Financial Statements
June 30, 2023

Ventura County
Community College District

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Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 12 and other required supplementary schedules as listed in the table of contents on pages 59 through 67 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Rancho Cucamonga, California
December 20, 2023

FINANCIAL HIGHLIGHTS

The District's primary funding source is based upon apportionment received from the State of California. The primary basis of this apportionment is the calculation of Full-Time Equivalent Students (FTES). During the 2022-2023 fiscal year, the reported FTES were 21,833 as compared to 20,662 in the 2021-2022 fiscal year. The District expects to be fully funded for fiscal year 2021-2022 and 2022-2023.

The District is continuing several construction and modernization projects at our three college campuses resulting in completed building and improvements to sites of approximately $8.6 million in the 2022-2023 fiscal year. These projects are funded from local resources.

Costs for employee salaries increased by 8% or $11 million in the 2022-2023 fiscal year. Costs associated with employee benefits increased by $12.9 million year over year related to the changes in the district's net OPEB liability and changes in the district's aggregate net pension liability. Note 9 in the financial statements provides additional information on changes in the net OPEB liability while Note 11 addresses the district's employee retirement systems.

During the 2022-2023 fiscal year, the District provided $75.9 million in financial assistance to students attending classes at the three colleges. This aid was provided in the form of grants, scholarships, loans, and tuition reductions funded through the Federal government, State government, and local funding.

The District issued $85 million in general obligation bonds on August 12, 2002, with an additional $80 million on October 26, 2005, and $191.3 million on October 28, 2008, which represents the last issuance of the $356.3 million approved by the voters in the March 2002 local election for construction and renovation projects and equipment throughout the District. These projects were approved by the voters within the District's boundaries and were completed in prior fiscal years. Between 2011 and 2019, the District issued four separate general obligation refunding bonds. Note 8 in the financial statements provides additional information on general obligation bonds and their maturity.

THE DISTRICT AS A WHOLE

Net Position

Table 1

	2023	2022, as restated	Change
Assets			
Cash and investments	$ 376,257,016	$ 240,163,050	$ 136,093,966
Receivables, net	20,516,451	18,315,252	2,201,199
Other current assets	1,837,781	1,601,537	236,244
Capital assets, right-to-use leased assets, and right-to-use subscription IT assets, net	509,440,064	521,223,293	(11,783,229)
Total assets	908,051,312	781,303,132	126,748,180
Deferred Outflows of Resources	103,509,567	89,778,588	13,730,979
Liabilities			
Accounts payable and accrued liabilities	181,234,066	68,757,403	112,476,663
Current portion of long-term liabilities	20,798,662	18,372,860	2,425,802
Noncurrent portion of long-term liabilities	557,276,009	513,257,717	44,018,292
Total liabilities	759,308,737	600,387,980	158,920,757
Deferred Inflows of Resources	28,924,058	82,711,664	(53,787,606)
Net Position			
Net investment in capital assets	279,460,383	279,332,500	127,883
Restricted	133,201,833	108,566,632	24,635,201
Unrestricted deficit	(189,334,132)	(199,917,056)	10,582,924
Total net position	$ 223,328,084	$ 187,982,076	$ 35,346,008

Cash and investments consist primarily of funds held in the Ventura County Treasury. Funds are invested in accordance with Board Policy, which emphasizes prudence, safety, liquidity, and return on investment. The Statement of Cash Flows contained with these financial statements provides greater detail regarding the sources and uses of cash, and the net change in cash during fiscal years 2021-2022 and 2022-2023.

A majority of the accounts receivable balance is from the Federal and State government, which totaled approximately $7.1 million for categorical aid and $1.1 million for lottery at June 30, 2023. Note 5 in the financial statements provides additional information on Accounts Receivable.

Capital assets, right-to-use leased assets, and right-to-use subscription IT assets, net was $509.4 million at June 30, 2023. The District had additions of $5.6 million related to construction in progress. Depreciation and amortization expense of $20.0 million was recognized during 2022-2023. The capital asset section of this discussion and analysis provides greater detail.

In 2014, 2015, and 2019, the District issued refunding bonds. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt. This difference, which totaled $25.7 million at June 30, 2023, is deferred and amortized to interest expense.

Accounts payable and accrued liabilities consist of amounts due as of the fiscal year-end for received goods and services, incurred interest, and unearned revenue. The current portion of long-term liabilities is the amount due on the outstanding general obligation bonds within one year.

The majority of long-term liabilities consist of bonds payable related to the issuance of the District's general obligations bonds, which totaled $279.8 million at June 30, 2023.

A portion of unrestricted net position has been designated by the Board or by contracts for such purposes as the required general reserve for ongoing financial health, budget rollover, and revenue shortfall contingency.

Operating Results for the Year

The results of this year's operations for the District as a whole are reported in the Statement of Revenues, Expenses, and Changes in Net Position on page 14.

Table 2

	2023	2022	Change
Operating Revenues			
Tuition and fees, net	$ 17,570,189	$ 22,101,766	$ (4,531,577)
Grants and contracts, noncapital	75,038,088	81,456,184	(6,418,096)
Auxiliary sales and charges	606,430	710,086	(103,656)
Total operating revenues	93,214,707	104,268,036	(11,053,329)
Operating Expenses			
Salaries and benefits	206,896,829	183,003,876	23,892,953
Supplies, services, equipment, and maintenance	43,200,180	45,142,223	(1,942,043)
Student financial aid	68,652,932	81,039,228	(12,386,296)
Depreciation and amortization	20,049,480	19,253,142	796,338
Total operating expenses	338,799,421	328,438,469	10,360,952
Operating loss	(245,584,714)	(224,170,433)	(21,414,281)
Nonoperating Revenues (Expenses)			
State apportionments, noncapital	103,886,506	80,985,032	22,901,474
Property taxes	112,354,353	105,482,726	6,871,627
Federal and State financial aid grants	50,716,804	71,212,983	(20,496,179)
State taxes and other revenues	10,251,684	7,365,113	2,886,571
Net interest expense	(4,213,991)	(16,077,616)	11,863,625
Other nonoperating revenues	3,640,358	6,554,421	(2,914,063)
Total nonoperating revenue (expenses)	276,635,714	255,522,659	21,113,055
Other Revenues (Losses)			
State and local capital income	4,295,008	3,025,186	1,269,822
Loss on disposal of capital assets	-	(37,955)	37,955
Total other revenues (losses)	4,295,008	2,987,231	1,307,777
Change in net position	$ 35,346,008	$ 34,339,457	$ 1,006,551

The primary components of tuition and fees are the $46 per unit enrollment fee that is charged to students registering for classes and the additional $319 per unit fee that is charged to non-resident students.

Auxiliary revenue consists of bookstore and foods service sales. After years of declining sales, the Board took action in January 2014 to contract with Barnes and Nobles College Bookstores, Inc. for bookstore services at all campuses. This transition occurred April 1, 2014. The District receives a percentage of net sales. After many years of operating losses, the Board took action in March 2012 to close the cafeterias. The colleges have expanded vending operations and, at Oxnard College, the Culinary and Restaurant Management (CRM) program provides food service during lunch periods as an outlet of their CRM instruction labs.

The principal components of the District's nonoperating revenue are State apportionment, property taxes, and grants and contracts. The amount of State general apportionment received by the District is largely dependent upon the number of FTES generated and reported to the State, less amounts received from enrollment fees and local property taxes. We noted an increase in State apportionment of $22.9 million or 28% from prior year. Property tax revenue increased $6.8 million or 6.5% from the prior year.

Grant and contract revenues relate primarily to student financial aid, as well as to specific Federal and State grants received for programs serving the students and programs of the District. These grant and program revenues are restricted as to the allowable expenses related to the programs.

Investment income totaled $8 million for fiscal year ending June 30, 2023 and represents the interest earned on the cash held in the Ventura County Treasury. Interest expense closely follows the District's debt service schedule and totaled $12.9 million for fiscal year ending June 30, 2023.

Expenses are reported by their functional categories as follows:

Table 3

	Salaries and Employee Benefits	Supplies, Material, and Other Expenses and Services	Student Financial Aid	Equipment, Maintenance, and Repairs	Depreciation and Amortization	Total
Instructional activities	$ 94,732,151	$ 4,591,626	$ -	$ 818,180	$ -	$ 100,141,957
Academic support	20,167,263	506,858	-	9,519	-	20,683,640
Student services	39,847,796	5,109,255	-	372,638	-	45,329,689
Plant operations and maintenance	11,197,330	7,129,289	-	350,796	-	18,677,415
Instructional support services	36,161,600	15,612,438	-	1,853,555	-	53,627,593
Community services and economic development	1,038,247	163,151	-	8,424	-	1,209,822
Ancillary services and auxiliary operations	3,752,442	2,615,063	-	70,191	-	6,437,696
Student aid	-	-	68,652,932	-	-	68,652,932
Physical property and related acquisitions	-	1,840,757	-	2,148,440	-	3,989,197
Unallocated depreciation and amortization	-	-	-	-	20,049,480	20,049,480
Total	$ 206,896,829	$ 37,568,437	$ 68,652,932	$ 5,631,743	$ 20,049,480	$ 338,799,421

Changes in Cash Position

Table 4

	2023	2022	Change
Net Cash Flows from			
Operating activities	$ (212,425,493)	$ (195,914,524)	$ (16,510,969)
Noncapital financing activities	254,265,827	274,512,718	(20,246,891)
Capital financing activities	90,208,840	(4,235,229)	94,444,069
Investing activities	4,044,792	(3,327,520)	7,372,312
Net Increase in Cash and Cash Equivalents	136,093,966	71,035,445	65,058,521
Cash and cash equivalents, Beginning of Year	240,163,050	169,127,605	71,035,445
Cash and cash equivalents, End of Year	$ 376,257,016	$ 240,163,050	$ 136,093,966

The Statement of Cash Flows on pages 15 and 16 provides information about our cash receipts and payments during the year. This statement also assists users in assessing the District's ability to meet its obligations as they come due and its need for external financing. Our primary operating receipts are student tuition and fees and Federal, State, and local grants and contracts. The primary operating expense of the District is the payment of salaries and benefits to instructional and classified support staff.

While State apportionment revenues and property taxes are the primary source of noncapital related revenue, the GASB accounting standards require that this source of revenue is shown as nonoperating revenue as it comes from the general resources of the State and not from the primary users of the college's programs and services – our students. The District depends upon this funding to continue the current level of operations.

CAPITAL ASSETS, RIGHT-TO-USE LEASED ASSETS, RIGHT-TO-USE SUBSCRIPTION IT ASSETS, AND LONG-TERM LIABILITIES

Capital Assets, Right-to-Use Leased Assets, and Right-to-Use Subscription IT Assets

At June 30, 2023, the District had $509.4 million in a broad range of capital assets, right-to-use leased assets, and right-to-use subscription IT assets, including land, construction in progress, buildings, and furniture and equipment, right-to-use leased assets, and right-to-use subscription IT assets. The District acknowledges the Total Cost of Ownership and completes capital projects and scheduled maintenance as budgetary priorities allow. These projects are primarily funded with designated resources. These projects are accounted for within our Construction in Progress account until the project is completed at which time the cost of the buildings and/or improvements will be brought into the depreciable Buildings and Improvements category.

Note 7 in the financial statements provides additional information on capital assets, right-to-use leased assets, and right-to-use subscription IT assets. A summary of capital assets, right-to-use leased assets, and right-to-use subscription IT assets is presented below.

Table 5

	2023	2022, as restated	Net Change
Capital Assets			
Land and construction in progress	$ 124,512,753	$ 127,546,585	$ (3,033,832)
Buildings and improvements, net	378,593,144	387,570,683	(8,977,539)
Furniture, equipment and vehicles, net	4,351,184	3,706,095	645,089
Right-to-use leased assets, net	537,667	476,759	60,908
Right-to-use subscription IT assets, net	1,445,316	1,923,171	(477,855)
Total capital assets, right-to-use leased assets and right-to-use subscription IT assets, net	$ 509,440,064	$ 521,223,293	$ (11,783,229)

Long-Term Liabilities other than OPEB and Pensions

At the end of the 2022-2023 fiscal year, the District had $289.3 million in general obligation bonds outstanding. These bonds are repaid annually in accordance with the obligation requirements through an increase in the assessed property taxes on property within the Ventura County Community College District boundaries.

Notes 8, 9, and 11 in the financial statements provides additional information on long-term liabilities. A summary of long-term liabilities is presented below.

Table 6

	Balance, July 1, 2022, as restated	Additions	Deductions	Balance June 30, 2023
General obligation bonds	$ 303,817,911	$ 4,120,529	$ (18,607,637)	$ 289,330,803
Lease liability	450,115	412,090	(319,478)	542,727
Subscription-based IT arrangements	1,923,171	284,759	(849,272)	1,358,658
Other liabilities	6,250,909	-	(446,964)	5,803,945
Aggregate net OPEB liability	109,307,366	-	(1,816,430)	107,490,936
Aggregate net pension liability	109,881,105	63,666,497	-	173,547,602
Total long-term liabilities	$ 531,630,577	$ 68,483,875	$ (22,039,781)	$ 578,074,671
Amount due within one year				$ 20,798,662

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The Board of Trustees adopted the final amendment to the budget for the 2022-2023 fiscal year on September 12, 2023.

Within the Unrestricted General Fund, operating costs have continually increased. The State Budget has not kept pace with the increased operating costs, primarily in health and welfare benefits, especially in regards to the need to recognize postretirement benefits. The District transitioned employee medical plans to CalPERS in September 2020 to help address costs through risk pooling.

ECONOMIC FACTORS AFFECTING THE FUTURE OF THE VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

The economic position of the District is closely tied to the State of California as State apportionments and property taxes allocated to the District represent over 75% of the total unrestricted sources of revenue received within the General Fund.

