YOSEMITE COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENTS

June 30, 2021

YOSEMITE COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2021

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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 Financial Statements

We have audited the accompanying financial statements of Yosemite Community College District, as of and for the year ended June 30, 2021, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

(Continued)

Opinion

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require 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 50 to 54 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Yosemite Community College District's basic financial statements. The accompanying schedule of expenditure of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditure of federal awards and other supplementary information as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The schedule of expenditures of federal awards and other supplementary information as listed in the table of contents, except for the Organization, have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and other supplementary information as listed in the table of contents, except for the information on page 57 titled Organization, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The information on page 57 titled Organization has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2021 on 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, 2021

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, 2021. 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.

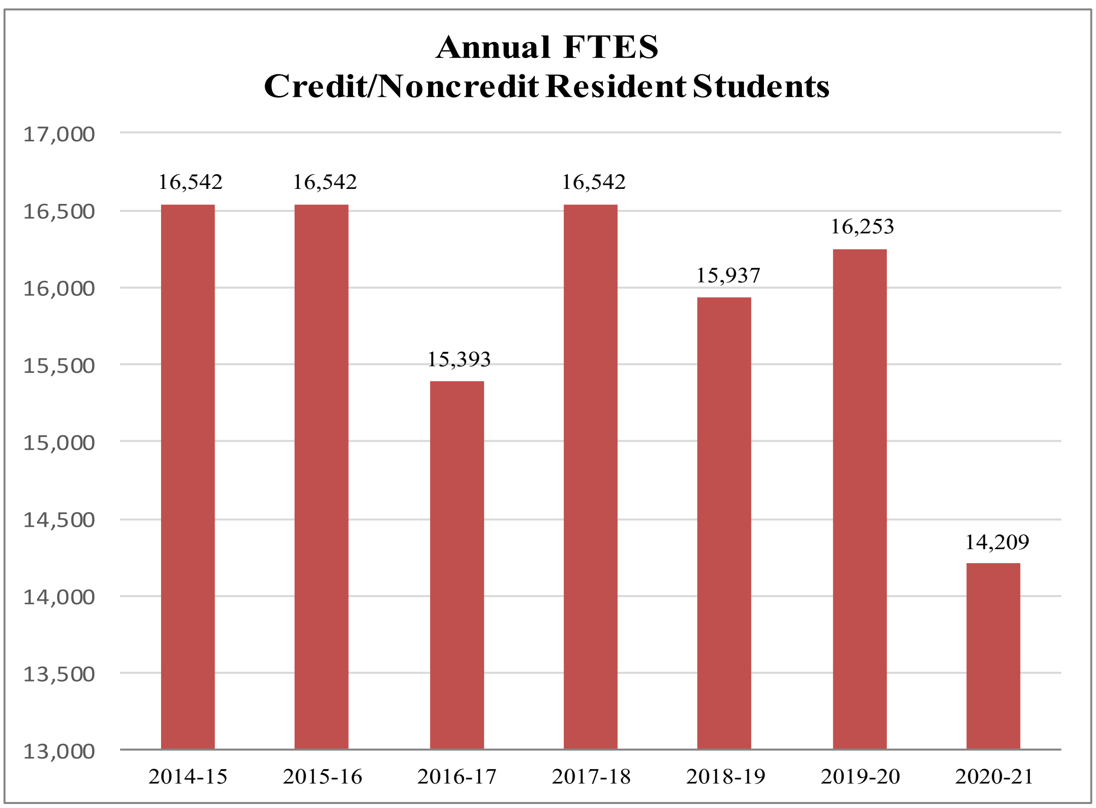
The following MDA provides an overview of the District's financial activities.

FINANCIAL HIGHLIGHTS

The 2018-19 State Budget Act included the passage of the new Student Centered Funding Formula (SCFF). The SCFF formula for 2020-21 continues to be calculated based on 70% Full Time Equivalent Students, 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 have allowed the District to be funded at the same level of FTES as 2019-20. The district has developed a conservative budget that includes a revenue deficit of approximately $1.2 million. The 2020-21 ending balance is $33 million, which came in at higher level than expected. This was due in part to the state trueing up the prior year allocations and to savings resulting from the implementation of efficiencies. Additional savings which added to the increase in the ending balance include vacant positions and an overall reduction of on campus operations. For the 2021-22 budget year, the District has budgeted for a fund balance reduction of $1,162,853, which is the amount associated with unspent encumbered funds from the prior year. The District has reached agreement with the Yosemite Faculty Association to fund faculty salaries based on a formula, which provides the District the ability to project expenditures for the future budget years. The District has also reached an agreement with the California School Employees Association and with the Leadership Team Advisory Council which resulted in a Cost-of-Living Adjustment of 2.5%, or $902,782. The Final Budget also included $1,000,000 allocated for facilities total cost of ownership, and a one-time stipend amount to be paid to CSEA and LTAC members for expenses incurred due to remote operations. YFA also received a stipend for expenses incurred due to remote operations, but the expense was covered by federal stimulus funds.

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 2020-21 was 14,209. The chart below shows actual FTES reported for 2020-21 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 $10.9 million, or approximately 10% of the General Fund unrestricted expenditures budget for 2020-21. For the 2021-22 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, $5.3 million in site specific reserve, and $11.5 million in undesignated reserves.

SALARIES AND BENEFITS

The Yosemite Faculty Association received an adjusted salary schedule based on a benchmarked median salary, which resulted in a 2.5158%, or $931,007 increase in salary. The agreement is in place through fiscal year 2022-23. The District paid the cost of a base health benefit plan for eligible employees at an annual cost per employee of $21,378. The District paid base health plan will increase to $22,161 per eligible employee in 2021-22.

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, 2021, the account balance was $38,380,444. 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, 2021, the District's OPEB liability was $265,257.

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 $2,485,000 of bonds issued in 2010 and $37,170,000 of bonds issued in 2012, for a total of $39,655,000. The net present value savings of the 2020 refunding was $2,207,904. 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 Student Services Building, MJC Redbud Distance Education, MJC Science Center, 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 are expected to be expended by June 30, 2022.

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.

	2021	2020	Change
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 49,726,187	$ 48,185,086	3%
Receivables	33,558,802	17,362,746	93%
Inventory, prepaid, and other assets	1,006,031	1,286,442	-22%
Total Current Assets	84,291,020	66,834,274	26%
NONCURRENT ASSETS			
Restricted cash and cash equivalents	29,128,069	31,435,253	-7%
Long-term investments	155,909	102,625	52%
Loans to students	84,870	106,092	-20%
Capital assets - net	385,080,204	395,501,739	-3%
Total Noncurrent Assets	414,449,052	427,145,709	-3%
Total Assets	498,740,072	493,979,983	1%
DEFERRED OUTFLOW OF RESOURCES			
Deferred outflows of resources - pensions	33,738,623	33,621,436	0%
Deferred amount on debt refunding	8,985,641	10,640,500	-16%
Deferred amount on resources - OPEB	1,323,962	2,229,624	-41%
TOTAL ASSETS AND DEFERRED OUTFLOWS	542,788,298	540,471,543	0%
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	8,485,415	9,909,237	-14%
Advances from grantors and students	19,222,838	23,639,713	-19%
Other current liabilities	21,001,695	18,934,418	11%
Total Current Liabilities	48,709,948	52,483,368	-7%
NONCURRENT LIABILITIES			
Long-term liabilities - noncurrent portion	514,591,278	508,185,412	1%
Total Liabilities	563,301,226	560,668,780	0%
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pensions	4,173,000	8,353,000	-50%
Deferred inflows of resources - OPEB	7,204,990	319,391	2156%
NET POSITION			
Net investment on capital assets	118,329,113	123,934,071	-5%
Restricted	26,589,827	24,343,715	9%
Subtotal	144,918,940	148,277,786	-2%
Unrestricted:			
General Reserve	10,864,000	10,940,000	-1%
Contingency reserve and other designation	(187,673,858)	(188,087,414)	0%
Total Unrestricted	(176,809,858)	(177,147,414)	0%
Total Net Position	$ (31,890,918)	$ (28,869,628)	10%

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 $3.8 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 2020-21 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 $265,257, the net pension liability of $148,920,000, and the general obligation bonds of $258,715,060 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.

