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**YUBA COMMUNITY COLLEGE DISTRICT
YUBA CITY, CALIFORNIA
AUDIT REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

YUBA COMMUNITY COLLEGE DISTRICT
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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Yuba Community College District
Yuba City, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Yuba Community College District, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Yuba Community College District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Yuba Community College District Foundation were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

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

Emphasis of Matter Regarding Change in Accounting Principle

During the year ended June 30, 2021, the District adopted the provisions of Governmental Accounting Standards Board Statement (GASB) No. 84, *Fiduciary Activities*. As a result of the implementation of this standard, the District reported a restatement for a change in accounting principle (see Note 12). Our auditors' opinion was not modified with respect to the restatement.

Other Matters

Required Supplementary Information

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

Other Information

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

The supplementary information listed in the table of contents 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is 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 16, 2021 on our consideration of the Yuba Community College District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Yuba Community College District's internal control over financial reporting and compliance.

CWDL, Certified Public Accountants

San Diego, California
December 16, 2021

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

**YUBA COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

ACCOUNTING STANDARDS

The format of these financial statements follows Governmental Accounting Standards Board (GASB) Statement No. 35, Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities—An Amendment of GASB Statement No. 34. The California Community Colleges Chancellor's Office has recommended that all State community college districts follow the business type activity (BTA) model. Yuba Community College District (the District) applied the BTA reporting model to comply with this recommendation and to report in a manner consistent and comparable with other community college districts. The following management's discussion and analysis (MDA) provides an overview of the District's financial activities.

BASIS OF ACCOUNTING

As required by accounting principles, the annual report consists of three basic financial statements that provide information on the District as a whole: the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows. The information provided on the statements in the MD&A includes all funds, excluding the Student Associations of Yuba College, Woodland Community College, Clear Lake Campus, and Sutter County Center, and excludes the District Foundation. Each statement will be discussed separately. Separately issued financial statements for the Foundation can be obtained from the District.

Under the BTA model of financial reporting, a single District-wide statement is required to report financial activity for all funds of the District. The following information is provided to help with the understanding of the financial statements.

**YUBA COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

FINANCIAL AND ATTENDANCE HIGHLIGHTS

The discussion and analysis of the Yuba Community College District's financial performance provides an overall review of the district's financial activities for the fiscal year ended June 30, 2021, including comparative information for the year ended June 30, 2020. The intent of the "Management Discussion and Analysis" is to look at the district's financial performance. To provide a complete understanding of the district's financial standing, this analysis should be read in conjunction with the entire Independent Auditor's Report, particularly the District's financial statements beginning on page 13 and the notes to the basic financial statements beginning on page 22.

State of California began 2020 with a solid fiscal foundation including strong and diverse economy, historic reserves, and structurally balanced budget. In January 2020, state's projections included surplus for 2020-21, high reserves including the State's Rainy-Day Fund. The budget outlook deteriorated by the time Governor proposed budget in May 2020 due to COVID-19 pandemic and the ensuing recession. The recession transformed to a \$54 billion multi-year deficit in the Governor's May Revision. Governor's May Revision had four core values in planning for the budget: public education, public health, public safety, and striving to protect vulnerable Californians.

The May Revision proposed to mitigate budget deficits using Rainy-Day Fund and other reserves. Proposition 98 would be reduced by \$19 billion of which represents \$1.45 billion reduction to California Community Colleges and detrimental reductions to the Strong Workforce and Student Equity and Achievement Programs, Part-Time Faculty Compensation/Office Hours, and the Academic Senate for California Community Colleges.

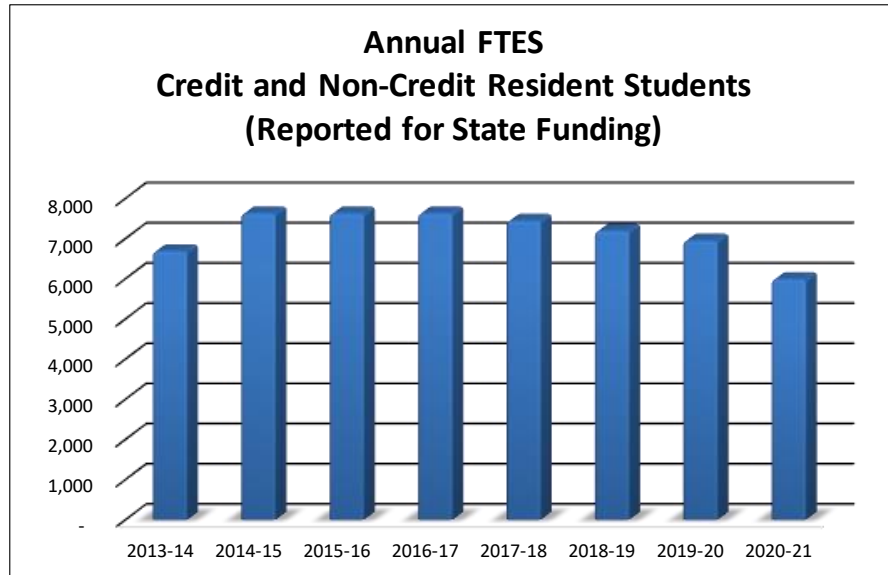
Both houses of the California Legislature, the Senate and the Assembly, and the Governor reached an agreement for the final budget for 2020-21 which prevented cuts to the apportionment and categorical programs. To accomplish this, \$1.45 billion in funding would be deferred to the future years and the budget provides no COLA or enrollment growth. Of \$1.45 billion, \$791 million would be triggered-off if the Congress approved some form of stimulus package.