In fiscal year 2022-2023, the District served 21,833 FTES. There were no unfunded FTES. The District continues to emphasize enrollment management to help reduce the risks associated with fluctuating FTES while continuing to meet our primary mission. The Student Centered Funding Formula (SCFF) is the current way California community college districts receives funding. The SCFF was established in the 2018-2019 budget bill and details can be found in Assembly Bill 1809. Modifications were made to the SCFF in the 2019-20 budget and can be found in Ed Code Section 84750.4. The SCFF supports access through enrollment-based funding, student equity by targeting funds to districts serving low-income students, and student success by providing districts with additional resources for student's successful outcomes. The District's budget is heavily impacted by the state funding provided in all three portions of the SCFF including the base allocation, supplemental allocation, and student success allocation.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Ventura County Community College District, 761 E. Daily Drive, Suite 200, Camarillo, CA 93010.

Assets	
Cash and cash equivalents	$ 59,300
Investments	376,197,716
Accounts receivable, net	13,577,048
Student receivables, net	6,080,809
Prepaid expenses	1,676,238
Other assets	161,543
Lease receivables	858,594
Capital assets, right-to-use leased assets, and right-to-use subscription IT assets	
Nondepreciable capital assets	124,512,753
Depreciable capital assets, net of depreciation	382,944,328
Right-to-use leased assets, net of accumulated amortization	537,667
Right-to-use subscription IT assets, net of accumulated amortization	1,445,316
Total capital assets, right-to-use leased assets and right-to-use subscription IT assets, net	509,440,064
Total assets	908,051,312
Deferred Outflows of Resources	
Deferred outflows of resources related to debt refunding	25,741,799
Deferred outflows of resources related to OPEB	18,351,253
Deferred outflows of resources related to pensions	59,416,515
Total deferred outflows of resources	103,509,567
Liabilities	
Accounts payable	15,869,354
Accrued interest payable	2,933,131
Unearned revenue	162,431,581
Long-term liabilities	
Long-term liabilities other than OPEB and pensions, due within one year	20,798,662
Long-term liabilities other than OPEB and pensions, due in more than one year	276,237,471
Aggregate net other postemployment benefits (OPEB) liability	107,490,936
Aggregate net pension liability	173,547,602
Total liabilities	759,308,737
Deferred Inflows of Resources	
Deferred inflows of resources related to leases	845,151
Deferred inflows of resources related to OPEB	7,870,832
Deferred inflows of resources related to pensions	20,208,075
Total deferred inflows of resources	28,924,058
Net Position	
Net investment in capital assets	279,460,383
Restricted for	
Debt service	25,349,186
Capital projects	75,090,035
Educational programs	10,639,085
Other activities	22,123,527
Unrestricted deficit	(189,334,132)
Total net position	$ 223,328,084

Operating Revenues	
Tuition and fees	$ 24,843,911
Less: Scholarship discounts and allowances	(7,273,722)
Net tuition and fees	17,570,189
Grants and contracts, noncapital	
Federal	20,403,029
State	53,583,811
Local	1,051,248
Total grants and contracts, noncapital	75,038,088
Auxiliary enterprise sales and charges	
Food service	46,790
Other operating revenues	559,640
Total operating revenues	93,214,707
Operating Expenses	
Salaries	146,777,602
Employee benefits	60,119,227
Supplies, materials, and other operating expenses and services	37,568,437
Student financial aid	68,652,932
Equipment, maintenance, and repairs	5,631,743
Depreciation and amortization	20,049,480
Total operating expenses	338,799,421
Operating Loss	(245,584,714)
Nonoperating Revenues (Expenses)	
State apportionments, noncapital	103,886,506
Local property taxes, levied for general purposes	86,498,072
Taxes levied for other specific purposes	25,856,281
Federal and State financial aid grants	50,716,804
State taxes and other revenues	10,251,684
Investment income, net	7,976,568
Interest expense on capital related debt	(12,870,152)
Investment income on capital asset-related debt, net	679,593
Other nonoperating revenue	3,640,358
Total nonoperating revenues (expenses)	276,635,714
Income Before Other Revenues	31,051,000
Other Revenues	
State revenues, capital	1,508,639
Local revenues, capital	2,786,369
Total other revenues	4,295,008
Change In Net Position	35,346,008
Net Position, Beginning of Year	187,982,076
Net Position, End of Year	$ 223,328,084

Operating Activities	
Tuition and fees	$ 18,155,344
Federal, state, and local grants and contracts, noncapital	103,742,331
Auxiliary sales	606,430
Payments to or on behalf of employees	(214,078,187)
Payments to vendors for supplies and services	(52,198,479)
Payments to students for scholarships and grants	(68,652,932)
Net cash flows from operating activities	(212,425,493)
Noncapital Financing Activities	
State apportionments	103,638,561
Federal and state financial aid grants	50,716,804
Property taxes - nondebt related	86,498,072
State taxes and other apportionments	9,924,844
Other nonoperating	3,487,546
Net cash flows from noncapital financing activities	254,265,827
Capital Financing Activities	
Purchase of capital assets	(6,069,460)
State revenue, capital	92,774,846
Local revenue, capital	2,786,369
Property taxes - related to capital debt	25,856,281
Principal paid on capital debt	(18,443,750)
Interest received on capital asset-related debt	518,130
Interest paid on capital debt	(7,213,576)
Net cash flows from capital financing activities	90,208,840
Investing Activities	
Change in fair market value of cash in county treasury	451,581
Interest received from investments	3,593,211
Net cash flows from investing activities	4,044,792
Change In Cash and Cash Equivalents	136,093,966
Cash and Cash Equivalents, Beginning of Year	240,163,050
Cash and Cash Equivalents, End of Year	$ 376,257,016

Reconciliation of Net Operating Loss to Net Cash Flows from Operating Activities	
Operating Loss	$ (245,584,714)
Adjustments to reconcile operating loss to net cash flows from operating activities	
Depreciation and amortization expense	20,049,480
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources	
Accounts receivable, net	1,047,715
Student receivables, net	1,637,129
Prepaid expenses and other assets	(236,244)
Lease receivables	(65,207)
Deferred outflows of resources related to OPEB	(1,698,640)
Deferred outflows of resources related to pensions	(15,046,073)
Accounts payable	(6,751,194)
Unearned revenue	26,606,758
Compensated absences	(402,024)
Load banking	(44,940)
Aggregate net OPEB liability	(1,816,430)
Aggregate net pension liability	63,666,497
Deferred inflows of resources related to leases	63,003
Deferred inflows of resources related to OPEB	132,331
Deferred inflows of resources related to pensions	(53,982,940)
Total adjustments	33,159,221
Net cash flows from operating activities	$ (212,425,493)
Cash and Cash Equivalents Consist of the Following:	
Cash on hand and in banks	$ 59,300
Cash in county treasury	376,197,716
Total cash and cash equivalents	$ 376,257,016
Noncash Transactions	
Amortization of deferred outflows of resources related to debt refunding	$ 3,013,734
Amortization of debt premiums	$ 1,332,637
Accretion of interest on capital appreciation bonds	$ 4,120,529
Recognition of subscription based IT arrangement liabilities arising from obtaining right-to-use subscription IT assets	$ 284,759
Recognition of lease liabilities arising from obtaining right-to-use lease assets	$ 412,090

	Retiree OPEB Trust
Assets	
Investments	$ 25,330,331
Net Position	
Restricted for postemployment benefits other than pensions	$ 25,330,331

	Retiree OPEB Trust
Additions	
District contributions	$ 9,874,684
Interest and investment income, net of fees	997,107
Net realized and unrealized gain	1,100,440
Total additions	11,972,231
Deductions	
Benefit payments	9,874,684
Administrative expenses	89,265
Total deductions	9,963,949
Change in Net Position	2,008,282
Net Position - Beginning of Year	23,322,049
Net Position - End of Year	$ 25,330,331

Note 1 - Organization

The Ventura County Community College District (the District) was established in 1962 as a political subdivision of the State of California and is a comprehensive, public, two-year institution offering educational services to residents of Ventura County. The District operates under a locally elected five-member Board of Trustees form of government which establishes the policies and procedures by which the District operates. The Board must approve the annual budgets for the General Fund, special revenue funds, and capital project funds, but these budgets are managed at the department level. Currently, the District operates three colleges located within Ventura County. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61. The District is classified as a Public Educational Institution under Internal Revenue Code Section 115 and is, therefore, exempt from Federal taxes. The District has considered all potential component units in determining how to define the reporting entity using criteria set forth in accounting principles generally accepted in the United States of America. The basic criteria for including a component unit are (1) the economic resources held or received by the other entity are entirely or almost entirely for the direct benefit of the District, (2) the District is entitled to, or has the ability to otherwise access, a majority of the economic resources held or received by the other entity, and (3) the other entity's resources to which the District is entitled or has the ability to otherwise access are significant to the District. If any of these criteria are not met, the final criterion for including a component unit is whether the other entity is closely related to, or financially integrated with, the District. The District identified no component units.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB. This presentation provides a comprehensive government-wide perspective of the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, activities, and cash flows and replaces the fund group perspective previously required. Fiduciary activities are excluded from the primary government financial statements. The District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. The significant accounting policies followed by the District in preparing these financial statements are in accordance with accounting principles generally accepted in the United States of America as promulgated by GASB. Additionally, the District's policies comply with the California Community Colleges Chancellor's Office *Budget and Accounting Manual*. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All material intra-agency and intra-fund transactions have been eliminated.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. The District considers revenues to be available if they are collected within one year after year-end, except for property taxes, which are considered available if collected within 60 days. Nonexchange transactions, in which the District receives value without directly giving equal value in return, include State apportionments, property taxes, Federal and State financial aid grants, entitlements, and donations. Property tax revenue is recognized in the fiscal year received. State apportionment revenue is earned based upon criteria set forth from the Community Colleges Chancellor's Office and includes reporting of full-time equivalent students (FTES) attendance. The corresponding apportionment revenue is recognized in the period the FTES are generated. Revenue from Federal and State financial aid grants are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements may include time and/or purpose requirements.

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

Cash and Cash Equivalents

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

Investments

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

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

Accounts Receivable

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. The District provides for an allowance for uncollectable accounts as an estimation of amounts that may not be received. This allowance is based upon management's estimates and analysis. The allowance was at $3,140,152 for the year ended June 30, 2023.

Prepaid Expenses

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

Capital Assets and Depreciation

Capital assets are long-lived assets of the District as a whole and include land, construction in progress, buildings, building and land improvements, and equipment. The District maintains an initial unit cost capitalization threshold of $5,000 and an estimated useful life greater than one year. Assets are recorded at historical cost, or estimated historical cost, when purchased or constructed.

The District does not possess any infrastructure. Donated capital assets are recorded at acquisition value at the date of donation. Improvements to buildings and land that significantly increase the value or extend the useful life of the asset are capitalized; the costs of routine maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are charged as an operating expense in the year in which the expense was incurred. Major outlays for capital improvements are capitalized as construction in progress as the projects are constructed.

Depreciation of capital assets is computed and recorded utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements, 5 to 20 years; and equipment and vehicles, 2 to 15 years.

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 2023.

Right-to-use Leased Assets and Amortization

The District records the value of intangible right-to-use assets based on the underlying leased asset in accordance with GASB Statement No. 87, *Leases*. The right-to-use intangible asset is amortized each year for the term of the contract or useful life of the underlying asset.

Right-to-use Subscription IT Assets and Amortization

The District records the value of right-to-use subscription IT assets based on the underlying subscription asset in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA). The right-to-use subscription IT asset is amortized each year for the term of the contract or useful life of the underlying asset.

Compensated Absences and Load Banking

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

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

Debt Premiums

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

Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

Leases

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

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

Subscription-based IT Arrangements

The District recognizes a subscription-based IT arrangement liability and an intangible right-to-use subscription IT asset (subscription IT asset) in the government-wide financial statements. The District measures the subscription-based IT arrangement liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription-based IT arrangement liability is reduced by the principal portion of subscription payments made. The right-to-use subscription IT asset is initially measured as the initial amount of the subscription-based IT arrangement liability, plus certain initial direct costs. Subsequently, the right-to-use subscription IT asset is amortized on a straight-line basis over the subscription term or useful life of the underlying asset. The amortization period varies from two to five years.

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Unearned Revenue

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

Noncurrent Liabilities

Noncurrent liabilities include bonds payable, lease liability, subscription-based IT arrangements, compensated absences, load banking, aggregate net OPEB liability, and the aggregate net pension liability with maturities greater than one year.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position related to net investment in capital assets consists of capital assets, right-to-use leased assets, right-to-use subscription IT assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report $133,201,833 of restricted net position and the fiduciary funds financial statements report $25,330,331 of restricted net position.

Operating and Nonoperating Revenues and Expenses

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

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

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

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

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

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

State Apportionments

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

Property Taxes

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

The voters of the District passed a general obligation bond in March 2002 for the acquisition, construction, and rehabilitation of facilities on the three community college campuses and the Camarillo site of District capital assets. As a result of the passage of the bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are assessed, billed, and collected as noted above.

Scholarship, Discounts and Allowances

Tuition and fee revenue is reported net of scholarship discount and allowances. Fee waivers approved by the California Community College Board of Governors are included within scholarships discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances represent the difference between stated charges for enrollment fees and the amount that is paid by students or third parties making payments on the students' behalf.

Financial Assistance Programs

The District participates in federally funded Pell Grants, Supplemental Educational Opportunity Grants (SEOG), and Federal Work-Study programs, as well as other programs funded by the Federal government and State of California. Financial aid provided to the student in the form of cash is reported as an operating expense in the Statement of Revenues, Expenses, and Changes in Net Position. Federal financial assistance programs are audited in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements*, *Cost Principles*, *and Audit Requirements for Federal Awards*.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates, and those differences could be material.

