction)	5,381	-	-	5,381	5,381
Board Financial Assistance Program	815,906	-	54,033	869,939	869,939
Cal Grants	4,124,411	-	-	4,124,411	4,124,411
Cal WORKS	839,782	-	-	839,782	839,782
California Apprenticeship Initiative	19,097	-	177,944	197,041	197,041
California College Promise	936,258	-	-	936,258	936,258
Basic Needs Resource Centers	130,084	-	-	130,084	130,084
CAPP Guided Pathways	34,411	-	-	34,411	34,411
CCCCCO Veterans Resource Center	130,465	-	-	130,465	130,465
CCO EEO Registry	350,000	-	-	350,000	350,000
COVID-19 Response Block Grant	625,562	-	-	625,562	625,562
CDTC First 5 California	308,336	-	103,910	412,246	412,246
CA Education Learning Lab	33,599	-	-	33,599	33,599
Center of Excellence	274,314	-	124,989	399,303	399,303
Foster Care Education	103,111	-	62,412	165,523	165,523
Child Development/Toddler	601,277	-	19	601,296	601,296
CNA Training	10,804	-	-	10,804	10,804
Lottery…CF 18256.41/Act1336018.6	845,937	490,081	41,157	1,377,175	1,109,130
Cooperative Agencies Resources for Education	314,863	-	-	314,863	314,863
College Homeless and Housing Insecure	462,140	-	-	462,140	462,140
CTE - Pathways Initiative	110,902	-	-	110,902	110,902
Disabled Student Program and services	1,729,109	-	-	1,729,109	1,729,109
Dreamer Emergency Aid	53,563	-	-	53,563	53,563

(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF STATE FINANCIAL AWARDS
For the Year Ended June 30, 2022

	Program Revenues				
	Cash Received	Accounts Receivable	Unearned Revenue/ Accounts Payable	Total	Total Program Expenditures
Economically Distressed	$ 185,703	$ -	$ -	$ 185,703	$ 185,703
Guided Pathways- Dream Resource	39,549	-	-	39,549	39,549
Ed Planning Initiatives	15,355	-	-	15,355	15,355
CABOG Mid College High School	9,454	-	-	9,454	9,454
Enrollment Growth Nursing	239,759	-	-	239,759	239,759
Extended Opportunity Program and Services	2,116,872	-	2	2,116,874	2,116,874
Financial Aid Technology	94,421	-	-	94,421	94,421
Nursing, Song Brown	79,528	-	-	79,528	79,528
Full Time Student Success Grant	1,812,376	-	-	1,812,376	1,812,376
Guided Pathways	378,916	70,505	4,205	453,626	453,626
Hunger Free Campus	16,574	-	-	16,574	16,574
Library Services Platform	1,970	-	2,043	4,013	4,013
Institutional Effectiveness	35,454	-	-	35,454	35,454
Instructional Equipment	288,177	-	186,575	474,752	474,752
Incarcerated Students Reentry	75,097	-	-	75,097	75,097
K12 Strong Workforce Program	234,029	-	-	234,029	234,029
AWET-Ag Pathway Developmt	27,000	-	-	27,000	27,000
Strong Workforce Regional	384,529	-	-	384,529	384,529
SB85 CalFresh Outreach	7,362	-	-	7,362	7,362
Scheduled Maintenance	5,294,092	-	(5,259,357)	34,735	34,735
SB85 Student Retentin and Outreach	45,030	-	-	45,030	45,030
Staff Diversity	60,940	-	-	60,940	60,940
Strong Workforce Program	3,964,012	-	100,137	4,064,149	4,064,149
MJC I3 Project- Rancho Santiago	92,941	-	-	92,941	92,941
Student Equity and Achievement	6,923,802	-	-	6,923,802	6,923,802
Uplift CSU SAC	34,430	-	-	34,430	34,430
Mental Health Services	133,449	-	-	133,449	133,449
Umoja	19,211	-	-	19,211	19,211

See accompanying note to supplementary information.

YOSEMITE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF WORKLOAD MEASURES FOR STATE
GENERAL APPORTIONMENT ANNUAL ATTENDANCE
Annual Attendance as of June 30, 2022

Categories	Reported Data	Audit Adjustments	Revised Data
A. Summer Intersession (Summer 2021 only)			
1. Noncredit	42	-	42
2. Credit	1,377	-	1,377
B. Summer Intersession (Summer 2022 - Prior to July 1, 2022)			
1. Noncredit	1	-	1
2. Credit	678	-	678
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
a. Weekly Census Contact Hours	3,048	-	3,048
b. Daily Census Contact Hours	403	-	403
2. Actual Hours of Attendance Procedure Courses			
1. Noncredit	106	-	106
2. Credit	218	-	218
3. Independent Study/Work Experience			
a. Weekly Census Contact Hours	6,281	-	6,281
b. Daily Census Contact Hours	1,246	-	1,246
c. Non-credit Independent Study/Distance Education Courses (Part VII.C)	113	-	113
D. Total FTES	13,513	-	13,513
Supplementary Information:			
E. In-Service Training Courses (FTES)	-	-	-
H. Basic Skills Courses and Immigrant Education			
1. Noncredit	231	-	231
2. Credit	249	-	249
CCFS 320 Addendum			
CDCP	167	-	167
Center FTES			
a. Noncredit	-	-	-
b. Credit	-	-	-

See accompanying note to supplementary information.