As we embark on the third year of the Student-Centered Funding Formula, we continue to proceed with caution and focus on our Board established fiscal principles and continues to adopt sound financial strategies that support the fiscal position of the district. The 2020-21 revenue budget for apportionment under the Student-Centered funding formula uses three calculations: (1) a Base Allocation, which primarily factors Credit FTES; (2) a Supplemental Allocation, which counts low-income students, and (3) a Student Success Allocation, which counts outcomes related to the Vision for Success, with premiums for outcomes of low-income students. In addition, Non-Credit and Special Admit FTES are funded at the current rates.

**YUBA COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

FINANCIAL AND ATTENDANCE HIGHLIGHTS, continued

See the below chart for a historical perspective on the changes in FTES over the past 8 fiscal years.



**YUBA COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

STATEMENT OF NET POSITION

The statements of net position include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private sector organizations. The District's Net Position increased by \$3.6 million due primarily to decreases in non-current liabilities. The total net position remains negative due to the pension standards implemented in the 2014-15 year and GASB 75 in 2017-18. Under these accounting standards, the District is recognizing its proportional share of the underfunded pension systems for both the California Public Employee's Retirement System (PERS), California State Teachers' Retirement System (STRS) system, and the full liability of its Other Post-Employment Benefits.

	2021	2020	Change
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Total assets	\$ 289,860,909	\$ 284,113,289	\$ 5,747,620
Deferred outflows of resources	39,199,511	45,073,324	(5,873,813)
Total Assets and Deferred Outflows of Resources	329,060,420	329,186,613	(126,193)
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current liabilities	29,777,177	22,446,093	7,331,084
Non-current liabilities	325,377,724	332,336,656	(6,958,932)
Deferred inflows of resources	17,452,711	21,506,540	(4,053,829)
Total Liabilities and Deferred Inflows of Resources	372,607,612	376,289,289	(3,681,677)
NET POSITION			
Invested in capital assets, net of related debt	11,018,851	11,351,786	(332,935)
Restricted	26,421,671	23,469,362	2,952,309
Unrestricted	(80,987,714)	(81,923,824)	936,110
Total Net Position	\$ (43,547,192)	\$ (47,102,676)	\$ 3,555,484

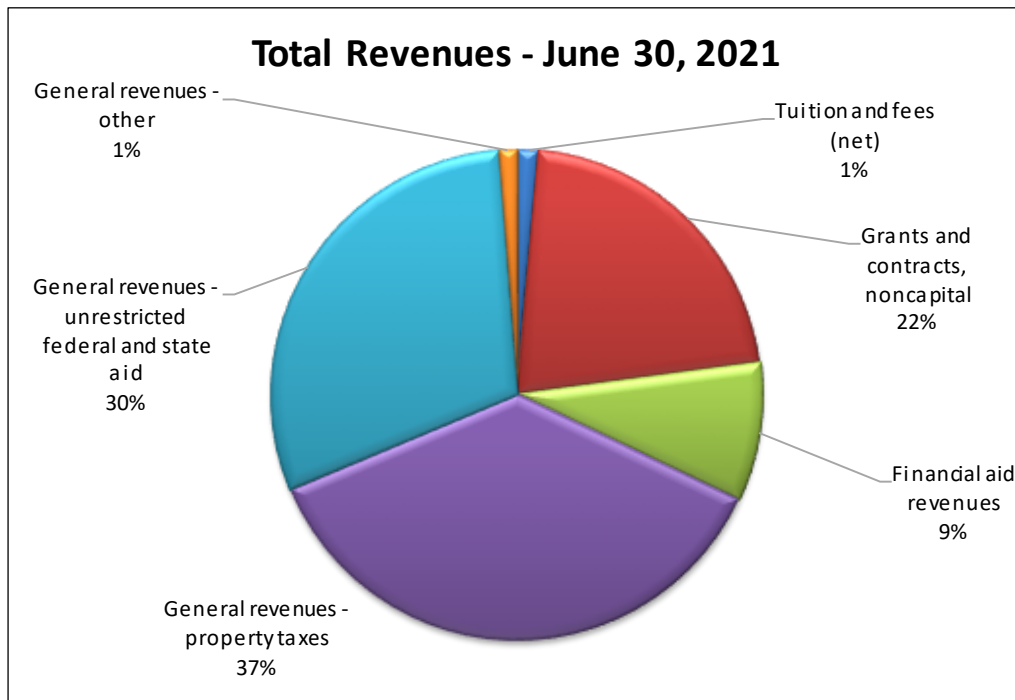
**YUBA COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The statements of revenues, expenses, and changes in net position present the operating finances of the District, as well as the nonoperating revenues and expenses.