	2021	2020	Change
Revenues			
Operating Revenues:			
Net tuition and fees	$ 6,809,035	$ 8,163,243	-17%
Grants, contracts, and other designated revenues	54,478,952	54,639,259	0%
Auxiliary enterprise, net	1,891,971	3,981,135	-52%
Other Operating Income	3,621,495	1,939,951	87%
Total Operating Revenues	66,801,453	68,723,588	-3%
Total Operating Expenses	219,598,492	230,705,648	-5%
Operating Loss	(152,797,039)	(161,982,060)	-6%
Nonoperating revenues (expenses)			
Federal grants	14,800,417	-	100%
State apportionments - noncapital	56,510,815	56,563,291	0%
Local property taxes	50,760,694	49,640,568	2%
Lottery and other revenue	30,304,553	35,865,478	-16%
Interest Expense - Capital	(23,420,285)	(21,082,975)	11%
Investment income	1,332,541	1,310,960	2%
Other nonoperating revenues (expenses) - n	1,244,973	860,287	45%
Total Nonoperating Revenues (Expenses)	131,533,708	123,157,609	7%
Loss before other revenues, expenses,	**(21,263,331)**	**(38,824,451)**	45%
Apportionment and property taxes - capital	18,242,041	17,992,050	1%
Increase in Net Position	(3,021,290)	(20,832,401)	-85%
Net Position, beginning of year	(28,869,628)	(8,037,227)	259%

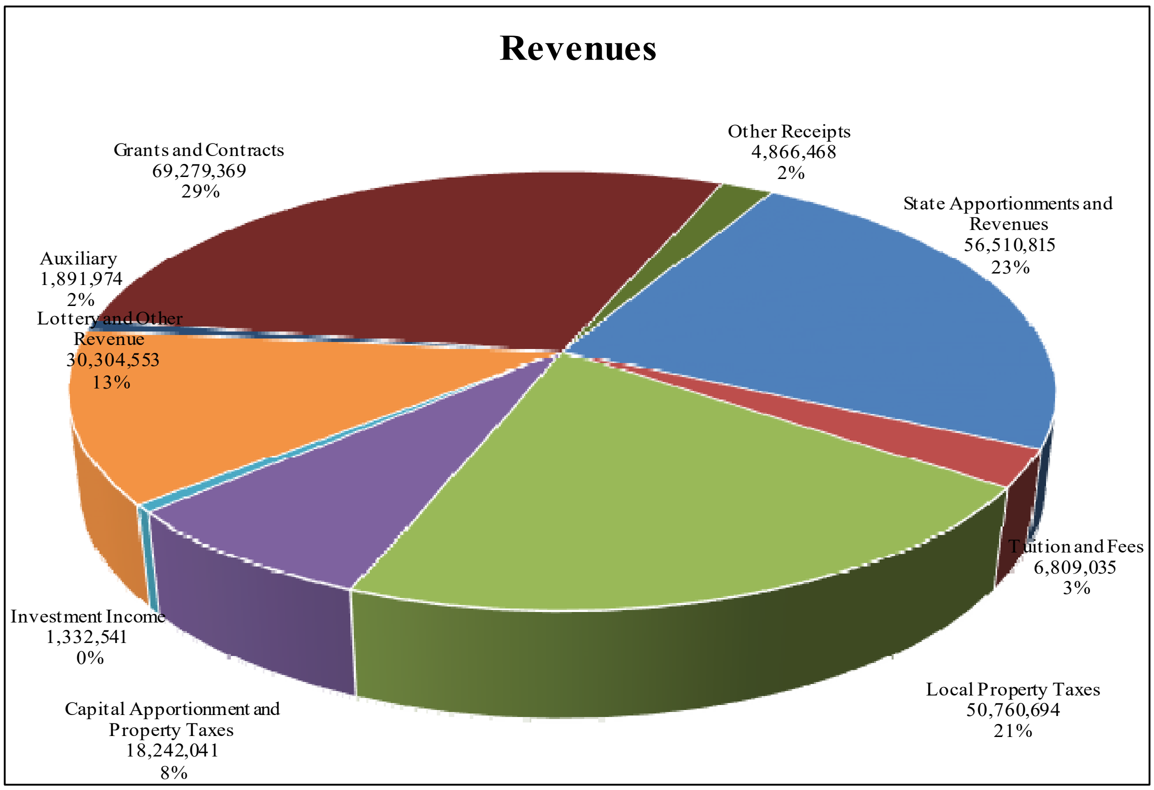
REVENUES

Net tuition and fees consist of enrollment fees of $6,809,035; nonresident tuition of $554,391 and all other fees of $1,252,530. 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.

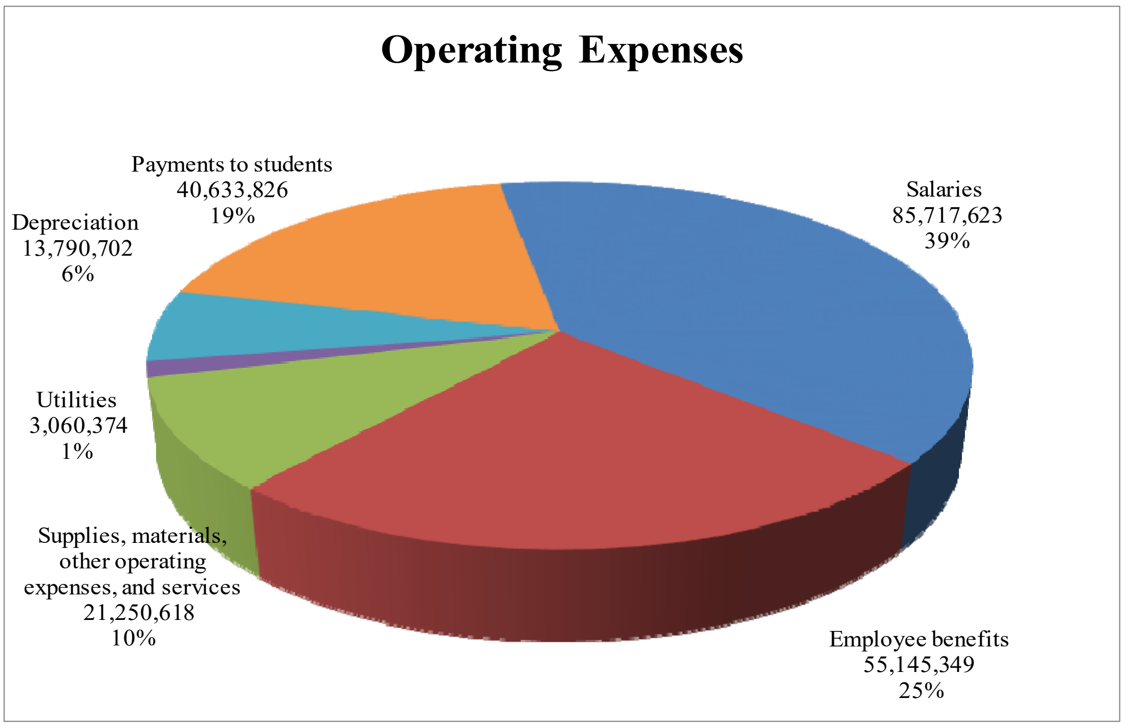
State apportionment represents total general apportionment earned less regular enrollment fees and property taxes.

Lottery and other revenues consist of Pell grant revenue of $22,552,074, unrestricted state lottery revenue of $6,417,180, and other state revenues of $1,335,299.



OPERATING EXPENSES (BY NATURAL CLASSIFICATION – ALL FUNDS)

	2021	2020	Change
Salaries	$ 85,717,623	$ 89,813,388	-5%
Employee benefits	55,145,349	57,437,300	-4%
Supplies, materials, other operating expenses, and services	21,250,618	20,748,438	2%
Utilities	3,060,374	3,241,173	-6%
Depreciation	13,790,702	17,531,994	-21%
Payments to students	40,633,826	41,933,355	-3%
Total Operating Expenses	$ 219,598,492	$230,705,648	-5%



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.