Interfund Activity

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund activity within the primary government and fiduciary funds has been eliminated respectively in the consolidation process of the basic financial statements. Balances owing between the primary government and the fiduciary funds are not eliminated in the consolidation process.

Operating transfers between funds of the District are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use restricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Operating transfers within the primary government and fiduciary funds has been eliminated respectively in the consolidation process of the basic financial statements. Balances transferred between the primary government and the fiduciary funds are not eliminated in the consolidation process.

Change in Accounting Principles

Implementation of GASB Statement No. 91

As of July 1, 2022, the District adopted GASB Statement No. 91*, Conduit Debt Obligations*. The objective of this Statement is to better meet the information needs of financial statement users by enhancing the comparability and consistency of conduit debt obligation reporting and reporting of related transactions and other events by state and local government issuers. The implementation of this standard eliminates the option for issuers of conduit debt to recognize a liability for this debt on their financial statements. In addition, it requires issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations. There was not a significant effect on the District's financial statements as a result of the implementation of the standard.

Implementation of GASB Statement No. 94

As of July 1, 2022, the District adopted GASB Statement No. 94, *Public-Private and Public-Public Partnerships (PPP) and Availability Payment Arrangements (APA)*. The implementation of this standard establishes standards of accounting and financial reporting for PPPs and APAs. The standard requires recognition of an asset, receivable, and deferred inflow of resources. There was not a significant effect on the District's financial statements as a result of the implementation of the standard.

Implementation of GASB Statement No. 96

As of July 1, 2022, the District adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. The implementation of this standard establishes that a SBITA results in a right-to-use subscription IT asset - an intangible asset - and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. The effect of the implementation of this standard on beginning net position is disclosed in Note 14 and the additional disclosures required by this standard are included in Notes 7 and 8.

Note 3 - Deposits and Investments

Policies and Practices

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

Investment in County Treasury – In accordance with the *Budget and Accounting Manual*, the District maintains substantially all of its cash in the County Treasury as part of the common investment pool. The District is considered to be an involuntary participant in the external investment pool. The fair value of the District's investment in the pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

General Authorizations

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

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

Authorized Under Debt Agreements

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

Summary of Deposits and Investments

Deposits and investments as of June 30, 2023, consist of the following:

	Primary Government	Fiduciary Fund
Cash on hand and in banks	$ 34,300	$ -
Cash in revolving	25,000	-
Investments	376,197,716	25,330,331
Total deposits and investments	$ 376,257,016	$ 25,330,331

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the Ventura County Investment Pool and mutual funds. The Ventura County Investment Pool purchases shorter term investments and attempts to time cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The District maintains an investment of $376,197,716 with the Ventura County Investment Pool, with an average weighted maturity of 247 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the Ventura County Investment Pool and mutual funds are not required to be rated. However, as of June 30, 2023, the County portfolio was rated AAAf/S1+ by Standard and Poor's.

Custodial Credit Risk

Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California *Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2023, the District did not have any deposits exposed to custodial credit risk because all balances were insured by the Federal Deposit Insurance Corporation (FDIC).

Investments

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. As of June 30, 2023, the District's investment balance of approximately $24.8 million was exposed to custodial credit risk because it exceeded Securities Investor Protection Corporation (SIPC) insurance of $500,000. The District does not have a policy limiting the amount of securities that can be held by counterparties.

Note 4 - Fair Value Measurements

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

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

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

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

The District's fair value measurements are as follows at June 30, 2023:

Investment Type	Fair Value	Level 1 Inputs
Mutual funds	$ 25,330,331	$ 25,330,331

All assets have been valued using a market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets or group of assets.

Note 5 - Accounts Receivables

Accounts receivable as of June 30, 2023 consisted of the following:

	Primary Government
Federal Government	
Categorical aid	$ 4,749,692
State Government	
Apportionment	247,945
Categorical aid	2,340,043
Lottery	1,129,916
Local Sources	
Interest	4,459,935
Other local sources	654,570
Less: allowance for bad debt	(5,053)
Accounts receivable, net	$ 13,577,048
Student receivables	$ 9,215,908
Less: allowance for bad debt	(3,135,099)
Student receivables, net	$ 6,080,809

Note 6 - Lease Receivables

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

Lease Receivables	Balance, July 01, 2022	Additions	Deductions	Balance, June 30, 2023
Building Lease - Ventura College	$ 94,976	$ -	$ 14,174	$ 80,802
Land Lease - Ventura College	1,841	-	1,221	620
Building Lease - District Office	412,260	-	113,158	299,102
Building Lease - District Office	102,555	-	76,370	26,185
Building Lease - District Office	70,389	380,419	73,700	377,108
Building Lease - Oxnard College	111,366	-	36,589	74,777
Total	$ 793,387	$ 380,419	$ 315,212	$ 858,594

Building Lease – Ventura College

The District leases a portion of its facilities for the middle college on Ventura College's campus. The agreement is for a period of twenty years. During the fiscal year, the District recognized $15,508 in lease revenue and $3,776 in interest revenue related to this agreement. At June 30, 2023, the District recorded $80,802 in lease receivables and $77,538 in deferred inflows of resources for this agreement. The District used an interest rate of 4.32% based on rates available to finance over the same time periods. The District also pays for landscaping and utilities, which are not included in the measurement of the lease receivable as they are variable in nature.

Land Lease – Ventura College

The District leases a portion of its facilities for a church on Ventura College's campus. The agreement is for a period of three years with the option to extend one periods but not to exceed five years. The District believes the tenant will exercise the renewal option with reasonable certainty. During the fiscal year, the District recognized $1,214 in lease revenue and $23 in interest revenue related to this agreement. At June 30, 2023, the District recorded $620 in lease receivables and $607 in deferred inflows of resources for this agreement. The District used an interest rate of 2.11% based on rates available to finance over the same time periods.

Building Leases – District Office

The District leases a portion of its facilities to various tenants located at the district office. The agreements vary from a period of nine years to twenty years. During the fiscal year, the District recognized $263,571 in lease revenue and $11,435 in interest revenue related to these agreements. At June 30, 2023, the District recorded $702,395 in lease receivables and $692,762 in deferred inflows of resources for this agreement. The District used interest rates that varied between 2.22% and 3.72% based on rates available to finance over the same time periods.

Building Lease – Oxnard College

The District leases a portion of its facilities for the middle college on Oxnard College's campus. The agreement is for a period of four years. During the fiscal year, the District entered into a new agreement with the tenant for an additional three years. During the fiscal year, the District recognized $37,122 in lease revenue and $1,577 in interest revenue related to this agreement. At June 30, 2023, the District recorded $74,777 in lease receivables and $74,244 in deferred inflows of resources for this agreement. The District used an interest rate of 1.72% based on rates available to finance over the same time periods.

Note 7 - Capital Assets, Right-to-use Leased Assets, and Right-to-use Subscription IT Assets

Capital assets, right-to-use leased assets, and right-to-use subscription IT assets activity for the District for the year ended June 30, 2023, was as follows:

	Balance, July 1, 2022, as restated	Additions	Deductions	Balance, June 30, 2023
Capital Assets Not Being Depreciated				
Land	$ 112,885,938	$ -	$ -	$ 112,885,938
Construction in progress	14,660,647	5,637,483	(8,671,315)	11,626,815
Total capital assets not being depreciated	127,546,585	5,637,483	(8,671,315)	124,512,753
Capital Assets Being Depreciated				
Buildings and improvements	553,370,495	8,565,233	-	561,935,728
Site improvements	77,155,930	-	-	77,155,930
Furniture and equipment	28,727,532	2,156,672	(803,849)	30,080,355
Vehicles	3,614,891	423,089	-	4,037,980
Total capital assets being depreciated	662,868,848	11,144,994	(803,849)	673,209,993
Total capital assets	790,415,433	16,782,477	(9,475,164)	797,722,746
Less Accumulated Depreciation				
Buildings and improvements	(192,545,681)	(13,903,625)	-	(206,449,306)
Site improvements	(50,410,061)	(3,639,147)	-	(54,049,208)
Furniture and equipment	(25,442,883)	(1,235,052)	262,089	(26,415,846)
Vehicles	(3,193,445)	(157,860)	-	(3,351,305)
Total accumulated depreciation	(271,592,070)	(18,935,684)	262,089	(290,265,665)
Net capital assets	518,823,363	(2,153,207)	(9,213,075)	507,457,081
Right-to-use Leased Assets Being Amortized				
Buildings and improvements	545,560	-	-	545,560
Furniture, equipment, and vehicles	389,458	412,090	-	801,548
Total right-to-use leased assets being amortized	935,018	412,090	-	1,347,108
Less Accumulated Amortization				
Buildings and improvements	(209,992)	(209,991)	-	(419,983)
Furniture, equipment, and vehicles	(248,267)	(141,191)	-	(389,458)
Total accumulated amortization	(458,259)	(351,182)	-	(809,441)
Net right-to-use leased assets	476,759	60,908	-	537,667
Right-to-use Subscription IT Assets Being Amortized				
Right-to-use subscription IT assets	1,923,171	284,759	-	2,207,930
Accumulated amortization	-	(762,614)	-	(762,614)
Net right-to-use subscription IT assets	1,923,171	(477,855)	-	1,445,316
Total capital assets, right-to-use leased assets, and right-to-use subscription IT assets, net	$ 521,223,293	$ (2,570,154)	$ (9,213,075)	$ 509,440,064

Note 8 - Long-Term Liabilities other than OPEB and Pensions

Summary

The changes in the District's long-term liabilities other than OPEB and pensions during the year ended June 30, 2023 consisted of the following:

	Balance, July 1, 2022, as restated	Additions	Deductions	Balance, June 30, 2023	Due in One Year
General obligation bonds	$ 293,001,871	$ 4,120,529	$ (17,275,000)	$ 279,847,400	$ 18,795,000
Bond premium	10,816,040	-	(1,332,637)	9,483,403	-
Lease liability	450,115	412,090	(319,478)	542,727	209,897
Subscription-based IT arrangements	1,923,171	284,759	(849,272)	1,358,658	865,157
Compensated absences	5,434,329	-	(402,024)	5,032,305	928,608
Load banking	816,580	-	(44,940)	771,640	-
Total	$ 312,442,106	$ 4,817,378	$ (20,223,351)	$ 297,036,133	$ 20,798,662

Description of Long-Term Liabilities

Payments on the general obligation bonds are made by the bond interest and redemption fund with local property tax revenues. The lease liability and subscription-based IT arrangements will be paid out of the General Fund and Capital Outlay Fund. The compensated absences and load banking liability will be paid by the fund for which the employee worked.

General Obligation Bonds

General obligation bonds were approved by a local election in March 2002. The total amount approved by the voters was $356,347,814. At June 30, 2023, $356,347,814 had been issued and $279,847,400 was outstanding. Interest rates on the bonds range from 1.63% to 7.50%.

Debt Maturity

General Obligation Bonds

Issue Date	Series	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding Beginning of Year	Issued	Accreted Interest	Redeemed	Bonds Outstanding End of Year
10/28/2008	2002 C	8/1/2028	3.77-7.50%	$ 191,347,814	$ 57,136,871	$ -	$ 4,120,529	$ (6,535,000)	$ 54,722,400
1/16/2014	2014 Refunding	8/1/2024	3.00-5.00%	61,860,000	12,925,000	-	-	(3,875,000)	9,050,000
3/18/2015	2015 Refunding	8/1/2033	2.00-5.00%	166,100,000	113,000,000	-	-	(1,215,000)	111,785,000
10/2/2019	2019 Refunding	8/1/2030	1.63-2.42%	115,180,000	109,940,000	-	-	(5,650,000)	104,290,000
					$ 293,001,871	$ -	$ 4,120,529	$ (17,275,000)	$ 279,847,400

Debt Service Requirements to Maturity

2002 Series C

The general obligation bonds mature through 2029 as follows:

Fiscal Year	Principal (Including accreted interest to date)	Accreted Interest	Total
2024	$ 7,238,514	$ 271,486	$ 7,510,000
2025	7,687,267	897,733	8,585,000
2026	8,006,749	1,618,251	9,625,000
2027	8,261,446	2,428,554	10,690,000
2028	9,818,240	3,856,760	13,675,000
2029	13,710,184	6,844,816	20,555,000
Total	$ 54,722,400	$ 15,917,600	$ 70,640,000

2014 Refunding Bonds

In January 2014, the District issued $61,860,000 of general obligation refunding bonds. The net proceeds from the issuance provided for the refunding of the remaining 2002 Series A bonds in the amount of $6,825,000 and the partial refunding of $57,725,000 of the 2002 Series B bonds. As of June 30, 2023, the principal balance outstanding is $9,050,000. Unamortized premium received on the issuance of the bonds amounted to $978,313 as of June 30, 2023. In October 2019, the District advanced refunded a portion of the outstanding balance.

The general obligation refunding bonds mature through 2025 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2024	$ 4,300,000	$ 345,000	$ 4,645,000
2025	4,750,000	118,750	4,868,750
Total	$ 9,050,000	$ 463,750	$ 9,513,750

2015 Refunding Bonds

In March 2015, the District issued $166,100,000 of general obligation refunding bonds. The net proceeds from the issuance provided for the partial refunding of $156,925,000 of the 2002 Series C bonds.

This was an advance refunding of the 2002 Series C bonds resulting in a legal defeasance of the previously issued bonds. An Escrow Fund was established to fund continued payment of the principal and interest as it becomes due. The Escrow Agreement provided for the redemption of the partial outstanding principal of the 2002 Series C bonds on August 1, 2018. In October 2019, the District advanced refunded a portion of the outstanding balance.

As of June 30, 2023, the principal balance outstanding is $111,785,000. Unamortized premium received on the issuance of the bonds amounted to $8,505,090 as of June 30, 2023.