	2021	2020	Change
REVENUES			
Tuition and fees (net)	\$ 1,714,977	\$ 2,307,539	\$ (592,562)
Grants and contracts, noncapital	25,472,628	21,591,190	3,881,438
Financial aid revenues	10,752,063	14,708,528	(3,956,465)
General revenues - property taxes	43,362,549	41,001,282	2,361,267
General revenues - unrestricted federal and state aid	35,665,767	35,185,986	479,781
General revenues - other	1,471,386	2,232,528	(761,142)
Total Revenues	118,439,370	117,027,053	1,412,317
EXPENSES			
Operating expenses	83,788,898	85,277,841	(1,488,943)
Financial aid disbursement to students	18,905,462	21,416,657	(2,511,195)
Interest	8,918,433	8,017,211	901,222
Transfer to trust fund	3,370,000	-	3,370,000
Total Expenses	114,982,793	114,711,709	271,084
Change in Net Position	\$ 3,456,577	\$ 2,315,344	\$ 1,141,233

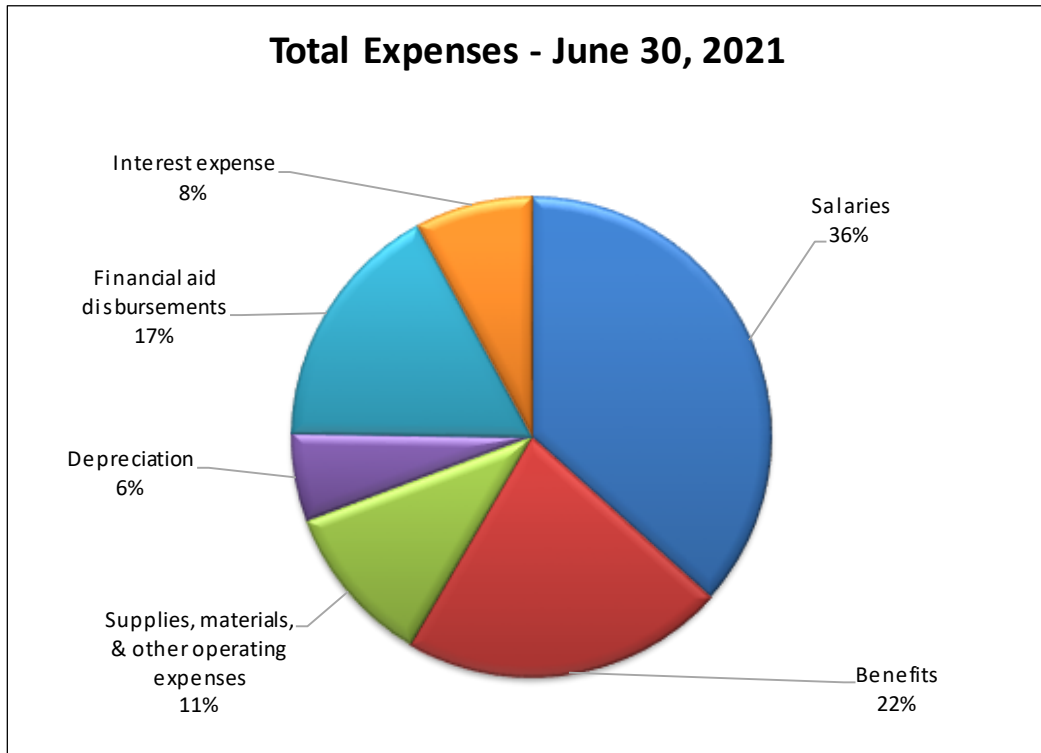
The District's primary revenue is from the State apportionment, local property taxes, student enrollment fees, and grants. The composition of operating and nonoperating revenues for the year ended June 30, 2021 are reflected below:



**YUBA COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION, continued

The District's expenses consisted primarily of employee salaries, benefits, supplies and operating items, and payments to students for financial aid. Total salaries decreased \$297 thousand over the prior year and benefits decreased \$1.9 million due to State contributions on behalf of District employees, changes in the District's net pension liability, changes in the net OPEB liability, and the District settled one Collective Bargaining Agreements (POA), with retroactive and current fiscal year payments or the year. Operating and nonoperating expenses are comparatively reflected below:



**YUBA COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2021, the District had \$249.3 million in a broad range of capital assets, including land, buildings, and furniture and equipment. At June 30, 2021, the District's net capital assets were \$168.5 million. Projects will be accounted for within our Construction in Progress account until the project is completed at which time the cost will be recorded to the depreciable capital asset categories.