	2021	2020
Cash provided (used) by:		
Operating activities	$ (141,495,236)	$ (135,777,390)
Noncapital financing activities	142,164,739	139,299,214
Capital and related financing activites	(2,578,131)	(5,704,828)
Investment activities	1,142,545	995,180
Net Decrease in Cash	(766,083)	(1,187,824)
Cash - Beginning of the Fiscal Year	79,620,339	80,808,163
Cash - End of the Fiscal Year	$ 78,854,256	$ 79,620,339

FUTURE ECONOMIC OUTLOOK

The California Community College system as a whole is experiencing declining enrollment which has impacts to the base, supplemental, and success funding allocations of the Student Center Funding Formula. Addressing these concerns is a top priority for the California Community College Chancellors Office, and as such, the 2021 budget act is bolstered by $120 million in funding for student retention and enrollment strategies. In addition, the COVID-19 Response Block Grant and some federal stimulus dollars are available to support efforts to protect against loss of revenue due to the reduced FTES. Protections such as the Stability Protection (ECS84750.4(g)(4)(A)), SB 361 Rate Protection (ECS84750.4(g)(2) and Emergency Conditions Allowances (Title 5 58146) are in place, and will provide stability for the District. The 2021-22 fiscal year is expected to be the last year of emergency conditions protections. For the District, the base allocation, which makes up 70% of the SCFF, is funded on the fiscal year 2019-20 FTES calculations. Even though the FTES have declined during the pandemic, the District's revenue allocation has remained consistent. The base allocation for FTES is a three-year average. If FTES and other factors of the SCFF are not increased back to 2019-20 levels, the District will need to plan for a reduction in the overall budget in the future.

All full-time employees of the District are budgeted to receive medical benefits at a maximum rate of $1,726 per month. During the 2021-22 fiscal year the District will be working with the bargaining units to develop a new medical benefits model as agreed upon in memorandums of understanding with each of the groups.

The May Revise projected the state to have a $10.7 billion increase in revenues by the end of 2021-22, with total revenue forecasted to be $204.4 billion, and a projected surplus of $75.7 billion. According to School Services of California, June personal income tax (PIT) receipts are $1.78 billion above Enacted Budget estimates, while sales and use tax and corporate tax receipts are $451 million and $1.28 billion over their forecast, respectively. Examination of PIT shows June 2021 payroll tax withholding receipts exceed the forecast by $1.87 billion, while other (payroll related) cash receipts beat the forecast by $782 million. PIT refunds were $854 million above expectations.

Fund 11 beginning balance for the District budget is $33 million. The District also carries approximately $7 million in it's revocable STRS and PERS trust. The purpose of conservative budgeting is to place the District in a favorable position in anticipation of any economic short fall in future years.

CalSTRS and CalPERS Rate Increases

Both CalSTRS and CalPERS identified funding gaps in the 2013-2014 fiscal year. Community College Districts received a directive from CalSTRS identifying the CalSTRS funding gap and notifying community college districts that through gradual shared contribution rate increases over 32 years by CalSTRS members, employers, and the State of California, that CalSTRS will be fully funded.

On July 12, 2021, the California Public Employees' Retirement System (CalPERS) announced an estimated 21.3% net return on investments for 2020–21 fiscal year. This far exceeds the 7.0% annual assumed rate of return (discount rate). These large gains trigger, for the first time, the Funding Risk Mitigation Policy (Policy) adopted in 2015. The Policy both reduces the discount rate and reduces the employer contribution rate with the "excess" returns. When the assumed discount rate is reduced—in this case from 7.0% to 6.8%—the CalPERS investment team adjusts the asset allocation within the CalPERS portfolio towards lower-risk investments. While the risk reduction is not automatic or immediate, once the action is taken, it will lessen the likelihood of future volatility in employer contribution rates by moving away from higher-risk investments.

ASSETS	
Current assets:	
Cash and cash equivalents	$ 49,726,187
Receivables, net	33,558,802
Inventory	672,614
Prepaid expenses	333,417
Total current assets	84,291,020
Noncurrent assets:	
Restricted cash and cash equivalents	29,128,069
Investments	155,909
Loans to students	84,870
Nondepreciable capital assets	25,606,643
Depreciable capital assets, net	359,473,561
Total noncurrent assets	414,449,052
Total assets	498,740,072
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflow of resources - pensions	33,738,623
Deferred outflow of resources - OPEB	1,323,962
Deferred loss on debt refunding	8,985,641
Total deferred outflows of resources	44,048,226
Total assets and deferred outflows of resources	$ 542,788,298
LIABILITIES	
Current liabilities:	
Accounts payable	$ 1,722,192
Unearned revenue	19,222,838
Accrued salaries and benefits payable	6,763,223
Other accrued liabilities	4,044,967
Amounts held in trust for others	572,227
Long-term liabilities, current portion	16,384,501
Total current liabilities	48,709,948
Noncurrent liabilities:	
Long-term liabilities, net of current portion	514,591,278
Total liabilities	563,301,226
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pensions	4,173,000
Deferred inflows of resources - OPEB	7,204,990
Total deferred inflows of resources	11,377,990
NET POSITION	
Net investment in capital assets	118,329,113
Restricted for debt service	17,615,808
Restricted for capital projects	8,974,019
Unrestricted	(176,809,858)
Total net position	(31,890,918)
Total liabilities, deferred inflows of resources and net position	$ 542,788,298

See accompanying notes to the basic financial statements.

Operating revenues:	
Tuition and fees	$ 17,516,823
Less: scholarship discounts and allowances	(10,707,788)
Net tuition and fees	6,809,035
Grants and contracts, non-capital:	
Federal	9,919,399
State	39,606,793
Local	4,952,760
Other operating receipts	3,621,495
Auxiliary enterprise sales and charges	1,891,971
Total operating revenues	66,801,453
Operating expenses:	
Salaries	85,717,623
Employee benefits	55,145,349
Supplies, materials, and other operating expenses	15,005,928
Equipment, maintenance and repairs	6,244,690
Utilities	3,060,374
Depreciation	13,790,702
Payments to students	40,633,826
Total operating expenses	219,598,492
Loss from operations	(152,797,039)
Non-operating revenues (expenses):	
State apportionments	56,510,815
Local property taxes, non-capital	50,760,694
State taxes and other revenues	7,752,479
Federal grants, non-capital	14,800,417
Pell grants	22,552,074
Interest income, non-capital	1,195,829
Interest income, capital	136,712
Interest expense on capital asset related debt	(23,420,285)
Other non-operating revenues	1,244,973
Total non-operating revenues	131,533,708
Loss before capital contributions	(21,263,331)
Capital contributions:	
Local property taxes and revenues, capital	18,242,041
Change in net position	(3,021,290)
Net position, beginning of year	(28,869,628)
Net position, June 30, 2021	$ (31,890,918)

See accompanying notes to the basic financial statements.

Cash flows from operating activities:	
Tuition and fees	$ 6,071,718
Federal, state and local grants and contracts	45,253,407
Payments to suppliers	(25,525,257)
Payments to / on behalf of employees	(132,193,566)
Payments to / on behalf of students	(40,615,004)
Auxiliary enterprises sales and charges	1,891,971
Other operating revenues	3,621,495
Net cash used in operating activities	(141,495,236)
Cash flows from noncapital financing activities:	
State apportionment and receipts	48,729,034
Property taxes	50,760,694
State taxes and other revenues	7,752,479
Federal grants	14,800,417
Pell grants	22,552,074
Due to others	(9,294)
Other receipts (payments)	(2,420,665)
Net cash provided by noncapital financing activities	142,164,739
Cash flows from capital and related financing activities:	
Purchases of capital assets	(3,369,167)
Principal paid on capital debt	(4,668,688)
Interest paid on capital debt	(12,919,029)
Interest and dividends from capital investments	136,712
Local property taxes and other revenues for capital	18,242,041
Net cash used in capital and related financing activities	(2,578,131)
Cash flows from investing activities:	
Interest received	1,201,800
Sale of investments	(59,255)
Net cash provided by investing activities	1,142,545
Net change in cash and cash equivalents	(766,083)
Cash and cash equivalents, beginning of year	79,620,339
Cash and cash equivalents, end of year	$ 78,854,256

(Continued)

Reconciliation of loss from operations to net cash used in operating activities:	
Loss from operations	$ (152,797,039)
Adjustments to reconcile loss from operations to net cash used in operating activities:	
Depreciation expense	13,790,702
Changes in assets and liabilities:	
Receivables, net	(8,705,172)
Inventory	(1,280)
Prepaid expenses	281,691
Loans to students	21,222
Deferred outflows of resources - pensions	(117,187)
Deferred outflows of resources - OPEB	905,662
Accounts payable	(1,378,160)
Unearned revenue	(1,286,216)
Accrued salaries and benefits payable	(45,662)
Other accrued liabilities	(90,390)
Compensated absences	49,066
Net pension liability	13,450,000
Net OPEB Liability	(8,278,072)
Deferred inflows of resources - OPEB	6,885,599
Deferred inflows of resources - pensions	(4,180,000)
Net cash used in operating activities	$ (141,495,236)

Supplementary disclosure of non-cash transactions:

Amortization of premiums on debt	$ 1,198,712
Amortization of deferred loss on refunding	$ 1,654,860
Accretion of interest	$ 12,127,850
Refunding of debt directly through issuance of new debt	$ 39,655,000

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, 2021.