The general obligation refunding bonds mature through 2034 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2024	$ 1,275,000	$ 4,228,363	$ 5,503,363
2025	1,340,000	4,162,988	5,502,988
2026	1,405,000	4,094,363	5,499,363
2027	1,475,000	4,022,363	5,497,363
2028	1,550,000	3,946,738	5,496,738
2029-2033	67,570,000	17,094,344	84,664,344
2034	37,170,000	743,400	37,913,400
Total	$ 111,785,000	$ 38,292,559	$ 150,077,559

2019 Refunding Bonds

In October 2019, the District issued the $115,180,000 of general obligation refunding bonds. The net proceeds from the issuance were used to advance refund a portion of $23,690,000 of the 2011 Refunding Bonds, $30,835,000 of the 2014 Refunding Bonds, and $44,565,000 of the 2015 Refunding Bonds, and to pay the cost of the issuance associated with the refunding bonds. At June 30, 2023, the principal balance outstanding was $104,290,000.

The general obligation refunding bonds mature through 2031 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2024	$ 5,710,000	$ 2,276,815	$ 7,986,815
2025	5,780,000	2,174,833	7,954,833
2026	10,865,000	2,014,652	12,879,652
2027	11,345,000	1,786,744	13,131,744
2028	10,155,000	1,554,430	11,709,430
2029-2031	60,435,000	2,717,826	63,152,826
Total	$ 104,290,000	$ 12,525,300	$ 116,815,300

Lease Liability

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

Leases	Balance, July 01, 2022	Additions	Deductions	Balance, June 30, 2023
Building Lease # 1	$ 143,908	$ -	$ 143,908	$ -
Building Lease # 2	87,065	-	41,687	45,378
Building Lease # 3	119,914	-	34,655	85,259
Copiers Lease	99,228	412,090	99,228	412,090
Total	$ 450,115	$ 412,090	$ 319,478	$ 542,727

Building Leases

The District entered into multiple agreements to lease buildings between three years to five years, beginning between December 2020 and July 2021. The leases terminate between June 2023 and October 2025. Under the terms of the lease, the District pays a monthly base fee between $2,772 and $12,008. One lease increases 3.0% annually on the anniversary of the agreement. The second lease increases by a Cost of Living Adjustment on year two. At June 30, 2023, the District has recognized a right-to-use leased asset of $125,577, net of accumulated amortization and a lease liability of $130,637 related to this agreement. During the fiscal year, the District recorded $209,991 in amortization expense and $742 in interest expense for the right to use the office space. The District used a discount rate between 0.24% and 0.46%, based on the rates available to finance real estate.

Copiers Lease

The District entered an agreement to lease copiers for two years, beginning March 2021. Under the terms of the lease, the District paid the monthly payments of $12,504, which amounted to total principal and interest costs of $150,051. The annual interest rate charged on the lease is 2.15%. In May 2023, the District entered a new agreement to lease copiers for three years, beginning July 2023. Under the terms of the new lease, the District pays a monthly payment of $12,220, which amounts to a total principal and interest costs of $146,642. The annual interest rate charged to the lease is 4.53%. At June 30, 2023, the District has recognized a right-to-use leased asset of $412,090, net of accumulated amortization and a lease liability of $412,090 related to these agreements. During the fiscal year, the District recorded $141,191 in amortization expense and $718 in interest expense for the right to use of the copiers. The District also pays between $0.0055 and $0.05 per each copy in excess of the contracted amount, which are not included in the measurement of the lease liability as they are variable in nature.

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

Fiscal Year	Principal	Interest	Total
2024	$ 209,897	$ 15,547	$ 225,444
2025	177,257	9,386	186,643
2026	155,573	3,029	158,602
Total	$ 542,727	$ 27,962	$ 570,689

Subscriptions-Based IT Arrangements (SBITAs)

The District entered into SBITAs for the use of various software. At June 30, 2023, the District has recognized a right-to-use subscriptions IT asset of $1,445,316, net of accumulated amortization and a SBITA liability of $1,358,658 related to this agreement. During the fiscal year, the District recorded $762,614 in amortization expense. The District is required to make annual principal and interest payments between $3,761 and $230,616 through March 2027. The subscriptions have an interest rate between 0.46% and 4.33%.

The remaining principal and interest payment requirements for the SBITA obligation debt as of June 30, 2023, are as follows:

Fiscal Year	Principal	Interest	Total
2024	$ 865,157	$ 20,508	$ 885,665
2025	264,384	9,514	273,898
2026	115,102	5,179	120,281
2027	114,015	1,452	115,467
Total	$ 1,358,658	$ 36,653	$ 1,395,311

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

For the year ended June 30, 2023, the District reported an aggregate net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Aggregate Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 106,967,650	$ 18,351,253	$ 7,870,832	$ (3,225,244)
Medicare Premium Payment (MPP) Program	523,286	-	-	(157,495)
Total	$ 107,490,936	$ 18,351,253	$ 7,870,832	$ (3,382,739)

The details of each plan are as follows:

District Plan

Plan Administration

The District's governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses.

Management of the plan is vested in the District management. Management of the trustee assets is vested with the Benefit Trust Company.

Plan Membership

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

Inactive employees or beneficiaries currently receiving benefits payments	648
Active employees	321
Total	969

Ventura County Community College District Futuris Trust

The Ventura County Community College District Futuris Trust (the Trust) is an irrevocable governmental trust pursuant to Section 115 of the IRC for the purpose of funding certain postemployment benefits other than pensions. The Trust is administered by the Ventura County Community College District Retirement Board of Authority as directed by the investment alternative choice selected by the District. The District retains the responsibility to oversee the management of the Trust, including the requirement that investments and assets held within the Trust continually adhere to the requirements of the California Government Code Section 53600.5 which specifies that the trustee's primary role is to preserve capital, to maintain investment liquidity, and to protect investment yield.

As such, the District acts as the fiduciary of the Trust. The financial activity of the Trust has been discretely presented. Separate financial statements are not prepared for the Trust.

Benefits Provided

The Plan provides medical, dental, and vision insurance benefits to eligible retirees and their dependents.

Contributions

The benefit payment requirements of the Plan members and the District are established and may be amended by the District, the bargaining units, and unrepresented groups. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District. For the measurement period of June 30, 2022, the District contributed $7,522,989 to the plan, all of which was used for current premiums.

Investment

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the governing board by a majority vote of its members. It is the policy of the District to pursue an investment strategy that reduces risks through the prudent diversification for the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, expect for liquidity purposes, and aims to refrain from dramatically shifting asset class allocation over short time spans. The following was the governing board's adopted asset allocation policy as of June 30, 2022:

Asset Class	Target Allocation
Fixed Income	39%
Domestic Equities	30%
International Equities	26%
Real Estate Investment Trusts	5%

Rate of Return

For the year ended June 30, 2022, the annual money-weighed rate of return on investments, net of investment expense, was (19.28%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the District

The District's net OPEB liability of $106,967,650 was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The components of the net OPEB liability of the District at June 30, 2022, were as follows:

Total OPEB liability	$ 130,289,699
Plan fiduciary net position	(23,322,049)
Net OPEB liability	$ 106,967,650
Plan fiduciary net position as a percentage of the total OPEB liability	17.90%

Actuarial Assumptions

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

Inflation	2.50%
Salary increases	2.75%
Investment rate of return	6.10%
Healthcare cost trend rates	4.00%

The discount rate was based on the assumed long-term return on employer assets.

Mortality rates were based on the 2020 CalSTRS Mortality Table for certificated employees and the 2021 CalPERS Active Mortality for Miscellaneous Employees Table for classified employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

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

The long-term expected rate of return on OPEB 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 investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2022, (see the discussion of the Plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Fixed Income	4.3%
Domestic Equities	7.3%
International Equities	7.3%
Real Estate Investment Trusts	7.3%

Discount Rate

The discount rate used to measure the total OPEB liability was 6.10%. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease) Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance, June 30, 2021	$ 137,599,608	$ 28,973,023	$ 108,626,585
Service cost	1,183,083	-	1,183,083
Interest	8,157,064	-	8,157,064
Difference between expected and actual experience	(10,428,336)	-	(10,428,336)
Contributions - employer	-	7,522,989	(7,522,989)
Expected investment income	-	(5,545,915)	5,545,915
Changes of assumptions	1,301,269	-	1,301,269
Benefit payments	(7,522,989)	(7,522,989)	-
Administrative expense	-	(105,059)	105,059
Net change in total OPEB liability	(7,309,909)	(5,650,974)	(1,658,935)
Balance, June 30, 2022	$ 130,289,699	$ 23,322,049	$ 106,967,650

There were no changes in benefit terms since the previous evaluation. The mortality, termination, and retirement assumptions for classified participants were updated to reflect the CalPERS 2021 experience study since the previous valuation.

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

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

Discount Rate	Net OPEB Liability
1% decrease (5.10%)	$ 119,372,205
Current discount rate (6.10%)	106,967,650
1% increase (7.10%)	96,319,651

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

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

Healthcare Cost Trend Rate	Net OPEB Liability
1% decrease (3.00%)	$ 95,451,934
Current healthcare cost trend rate (4.00%)	106,967,650
1% increase (5.00%)	120,339,725

Deferred Outflows/Inflows of Resources Related to OPEB

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB for the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 9,874,684	$ -
Differences between expected and actual experience	431,758	7,870,832
Changes of assumptions	3,187,248	-
Net difference between projected and actual earnings on OPEB plan investments	4,857,563	-
Total	$ 18,351,253	$ 7,870,832

The deferred outflows of resources related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the subsequent fiscal year.

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ 1,107,172
2025	1,020,013
2026	892,339
2027	1,838,039
Total	$ 4,857,563

The deferred outflows/(inflows) of resources related to differences between expected and actual experience in the measurement of the total OPEB liability and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits as of the beginning of the measurement period. The EARSL for the measurement period is 2.9 years and will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ (1,805,526)
2025	(2,446,300)
Total	$ (4,251,826)

Medicare Premium Payment (MPP) Program

Plan Description

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

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2021 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

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

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

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

Net OPEB Liability and OPEB Expense

At June 30, 2023, the District reported a liability of $523,286 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating entities, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2022 and June 30, 2021, was 0.1589% and 0.1707%, respectively, resulting in a net decrease in the proportionate share of 0.0118%.

For the year ended June 30, 2023, the District recognized OPEB expense of $(157,495).

Actuarial Methods and Assumptions

The June 30, 2022 total OPEB liability was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total OPEB liability to June 30, 2022, using the assumptions listed in the following table:

Measurement Date	June 30, 2022	June 30, 2021
Valuation Date	June 30, 2021	June 30, 2020
Experience Study	July 1, 2015 through June 30, 2018	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.54%	2.16%
Medicare Part A Premium Cost Trend Rate	4.50%	4.50%
Medicare Part B Premium Cost Trend Rate	5.40%	5.40%

For the valuation as of June 30, 2021, 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 members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP 2019) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 209 or an average of 0.14% of the potentially eligible population (145,282).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2022, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2022, is 3.54%. As the MPP Program is funded on a pay-as-you-go basis as previously noted, the OPEB Plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 3.54%, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2022, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate increased 1.38% from 2.16% as of June 30, 2021.

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

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

Discount Rate	Net OPEB Liability
1% decrease (2.54%)	$ 570,482
Current discount rate (3.54%)	523,286
1% increase (4.54%)	482,420

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

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

Medicare Costs Trend Rates	Net OPEB Liability
1% decrease (3.50% Part A and 4.40% Part B)	$ 480,134
Current Medicare costs trend rates (4.50% Part A and 5.40% Part B)	523,286
1% increase (5.50% Part A and 6.40% Part B)	572,201

Note 10 - Risk Management

Property and Liability Insurance Coverages

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance for property with coverages of $250,000,000, subject to various policy limits. The District also purchases commercial insurance for general liability claims with coverage up to $25,000,000 per occurrence, all subject to various deductibles.

Joint Powers Authority Risk Pools

During fiscal year ended June 30, 2023, the District contracted with the Statewide Association of Community Colleges Joint Powers Authority (JPA) for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

The District is a member of Protected Insurance Program for Schools and Community Colleges (PIPS), a finite risk-sharing program for workers' compensation coverage. PIPS was created to provide an alternative for workers' compensation coverage normally provided utilizing traditional self-insurance, guarantee cost, deductible or other available programs. Each year the PIPS Board of Directors reviews and approves the subsequent program year structure which can consist of purchased or retained layers of excess coverage.

Note 11 - Employee Retirement Systems

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

For the fiscal year ended June 30, 2023, the District reported its proportionate share of the aggregate net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Aggregate Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 73,548,910	$ 22,849,581	$ 17,154,574	$ 5,182,358
CalPERS	99,998,692	36,566,934	3,053,501	13,923,353
Total	$ 173,547,602	$ 59,416,515	$ 20,208,075	$ 19,105,711

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2021, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

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

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

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

The STRP Defined Benefit Plans provisions and benefits in effect at June 30, 2023, are summarized as follows:

Hire date	On or before December 31, 2012	On or after January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	19.10%	19.10%
Required State contribution rate	10.828%	10.828%

Contributions

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and are detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with California Assembly Bill 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2023, are presented above, and the District's total contributions were $11,778,630.

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

At June 30, 2023, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including State share:

District's proportionate share of net pension liability	$ 73,548,910
State's proportionate share of net pension liability associated with the District	36,833,006
Total	$ 110,381,916

The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2022 and 2021, was 0.1058% and 0.1135%, respectively, resulting in a net decrease in the proportionate share of 0.0077%.