	2021	2020	Change
Capital assets not being depreciated	\$ 9,560,188	\$ 13,782,871	\$ (4,222,683)
Capital assets being depreciated	239,786,969	230,723,600	9,063,369
Accumulated depreciation	(80,814,781)	(74,285,184)	(6,529,597)
Total Capital Assets	\$ 168,532,376	\$ 170,221,287	\$ (1,688,911)

We present more detailed information about our capital assets in Note 5 to the financial statements.

Long-term Liabilities

At June 30, 2021, the District had \$213.0 million in bonded debt outstanding, including premium on bonds and accreted interest. These bonds are repaid semi-annually, utilizing District Funds, in accordance with the debt service schedules.

In addition to the bonded debt, the District is obligated for other long-term liabilities.

	2021	2020	Change
General obligation and revenue bonds	\$ 213,008,055	\$ 217,560,484	\$ (4,552,429)
Compensated absences	1,926,747	1,698,004	228,743
Net OPEB liability	52,105,986	54,667,946	(2,561,960)
Net Pension liability	60,033,460	57,083,201	2,950,259
Other long-term liabilities	6,322,775	6,681,248	(358,473)
Total Long-term Liabilities	\$ 333,397,023	\$ 337,690,883	\$ (4,293,860)

We present more detailed information about our long-term liabilities in Note 6 to the financial statements.

**YUBA COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

ECONOMIC FACTORS THAT MAY AFFECT THE FUTURE

- The economic position of the Yuba Community College District is closely tied to the State of California. A large portion of the district's funding from Proposition 98 includes Student-Centered Funding Formula. The Student-Centered Funding Formula (SCFF) will be in its' third year of implementation. The formula has fared well for the district and the district has recognized increases in funding as one-time increases in 2018-19 and 2019-20.
- The district is facing enrollment declines in 2020-21 in comparison to 2019-20. The district reported enrollments of 6,012 FTES in 2020-21 in comparison to 6,972 FTES in 2019-20. Due to COVID-19, the district has received emergency conditions funding at 7,626 FTES funding level. However, the emergency conditions funding is expected to sunset by the end of 2021-22 unless the Board of Governors chooses to extend the emergency conditions funding for an additional year. The district has one additional year of stability protection under education code to be funded at 7,626 FTES level. Beyond 2022-23, the district's funding will be based on the number of students it serves, the counts for low-income students and counts for outcomes related to Vision for Success.
- The 2021-22 enacted budget relied on the Department of Finance (DOF) revenue estimates, which were somewhat lower than estimates made by the Legislative Analyst's Office (LAO). If revenues continue to outperform expectations, Proposition 98 funding requirements for 2021-22 could increase and would be reflected in later budget measures. However, even with the lower estimates, California Community Colleges continue to receive a fair amount of increase in the budget act with an overall funding increase of more than \$3.5 billion over 2020-21 levels through a combination of ongoing and one-time funds. The increase to Proposition 98 funding occurred due to one-time windfall from 2020-21 as state's actual revenues receipts were higher than the budget projections.
- Major features of the State's budget with impacts to the California Community Colleges (CCC's) are summarized below:
 - Paying down cash deferrals of \$1.5B (one-time funding)
 - COLA of 5.07% for the Student-Centered Funding Formula
 - Extension of hold harmless provision for one additional year
 - 0.5% Growth funding
 - COLA for select categorical programs
 - Support for Faculty
 - Basic Needs & Affordability
 - Deferred Maintenance
 - Guided Pathways
 - Online infrastructure

**YUBA COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

ECONOMIC FACTORS THAT MAY AFFECT THE FUTURE, continued

- GASB 75 – Retiree Health Benefits: The actuarial study required by GASB 75 to project the District’s future Retiree Health funding obligations was updated in June 2020 and the roll-forward report as of June 2021 included a “Total OPEB Liability (TOL)” of \$55,446,732. The District was required to comply with GASB 75 beginning with the 2017-18 fiscal year. The District has established an irrevocable trust fund for Retiree Health Benefits during 2019-20. As of June 30, 2021, the District had made contributions of \$6.37 million to the Irrevocable Trust Fund for Retiree Health Benefits.
- Pensions: The District’s net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020, using standard update procedures. 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 school districts and the state, actuarially determined. At June 30, 2021, the District’s portion of PERS and STRS liability was \$60,033,460.