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. The District provides for an allowance for uncollectible accounts as an estimation of amounts they may not receive. The allowance is based on management's estimates and historical analysis and was $482,237 at June 30, 2021.

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	$ 20,861,623	$ 12,877,000	$ 33,738,623
Deferred inflows of resources	$ 4,089,000	$ 84,000	$ 4,173,000
Net pension liability	$ 71,691,000	$ 77,229,000	$ 148,920,000
Pension expense	$ 14,661,311	$ 13,341,297	$ 28,002,608

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, 2021, 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.

<u>On-Behalf Payments</u>: 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.

<u>Classification of Revenues and Expenses</u>: 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.

<u>Scholarship Discounts and Allowances</u>: 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.

<u>Risk Management</u>: 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.

(Continued)

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.

(Continued)

NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

The following is a summary of cash and cash equivalents at June 30, 2021:

Cash in county treasury	$ 63,455,422
Cash in banks	5,721,842
Cash with fiscal agent	7,790,172
Cash on hand	49,976
Revolving Cash	75,000
Certificates of deposit	-
Money market mutual funds	1,761,844
Total cash and cash equivalents	78,854,256
Less: Restricted cash and cash equivalents	29,128,069
Net cash and cash equivalents	$ 49,726,187

The following is a summary of investments at June 30, 2021:

Equity securities	155,909
Total investments	$ 155,909

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, 2021.

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, 2021, the funds are held with a bank in a money market account and recorded at cost.

(Continued)

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

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, 2021, the carrying amount of the District's cash in banks was $5,796,842 and the bank balance was $5,753,277. The bank balance amount insured was $500,000.

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.

Credit Risk – Investments: California Government Code, Section 53601, limits investments in commercial paper to "prime" quality of the highest ranking, or of the highest letter and numerical rating as provided by nationally recognized statistical rating organizations (NRSRO), and limits investments in medium-term notes to a rating of A or better. Individual securities must be backed by the federal government or rated AAA, AA, or A by Standard & Poor's or Aaa, Aa, or A by Moody's indices. The District has no investment policy that would further limit its investment choices.

		S&P's Rating as of Year End						
	Fair Value	AAA	AA+	AA	AA-	A	A-	Unrated
Equity securities	$ 155,909	$ -	$ -	$ -	$ -	$ -	$ -	$ 155,909
Total	$ 155,909	$ -	$ -	$ -	$ -	$ -	$ -	$ 155,909

Concentration of Credit Risk – Investments: The portion of investment in each of the permissible investment categories is restricted as defined in the California Government Code, Sections 53601 and 53635. The District had no investment greater than 5% of the total investments.

Interest Rate Risk – Investments: California Government Code, Section 53601, limits the District's investments to maturities of five years. District investments generally have a maturity of less than five years. However, investments for amounts held in trust for others may have longer maturities due to specific donor requirements. This is allowed according to the District Board Policy 3320. As of June 30, 2021, the investments of the District consisted of equity mutual funds and therefore do not have maturity schedules.

(Continued)

NOTE 4 - FAIR VALUE MEASUREMENTS

Fair Value of Financial Instruments: The following methods and assumptions were used by the District to estimate the fair value of its financial instruments at June 30, 2021.

Fair Value Hierarchy: Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1 - Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 - Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Assets Recorded at Fair Value: The following table presents information about the District's assets measured at fair value on a recurring basis as of June 30, 2021:

	Total	Level 1	Level 2	Level 3
Investments:				
Equity mutual funds	$ 155,909	$ 155,909	$ -	$ -
Total	$ 155,909	$ 155,909	$ -	$ -

Equity stocks and mutual funds, valued at closing prices from securities exchanges are classified as Level 1 investments. Fixed income securities, such as corporate bonds and treasury notes, are valued using various methods including pricing models and are classified as Level 2 investments.

During the year ended June 30, 2021, there were no significant transfers in or out of Level 1.

There were no assets or liabilities measured at fair value on a non-recurring basis at June 30, 2021.

As of June 30, 2021, the carrying amounts of cash and cash equivalents, receivables and accounts payable approximate fair value because of the relatively short maturities of these financial instruments.

(Continued)

NOTE 5 - RECEIVABLES

Receivables net of allowance for uncollectible accounts consisted of the following at June 30, 2021:

State grants and contracts	$ 10,546,813
Federal grants and contracts	5,775,924
Local grants and contracts	934,107
Enrollment	3,992,581
Other	12,309,377
Total	$ 33,558,802

The allowance for doubtful accounts of $482,237 is maintained at an amount that management considers sufficient to fully reserve and provide for possible uncollectibility of student fees receivable.

NOTE 6 - CAPITAL ASSETS

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

	Balance July 1, 2020	Additions and Transfers	Deductions and Transfers	Balance June 30, 2021
Non-depreciable:				
Construction in progress	$ 11,765,012	$ 1,644,782	$ (3,809,193)	$ 9,600,601
Land	16,006,042	-	-	16,006,042
Depreciable:				
Site improvements	71,844,003	3,803,495	-	75,647,498
Buildings and improvements	381,605,957	5,698	-	381,611,655
Equipment	45,257,683	1,724,385	(46,273)	46,935,795
Total	526,478,697	7,178,360	(3,855,466)	529,801,591
Less accumulated depreciation:				
Site improvements	15,060,351	3,246,969	-	18,307,320
Buildings and improvements	81,691,185	8,530,179	-	90,221,364
Equipment	34,225,422	2,013,554	(46,273)	36,192,703
Total	130,976,958	13,790,702	(46,273)	144,721,387
Capital assets, net	$395,501,739	$ (6,612,342)	$ (3,809,193)	$385,080,204

(Continued)

NOTE 7 - UNEARNED REVENUE

Unearned revenue consisted of the following at June 30, 2021:

State grants and contracts	$ 14,191,575
Local sources	4,768,922
Federal grants and contracts	262,341
Total	$ 19,222,838

NOTE 8 - 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 $239,869 and $19,634,120 at June 30, 2021, respectively.

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

	Principal	Interest	Total
2022	$ 3,203,687	$ 5,500,000	$ 8,703,687
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	$ 16,996,070	$ 27,500,000	$ 44,496,070

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 $841,105 and accreted interest on the capital appreciation bonds and convertible capital appreciation bonds were $78,315,867 at June 30, 2021.

(Continued)

NOTE 8 - LONG TERM LIABILITIES (Continued)

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

	Principal	Interest	Total
2022	$ -	$ -	$ -
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027-2031	-	-	-
2032-2036	21,525,438	148,932,698	170,458,136
2037-2041	34,230,276	254,825,481	289,055,757
2042-2045	22,023,276	151,927,202	173,950,478
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 $2,955,357 at June 30, 2021.

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

	Principal	Interest	Total
2022	$ 3,645,000	$ 1,578,302	$ 5,223,302
2023	3,990,000	1,411,881	5,401,881
Totals	$ 7,635,000	$ 2,990,183	$ 10,625,183

(Continued)

NOTE 8 - 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 mature 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.

Unamortized premiums on the 2015 Refunding Bonds were $17,838,870 at June 30, 2021.

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

	Principal	Interest	Total
2022	$ 690,000	$ 5,679,400	$ 6,369,400
2023	755,000	5,643,535	6,398,535
2024	820,000	5,604,431	6,424,431
2025	895,000	5,561,848	6,456,848
2026	975,000	5,515,421	6,490,421
2027-2031	83,370,000	19,405,498	102,775,498
2032-2033	29,145,000	2,359,771	31,504,771
Totals	$ 116,650,000	$ 49,769,904	$ 166,419,904

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 $359,685 at June 30, 2021.

Calculation of Difference in Cash Flow Requirements and Economic Gain

Cash Flow Difference

Old debt service cash flows	$ 3,291,988
New debt service cash flows	2,909,721
	$ 382,267

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 $374,552.

(Continued)

NOTE 8 - LONG TERM LIABILITIES (Continued)

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

	Principal	Interest	Total
2022	$ 265,000	$ 73,722	$ 338,722
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	$ 2,485,000	$ 424,722	$ 2,909,722

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.

Calculation of Difference in Cash Flow Requirements and Economic Gain

Cash Flow Difference

Old debt service cash flows	$ 42,016,350
New debt service cash flows	40,132,558
	$ 1,883,792

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 $1,833,352.