For the year ended June 30, 2023, the District recognized pension expense of $5,182,358. In addition, the District recognized pension expense and revenue of $2,970,558 for support provided by the State. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 11,778,630	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	7,363,127	8,043,257
Differences between projected and actual earnings on pension plan investments	-	3,596,684
Differences between expected and actual experience in the measurement of the total pension liability	60,333	5,514,633
Changes of assumptions	3,647,491	-
Total	$ 22,849,581	$ 17,154,574

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ (2,642,031)
2025	(2,862,194)
2026	(4,299,597)
2027	6,207,138
Total	$ (3,596,684)

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ 1,527,370
2025	(1,518,992)
2026	(706,124)
2027	(356,784)
2028	(234,667)
Thereafter	(1,197,742)
Total	$ (2,486,939)

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Experience study	July 1, 2015 through June 30, 2018
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2022, are summarized in the following table:

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

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 124,913,328
Current discount rate (7.10%)	73,548,910
1% increase (8.10%)	30,901,000

California Public Employees' Retirement System (CalPERS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2021, annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/forms-publications.

Benefits Provided

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

The CalPERS School Employer Pool provisions and benefits in effect at June 30, 2023, are summarized as follows:

Hire date	On or before December 31, 2012	On or after January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	8.00%
Required employer contribution rate	25.37%	25.37%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2023, are presented above, and the total District contributions were $12,689,597.

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

As of June 30, 2023, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $99,998,692. The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2022 and 2021 was 0.2906% and 0.2863%, respectively, resulting in a net increase in the proportionate share of 0.0043%.

For the year ended June 30, 2023, the District recognized pension expense of $13,923,353. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 12,689,597	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	4,220,941	565,405
Differences between projected and actual earnings on pension plan investments	11,807,125	-
Differences between expected and actual experience in the measurement of the total pension liability	451,936	2,488,096
Changes of assumptions	7,397,335	-
Total	$ 36,566,934	$ 3,053,501

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ 1,969,053
2025	1,746,414
2026	892,089
2027	7,199,569
Total	$ 11,807,125

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.9 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ 3,508,605
2025	3,583,414
2026	1,972,315
2027	(47,623)
Total	$ 9,016,711

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	6.90%
Investment rate of return	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity - cap-weighted	30%	4.45%
Global equity - non-cap-weighted	12%	3.84%
Private equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed securities	5%	0.50%
Investment grade corporates	10%	1.56%
High yield	5%	2.27%
Emerging market debt	5%	2.48%
Private debt	5%	3.57%
Real assets	15%	3.21%
Leverage	(5%)	(0.59%)

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on the School Employer Pool investments was applied to all periods of projected benefit payments to determine total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (5.90%)	$ 144,453,174
Current discount rate (6.90%)	99,998,692
1% increase (7.90%)	63,258,696

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of $5,908,780 (10.828% of annual payroll). Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Deferred Compensation

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all permanent District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or an unforeseeable emergency.

Note 12 - Participation in Public Entity Risk Pools and Joint Powers Authorities

The District is a member of the Statewide Association of Community Colleges Joint Powers Authority (JPA). The District pays annual premiums for its property liability health and worker's compensation coverage. The relationship between the District and the JPA is such that it is not a component unit of the District for financial reporting purposes.

The JPA has budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, transactions between the JPA and the District are included in these statements. Audited financial statements are available from the entity.

The District's share of year-end assets, liabilities, or fund equity has not been calculated.

Note 13 - Commitments and Contingencies

Grants

The District receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2023.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2023.

Construction Commitments

As of June 30, 2023, the District had approximately $5 million in commitments with respect to unfinished capital projects. The projects are funded through a combination of state general obligation bonds, capital project apportionments from the California State Chancellor's Office, and designated resources.

Note 14 - Adoption of New Accounting Standard

As of July 1, 2022, the District adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). The implementation of this standard establishes that a SBITA results in a right-to-use subscription IT asset – an intangible asset – and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. As a result of the adoption of the new standard, the opening balances of certain assets and liabilities were restated as follows:

Primary Government	
Net Position - Beginning	$ 187,982,076
Right-to-use subscription IT assets, net of amortization	1,923,171
Subscription-based IT arrangements	(1,923,171)
Net Position - Beginning	$ 187,982,076

	2023	2022	2021
Total OPEB Liability			
Service cost	$ 1,183,083	$ 1,089,307	$ 708,958
Interest	8,157,064	8,249,018	12,624,140
Changes of benefit terms	-	-	(46,560,847)
Difference between expected and actual experience	(10,428,336)	1,096,002	(11,423,241)
Changes of assumptions	1,301,269	3,152,665	12,020,107
Benefit payments	(7,522,989)	(9,601,063)	(19,623,331)
Net change in total OPEB liability	(7,309,909)	3,985,929	(52,254,214)
Total OPEB Liability - Beginning	137,599,608	133,613,679	185,867,893
Total OPEB Liability - Ending (a)	$ 130,289,699	$ 137,599,608	$ 133,613,679
Plan Fiduciary Net Position			
Contributions - employer	$ 7,522,989	$ 9,601,063	$ 19,623,331
Net investment income	(5,545,915)	6,179,025	1,542,021
Differences between projected and actual earnings on OPEB plan investments	-	-	(638,402)
Benefit payments	(7,522,989)	(9,601,063)	(19,623,331)
Administrative expense	(105,059)	(96,866)	(83,280)
Net change in plan fiduciary net position	(5,650,974)	6,082,159	820,339
Plan Fiduciary Net Position - Beginning	28,973,023	22,890,864	22,070,525
Plan Fiduciary Net Position - Ending (b)	$ 23,322,049	$ 28,973,023	$ 22,890,864
Net OPEB Liability - Ending (a) - (b)	$ 106,967,650	$ 108,626,585	$ 110,722,815
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	17.90%	21.06%	17.13%
Covered Employee Payroll	$ 111,113,998	$ 104,540,422	$ 97,688,939
Net OPEB Liability as a Percentage of Covered Employee Payroll	96.3%	103.9%	113.3%
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020

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

	2020	2019	2018
Total OPEB Liability			
Service cost	$ 1,245,119	$ 3,732,753	$ 3,218,645
Interest	13,421,916	13,255,928	13,098,526
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(10,603,227)	-	-
Changes of assumptions	-	-	-
Benefit payments	(15,477,561)	(14,422,111)	(14,261,582)
Net change in total OPEB liability	(11,413,753)	2,566,570	2,055,589
Total OPEB Liability - Beginning	197,281,646	194,715,076	192,659,487
Total OPEB Liability - Ending (a)	$ 185,867,893	$ 197,281,646	$ 194,715,076
Plan Fiduciary Net Position			
Contributions - employer	$ 15,477,561	$ 14,422,111	$ 14,261,582
Net investment income	1,039,170	1,444,217	2,231,639
Differences between projected and actual earnings on OPEB plan investments	-	-	-
Benefit payments	(15,477,561)	(14,422,111)	(14,261,582)
Administrative expense	(79,174)	(77,858)	(69,992)
Net change in plan fiduciary net position	959,996	1,366,359	2,161,647
Plan Fiduciary Net Position - Beginning	21,110,529	19,744,170	17,582,523
Plan Fiduciary Net Position - Ending (b)	$ 22,070,525	$ 21,110,529	$ 19,744,170
Net OPEB Liability - Ending (a) - (b)	$ 163,797,368	$ 176,171,117	$ 174,970,906
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	11.87%	10.70%	10.14%
Covered Employee Payroll	$ 94,979,554	$ 93,064,740	$ 90,330,722
Net OPEB Liability as a Percentage of Covered Employee Payroll	172.5%	189.3%	193.7%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017

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

	2023	2022	2021	2020	2019	2018
Annual money-weighted rate of return, net of investment expense	(19.28%)	26.43%	3.78%	4.93%	7.33%	12.33%
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

Year ended June 30,	2023	2022	2021
Proportion of the net OPEB liability	0.1589%	0.1707%	0.1746%
Proportionate share of the net OPEB liability	$ 523,286	$ 680,781	$ 739,896
Covered payroll	N/A[1]	N/A[1]	N/A[1]
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A[1]	N/A[1]	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	(0.94%)	(0.80%)	(0.71%)
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020

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

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

Year ended June 30,	2020	2019	2018
Proportion of the net OPEB liability	0.1800%	0.1786%	0.1918%
Proportionate share of the net OPEB liability	$ 670,408	$ 683,567	$ 806,761
Covered payroll	N/A[1]	N/A[1]	N/A[1]
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A[1]	N/A[1]	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	(0.81%)	(0.40%)	0.01%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017

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

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

	2023	2022	2021	2020	2019
CalSTRS					
Proportion of the net pension liability	0.1058%	0.1135%	0.1002%	0.1018%	0.1031%
Proportionate share of the net pension liability	$ 73,548,910	$ 51,673,123	$ 97,101,785	$ 91,910,890	$ 94,786,559
State's proportionate share of the net pension liability associated with the District	36,833,006	25,999,912	50,055,982	50,143,526	54,269,738
Total	$ 110,381,916	$ 77,673,035	$ 147,157,767	$ 142,054,416	$ 149,056,297
Covered payroll	$ 66,520,384	$ 63,452,693	$ 59,700,140	$ 58,583,673	$ 57,709,051
Proportionate share of the net pension liability as a percentage of its covered payroll	110.57%	81.44%	162.65%	156.89%	164.25%
Plan fiduciary net position as a percentage of the total pension liability	81%	87%	72%	73%	71%
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
CalPERS					
Proportion of the net pension liability	0.2906%	0.2863%	0.2636%	0.2625%	0.2679%
Proportionate share of the net pension liability	$ 99,998,692	$ 58,207,982	$ 80,873,056	$ 76,512,273	$ 71,434,970
Covered payroll	$ 44,593,614	$ 41,087,729	$ 37,988,799	$ 36,395,881	$ 35,355,689
Proportionate share of the net pension liability as a percentage of its covered payroll	224.24%	141.67%	212.89%	210.22%	202.05%
Plan fiduciary net position as a percentage of the total pension liability	70%	81%	70%	70%	71%
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018

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

	2018	2017	2016	2015
CalSTRS				
Proportion of the net pension liability	0.1102%	0.1106%	0.1156%	0.1049%
Proportionate share of the net pension liability	$ 101,906,025	$ 89,414,449	$ 77,813,038	$ 61,304,866
State's proportionate share of the net pension liability associated with the District	60,286,743	50,902,051	41,154,519	37,018,525
Total	$ 162,192,768	$ 140,316,500	$ 118,967,557	$ 98,323,391
Covered payroll	$ 56,814,197	$ 54,828,500	$ 51,527,128	$ 49,030,897
Proportionate share of the net pension liability as a percentage of its covered payroll	179.37%	163.08%	151.01%	125.03%
Plan fiduciary net position as a percentage of the total pension liability	69%	70%	74%	77%
Measurement Date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS				
Proportion of the net pension liability	0.2629%	0.2512%	0.2578%	0.2626%
Proportionate share of the net pension liability	$ 62,756,074	$ 49,621,633	$ 38,000,018	$ 29,810,138
Covered payroll	$ 33,516,525	$ 30,093,070	$ 28,604,180	$ 27,545,954
Proportionate share of the net pension liability as a percentage of its covered payroll	187.24%	164.89%	132.85%	108.22%
Plan fiduciary net position as a percentage of the total pension liability	72%	74%	79%	83%
Measurement Date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

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

	2023	2022	2021	2020	2019
CalSTRS					
Contractually required contribution	$ 11,778,630	$ 11,255,249	$ 10,247,610	$ 10,208,724	$ 9,537,422
Contributions in relation to the contractually required contribution	(11,778,630)	(11,255,249)	(10,247,610)	(10,208,724)	(9,537,422)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 61,668,220	$ 66,520,384	$ 63,452,693	$ 59,700,140	$ 58,583,673
Contributions as a percentage of covered payroll	19.10%	16.92%	16.15%	17.10%	16.28%
CalPERS					
Contractually required contribution	$ 12,689,597	$ 10,216,397	$ 8,505,160	$ 7,491,771	$ 6,573,824
Contributions in relation to the contractually required contribution	(12,689,597)	(10,216,397)	(8,505,160)	(7,491,771)	(6,573,824)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 50,018,120	$ 44,593,614	$ 41,087,729	$ 37,988,799	$ 36,395,881
Contributions as a percentage of covered payroll	25.370%	22.910%	20.700%	19.721%	18.062%

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

	2018	2017	2016	2015
CalSTRS				
Contractually required contribution	$ 8,327,416	$ 7,147,226	$ 5,883,098	$ 4,575,609
Contributions in relation to the contractually required contribution	(8,327,416)	(7,147,226)	(5,883,098)	(4,575,609)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 57,709,051	$ 56,814,197	$ 54,828,500	$ 51,527,128
Contributions as a percentage of covered payroll	14.43%	12.58%	10.73%	8.88%
CalPERS				
Contractually required contribution	$ 5,491,092	$ 4,654,775	$ 3,565,126	$ 3,366,998
Contributions in relation to the contractually required contribution	(5,491,092)	(4,654,775)	(3,565,126)	(3,366,998)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 35,355,689	$ 33,516,525	$ 30,093,070	$ 28,604,180
Contributions as a percentage of covered payroll	15.531%	13.888%	11.847%	11.771%

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

Note 1 - Purpose of Schedules

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

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

- *Changes in Benefit Terms* - There were no changes in benefit terms since the previous valuation.
- *Changes of Assumptions* – The mortality, termination, and retirement assumptions for classified participants were updated to reflect the CalPERS 2021 experience study since the previous valuation.

Schedule of OPEB Investment Returns

This schedule presents information on the annual money-weighted rate of return on OPEB plan investments. In future years, as data becomes available, ten years of information will be presented.

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

This schedule presents information on the District's proportionate share of the net OPEB Liability – MPP Program and the plans' fiduciary net position. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – The plan rate of investment return assumption was changed from 2.16% to 3.54% since the previous valuation.

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

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

- *Changes in Benefit Terms* – There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.
- *Changes of Assumptions* – There were no changes in economic assumptions for the CalSTRS plan from the previous valuation. The CalPERS plan rate of investment return assumption was changed from 7.15% to 6.90% since the previous valuation.