There were no adjustments proposed to any funds of the District.

General fund		$ 52,293,714
Debt service fund		18,466,492
Special revenue funds		1,824,123
Capital projects funds		13,116,564
Fiduciary funds		8,981,396
Total fund balances - business-type activity funds		94,682,289
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used for governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. However, capital assets, net of accumulated depreciation are added to total net assets.		
Total District capital assets less	377,045,360	
Proprietary Fund capital assets	(86,996)	
		376,958,364
In government funds, deferred outflows and inflows of resources relating to pensions and OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported:		
Deferred outflows of resources relating to pensions	25,743,933	
Deferred outflows of resources relating to OPEB	5,323,447	
Deferred inflows of resources relating to pensions	(58,913,000)	
Deferred inflows of resources relating to OPEB	(3,626,357)	
		(31,471,977)
Unmatured interest on long-term liabilities is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred.		(6,574,317)
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 June 30, 2022 consisted of:		
General obligation bonds	(263,621,373)	
Unamortized bond premiums	(4,198,972)	
Accreted interest	(106,540,380)	
Net pension liability	(77,801,000)	
Net OPEB liability	(7,819,954)	
Compensated absences	(2,654,315)	
		(462,635,994)
Losses on refundings of debt are categorized as deferred outflows and are amortized over the shortened life of the refunded or refunding of the debt.		3,807,754
Total net position - business-type activities		$ (25,233,881)

See accompanying note to supplementary information.

		Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6110			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
Academic Salaries	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Instructional salaries:							
Contract or regular	1100	$ 23,003,296	$ -	$ 23,003,296	$ 23,239,759	$ -	$ 23,239,759
Other	1300	14,044,982	-	14,044,982	14,278,532	-	14,278,532
Total instructional salaries		37,048,278	-	37,048,278	37,518,291	-	37,518,291
Non-instructional salaries:							
Contract or regular	1200	-	-	-	4,617,409	-	4,617,409
Other	1400	-	-	-	4,271,244	-	4,271,244
Total non-instructional salaries		-	-	-	8,888,653	-	8,888,653
Total academic salaries		37,048,278	-	37,048,278	46,406,944	-	46,406,944
Classified Salaries							
Non-instructional salaries:							
Regular status	2100	-	-	-	22,250,186	-	22,250,186
Other	2300	-	-	-	553,566	-	553,566
Total non-instructional salaries		-	-	-	22,803,752	-	22,803,752
Instructional aides:							
Regular status	2200	1,770,003	-	1,770,003	1,892,987	-	1,892,987
Other	2400	285,305	-	285,305	285,305	-	285,305
Total instructional aides		2,055,308	-	2,055,308	2,178,292	-	2,178,292
Total classified salaries		2,055,308	-	2,055,308	24,982,044	-	24,982,044
Employee benefits	3000	17,042,831	-	17,042,831	35,011,765	-	35,011,765
Supplies and materials	4000	-	-	-	1,490,644	-	1,490,644
Other operating expenses	5000	-	-	-	7,620,736	-	7,620,736
Equipment replacement	6420	-	-	-	-	-	-
Total expenditures prior to exclusions		56,146,417	-	56,146,417	115,512,133	-	106,400,753

(Continued)

Exclusions	Object/TOP Codes	Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6110 Reported Data	Audit Adjustments	Revised Data	Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799 Reported Data	Audit Adjustments	Revised Data
Activities to exclude:							
Instructional staff-retirees' benefits and retirement incentives	5900	$ -	$ -	$ -	$ -	$ -	$ -
Student health services above amount collected	6441	-	-	-	-	-	-
Student transportation	6491	-	-	-	271,811	-	271,811
Noninstructional staff-retirees' benefits and retirement incentives	6740	-	-	-	250,000	-	250,000
Objects to exclude:							
Rents and leases	5060	-	-	-	104,317	-	104,317
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		-	-	-	-	-	-
Other operating expenses and services	5000	-	-	-	2,884,561	-	2,884,561
Capital outlay	6000	-	-	-	-	-	-
Library books	6300	-	-	-	-	-	-
Equipment:							
Equipment - additional	6410	-	-	-	-	-	-
Equipment - replacement	6420	-	-	-	-	-	-
Total equipment		-	-	-	-	-	-
Total capital outlay		-	-	-	-	-	-
Other outgo	7000	-	-	-	-	-	-
Total exclusions		-	-	-	3,510,689	-	3,510,689
Total for ECS 84362, 50% Law		$ 56,146,417	$ -	$ 56,146,417	$ 112,001,444	$ -	$ 112,001,444
Percent of CEE (instructional salary cost /Total CEE)		50.13%	-	50.13%	100.00%	-	100.00%
50% of current expense of education					$ 56,000,722	$ -	$ 56,000,722

See accompanying note to supplementary information.