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

	Principal	Interest	Total
2022	$ 975,000	$ 342,540	$ 1,317,540
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
2027-2030	20,010,000	887,258	20,897,258
Totals	$ 37,170,000	$ 2,962,558	$ 40,132,558

(Continued)

NOTE 8 - LONG TERM LIABILITIES (Continued)

General Obligation Bonds: A summary of General Obligation Bonds payable as of June 30, 2021 as follows:

Series	Interest Rate	Original Maturity	Balance July 1, 2020	Current Year Issuance	Current Year Refunded and Matured	Balance June 30, 2021
2008C	6.05%	2026	$ 20,084,758	$ -	$ 3,088,688	$ 16,996,070
2010D	2.00-6.55%	2043	80,763,990	-	2,985,000	77,778,990
2012 Refunding	2.00-5.00%	2030	45,255,000	-	37,620,000	7,635,000
2015 Refunding	2.00-5.00%	2033	117,280,000	-	630,000	116,650,000
2020 Refunding, Series A	4.00%	2027	-	2,485,000	-	2,485,000
2020 Refunding, Series B	0.245-2.002%	2030	-	37,170,000	-	37,170,000
			$ 263,383,748	$ 39,655,000	$ 44,323,688	$ 258,715,060

The annual requirements to amortize the General Obligation Bonds payable and outstanding as of June 30, 2021 are as follows:

	Principal	Interest	Total
2022	$ 8,778,687	$ 13,173,964	$ 21,952,651
2023	8,909,895	13,103,680	22,013,575
2024	9,429,180	11,642,107	21,071,287
2025	9,827,187	11,562,442	21,389,629
2026	10,246,121	11,463,848	21,709,969
2027-2031	104,600,000	20,341,556	124,941,556
2032-2036	50,670,438	151,292,469	201,962,907
2037-2041	34,230,276	254,825,481	289,055,757
2042-2046	22,023,276	151,927,202	173,950,478
	$258,715,060	$639,332,749	$898,047,809

The long-term liabilities activity for the year ended June 30, 2021, is as follows:

	Beginning, Balance	Additions	Payments and Reductions	Ending Balance	Current Portion
Debt					
General obligation bonds	$ 263,383,748	$ 39,655,000	$ 44,323,688	$ 258,715,060	$ 8,778,687
Unamortized bond premiums	23,073,913	359,685	1,198,712	22,234,886	828,912
Accreted interest	89,173,450	12,127,850	3,351,313	97,949,987	3,886,313
Other Long-Term Liabilities					
Net pension liability	135,470,000	13,450,000	-	148,920,000	-
Net OPEB liability	8,543,329	-	8,278,072	265,257	-
Compensated absences	2,841,523	49,066	-	2,890,589	2,890,589
Total	$ 522,485,963	$ 65,641,601	$ 57,151,785	$ 530,975,779	$ 16,384,501

(Continued)

NOTE 9 - 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/comprehensive-annual-financial-report.

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.

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.

(Continued)

NOTE 9 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

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 three consecutive years 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. Contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial cost method.

In June 2019, California Senate Bill 90 (SB 90) was signed into law and appropriated approximately $2.2 billion in fiscal year 2018–19 from the state’s General Fund as contributions to CalSTRS on behalf of employers. The bill required portions of the contribution to supplant the amounts remitted by employers such that the amounts remitted will be 1.03 and 0.70 percentage points less than the statutorily required amounts due for fiscal years 2019–20 and 2020–21, respectively. The remaining portion of the contribution, approximately $1.6 billion, was allocated to reduce the employers’ share of the unfunded actuarial obligation of the DB Program.

Also, SB 90 appropriated future 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. For fiscal year 2019-20, CalSTRS received $1.1 billion of supplemental state contributions pursuant to SB 90.

California Assembly Bill 84, Chapter 16, Statutes of 2020, (AB 84) was signed into law in June 2020 and revised certain provisions of Teachers’ Retirement Law enacted by SB 90. Specifically, AB 84 repurposed the aforementioned $1.6 billion contribution originally intended to reduce employers’ long-term liabilities, to further supplant employer contributions through fiscal year 2021–22. Pursuant to AB 84, employers will remit contributions to CalSTRS based on a rate that is 2.95 percent less than the statutory rate for fiscal year 2020–21 and 2.18 percent less than the rate set by the board for fiscal year 2021–22. Any remaining amounts must be allocated to reduce the employers’ share of the unfunded actuarial obligation of the DB Program. The rate reduction for fiscal year 2019-20 under SB 90 was not changed by AB 84. The employer contribution rates set in statute and the board’s authority to adjust those rates starting in fiscal year 2021–22 under the CalSTRS Funding Plan were not changed by the passage of SB 90 or AB 84.

In addition, the board’s rate-setting authority for the state contribution rate was suspended for fiscal year 2020–21 by AB 84. Although the board exercised its authority in May 2020 to increase the state contribution rate by 0.50 percent effective July 1, 2020, the rate increase did not go into effect. Instead, the state rate remained at the 2019–20 level of 7.828 percent.

NOTE 9 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

A summary of statutory contribution rates and other sources of contributions to the DB Program pursuant to the CalSTRS Funding Plan, SB 90 and SB84, are as follows:

Members – Under CalSTRS 2% at 60, the member contribution rate was 10.25 percent of applicable member earnings for fiscal year 2020-2021. 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 2020-2021.

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, 2019, valuation adopted by the board in May 2020, 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, 2020.

Employers – 16.15 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 2.95 percentage points to be paid on behalf of employers pursuant to SB 90 and AB 84.

The CalSTRS Funding Plan, which was enacted in June 2014 with the passage of California Assembly Bill (AB) 1469, required that employer contributions increased from a prior rate of 8.25 percent to a total of 19.1 percent of applicable member earnings phased in over seven years starting in 2014. The legislation gave the CalSTRS board limited authority to adjust employer contribution rates from July 1, 2021 through June 2046 in order to eliminate the remaining unfunded actuarial obligation related to service credited to members prior to July 1, 2014. The CalSTRS board cannot adjust the rate by more than 1 percent in a fiscal year, and the total contribution rate in addition to the 8.25 percent cannot exceed 12 percent.

The CalSTRS employer contribution rates effective for fiscal year 2019-20 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, 2020	8.250%	10.850%	(2.950%)	16.150%
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 $6,653,623 to the plan for the fiscal year ended June 30, 2021.

NOTE 9 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

State – 10.328 percent of the members' calculated based on creditable compensation from two fiscal years prior.

The State's base contribution to the DB Program is calculated based on creditable compensation from two fiscal years prior. As a result of the CalSTRS Funding Plan, the state is required to make additional contributions to pay down the unfunded liabilities associated with the benefit structure that was in place in 1990 prior to certain enhancements in benefits and reductions in contributions. The additional state appropriation required to fully fund the benefits in effect as of 1990 by 2046 is specified in subdivision (b) of Education Code section 22955.1. The increased contributions end as of fiscal year 2045–46. Pursuant to AB 84, the state contribution rate remained at 5.811% for fiscal year 2020-21.

The CalSTRS state contribution rates effective for fiscal year 2020-2021 and beyond are summarized in the table below.

Effective Date	Base Rate	Supplemental Rate Per CalSTRS Funding Plan	SBMA Funding[1]	Total
July 1, 2020	2.017%	5.811%	2.50%	10.328%
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 0.50% 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 1990 unfunded actuarial obligation.

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

At June 30, 2021, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	$ 71,691,000
State's proportionate share of the net pension liability associated with the District	39,179,000
Total	$ 110,870,000

NOTE 9 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. 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, 2020, the District's proportion was 0.074 percent, which was an increase of 0.005 percent in the proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of $14,661,311 and revenue of $9,630,344 for support provided by the State. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 127,000	$ 2,022,000
Changes of assumptions	6,991,000	-
Net differences between projected and actual earnings on investments	1,703,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	5,387,000	2,067,000
Contributions made subsequent to measurement date	6,653,623	-
Total	$ 20,861,623	$ 4,089,000

$6,653,623 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2022	$ 625,050
2023	$ 2,436,050
2024	$ 4,148,051
2025	$ 1,734,383
2026	$ 538,133
2027	$ 637,333

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, 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 – STATE TEACHERS' RETIREMENT PLAN (Continued)

Actuarial Methods and Assumptions: The total pension liability for the 2020-2021 STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2019 and rolling forward the total pension liability to June 30, 2020. The financial reporting actuarial valuation as of June 30, 2019, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2019
Experience Study	July 1, 2010 through June 30, 2015
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.