FINANCIAL SECTION

YUBA COMMUNITY COLLEGE DISTRICT
STATEMENT OF NET POSITION – PRIMARY GOVERNMENT
JUNE 30, 2021

ASSETS

Current Assets:

Cash and cash equivalents	\$ 106,127,686
Accounts receivable, net	14,776,966
Prepaid expenditures and other assets	423,881
Total Current Assets	<u>121,328,533</u>

Noncurrent Assets:

Capital assets, net	168,532,376
Total Noncurrent Assets	<u>168,532,376</u>

TOTAL ASSETS

289,860,909

DEFERRED OUTFLOWS OF RESOURCES

Deferred charge on refunding	10,788,185
Deferred outflows - OPEB	15,637,234
Deferred outflows - pensions	12,774,092

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

\$ 329,060,420

LIABILITIES

Current Liabilities:

Accounts payable and accrued expenses	\$ 8,346,524
Unearned revenue	13,411,354
Long-term debt, current portion	8,019,299
Total Current Liabilities	<u>29,777,177</u>

Noncurrent Liabilities:

Net Pension liability	60,033,460
Net OPEB liability	52,105,986
Long-term debt, non-current portion	213,238,278
Total Noncurrent Liabilities	<u>325,377,724</u>

TOTAL LIABILITIES

355,154,901

DEFERRED INFLOWS OF RESOURCES

Deferred gain on refunding	2,877,591
Deferred inflows - OPEB	12,351,328
Deferred inflows - pensions	2,223,792

NET POSITION

Net investment in capital assets 11,018,851

Restricted for:

Debt service	26,496,837
Capital projects	(75,166)

Unrestricted (80,987,714)

TOTAL NET POSITION

(43,547,192)

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

\$ 329,060,420

See accompanying notes to the financial statements.

**YUBA COMMUNITY COLLEGE DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PRIMARY
GOVERNMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

OPERATING REVENUES	
Tuition and fees (gross)	\$ 6,512,731
Less: Scholarship discounts and allowances	(4,797,754)
Net tuition and fees	<u>1,714,977</u>
Grants and contracts, noncapital:	
Federal	10,917,535
State	14,153,450
Local	401,643
TOTAL OPERATING REVENUES	<u>27,187,605</u>
OPERATING EXPENSES	
Salaries	40,932,350
Employee benefits	24,197,055
Supplies, materials, and other operating expenses and services	12,129,896
Student aid	18,905,462
Depreciation	6,529,597
TOTAL OPERATING EXPENSES	<u>102,694,360</u>
OPERATING INCOME (LOSS)	<u>(75,506,755)</u>
NON-OPERATING REVENUES (EXPENSES)	
State apportionments, noncapital	26,165,902
Local property taxes	31,179,659
State taxes and other revenues	8,457,662
Financial aid revenues	10,752,063
Investment income - noncapital	562,749
Interest expense on capital asset-related debt	(8,918,433)
Transfer to trust fund	(3,370,000)
Other non-operating revenues	1,042,203
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>65,871,805</u>
INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	<u>(9,634,950)</u>
State apportionments, capital	908,637
Local property taxes and revenues, capital	<u>12,182,890</u>
INCREASE (DECREASE) IN NET POSITION	<u>3,456,577</u>
NET POSITION -- BEGINNING OF YEAR	(47,102,676)
PRIOR YEAR ADJUSTMENT (SEE NOTE 12)	98,907
NET POSITION -- END OF YEAR	<u>\$ (43,547,192)</u>

See accompanying notes to the financial statements.

**YUBA COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS - PRIMARY GOVERNMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and fees	\$ 1,714,977
Grants and contracts	20,902,829
Payments to or on behalf of employees	(63,279,219)
Payments to students	(18,905,462)
Payments to vendors for supplies and services	(10,453,306)
Net Cash Provided (Used) by Operating Activities	<u>(70,020,181)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

State apportionments	26,165,902
Property taxes	31,179,659
State taxes and other revenues	8,457,662
Financial aid revenues	10,752,063
Transfer to trust	(3,370,000)
Other nonoperating cash flows	1,042,203
Net Cash Provided (Used) by Non-capital Financing Activities	<u>74,227,489</u>

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Acquisition and construction of capital assets	(4,741,779)
State apportionments, capital	908,637
Local property tax, capital projects	12,182,890
Principal paid on capital debt	(4,397,439)
Interest paid on capital debt	(5,863,842)
Net Cash Provided (Used) by Capital Financing Activities	<u>(1,911,533)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income	562,749
Net Cash Provided (Used) by Investing Activities	<u>562,749</u>

NET INCREASE IN CASH & CASH EQUIVALENTS

CASH & CASH EQUIVALENTS, BEGINNING OF YEAR

CASH & CASH EQUIVALENTS, END OF YEAR

	<u>2,858,524</u>
	<u>103,269,162</u>
	<u>\$ 106,127,686</u>

See accompanying notes to the financial statements.