Schedule of District Contributions for Pensions

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

The Ventura County Community College District was established in 1962 and is comprised of an area of approximately 882 square miles located in Ventura County. There were no changes in the boundaries of the District during the current year. The District's colleges are accredited by the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges, which is one of six regional associations that accredit public and private schools, colleges, and universities in the United States.

Board of Trustees as of June 30, 2023

Member	Office	Term Expires
Mr. Bernardo M. Perez	Chair	December 2024
Ms. Gabriela Torres	Vice Chair	December 2026
Mr. Stan Mantooth	Trustee	December 2024
Mr. Joshua Chancer	Trustee	December 2026
Mr. Lou Lichtl	Trustee	December 2026

Administration as of June 30, 2023

Dr. Rick MacLennan	Chancellor
Dr. David El Fattal	Vice Chancellor, Business and Administrative Services
Dr. Cynthia Herrera	Vice Chancellor, Institutional Effectiveness
Ms. Laura L. Barroso	Vice Chancellor, Human Resources
Mr. Dan Watkins	Associate Vice Chancellor, Information Technology

Auxiliary Organizations in Good Standing

Moorpark College Foundation, established May 27, 1980
Master Agreement entered into October 1, 2006
Deborah Klein, Chief Development Officer

Oxnard College Foundation, established January 7, 1983
Master Agreement entered into August 28, 2006
Peter Parker, Executive Director

Ventura College Foundation, established January 7, 1983
Master Agreement entered into July 1, 2013
Anne Paul King, Executive Director

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amounts Passed through to Subrecipients
U.S. Department of Education				
Title III, Project Acabado	84.031C		$ 295,665	$ -
Title III, SAIL in STEM	84.031C		658,471	-
Title III, Guided Pathway to STEM	84.031C		799,274	-
Title V, Proyecto Puentes	84.031S		66,908	3,490
Title V, Project Accesso Y Progreso	84.031S		532,822	-
Title V, Project Impacto	84.031S		413,458	-
Title V, Proyecto Exito	84.031S		616,439	-
Passed through California Lutheran University				
Title V, Project CHESS	84.031S	CHESS	327,309	-
Subtotal			3,710,346	3,490
TRIO Cluster				
TRIO - Upward Bound	84.047A		437,056	-
TRIO - Student Support Services	84.042A		348,046	-
Subtotal TRIO Cluster			785,102	-
Title IV, CCAMPIS Project	84.335A		166,007	-
Work to Learn	84.116Z		40,838	-
Student Financial Assistance Cluster				
Federal Pell Grant Program	84.063		37,402,482	-
Student Financial Aid Administrative Costs	84.063		146,377	-
Federal Direct Student Loans	84.268		2,308,303	-
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		668,935	-
Federal Work-Study Program	84.033		491,579	-
Subtotal Student Financial Assistance Cluster			41,017,676	-
COVID-19: Higher Education Emergency Relief Funds, Student Aid Portion	84.425E		3,427,096	-
COVID-19: Higher Education Emergency Relief Funds, Minority Serving Institutions	84.425L		4,048,207	-
COVID-19: Higher Education Emergency Relief Funds, Institutional Portion	84.425F		9,396,936	-
Subtotal			16,872,239	-
Passed through California Community Colleges Chancellor's Office				
Career and Technical Education Act (CTEA), Title I, Part C	84.048A	22-C01-680	1,123,317	-
Total U.S. Department of Education			63,715,525	3,490
U.S. Department of Labor				
Veteran's Employment and Training Services	17.804		2,566	-
Total U.S. Department of Labor			2,566	-

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amounts Passed through to Subrecipients
Research and Development Cluster				
National Science Foundation				
Passed through Allan Hancock Joint Community College District				
Louis Stokes Alliance for Minority Participation	47.076	NSFC6-07	$ 78,107	$ -
Subtotal Research and Development Cluster			78,107	-
U.S. Department of Agriculture				
Passed through University Corporation				
Pipeline for Diverse Nutrition	10.217	A22-0024-S001	159	-
Total U.S. Department of Agriculture			159	-
U.S. Department of Defense				
Passed through the Office of Naval Research				
Developing College to Career Pathways for Engineering Technicians	12.300	4720008396	163,723	-
Total U.S. Department of Defense			163,723	-
U.S. Department of Health and Human Services				
Passed through California Community Colleges Chancellor's Office				
Temporary Assistance for Needy Families (TANF)	93.558	[1]	150,519	-
Foster and Kinship Care Education	93.658	[1]	94,378	-
Child Care and Development Fund (CCDF) Cluster				
Passed through Yosemite Community College District				
Child Development Training Consortium	93.575	22-23 609571MC	19,941	-
Passed through Chabot-Las Positas Community College District				
CA Early Childhood Mentor Program - Chabot	93.575	CN21-7015	2,068	-
Subtotal CCDF Cluster			22,009	-
Total U.S. Department of Health and Human Services			266,906	-
Total Federal Financial Assistance			$ 64,226,986	$ 3,490

[1] Pass-Through Entity Identifying Number not available.

Program	Program Revenues: Cash Received	Accounts Receivable	Unearned Revenue	Accounts Payable	Total Revenue	Program Expenditures
AB19 CA College Promise Program 21-22	$ 434,630	$ -	$ 206,319	$ -	$ 228,311	$ 228,311
AB19 CA College Promise Program 22-23	3,222,122	-	543,098	-	2,679,024	2,679,024
Basic Needs Center 21-22	604,958	-	232,693	-	372,265	372,265
Basic Needs Center 22-23	974,922	-	862,134	-	112,788	112,788
Basic Needs Service Support FY22	723,533	-	467,496	-	256,037	256,037
Basic Needs Service Support FY23	747,701	-	731,068	-	16,633	16,633
BFAP-SFAA 21-22	146,450	-	-	-	146,450	146,450
BFAP-SFAA 22-23	1,472,781	-	161,522	-	1,311,259	1,311,259
CA Apprenticeship Initiative FY19	-	18,566	-	-	18,566	18,566
CA Apprenticeship Initiative FY20	-	9,988	-	-	9,988	9,988
CA Chafee (Fund 7491-7493)	5,000	-	5,000	-	-	-
Cal Grant A (Fund 7434-7436)	195,750	-	-	-	195,750	195,750
Cal Grant B (Fund 7431-7433)	6,680,843	25,226	-	2,472	6,703,597	6,703,597
Cal Grant C (Fund 7441-7443)	10,641	-	-	-	10,641	10,641
CalFresh Outreach FY21	17,392	-	-	-	17,392	17,392
CalWORKs 20-21	86,452	-	-	-	86,452	86,452
CalWORKs 21-22	194,287	-	110,418	-	83,869	83,869
CalWORKs 22-23	913,841	-	314,644	-	599,197	599,197
Classified Professional Development	68,379	-	51,042	-	17,337	17,337
College & Career Access Pathways	32,941	-	28,479	-	4,462	4,462
Cooperative Agency Resource Education (CARE) 21-22	117,458	-	-	-	117,458	117,458
Cooperative Agency Resource Education (CARE) 22-23	752,822	-	355,833	-	396,989	396,989
COVID 19 Recovery Block Grant	14,745,177	-	14,246,353	-	498,824	498,824
Culturally Competent Faculty Prof Dev FY21-22	151,305	-	112,875	-	38,430	38,430
Disabled Students Programs and Services (DSPS) 21-22	796,877	-	-	-	796,877	796,877
Disabled Students Programs and Services (DSPS) 22-23	4,356,565	-	1,679,824	-	2,676,741	2,676,741
Disaster Relief Emergency Student Fin Aid	750	-	750	-	-	-
Dreamer Resource 20-21	44,334	-	7,502	-	36,832	36,832
Dreamer Resource 21-22	280,603	-	199,005	-	81,598	81,598
Dreamer Resource 22-23	282,853	-	202,708	-	80,145	80,145
EEO (Equal Employment Opportunity) FY21-22	208,333	-	208,333	-	-	-
EEO (Equal Employment Opportunity) FY22-23	138,888	-	119,828	-	19,060	19,060
Emergency Financial Aid Assistant Suppl (74954-74956)	445,334	-	445,334	-	-	-
Extended Opportunity Prog and Svc (EOPS) 21-22	430,690	-	-	-	430,690	430,690
Extended Opportunity Prog and Svc (EOPS) 22-23	3,792,035	-	940,632	-	2,851,403	2,851,403

Program	Program Revenues: Cash Received	Accounts Receivable	Unearned Revenue	Accounts Payable	Total Revenue	Program Expenditures
Financial Aid Technology 20-21	$ 6,411	$ -	$ -	$ -	$ 6,411	$ 6,411
Financial Aid Technology 21-22	81,163	-	-	-	81,163	81,163
Financial Aid Technology 22-23	105,416	-	43,526	-	61,890	61,890
Foster Kinship Care Education 21-22	9,671	-	-	-	9,671	9,671
Foster Kinship Care Education 22-23	184,976	-	21,214	-	163,762	163,762
Foster Kinship Care Education FY17-18	2	-	-	-	2	2
Guided Pathways Grant 17-18	6,084	-	-	-	6,084	6,084
Guided Pathways Grant 18-19	58,190	-	-	-	58,190	58,190
Guided Pathways Grant 19-20	173,447	-	24,147	-	149,300	149,300
Guided Pathways Grant 20-21	104,802	-	-	-	104,802	104,802
Guided Pathways Grant 21-22	105,623	-	41,464	-	64,159	64,159
Guided Pathways Grant 22-23	1,100,993	-	1,035,800	-	65,193	65,193
Hunger Free Campus 17-18	920	-	-	-	920	920
Hunger Free Campus 18-19	3,414	-	-	-	3,414	3,414
Hunger Free Campus 19-20	185	-	-	-	185	185
IELM - 18-19 (c/o)	36,639	-	-	-	36,639	36,639
IELM - 19-20 (c/o)	126,150	-	-	-	126,150	126,150
IELM - 21-22 (c/o)	3,235,762	-	2,979,835	-	255,927	255,927
IELM - 22-23 (c/o)	1,500,000	-	1,500,000	-	-	-
IEPI	200,000	-	200,000	-	-	-
IEPI	119,494	-	-	-	119,494	119,494
IT & Data Security	462,000	-	462,000	-	-	-
LAEP (Learning-Aligned Employment Prog) FY22-23	6,249,808	-	6,247,437	-	2,371	2,371
LGBTQ FY22	223,790	-	206,626	-	17,164	17,164
Library Services Platform 21-22	27,006	-	27,006	-	-	-
Mental Health Support 21-22	654,902	-	214,803	-	440,099	440,099
Mental Health Support 22-23	721,784	-	643,981	-	77,803	77,803
Mental Health Support Grant FY20	103,838	-	-	78,481	25,357	25,357
MESA (Math, Engin,Sci Achiev) 21-22	249,128	-	94,906	-	154,222	154,222
MESA (Math, Engin,Sci Achiev) 22-23	280,000	-	265,356	-	14,644	14,644
NextUp	1,756,560	-	1,756,560	-	-	-
Nursing Program Support Grant 22-23	390,493	-	-	2,534	387,959	387,959
Prior Year Categorial (DSPS)	187,417	-	187,417	-	-	-
Regional Collaboration & Coordination (Perk 1B Leadership) FY22	150,377	64,447	-	-	214,824	214,824
Regional Collaboration & Coordination grant FY23	303,230	-	197,339	-	105,891	105,891

Program	Program Revenues: Cash Received	Accounts Receivable	Unearned Revenue	Accounts Payable	Total Revenue	Program Expenditures
RERP (Regional Equity & Recovery Partnership) FY23	$ 94,317	$ -	$ 94,317	$ -	$ -	$ -
Restriced Lottery	2,297,079	288,843	-	-	2,585,922	1,415,161
Rising Scholars Network	57,375	-	11,920	-	45,455	45,455
SCCRC Executive Director Supplemental Operating Funds	-	5,427	-	-	5,427	5,427
Staff Diversity 19-20	5,403	-	-	-	5,403	5,403
Staff Diversity 20-21	50,000	-	-	-	50,000	50,000
Staff Diversity 21-22	50,000	-	10,286	-	39,714	39,714
Strong Workforce Program Local FY21	963,825	-	-	29	963,796	963,796
Strong Workforce Program Local FY22	3,458,063	616	1,193,570	-	2,265,109	2,265,109
Strong Workforce Program Local FY23	3,953,524	-	3,735,001	-	218,523	218,523
Student Equity and Achievement 21-22	4,652,894	-	-	-	4,652,894	4,652,894
Student Equity and Achievement 22-23	10,460,614	-	5,175,278	-	5,285,336	5,285,336
Student Retention Enrollment Outreach FY21	191,947	-	138,416	-	53,531	53,531
Student Retention Enrollment Outreach FY22	1,919,757	-	490,234	-	1,429,523	1,429,523
Student Retention Enrollment Outreach FY23	3,168,414	-	3,040,233	-	128,181	128,181
Student Success Completion Grant FY22	829,912	-	-	-	829,912	829,912
Student Success Completion Grant FY23	10,904,148	-	1,057,100	-	9,847,048	9,847,048
SWP Regional w/SCCRC 19-20	2,000	-	-	-	2,000	2,000
SWP Regional w/SCCRC 20-21	718,727	227,135	-	-	945,862	945,862
SWP Regional w/SCCRC 21-22	2,413,382	-	1,109,585	-	1,303,797	1,303,797
SWP Regional w/SCCRC 22-23	-	1,774,272	1,769,048	-	5,224	5,224
Tech Asst Prvdr COE Labor Mkt Rsrch FY22	49,633	214,366	-	-	263,999	263,999
Veteran Resource Center 19-20	6	-	-	-	6	6
Veteran Resource Center 20-21	48,683	-	-	-	48,683	48,683
Veteran Resource Center 21-22	161,996	-	96,742	-	65,254	65,254
Veteran Resource Center 22-23	234,311	-	227,976	-	6,335	6,335
Veterans Resource Center Grant FY21	87,350	-	-	3,158	84,192	84,192
Zero-Textbook Cost Prog (ZTC Phase 1 Planning)	60,000	-	40,000	-	20,000	20,000
Total state programs	$ 108,829,682	$ 2,628,886	$ 56,572,013	$ 86,674	$ 54,799,881	$ 53,629,120

CATEGORIES	**Revised Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2022 only)			
1. Noncredit*	0.65	-	0.65
2. Credit	1,981.35	-	1,981.35
B. Summer Intersession (Summer 2023 - Prior to July 1, 2023)			
1. Noncredit*	0.83	-	0.83
2. Credit	736.37	-	736.37
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	8,166.79	-	8,166.79
(b) Daily Census Contact Hours	438.83	-	438.83
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit*	228.03	-	228.03
(b) Credit	214.95	-	214.95
3. Alternative Attendance Accounting Procedure			
(a) Weekly Census Procedure Courses	4,248.21	-	4,248.21
(b) Daily Census Procedure Courses	5,758.94	-	5,758.94
(c) Noncredit Independent Study/Distance Education Courses	57.98	-	57.98
D. Total FTES	21,832.93	-	21,832.93
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. In-Service Training Courses (FTES)	16.30	-	16.30
F. Basic Skills Courses and Immigrant Education			
1. Noncredit*	79.29	-	79.29
2. Credit	83.70	-	83.70
CCFS-320 Addendum			
CDCP Noncredit FTES	100.33	-	100.33

*Including Career Development and College Preparation (CDCP) FTES.
**Annual report revised as of August 29, 2023.