NOTE 9 - 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	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	$108,315,000	$ 71,691,000	$ 41,453,000

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

NOTE 10 - 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 noncertified 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/cafr-2020.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 district's first join the 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, 2021 were as follows:

Members – The member contribution rate was 7.00 percent of applicable member earnings for fiscal year 2020-2021.

Employers – The employer contribution rate was 20.70 percent of applicable member earnings.

The District contributed $7,000,000 to the plan for the fiscal year ended June 30, 2021.

(Continued)

NOTE 10 - NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

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

At June 30, 2021, the District reported a liability of $77,229,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. 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, 2020, the District's proportion was 0.25 percent, which was the same proportion percentage measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of $13,341,297. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 3,830,000	$ -
Changes of assumptions	283,000	-
Net differences between projected and actual earnings on investments	1,608,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	156,000	84,000
Contributions made subsequent to measurement date	7,000,000	-
Total	$ 12,877,000	$ 84,000

$7,000,000 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2022	$ 2,163,667
2023	$ 1,671,667
2024	$ 1,217,668
2025	$ 739,998

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.

NOTE 10 - 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, 2019, and rolling forward the total pension liability to June 30, 2020. The financial reporting actuarial valuation as of June 30, 2019, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2019
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, 2019 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 of 1 - 10 (1)	Expected Real Rate of Return Years of 11+ (2)
Global Equity	50%	4.80%	5.98%
Fixed Income	28	1.00	2.62
Inflation of 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

(Continued)

NOTE 10 - 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	$111,031,000	$ 77,229,000	$ 24,005,000

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

NOTE 11 – 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, 2021 (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 $1,571,820 for the year ended June 30, 2021.

(Continued)

NOTE 11 – 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, 2021 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, 2021
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 11 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Total Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance, July 1, 2020	$ 42,007,868	$ 33,464,539	$ 8,543,329
Changes for the year:			
Service cost	1,461,387	-	1,461,387
Interest	2,478,282	-	2,478,282
Employer contributions	-	1,571,820	(1,571,820)
Employee contributions	-	-	-
Expected investment income	-	1,957,396	(1,957,396)
Investment gain/loss	-	4,641,059	(4,641,059)
Experience gain/loss	90,773	-	90,773
Changes in assumptions	(4,208,134)	-	(4,208,134)
Administrative expense	-	(69,895)	69,895
Benefit payments	(3,184,475)	(3,184,475)	-
Other	-	-	-
Net change	(3,362,167)	4,915,905	(8,278,072)
Balance, June 30, 2021	$ 38,645,701	$ 38,380,444	$ 265,257

Fiduciary Net Position as a % of the Total OPEB Liability, at June 30, 2021: 99%

Sensitivity of the net OPEB liability to assumptions: The following presents the net OPEB liability calculated using the discount rate of 6.0 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	$ 2,659,475	$ 265,257	$ (1,977,132)

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	$ (2,958,438)	$ 265,257	$ 3,938,454

(Continued)

NOTE 11 – 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, 2021, the District recognized OPEB expense of $1,085,009. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 358,702	$ 273,436
Changes of assumptions	965,260	3,803,505
Net differences between projected and actual earnings on investments	-	3,128,049
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
Contributions made subsequent to measurement date	-	-
Total	$ 1,323,962	$ 7,204,990

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,	
2022	$ (967,158)
2023	$ (977,275)
2024	$ (1,070,642)
2025	$ (1,199,957)
2026	$ (271,746)
2027	$ (1,394,250)

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, 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 12 - 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, 2021, the District has approximately $1.5 million in outstanding commitments on construction contracts.

Operating Leases: The District entered into various operating leases with lease terms in excess of one year. None of these agreements contain purchase options. All agreements contain a termination clause providing for cancellation upon written notice to lessors, but it is unlikely that the District will cancel any of the agreements prior to the expiration date. Future minimum lease payments are as follows:

Year Ending June 30,	
2022	$ 52,806
2023	44,160
2024	11,892
2025	2,410
2026	1,028
	$ 112,296

Rent expenses were $44,860 for the year ended June 30, 2021.

NOTE 13 - 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.

(Continued)

NOTE 13 - JOINT POWER AGREEMENTS (Continued**)**

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, 2020	SISCIII September 30, 2020	TPPA June 30, 2020
Total assets	$ 20,324,317	$ 894,318,838	$ 2,306,232
Total liabilities	$ 3,696,675	$ 210,116,678	$ 203,845
Net position	$ 16,627,642	$ 684,202,160	$ 2,102,387
Total revenues	$ 7,921,888	$ 2,639,716,772	$ 2,292,413
Total expenses	$ 7,776,777	$ 2,482,489,489	$ 2,251,894
Change in net position	$ 145,111	$ 157,227,283	$ 40,519

REQUIRED SUPPLEMENTARY INFORMATION

YOSEMITE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN NET
OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY
For the Year Ended June 30, 2021

Last 10 Fiscal Years

	2017	2018	2019	2020	2021
Total OPEB liability:					
Service cost	$ 948,427	$ 974,509	$ 1,001,308	$ 1,422,274	$ 1,461,387
Interest	2,412,744	2,437,881	2,485,155	2,419,325	2,478,282
Changes in assumptions	-	-	1,373,119	-	(4,208,134)
Experience gain/loss	-	-	(130,640)	344,970	90,773
Benefit payments	(3,415,675)	(2,585,374)	(2,811,625)	(3,234,326)	(3,184,475)
Other	-	-	-	-	-
Net change in total OPEB liability	(54,504)	827,016	1,917,317	952,243	(3,362,167)
Total OPEB liability, beginning of year	38,365,796	38,311,292	39,138,308	41,055,625	42,007,868
Total OPEB liability, end of year (a)	$ 38,311,292	$ 39,138,308	$ 41,055,625	$ 42,007,868	$ 38,645,701
Plan fiduciary net position					
Employer contributions	$ 2,739,226	$ 2,047,587	$ 2,646,856	$ 1,021,104	$ 1,571,820
Employee contributions	642,153	-	-	841,236	-
Expected investment income	3,138,462	1,964,128	2,097,572	1,969,651	1,957,396
Investment gain/loss	3,138,462	1,964,128	(466,842)	(646,584)	4,641,059
Experience gain/loss	-	-	(486,892)	-	-
Administrative expense	(127,405)	(65,229)	(123,453)	-	(69,895)
Benefits payment	(3,415,675)	(2,585,374)	(2,811,625)	(3,234,326)	(3,184,475)
Other	-	-	-	(57)	-
Change in plan fiduciary net position	2,976,761	1,361,112	855,616	(48,976)	4,915,905
Fiduciary trust net position, beginning of year	28,320,026	31,296,787	32,657,899	33,513,515	33,464,539
Fiduciary trust net position, end of year (b)	$ 31,296,787	$ 32,657,899	$ 33,513,515	$ 33,464,539	$ 38,380,444
Net OPEB liability, ending (a) - (b)	$ 7,014,505	$ 6,480,409	$ 7,542,110	$ 8,543,329	$ 265,257
Covered employee payroll	$ 58,495,456	$ 61,615,853	$ 66,564,858	$ 67,580,297	$ 65,267,770
Plan fiduciary net position as a percentage of the total OPEB liability	82%	83%	82%	80%	99%
Net OPEB liability as a percentage of covered employee payroll	12.0%	11.0%	11.0%	13.0%	0.1%

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

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2021

State Teacher's Retirement Plan
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021
District's proportion of the net pension liability	0.076%	0.074%	0.074%	0.066%	0.068%	0.069%	0.074%
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
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
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
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
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%
Plan fiduciary net position as a percentage of the total pension liability76.52%	74.02%	70.04%	69.46%	70.99%	72.56	71.82%	

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, 2021

Public Employers Retirement Fund B
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021
District's proportion of the net pension liability	0.260%	0.250%	0.256%	0.249%	0.252%	0.252%	0.252%
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
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
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%
Plan fiduciary net position as a percentage of the total pension liability83.38%	79.43%	73.89%	71.87%	70.85%	70.05%	70.00%	

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.

State Teachers' Retirement Plan
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	$ 3,030,075	$ 3,955,353	$ 4,566,583	$ 5,219,159	$ 6,935,291	$ 7,255,139	$ 6,653,623
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)
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
Contributions as a percentage of covered payroll	8.88%	10.73%	12.58%	14.43%	18.76%	17.10%*	19.10%

All years prior to 2015 are not available.
* 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.