YOSEMITE COMMUNITY COLLEGE DISTRICT
PROPOSITION 55 EDUCATION PROTECTION ACCOUNT (EPA) EXPENDITURE REPORT
For the Year Ended June 30, 2022

EPA Proceeds: $ 32,542,784

Activity Classification	Activity Code (0100-5900)	Salaries and Benefits (1000-3000)	Operating Expenses (4000-5000)	Capital Outlay (6000)	Total
Instructional Activities		$ 32,542,784	$ -	$ -	$ 32,542,784

See accompanying note to supplementary information.

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Expenditure of Federal Awards: The Schedule of Expenditure of Federal Awards includes the federal award activity of Yosemite Community College District, and is presented on the accrual basis of accounting. The information in this schedule 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). 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. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Schedule of State Financial Awards: The accompanying Schedule of State Financial Awards includes State grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented to comply with reporting requirements of the California Community College Chancellor's Office.

Schedule of Workload Measures for State General Apportionment: Full-time equivalent students 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 on which apportionments of State funds are made to community college districts. This schedule provides information regarding the attendance of students based on various methods of accumulating attendance data.

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 CCFS-311 to the audited financial statements.

Reconciliation of Governmental Funds to the Statement of Net Position: This schedule provides the information necessary to reconcile the fund balances to the audited financial statements.

Reconciliation of ECS 84362 (50 Percent Law) Calculation: This schedule provides the information necessary to reconcile the 50 Percent Law Calculation reported on the CCFS-311 to the audited data.

Prop 55 EPA Expenditure Report: This schedule provides information about the District's EPA proceeds and summarizes how the EPA proceeds were spent.

INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Board of Trustees
Yosemite Community College District
Modesto, California

Report on Compliance with State Laws and Regulations

Opinion on Compliance with State Laws and Regulations

We have audited Yosemite Community College District's compliance with the types of compliance requirements described in Section 400 of the *California State Chancellor's Office's California Community College Contracted District Audit Manual (CDAM)* that are applicable to community colleges in the State of California for the year ended June 30, 2022:

Description

SCFF Data Management Control Environment
SCFF Supplemental Allocation Metrics
SCFF Success Allocation Metrics
Salaries of Classroom Instructors (50 Percent Law)
Apportionment for Activities Funded From Other Sources
Student Centered Funding Formula Base Allocations: FTES
Residency Determination for Credit Courses
Students Actively Enrolled
Dual Enrollment (CCAP)
Scheduled Maintenance Program
Gann Limit Calculation
Apprenticeship Related and Supplemental Instruction (RSI) Funds
Disabled Student Programs and Services (DSPS)
Proposition 1D and 51 State Bond Funded Projects
Education Protection Account Funds
Student Representation Fee
COVID-19 Response Block Grant Expenditures

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the state laws and regulations referred to above for the year ended June 30, 2022.

Basis for Opinion on Compliance with State Laws and Regulations

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

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

(Continued)

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *Contracted District Audit Manual*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *Contracted District Audit Manual*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Purpose of this Report

This report is intended solely to describe the scope of our testing of compliance and the results of that testing based on requirements of the *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Sacramento, California
November 17, 2022

Crowe LLP
Independent Member Crowe Global

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
Yosemite Community College District
Modesto, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Yosemite Community College District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Yosemite Community College District's basic financial statements, and have issued our report thereon dated November 17, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Yosemite Community College 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 Yosemite Community College District's internal control. Accordingly, we do not express an opinion on the effectiveness of Yosemite Community College 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 or significant deficiencies may exist that have not been identified.

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Yosemite Community College 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Sacramento, California
November 17, 2022

Crowe

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Board of Trustees
Yosemite Community College District
Modesto, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, Yosemite Community College District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

(Continued)

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Yosemite Community College District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Yosemite Community College District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Yosemite Community College District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

(Continued)

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

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

Crowe LLP

Crowe LLP

Sacramento, California
November 17, 2022

FINDINGS AND RECOMMENDATIONS

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	____ Yes	X No
Significant deficiency(ies) identified not considered to be material weakness(es)?	____ Yes	X None reported
Noncompliance material to financial statements noted?	____ Yes	X No

FEDERAL AWARDS

Internal control over major programs:		
Material weakness(es) identified?	____ Yes	X No
Significant deficiency(ies) identified not considered to be material weakness(es)?	____ Yes	X 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 Circular 2 CFR 200.516(a)?	____ Yes	X No

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.425E, 84.425F, 84.425L, 84.425M	Higher Education Emergency Relief Fund
93.575	Child Care and Development Block Grant

Dollar threshold used to distinguish between Type A and Type B programs:	$ 2,017,200	
Auditee qualified as low-risk auditee?	X Yes	____ No

STATE AWARDS

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

(Continued)

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

(Continued)

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

(Continued)

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.