**YUBA COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS - PRIMARY GOVERNMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**RECONCILIATION OF OPERATING LOSS TO NET CASH
USED BY OPERATING ACTIVITIES**

Operating loss	\$ (75,506,755)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation expense	6,529,597
Changes in Assets and Liabilities:	
Receivables, net	(4,569,799)
Prepaid items	(8,208)
Deferred outflows of resources	5,180,395
Accounts payable and accrued liabilities	(1,726,171)
Unearned revenue	3,410,969
Long-term debt	(2,333,217)
Net pension liability	2,950,259
Deferred inflows of resources	(3,947,251)
Total Adjustments	<u>5,486,574</u>
Net Cash Flows From Operating Activities	<u>\$ (70,020,181)</u>

See accompanying notes to the financial statements.

**YUBA COMMUNITY COLLEGE DISTRICT
STATEMENT OF FINANCIAL POSITION – DISCRETELY PRESENTED COMPONENT UNIT –
FOUNDATION
JUNE 30, 2021**

ASSETS

Current Assets

Cash and cash equivalents	\$ 149,431
Accounts receivable - related party	5,391
Short-term investments	1,606,540
Total Current Assets	<u>1,761,362</u>

Noncurrent Assets

Investments - noncurrent	8,753,742
Assets held by third party	542,457
Total Noncurrent Assets	<u>9,296,199</u>
Total Assets	<u>11,057,561</u>

LIABILITIES

Accounts payable	46,226
Amount held in trust for others	654,568
Total Liabilities	<u>700,794</u>

NET ASSETS

Net assets without donor restrictions	(163,328)
Net assets with donor restrictions	10,520,095
Total Net Assets	<u>10,356,767</u>
Total Liabilities and Net Assets	<u>\$ 11,057,561</u>

See accompanying notes to the financial statements.

**YUBA COMMUNITY COLLEGE DISTRICT
STATEMENT OF ACTIVITIES – DISCRETELY PRESENTED COMPONENT UNIT – FOUNDATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
SUPPORT AND REVENUES			
Contributions	\$ 15,644	\$ 321,819	\$ 337,463
Interest and dividend income	32,598	1,379,116	1,411,714
Other income	110	3,835	3,945
Net assets released from restrictions	213,789	(213,789)	-
Total Support and Revenues after net assets released from restriction	262,141	1,490,981	1,753,122
OPERATING EXPENSES			
Program expenses:			
Grants and scholarships	150,661	-	150,661
Miscellaneous	867	-	867
Supplies	62,261	-	62,261
Total Program Expenses	213,789	-	213,789
Administrative expenses	130,090	-	130,090
Total Operating Expenses	343,879	-	343,879
CHANGE IN NET ASSETS	(81,738)	1,490,981	1,409,243
NET ASSETS, BEGINNING OF YEAR	(81,590)	9,029,114	8,947,524
NET ASSETS, END OF YEAR	\$ (163,328)	\$ 10,520,095	\$ 10,356,767

See accompanying notes to the financial statements.

**YUBA COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS – DISCRETELY PRESENTED COMPONENT UNIT – FOUNDATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 1,409,243
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Change in:	
Accounts receivable	(3,460)
Assets held by third party	(95,135)
Accounts payable	(170,421)
Amounts held in trust for others	(353)
Net Cash Provided by Operating Activities	<u>1,139,874</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Net investment activity	<u>(1,159,023)</u>
Net Cash Used by Investing Activities	<u>(1,159,023)</u>
Net decrease in cash and cash equivalents	(19,149)
Cash and Cash Equivalents - Beginning of Year	<u>168,580</u>
Cash and Cash Equivalents - End of Year	<u>\$ 149,431</u>

See accompanying notes to the financial statements.

**YUBA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Definition of the Reporting Entity Yuba Community College District (the District) is a political subdivision of the State of California and provides higher education. The District consists of two community colleges and four additional centers (the Primary Institution).

For financial reporting purposes, the District includes all funds, agencies, and authorities that are controlled by, or dependent on, the District's executive and legislative branches. Control by, or dependence on, the District was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the District, obligations of the District to finance any deficits that may occur, or receipt of significant subsidies from the District.

The financial statements of the District include the financial activities of the District and the combined totals of the trust and agency funds, which represent the various scholarships and student organizations within the District.

The District and the Yuba Community College District Foundation (the Foundation) have financial and operational relationships that meet the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) for inclusion of the Foundation as a component unit of the District. Accordingly, the financial activities of the Foundation as a component unit have been included in the financial statements of the District. The separately audited financial statements of the Foundation may be obtained from the District.

The following are those aspects of the relationship between the District and the Foundation that satisfies GASB:

Accountability: The Foundation operates under a master agreement with the District in accordance with the California Education Code requirements. The District is able to impose its will upon the Foundation. The Foundation provides specific financial benefits or imposes specific financial burdens on the District.

Scope of Public Service: The Foundation is a nonprofit, public benefit corporation incorporated under the laws of the State of California. The Foundation was formed to promote and assist the educational services of the District.

Discrete Presentation: For financial presentation purposes, the Foundation's financial activities have been discretely presented with the financial activities of the District.