(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the Year Ended June 30, 2021

Public Employers Retirement Fund B
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	$ 3,260,715	$ 3,644,136	$ 4,385,133	$ 5,171,520	$ 6,355,462	$ 7,216,297	$ 7,000,000
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)
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
Contributions as a percentage of covered payroll	11.77%	11.85%	13.89%	15.53%	18.23%	19.90%	20.70%

All years prior to 2015 are not available.

NOTE 1 - PURPOSE OF SCHEDULES

A - 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.

B - 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.

C - 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.

D - Changes of Benefit Terms (Pensions)

There are no changes in benefit terms reported in the Required Supplementary Information.

E - 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 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, 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%	3.00%	3.00%
Investment rate of return	7.10%	7.10%	7.10%	7.10%	7.60%	7.60%
Wage growth	3.50%	3.50%	3.50%	3.50%	3.75%	3.75%

(Continued)

NOTE 1 - PURPOSE OF SCHEDULES (Continued)

F - OPEB

Valuation date	June 30, 2021
Measurement date	June 30, 2021
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

YOSEMITE COMMUNITY COLLEGE DISTRICT
ORGANIZATION
June 30, 2021
(UNAUDITED)

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	Board Chair	2022
Darin Gharat	Vice Chair	2024
Antonio Aguilar	Member	2024
Leslie Beggs	Member	2024
Nancy Hinton	Member	2022
Jenny Nicolau	Member	2022
Milton Richards	Member	2024
Moriah Wall	Student Trustee	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. G.H Javaheripour
Interim President, Columbia College

AUXILLARY ORGANIZATIONS

None

YOSEMITE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass Through Grant Number	Federal Expend- itures
U.S. Department of Education			
Direct Programs:			
Student Financial Aid Cluster:			
College Work Study Program	84.033	-	$ 640,136
Pell Grant Program	84.063	-	22,481,861
Federal Supplemental Education Opportunity Grant	84.007	-	1,095,526
Federal Direct Student Loans	84.268	-	52,468
Passed through California Department of Education:			
Nursing Student Loans	93.364	-	1,219
Subtotal Student Financial Aid Cluster			24,271,210
Direct Programs:			
TRIO Cluster:			
Talent Search	84.044	-	360,045
Upward Bound	84.047	-	628,103
Student Support Services	84.042	-	594,378
Mother Lode Educational Opportunity Center	84.066A	-	257,793
Subtotal TRIO Cluster			1,840,319
Higher Education - Institutional Aid Program:			
Higher Education - Instructional Aid, Strengthening Student Success	84.031S	-	269,728
Title III Strengthen Institute -, Other Gen Supp Svs.	84.031A	-	76,839
Improving Institutional Effectiveness and Student Retention	84.031A	-	526,005
Subtotal Higher Education - Institutional Aid Program			872,572
Higher Education Emergency Relief Fund:			
COVID-19 HEERF - Student Portion COVID-19	84.425E	-	8,183,440
HEERF- Institutional Portion COVID-19	84.425F	-	6,160,073
HEERF- Minority Serving Institutions	84.425M	-	148,703
COVID-19 HEERF - Strengthening Institutions Program	84.425L	-	308,201
Subtotal Higher Education Emergency Relief Fund			14,800,417
Passed Through California Department of Education:			
Career and Technical Education Program: Tech Prep	84.048	19-CO1-70 x8110	932,994
Total U.S. Department of Education			42,717,512

(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass Through Grant Number	Federal Expend-itures
U.S. Department of the Treasury			
Passed through California Community Colleges Chancellor's Office:			
COVID 19 Response Block Grant (CRF)	21.019	-	$ 780,684
U.S Department of Veteran Affairs			
Direct Program:			
Post- Vietnam Era Veterans' Educational Assistance	64.120	-	4,151
U.S. Department Agriculture			
Passed through California Department of Education:			
Child and Adult Care Food Program	10.558	04226-CACFP-50-CC-C5	24,986
Forest Reserve - Forest Service Schools and Road Cluster	10.665	-	9,713
Total U.S. Department of Agriculture			34,699
U.S. Department of Health and Human Services			
Passed through California Department of Education:			
Child Care and Development Block Grant - CCDF Cluster	93.575	CN19011	2,839,227
Foster Care	96.658	FKCE	90,923
Economic Adjustment Assistance - Economic Development Cluster	11.307	-	635,325
Passed through California Community College Chancellor's Office:			
Temporary Assistance for Needy Families - TANF Cluster	93.558	-	164,404
Medicaid Cluster			
Medical Assistance Program (Medi-Cal)	93.778	-	4,965
Total U.S. Department of Health and Human Services			3,734,844
Total Federal Programs			$ 47,271,890

See accompanying note to supplementary information.

YOSEMITE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF STATE FINANCIAL AWARDS
For the Year Ended June 30, 2021

	Program Revenues				
	Cash Received	Accounts Receivable	Unearned Revenue/ Accounts Payable	Total	Total Program Expenditures
Adult Education and AEGB Consortium	$ 5,250,000	$ -	$ 168,661	$ 5,081,339	$ 5,081,340
Apprenticeship (Training and Instruction)	33,827	-	27,426	6,401	6,401
Board Financial Assistance Program	812,113	-	65,618	746,495	782,280
Cal Grants	3,959,933	-	68,985	3,890,948	3,891,222
Cal WORKS	1,166,226	-	287,454	878,772	881,689
California Apprenticeship Initiative	(568,094)	1,251,605	-	683,511	683,510
California College Promise	294,928	-	1,226,231	(931,303)	868,697
Campus Safety	1,549	-	1,549	-	-
CAPP Guided Pathways	31,185	-	-	31,185	31,185
CCCCCO Veterans Resource Center	264,884	-	164,703	100,181	100,181
CCO EEO Registry	264,958	85,042	-	350,000	350,000
COVID-19 Response Block Grant	958,301	-	674,383	283,918	283,918
CDTC First 5 California	254,153	127,611	-	381,764	381,763
CA Education Learning Lab	22,086	30,059	-	52,145	52,145
Center of Excellence	323,225	42,699	96,453	269,471	269,472
Fund 74 SB85 Emergency Financial Assistance	1,852,560	-	1,852,560	-	-
Child Development/Toddler	471,280	19,427	-	490,707	496,524
CNA Training	22,834	-	10,804	12,030	12,030
College Specific Allocations	683,286	-	500,000	183,286	183,286
Cooperative Agencies Resources for Education	308,671	-	50,887	257,784	257,785
College Homeless and Housing Insecure	1,223,600	-	695,350	528,250	528,250
CTE - Pathways Initiative	280,578	-	60,907	219,671	219,671
CVC Online Educational Initiative	5,609	-	-	5,609	5,609
Disabled Student Program and Services	1,779,347	-	-	1,779,347	1,822,446
Dreamer Emergency Aid	160,994	-	53,563	107,431	107,431
Economically Distressed	868,867	-	233,542	635,325	635,325
Guided Pathways- Dream Resource	92,862	-	91,942	920	920
Ed Planning Initiatives	45,000	-	26,210	18,790	18,790

(Continued)

YOSEMITE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF STATE FINANCIAL AWARDS
For the Year Ended June 30, 2021

	Program Revenues				
	Cash Received	Accounts Receivable	Unearned Revenue/ Accounts Payable	Total	Total Program Expenditures
ED - IDRC	$ 5,328	$ -	$ -	$ 5,328	$ 5,328
Enrollment Growth Nursing	291,783	-	4,757	287,026	287,027
Extended Opportunity Program and Services	2,001,453	-	177,713	1,823,740	1,823,740
Financial Aid Technology	359,136	-	327,737	31,399	31,399
Nursing, Song Brown	67,664	19,310	-	86,974	86,974
Full Time Student Success Grant	2,651,041	-	467,488	2,183,553	2,183,553
Guided Pathways	548,054	11,848	58,541	501,361	501,362
Hunger Free Campus	49,408	-	25,348	24,060	27,065
Industry Sector Project	16,334	-	-	16,334	16,334
Institutional Effectiveness	227,367	-	7	227,360	227,360
Instructional Equipment	236,906	-	223,333	13,573	13,572
Incarcerated Students Reentry	127,288	-	85,715	41,573	41,573
K12 Strong Workforce Program	132,434	39,644	-	172,078	172,078
Lottery	3,054,457	561,655	-	3,616,112	3,616,113
SB85 Student Retention and Outreach	202,075	-	202,075	-	-
SB85 CalFresh Outreach	49,083	-	49,083	-	-
Scheduled Maintenance	6,845	-	-	6,845	6,845
Staff Development	98,206	-	98,206	-	-
Staff Diversity	95,745	-	28,207	67,538	67,539
Strong Workforce Program	5,764,118	1,445,367	3,713,465	3,496,020	3,498,780
MJC I3 Project- Rancho Santiago	40,000	50,000	45,927	44,073	44,073
Student Equity and Achievement	3,003,619	6,087,061	2,053,148	7,037,532	7,037,533
Umoja	21,413	-	-	21,413	21,413