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110 Reported Data	Audit Adjustments	Revised Data	ECS 84362 B Total CEE AC 0100 - 6799 Reported Data	Audit Adjustments	Revised Data
Academic Salaries							
Instructional Salaries							
Contract or Regular	1100	$ 32,540,926	$ -	$ 32,540,926	$ 35,644,833	$ -	$ 35,644,833
Other	1300	30,346,417	-	30,346,417	30,820,062	-	30,820,062
Total Instructional Salaries		62,887,343	-	62,887,343	66,464,895	-	66,464,895
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	11,541,600	-	11,541,600
Other	1400	-	-	-	1,123,831	-	1,123,831
Total Noninstructional Salaries		-	-	-	12,665,431	-	12,665,431
Total Academic Salaries		62,887,343	-	62,887,343	79,130,326	-	79,130,326
Classified Salaries							
Noninstructional Salaries							
Regular Status	2100	-	-	-	32,580,275	-	32,580,275
Other	2300	-	-	-	2,441,165	-	2,441,165
Total Noninstructional Salaries		-	-	-	35,021,440	-	35,021,440
Instructional Aides							
Regular Status	2200	2,381,946	-	2,381,946	2,473,301	-	2,473,301
Other	2400	445,226	-	445,226	446,987	-	446,987
Total Instructional Aides		2,827,172	-	2,827,172	2,920,288	-	2,920,288
Total Classified Salaries		2,827,172	-	2,827,172	37,941,728	-	37,941,728
Employee Benefits	3000	24,685,863	-	24,685,863	48,959,729	-	48,959,729
Supplies and Material	4000	-	-	-	3,252,838	-	3,252,838
Other Operating Expenses	5000	-	-	-	17,696,049	-	17,696,049
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures Prior to Exclusions		90,400,378	-	90,400,378	186,980,670	-	186,980,670

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Exclusions							
Activities to Exclude							
Instructional Staff - Retirees' Benefits and Retirement Incentives	5900	$ -	$ -	$ -	$ -	$ -	$ -
Student Health Services Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	-	-	-
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	6740	-	-	-	-	-	-
Objects to Exclude							
Rents and Leases	5060	-	-	-	341,607	-	341,607
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		-	-	-	-	-	-

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110 Reported Data	Audit Adjustments	Revised Data	ECS 84362 B Total CEE AC 0100 - 6799 Reported Data	Audit Adjustments	Revised Data
Other Operating Expenses and Services	5000	$ -	$ -	$ -	$ 6,199,728	$ -	$ 6,199,728
Capital Outlay	6000						
Library Books	6300	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay		-	-	-	-	-	-
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		-	-	-	6,541,335	-	6,541,335
Total for ECS 84362, 50% Law		$90,400,378	$ -	$90,400,378	$180,439,335	$ -	$180,439,335
% of CEE (Instructional Salary Cost/Total CEE)		50.10%		50.10%	100.00%		100.00%
50% of Current Expense of Education					$ 90,219,668		$ 90,219,668

Activity Classification	Object Code			Unrestricted	
EPA Revenues:	8630				$ 12,842,214
Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	1000-5900	$ 12,842,214	$ -	$ -	$ 12,842,214
Total Expenditures for EPA		$ 12,842,214	$ -	$ -	$ 12,842,214
Revenues Less Expenditures					$ -

Amounts reported for governmental activities in the Statement of Net Position are different because		
Total fund balance and retained earnings		
General Funds	$ 86,541,979	
Special Revenue Funds	16,221,829	
Capital Project Funds	75,090,035	
Debt Service Funds	28,282,317	
Proprietary Funds	1,237,950	
Internal Service Funds	10,390,804	
Fiduciary Funds	25,330,331	
Total fund balance and retained earnings - all District funds		$ 243,095,245
Amounts held in trust on behalf of others (OPEB Trust)		(25,330,331)
Capital assets, right-to-use leased assets, and right-to-use subscription IT assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	797,722,746	
Accumulated depreciation is	(290,265,665)	
The cost of right-to-use leased assets is	1,347,108	
Accumulated amortization is	(809,441)	
The cost of right-to-use subscription IT assets is	2,207,930	
Accumulated amortization is	(762,614)	
Total capital assets, right-to-use leased assets, and right-to-use subscription IT assets, net		509,440,064
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the District's funds. Deferred outflows of resources at year-end consist of:		
Deferred outflows of resources related to debt refunding	25,741,799	
Deferred outflows of resources related to OPEB	18,351,253	
Deferred outflows of resources related to pensions	59,416,515	
Total deferred outflows of resources		103,509,567
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide statements, unmatured interest on long-term liabilities is recognized when it is incurred.		(2,933,131)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
General obligation bonds	(244,336,692)	
Unamortized premiums	(9,483,403)	
Lease liability	(542,727)	
Subscription-based IT arrangements	(1,358,658)	
Compensated absences (less amount set up in Governmental Funds)	(4,103,697)	
Aggregate net other postemployment benefits (OPEB) liability	(107,490,936)	
Aggregate net pension liability	(173,547,602)	
In addition, the District has issued 'capital appreciation' general obligation bonds. The accretion of interest unmatured on the general obligation bonds to date is	(35,510,708)	
Total long-term liabilities		(576,374,423)

Deferred inflows of resources represent an acquisition of net position in a future period and is not reported in the District's funds. Deferred inflows of resources amount to and related to		
Deferred inflows of resources related to OPEB	$ (7,870,832)	
Deferred inflows of resources related to pensions	(20,208,075)	
Total deferred inflows of resources		$ (28,078,907)
Total net position		$ 223,328,084

Note 1 - Purpose of Schedules

District Organization

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

Schedule of Expenditures of Federal Awards (SEFA)

<u>Basis of Presentation</u>
The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2023. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

<u>Summary of Significant Accounting Policies</u>
Expenditures reported in the Schedule are reported on the modified accrual basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

<u>Indirect Cost Rate</u>
The District has elected to use the 10% de minimis cost rate.

Schedule of Expenditures of State Awards

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

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

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

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

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

Proposition 30 Education Protection Account (EPA) Expenditure Report

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

Reconciliation of Governmental Funds to the Statement of Net Position

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Rancho Cucamonga, California
December 20, 2023

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auding procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance finding in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auding procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Rancho Cucamonga, California
December 20, 2023

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements listed in the table below has occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the 2022-2023 California Community Colleges Chancellor's Office *Contracted District Audit Manual* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements listed in the table below.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the 2022-2023 California Community Colleges Chancellor's Office *Contracted District Audit Manual*, we:

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

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

Compliance Requirements Tested

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

Section 411	SCFF Data Management Control Environment
Section 412	SCFF Supplemental Allocation Metrics
Section 413	SCFF Success Allocation Metrics
Section 421	Salaries of Classroom Instructors (50 Percent Law)
Section 423	Apportionment for Activities Funded From Other Sources
Section 424	Student Centered Funding Formula Base Allocation: FTES
Section 425	Residency Determination for Credit Courses
Section 426	Students Actively Enrolled
Section 427	Dual Enrollment (CCAP)
Section 430	Scheduled Maintenance Program
Section 431	Gann Limit Calculation
Section 444	Apprenticeship Related and Supplemental Instruction (RSI) Funds
Section 475	Disabled Student Programs and Services (DSPS)
Section 490	Proposition 1D and 51 State Bond Funded Projects
Section 491	Education Protection Account Funds
Section 492	Student Representation Fee
Section 494	State Fiscal Recovery Fund
Section 499	COVID-19 Response Block Grant Expenditures

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

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the 2022-2023 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

Rancho Cucamonga, California
December 20, 2023

Financial Statements

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

Federal Awards

Internal control over major programs	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	Yes
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)	Yes

Identification of major programs:

Name of Federal Program or Cluster	Federal Financial Assistance Listing Number
COVID-19: Higher Education Emergency Relief Funds, Student Aid Portion	84.425E
COVID-19: Higher Education Emergency Relief Funds, Minority Serving Institutions	84.425L
COVID-19: Higher Education Emergency Relief Funds, Institutional Portion	84.425F
Student Financial Assistance Cluster	84.007, 84.033, 84.063, 84.268

Dollar threshold used to distinguish between type A and type B programs	$1,926,810
Auditee qualified as low-risk auditee?	Yes

State Compliance

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

None reported.

The following finding represents a significant deficiency in internal control over compliance and an instance of noncompliance including questioned costs that are required to be reported by the Uniform Guidance.

2023-001 Special Tests and Provisions

Program Name: Student Financial Assistance Cluster
Federal Financial Assistance Listing: 84.007, 84.033, 84.063, and 84.268
Federal Agency: U.S. Department of Education (ED)
Direct funded by the U.S. Department of Education (ED)

Criteria or Specific Requirements
OMB Compliance Supplement, OMB No. 1845-0035 – Institutions are required to report enrollment information under the Pell grant and the Direct and FFEL loan programs via the National Student Loan Data System (NSLDS).

Institutions are responsible for accurately reporting the following significant data elements under the Campus-Level Record that ED considers high risk:

- OPEID Number – This is the OPEID for the location that the student is actually attending.
- Enrollment Effective Date – The date that the current enrollment status reported for a student was first effective.
- Enrollment Status – The student's enrollment status as of the reporting date; full-time (F), three-quarter time (Q), half-time (H), less than half-time (L), leave of absence (A), graduated (G), withdrawn (W), deceased (D), never attended (X) and record not found (Z)
- Certification Date – The Date enrollment certified by school. At a minimum, schools are required to certify enrollment every 60 days.

Institutions are responsible for timely reporting, whether they report directly or via a third-party servicer.

Condition
Significant Deficiency in Internal Control over Compliance – During our review of the enrollment reporting requirements it was observed that the enrollment effective date was not accurately reported to NSLDS for 48 out of the 60 students tested.

Questioned Costs
There are no questioned costs associated with this finding.

Context
The District processed and reported Title IV awards for approximately 13,319 students during the fiscal year.

Effect
The District is not in compliance with the Federal requirements described in the OMB Compliance Supplement.

Cause
The District did not accurately report enrollment effective dates for students under the Pell grant and Direct loan programs via NSLDS. The administration of the Title IV programs depends heavily on the accuracy and timeliness of the enrollment information reported by institutions.

Repeat Finding (Yes or No)
No.

Recommendation
The District should implement a process to review, update, and verify student enrollment information that appear on the Enrollment Reporting Roster file or on the Enrollment Maintenance page of the NSLDS Professional Access (NSLDSFAP) website.

Views of Responsible Officials and Corrective Action Plan
The District reviewed past practices and implemented revised procedures to ensure accurate student enrollment information is reported to the National Student Loan Data System. Additionally, the District consulted with the National Student Clearinghouse and prior semesters' enrollment information was revised and resubmitted.

None reported.