Basis of Accounting For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities (BTA). Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant interfund transactions have been eliminated.

The budgetary and financial accounts of the District are recorded and maintained in accordance with the *Budget and Accounting Manual*, issued by the Chancellor's Office of the California Community Colleges.

YUBA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

In accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

In accordance with California Education Code, Section 41001, the District maintains substantially all of its cash in the Yuba County Treasury as part of the common investment pool. The County is restricted by California Government Code, Section 53635 pursuant to Section 53601, to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. Investments in the County pool are valued using the amortized cost method (which approximates fair value) and include accrued interest. The pool has deposits and investments with a weighted-average maturity of less than two years. The fair value of the County pool at June 30, 2021 was 0.9969. Information regarding the amount of dollars invested in derivatives with the County was not available. The County investment pool is subject to regulatory oversight by the Treasury Oversight Committee as required by California Government Code, Section 27130. The District is considered to be an involuntary participant in the external investment pool.

The calculation of realized gains and losses is independent of the calculation of the net increase or decrease in the fair value of cash and cash equivalents. Realized gains and losses on cash and cash equivalents that had been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of cash and cash equivalents reported in the prior year. The change in fair value of cash and cash equivalents was insignificant during the year ended June 30, 2021, and there was no significant unrealized gain or loss on cash and cash equivalents held as of June 30, 2021.

Accounts Receivable Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff, the majority of each residing in California. Accounts receivable also include amounts due from the federal, state and local governments, or private sources in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. The District utilizes the allowance method with respect to its accounts receivable based on all student accounts receivable with an age greater than two years old in combination with historical collection information. There was no allowance at June 30, 2021.

**YUBA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Investments Investments are reported at fair value. Fair value is determined from quoted market prices. The District is restricted by state law and the Board's investment policy in the types of investments that can be made. Permissible investments include the County treasury, the state local agency investment fund (LAIF), federally insured deposits, and individual securities. The weighted average maturity of all investments shall be three years or less. The District's investment policy established safety of principal as the primary investment objective. The District's investment strategy is to realize a reasonable interest yield, and investment decisions are executed with the intent that they will be held to maturity.

Unamortized Bond Discount Unamortized bond discount represents the difference between the par value of the bonds issued and the gross proceeds received, before issuance costs. This amount is amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective-interest method.

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

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

Assets Held by Third Party The Foundation transfers funds to the Foundation for California Community Colleges (FCCC) in accordance with a partnership agreement dated March 2009 with the California Community Colleges Scholarship Endowment (the Endowment).

Advances From Grantors Advances from grantors include amounts received from grant and contract sponsors that have not yet been earned.

Advances From Students Advances from students include amounts received for tuition, fees, and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period.

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

YUBA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Compensated Absences Compensated absences' costs are accrued when earned by employees. Accumulated unpaid employee vacation benefits are recognized at year end as liabilities of the District. The District has a load-banking program for eligible faculty employees whereby the employee may accrue overload service toward a paid leave.

Bond Premium Bond premiums are deferred and amortized over the term of the bonds using the effective interest method. Bond premiums are recorded as long-term liabilities.

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

Net Investment in Capital Assets – Represents the District's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred for capital assets, but not yet expended, such amounts are not included as a component of net investment in capital assets.

Restricted Net Position – Expendable: Includes resources in which the District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

Unrestricted Net Position – Unrestricted net position represents resources derived from student tuition and fees, state apportionments, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the District, and may be used at the discretion of the governing board to meet current expenses for any purpose. When an expense is incurred that can be paid using either restricted or unrestricted resources, it is the policy of both the District and the Foundation to first apply the expense towards restricted resources and then towards unrestricted resources.

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

Classification of Revenue The District has classified its revenues as either operating or nonoperating revenues according to the following criteria:

Operating Revenues: Includes activities that have the characteristics of exchange transactions, such as: (1) student tuition and fees, net of scholarship discounts and allowances; (2) sales and services of auxiliary enterprises; and (3) most federal, state, and local grants and contracts, and federal appropriations.

Non-operating Revenues: Includes activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenues, such as State appropriations and investment income, according to GASB Statement No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting; and GASB Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.

Scholarship Discounts and Allowances and Financial Aid Student tuition and fee revenues are reported net of scholarship discounts and allowances in the statement of activities. The District offers Board of Governors' waivers (BOG) to qualified students, and these tuition waivers are reported as scholarship discounts and allowances.

**YUBA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Risk Management The District's property and liability coverage is insured through the Northern California Community Colleges Self Insurance Authority (NCCC SIA). The District retains the risk up to \$1,000 per occurrence. The NCCC SIA retains the risk up to \$25,000 on property and \$25,000 on liability. Insurance above these levels is ceded to another joint power authority, Statewide Association of Community Colleges (SWACC), and to a level of \$5 million on liability and \$250 million on property.