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, 2021

Categories	Reported Data	Audit Adjustments	Revised Data
A. Summer Intersession (Summer 2020 only)			
1. Noncredit	40	-	40
2. Credit	1,573	-	1,573
B. Summer Intersession (Summer 2021 - Prior to July 1, 2021)			
1. Noncredit	3	-	3
2. Credit	693	-	693
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
a. Weekly Census Contact Hours	3,711	-	3,711
b. Daily Census Contact Hours	321	-	321
2. Actual Hours of Attendance Procedure Courses			
a. Noncredit	134	-	134
b. Credit	233	-	233
3. Independent Study/Work Experience			
a. Weekly Census Contact Hours	6,447	-	6,447
b. Daily Census Contact Hours	960	-	960
c. Non-credit Independent Study/Distance Education Courses (Part VII.C)	94	-	94
D. Total FTES	14,209	-	14,209
Supplementary Information:			
E. In-Service Training Courses (FTES)	-	-	-
H. Basic Skills Courses and Immigrant Education			
a. Noncredit	245	-	245
b. Credit	272	-	272
CCFS 320 Addendum			
CDCP	-	-	-
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		$ 44,143,513
Debt service fund		17,615,808
Special revenue funds		1,933,473
Capital projects funds		11,587,232
Fiduciary funds		10,033,207
Total fund balances - business-type activity funds		85,313,233
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	$ 385,080,204	
less Proprietary Fund capital assets	(14,617)	
		385,065,587
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	$ 33,738,623	
Deferred outflows of resources relating to OPEB	1,908,760	
Deferred inflows of resources relating to pensions	(4,173,000)	
Deferred inflows of resources relating to OPEB	(7,789,788)	
		23,684,595
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.		(3,964,195)
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, 2021 consisted of:		
General obligation bonds	$ (258,715,060)	
Unamortized bond premiums	(22,234,886)	
Accreted interest	(97,949,987)	
Net pension liability	(148,920,000)	
Net OPEB liability	(265,257)	
Compensated absences	(2,890,589)	
		(530,975,779)
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.		8,985,641
Total net position - business-type activities		$ (31,890,918)

See accompanying note to supplementary information.

YOSEMITE COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF ECS 84362 (50 PERCENT LAW) CALCULATION
For the Year Ended June 30, 2021

	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
Academic Salaries							
Instructional salaries:							
Contract or regular	1100	$ 22,157,441	$ -	$ 22,157,441	$ 22,183,453	$ -	$ 22,183,453
Other	1300	12,613,540	-	12,613,540	12,839,142	-	12,839,142
Total instructional salaries		34,770,981	-	34,770,981	35,022,595	-	35,022,595
Non-instructional salaries:							
Contract or regular	1200	-	-	-	4,568,164	-	4,568,164
Other	1400	-	-	-	3,857,416	-	3,857,416
Total non-instructional salaries		-	-	-	8,425,580	-	8,425,580
Total academic salaries		34,770,981	-	34,770,981	43,448,175	-	43,448,175
Classified Salaries							
Non-instructional salaries:							
Regular status	2100	-	-	-	20,352,145	-	20,352,145
Other	2300	-	-	-	277,330	-	277,330
Total non-instructional salaries		-	-	-	20,629,475	-	20,629,475
Instructional aides:							
Regular status	2200	1,672,505	-	1,672,505	1,763,189	-	1,763,189
Other	2400	101,733	-	101,733	101,733	-	101,733
Total instructional aides		1,774,238	-	1,774,238	1,864,922	-	1,864,922
Total classified salaries		1,774,238	-	1,774,238	22,494,397	-	22,494,397
Employee benefits	3000	16,059,643	-	16,059,643	31,705,711	-	31,705,711
Supplies and materials	4000	-	-	-	846,117	-	846,117
Other operating expenses	5000	-	-	-	9,758,472	-	9,758,472
Equipment replacement	6420	-	-	-	-	-	-
Total expenditures prior to exclusions		$ 52,604,862	$ -	$ 52,604,862	$108,252,872	$ -	$108,252,872

(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	-	-	-	245,959	-	245,959
Noninstructional staff-retirees' benefits and retirement incentives	6740	-	-	-	-	-	-
Objects to exclude:							
Rents and leases	5060	-	-	-	85,332	-	85,332
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	-	-	-	2,801,067	-	2,801,067
Capital outlay	6000	-	-	-	-	-	-
Library books	6300	-	-	-	-	-	-
Equipment:							
Equipment - additional	6410	-	-	-	-	-	-
Equipment - replacement	6420	-	-	-	-	-	-
Total equipment		-	-	-	-	-	-
Total capital outlay		-	-	-	-	-	-
Other outgo	7000	-	-	-	-	-	-
Total exclusions		-	-	-	3,132,358	-	3,132,358
Total for ECS 84362, 50% Law		$ 52,604,862	$ -	$ 52,604,862	$ 105,120,514	$ -	$ 105,120,514
Percent of CEE (instructional salary cost /Total CEE)		50.04 %	-	50.04 %	100.00%	-	100.00%
50% of current expense of education		-	-	-	$ 52,560,257	-	$ 52,560,257

See accompanying note to supplementary information.

PROPOSITION 55 EDUCATION PROTECTION ACCOUNT (EPA) EXPENDITURE REPORT
For the Year Ended June 30, 2021

EPA Proceeds: $ 22,317,315

Activity Classification	Activity Code (0100-5900)	Salaries and Benefits (1000-3000)	Operating Expenses (4000-5000)	Capital Outlay (6000)	Total
Instructional Activities		$ 22,317,315	$ -	$ -	$ 22,317,315

See accompanying note to supplementary information.

NOTE 1 - PURPOSE OF SCHEDULES

A - 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.

B - 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.

C - 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.

D - 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.

E - 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.

F - 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.

G - 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 STATE COMPLIANCE

Board of Trustees
Yosemite Community College District
Modesto, California

Report on Compliance with State Laws and Regulations

We have audited the compliance of Yosemite Community College District 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, 2021:

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 and Non-CCAP)
Scheduled Maintenance Program
Gann Limit Calculation
Open Enrollment
Apprenticeship Related and Supplemental Instruction (RSI) Funds
Disabled Student Programs and Services (DSPS)
To Be Arranged Hours (TBA)
Proposition 1D and 51 State Bond Funded Projects
Education Protection Account Funds
COVID-19 Response Block Grant Expenditures

Management's Responsibility

Management is responsible for compliance with the requirements of state laws and regulations, as listed above.

Auditor's Responsibility

Our responsibility is to express an opinion on Yosemite Community College District's compliance with state laws and regulations as listed above based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *California State Chancellor's Office's California Community College Contracted District Audit Manual* (Audit Manual). Those standards and the Audit Manual require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on Yosemite Community College District's compliance with the state laws and regulations listed above occurred. An audit includes examining, on a test basis, evidence about Yosemite Community College District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion in compliance with state laws and regulations. However, our audit does not provide legal determination of Yosemite Community College District's compliance with those requirements.

(Continued)

Opinion with State Laws and Regulations

In our opinion, Yosemite Community College District complied, in all material respects, with the state laws and regulations referred to above for the year ended June 30, 2021.

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, 2021

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, 2021, 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, 2021.

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 opinion 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 may exist that have not been identified.

(Continued)

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, 2021

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

We have audited Yosemite Community College District's compliance with the types of compliance requirements described 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, 2021. 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.

Management's Responsibility

Management is responsible for compliance with the Federal statues, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

(Continued)

Report on Internal Control Over Compliance

Management of Yosemite Community College District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Yosemite Community College District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with and the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Yosemite Community College District's internal control over compliance.

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

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

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

Crowe LLP

Crowe LLP

Sacramento, California
November 17, 2021

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 and 84.425M	Higher Education Emergency Relief Fund
21.019	COVID 19 Response Block Grant (CRF)

Dollar threshold used to distinguish between Type A and Type B programs: $ 1,418,157

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.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters were reported.