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

	General Unrestricted	General Restricted	Child Development	Moorpark College Zoo Operations	Other Special Revenue
Assets					
Cash and cash equivalents	$ 45,800	$ -	$ -	$ -	$ -
Investments	85,578,173	63,618,110	1,316,714	208,317	537,822
Accounts receivable	5,828,403	7,067,728	11,001	-	-
Student receivables, net	4,709,861	667,552	26,552	-	-
Due from other funds	2,665,840	-	-	-	-
Prepaid expenses	366,679	1,092,861	-	1,751	-
Other current assets	-	-	-	-	-
Lease receivables	858,594	-	-		-
Total assets	$ 100,053,350	$ 72,446,251	$ 1,354,267	$ 210,068	$ 537,822
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts payable	$ 11,700,861	$ 1,986,465	$ 1,428	$ 2,374	$ 3
Due to other funds	-	1,994,121	-	-	-
Unearned revenue	11,604,444	57,826,580	7,987	154	-
Total liabilities	23,305,305	61,807,166	9,415	2,528	3
Deferred Inflows of Resources					
Deferred inflows of resources related to leases	845,151	-	-	-	-
Fund Balances					
Nonspendable	412,479	1,092,861	-	1,751	-
Restricted	-	9,546,224	-	-	-
Assigned	20,619,367	-	1,344,852	205,789	537,819
Unassigned	54,871,048	-	-	-	-
Total fund balances	75,902,894	10,639,085	1,344,852	207,540	537,819
Total liabilities, deferred inflows of resources, and fund balances	$ 100,053,350	$ 72,446,251	$ 1,354,267	$ 210,068	$ 537,822

	Bond Interest and Redemption	Capital Outlay Projects	Associated Students	Student Representation Fee	Student Center Fee
Assets					
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -
Investments	28,282,317	166,372,176	2,148,106	264,606	6,962,482
Accounts receivable	-	-	-	-	-
Student receivables, net	-	183,751	198,378	52,733	183,479
Due from other funds	-	-	-	-	-
Prepaid expenses	-	21,170	2,162	-	-
Other current assets	-	-	-	-	135
Lease receivables	-	-	-	-	-
Total assets	$ 28,282,317	$ 166,577,097	$ 2,348,646	$ 317,339	$ 7,146,096
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts payable	$ -	$ 2,777,430	$ 11,154	$ 11,500	$ -
Due to other funds	-	-	-	-	-
Unearned revenue	-	88,709,632	244,145	39,857	218,615
Total liabilities	-	91,487,062	255,299	51,357	218,615
Deferred Inflows of Resources					
Deferred inflows of resources related to leases	-	-	-	-	-
Fund Balances					
Nonspendable	-	21,170	2,162	-	-
Restricted	28,282,317	11,335,603	2,091,185	265,982	6,927,481
Assigned	-	63,733,262	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	28,282,317	75,090,035	2,093,347	265,982	6,927,481
Total liabilities, deferred inflows of resources, and fund balances	$ 28,282,317	$ 166,577,097	$ 2,348,646	$ 317,339	$ 7,146,096

	Student Financial Aid	Scholarship and Loan	Student Clubs	Other Trusts	Total Governmental Fund (Memorandum Only)
Assets					
Cash and cash equivalents	$ -	$ -	$ -	$ 5,000	$ 50,800
Investments	3,779,315	776,475	209,398	3,786,612	363,840,623
Accounts receivable	638,429	-	-	18	13,545,579
Student receivables, net	8,772	4,575	-	45,156	6,080,809
Due from other funds	11,934	-	-	-	2,677,774
Prepaid expenses	-	-	-	-	1,484,623
Other current assets	-	-	6,291	155,117	161,543
Lease receivables	-	-	-	-	858,594
Total assets	$ 4,438,450	$ 781,050	$ 215,689	$ 3,991,903	$ 388,700,345
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts payable	$ 10,417	$ 69,395	$ 140	$ 38,512	$ 16,609,679
Due to other funds	683,653	-	-	-	2,677,774
Unearned revenue	3,778,063	-	-	2,104	162,431,581
Total liabilities	4,472,133	69,395	140	40,616	181,719,034
Deferred Inflows of Resources					
Deferred inflows of resources related to leases	-	-	-	-	845,151
Fund Balances					
Nonspendable	-	-	-	-	1,530,423
Restricted	-	711,655	215,549	3,951,287	63,327,283
Assigned	-	-	-	-	86,441,089
Unassigned	(33,683)	-	-	-	54,837,365
Total fund balances	(33,683)	711,655	215,549	3,951,287	206,136,160
Total liabilities, deferred inflows of resources, and fund balances	$ 4,438,450	$ 781,050	$ 215,689	$ 3,991,903	$ 388,700,345

	General Unrestricted	General Restricted	Child Development	Moorpark College Zoo Operations	Other Special Revenue
Revenues					
Federal revenues	$ -	$ 20,403,029	$ -	$ -	$ -
State revenues	121,849,189	48,543,544	117,780	6,338	-
Local revenues	110,516,717	1,835,409	721,602	588,415	57,986
Total revenues	232,365,906	70,781,982	839,382	594,753	57,986
Expenditures					
Current Expenditures					
Academic salaries	79,243,699	9,222,366	32	-	-
Classified salaries	39,286,582	17,692,090	1,030,984	206,780	-
Employee benefits	49,551,448	11,446,739	476,084	120,218	-
Books and supplies	3,433,855	6,530,652	23,519	22,918	497
Services and operating expenditures	18,042,864	4,997,175	16,061	65,973	10,117
Capital outlay	1,357,144	6,130,448	1,748	-	-
Debt service - principal	773,955	233,851	-	13,167	-
Debt service - interest and other	-	-	-	-	-
Total expenditures	191,689,547	56,253,321	1,548,428	429,056	10,614
Excess of Revenues Over (Under) Expenditures	40,676,359	14,528,661	(709,046)	165,697	47,372
Other Financing Sources (Uses)					
Operating transfers in	422,391	2,513,706	1,245,037	200,402	-
Operating transfers out	(40,575,424)	(14,683,348)	(79,107)	(158,559)	-
Other sources	685,726	-	-	-	-
Other uses	(2,062)	(2,951,815)	-	-	-
Total other financing sources (uses)	(39,469,369)	(15,121,457)	1,165,930	41,843	-
Net Changes in Fund Balances	1,206,990	(592,796)	456,884	207,540	47,372
Fund Balances, Beginning of Year	74,695,904	11,231,881	887,968	-	490,447
Fund Balances, End of Year	$ 75,902,894	$ 10,639,085	$ 1,344,852	$ 207,540	$ 537,819

	Bond Interest and Redemption	Capital Outlay Projects	Associated Students	Student Representation Fee	Student Center Fee
Revenues					
Federal revenues	$ -	$ -	$ -	$ -	$ -
State revenues	136,997	1,508,639	-	-	-
Local revenues	26,535,874	2,483,844	613,469	73,245	553,014
Total revenues	26,672,871	3,992,483	613,469	73,245	553,014
Expenditures					
Current Expenditures					
Academic salaries	-	-	-	-	-
Classified salaries	-	-	25,713	-	129,407
Employee benefits	-	-	632	-	37,627
Books and supplies	-	1,631,779	258,942	1,750	2,578
Services and operating expenditures	-	1,169,438	147,720	70,450	67
Capital outlay	-	6,051,916	669	-	1,614
Debt service - principal	17,275,000	147,777	-	-	-
Debt service - interest and other	7,213,576	-	-	-	-
Total expenditures	24,488,576	9,000,910	433,676	72,200	171,293
Excess of Revenues Over (Under) Expenditures	2,184,295	(5,008,427)	179,793	1,045	381,721
Other Financing Sources (Uses)					
Operating transfers in	-	28,907,561	-	-	-
Operating transfers out	-	-	(101,172)	(5,375)	-
Other sources	-	11,123	-	-	-
Other uses	-	-	(5,000)	(5,000)	-
Total other financing sources (uses)	-	28,918,684	(106,172)	(10,375)	-
Net Changes in Fund Balances	2,184,295	23,910,257	73,621	(9,330)	381,721
Fund Balances, Beginning of Year	26,098,022	51,179,778	2,019,726	275,312	6,545,760
Fund Balances, End of Year	$ 28,282,317	$ 75,090,035	$ 2,093,347	$ 265,982	$ 6,927,481

	Student Financial Aid	Scholarship and Loan	Student Clubs	Other Trusts	Total Governmental Fund (Memorandum Only)
Revenues					
Federal revenues	$ 43,806,816	$ -	$ -	$ -	$ 64,209,845
State revenues	6,909,988	-	-	6,375	179,078,850
Local revenues	5,332	680,988	30,079	1,795,758	146,491,732
Total revenues	50,722,136	680,988	30,079	1,802,133	389,780,427
Expenditures					
Current Expenditures					
Academic salaries	-	-	-	180,636	88,646,733
Classified salaries	-	-	-	304,707	58,676,263
Employee benefits	-	-	-	96,619	61,729,367
Books and supplies	-	-	39,163	644,954	12,590,607
Services and operating expenditures	-	-	33,005	612,462	25,165,332
Capital outlay	-	-	9,200	60,496	13,613,235
Debt service - principal	-	-	-	-	18,443,750
Debt service - interest and other	-	-	-	-	7,213,576
Total expenditures	-	-	81,368	1,899,874	286,078,863
Excess of Revenues Over (Under) Expenditures	50,722,136	680,988	(51,289)	(97,741)	103,701,564
Other Financing Sources (Uses)					
Operating transfers in	14,084,889	32,250	64,014	122,069	47,592,319
Operating transfers out	(140)	(865)	(1,000)	(77,850)	(55,682,840)
Other sources	-	-	-	-	696,849
Other uses	(64,838,319)	(840,197)	-	(10,539)	(68,652,932)
Total other financing sources (uses)	(50,753,570)	(808,812)	63,014	33,680	(76,046,604)
Net Changes in Fund Balances	(31,434)	(127,824)	11,725	(64,061)	27,654,960
Fund Balances, Beginning of Year	(2,249)	839,479	203,824	4,015,348	178,481,200
Fund Balances, End of Year	$ (33,683)	$ 711,655	$ 215,549	$ 3,951,287	$ 206,136,160

	Enterprise Funds				
	Food Service				Internal
	Moorpark	Oxnard	Ventura	Total	Service Fund
Assets					
Cash and cash equivalents	$ 2,000	$ 500	$ 6,000	$ 8,500	$ -
Investments	485,213	593,173	145,855	1,224,241	11,132,852
Accounts receivable	2,890	830	1,489	5,209	26,260
Prepaid expenses	-	-	-	-	191,615
Total assets	$ 490,103	$ 594,503	$ 153,344	$ 1,237,950	$ 11,350,727
Liabilities and Fund Equity					
Liabilities					
Accounts payable	$ -	$ -	$ -	$ -	$ 959,923
Fund Equity					
Retained earnings	490,103	594,503	153,344	1,237,950	10,390,804
Total liabilities and fund equity	$ 490,103	$ 594,503	$ 153,344	$ 1,237,950	$ 11,350,727

	Enterprise Funds				Internal Service Fund
	Food Service				
	Moorpark	Oxnard	Ventura	Total	
Operating Revenues					
Sales and commissions	$ 21,202	$ 10,074	$ 15,514	$ 46,790	$ -
Other operating	-	-	-	-	1,653
Premium contributions	-	-	-	-	-
Total operating revenues	21,202	10,074	15,514	46,790	1,653
Operating Expenses					
Classified salaries	6,856	-	-	6,856	-
Employee benefits	183	-	-	183	10,073,154
Books and supplies	1,349	-	400	1,749	-
Services and other operating expenditures	376	-	10,788	11,164	84,344
Total operating expenses	8,764	-	11,188	19,952	10,157,498
Operating Income (Loss)	12,438	10,074	4,326	26,838	(10,155,845)
Nonoperating Revenues (Expenses)					
Investment income	2,859	3,845	892	7,596	106,337
Miscellaneous revenues	3,667	3,667	3,666	11,000	-
Operating transfers in	15,521	-	-	15,521	8,075,000
Total nonoperating revenues (expenses)	22,047	7,512	4,558	34,117	8,181,337
Net Income (Loss)	34,485	17,586	8,884	60,955	(1,974,508)
Retained Earnings, Beginning of Year	455,618	576,917	144,460	1,176,995	12,365,312
Retained Earnings, End of Year	$ 490,103	$ 594,503	$ 153,344	$ 1,237,950	$ 10,390,804

	Enterprise Funds				Internal
	Food Service				Service
	Moorpark	Oxnard	Ventura	Total	Fund
Operating Activities					
Cash received from assessments made to other funds	$ -	$ -	$ -	$ -	$ 1,990
Cash received from sales	18,583	9,309	14,160	42,052	-
Cash payments for insurance payments	-	-	-	-	(10,000,889)
Cash payments to employees	(7,039)	-	-	(7,039)	-
Cash payments to suppliers for goods and services	(1,725)	-	(11,188)	(12,913)	(22,487)
Net Cash Provided (Used) for Operating Activities	9,819	9,309	2,972	22,100	(10,021,386)
Cash Flows from Investing Activities					
Interest on investments	2,859	3,845	892	7,596	106,337
Transfers In	15,521	-	-	15,521	8,075,000
Miscellaneous revenues	3,667	3,667	3,666	11,000	-
Net Cash Provided (Used) from Investing Activities	22,047	7,512	4,558	34,117	8,181,337
Net Change in Cash and Cash Equivalents	31,866	16,821	7,530	56,217	(1,840,049)
Cash and Cash Equivalents - Beginning	455,347	576,852	144,325	1,176,524	12,972,901
Cash and Cash Equivalents - Ending	$ 487,213	$ 593,673	$ 151,855	$ 1,232,741	$ 11,132,852
Reconciliation of Operating Income (Loss) to Net Provided (Used) By Operating Activities					
Operating income (loss)	$ 12,438	$ 10,074	$ 4,326	$ 26,838	$ (10,155,845)
Changes in assets and liabilities					
Receivables	(2,619)	(765)	(1,354)	(4,738)	337
Prepaid expenses	-	-	-	-	61,857
Accrued liabilities	-	-	-	-	72,265
Net Cash Provided (Used) By Operating Activities	$ 9,819	$ 9,309	$ 2,972	$ 22,100	$ (10,021,386)

	Retiree OPEB Trust
Assets	
Investments	$ 25,330,331
Fund Balances	
Restricted	$ 25,330,331

	Retiree OPEB Trust
Revenues	
Local revenues	$ 11,972,231
Expenditures	
Employee benefits	9,874,684
Services and operating expenditures	89,265
Total expenditures	9,963,949
Net Change in Fund Balance	2,008,282
Fund Balance, Beginning of Year	23,322,049
Fund Balance, End of Year	$ 25,330,331

Note 1 - Purpose of Schedules

Fund Financial Statements

The accompanying financial statements report the governmental, proprietary, and fiduciary fund activities of Ventura County Community College District and are presented on the modified accrual basis of accounting. Therefore, some amounts presented in these financial statements may differ from amounts presented in, or used in, the preparation of the basic financial statements. This information is not a required component of the financial statements in accordance with GASB Statements No. 34 and No. 35 and is presented at the preference of District management.