The District is also a member of the NCCC SIA for workers' compensation coverage. Within NCCC SIA, the workers' compensation insurance program is insured with first-dollar coverage through a joint powers authority, Protected Insurance Program for Schools (PIPS).

Estimates Used in Financial Reporting In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements as well as revenues and expenses during the reporting period. Actual results could differ from those estimates. The District's largest source of revenues are property taxes, enrollment fees, and state revenues. Each of these revenue types is subject to some estimation at the date of the financial statements.

Budgets and Budgetary Accounting By State law, the District's governing board must approve a tentative budget no later than July 1, and adopt a final budget no later than September 15 of each year. A hearing must be conducted for public comments prior to adoption. The District's governing board satisfied these requirements.

The budget is revised during the year to incorporate categorical funds that are awarded during the year and miscellaneous changes to the spending plans. The District's governing board approves revisions to the budget.

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

The counties are responsible for assessing, collecting, and apportioning property taxes. Taxes are levied each fiscal year on taxable real and personal property in the counties. Secured property taxes attach as an enforceable lien on property as of March 1. Property taxes on the secured roll are due on November 1 and February 1 and become delinquent after December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The following counties bill and collect the taxes for the District: Butte, Colusa, Glenn, Lake, Placer, Sutter, Yolo, and Yuba.

Secured property taxes are recorded as revenue when apportioned in the fiscal year of the levy. The counties apportion secured property tax revenue in accordance with the alternate method of distribution prescribed by Section 4705 of the California Revenue and Taxation Code. This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll on approximately October 1 of each year.

**YUBA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

General Apportionment and Property Tax, continued

Property taxes are recorded as local revenue sources by the District. The California Community Colleges Chancellor's Office reduces the District's entitlement by the District's local property tax revenue, Education Protection Account funding, and student fees. The balance is paid from the state's General Fund and is referred to as the state apportionment. The District's base revenue is the amount of general purpose tax revenue, per full-time equivalent student (FTES), that the District is entitled to by law.

Reclassifications Certain reclassifications have been made to prior-year amounts to conform with the current-year presentation.

New Accounting Pronouncements The Governmental Accounting Standards Board (GASB) has issued several pronouncements that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the District.

GASB Statement No. 84 – Fiduciary Activities. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The District has implemented GASB Statement No. 84 for the year ending June 30, 2021.

GASB Statement No. 87 – Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The Statement is effective for periods beginning after June 15, 2021.

**YUBA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 – CASH AND INVESTMENTS

Policies and Practices

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

Investment in County Treasury

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section (ECS) 41001). 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. The County Treasurer also holds investments in a separate investment agreement account other than the County Pooled Investment noted above on behalf of the District.

General Authorizations

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

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Obligations	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

**YUBA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 – CASH AND INVESTMENTS, continued

Summary of Deposits and Investments

Deposits and investments of the Primary Government as of June 30, 2021, consist of the following:

Governmental Funds:

Cash on hand and in banks	\$ 448,286
County treasurer's investment pool	104,387,804
Cash with fiscal agent	1,291,596
Total cash and investments - Primary Government	<u>\$ 106,127,686</u>

Deposits and investments of the Fiduciary Funds as of June 30, 2021, consist of the following:

Fiduciary Funds:

Cash with fiscal agent	\$ 7,171,530
Total cash and investments - Fiduciary Funds	<u>\$ 7,171,530</u>

Summary of Deposits and Investments

Deposits and investments of the Discretely Presented Component Unit - Foundation as of June 30, 2021, consist of the following:

Foundation:

Cash on hand and in banks	\$ 149,431
Corporate bonds	858,716
U.S. Treasuries	603,281
Money market mutual fund	1,204,108
Equity securities	7,694,177
Total cash and investments - Foundation	<u>\$ 10,509,713</u>

Custodial Credit Risk – Deposits

For deposits, custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. The District and Foundation do not have a deposit policy for custodial credit risk. As of June 30, 2021, none of the District's or Foundation's bank balances were uninsured and uncollateralized.

**YUBA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 – CASH AND INVESTMENTS, continued

District – Investment Credit Risk

California Government Code, Section 53601, limits investments in commercial paper to “prime” quality of the highest ranking or of the highest letter and numerical rating as provided by nationally recognized statistical rating organizations (NRSRO), and limits investments in medium-term notes to a rating of A or better. Individual securities must be backed by the federal government or rated AAA, AA, or A by Standard & Poor’s or AAA, AA, or A by Moody’s indices. The District does not have an investment policy that would further limit investment choices.

Investment Type	Fair Value	S&P Rating
County treasurer’s investment pool	\$ 104,068,899	Unrated

Foundation – Investment Credit Risk

The Foundation does not have an investment policy that limits its investment choices.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District’s investment in a single issuer. Pursuant to *California Government Code*, Section 53601, no more than 5% may be invested in the securities of any one issuer, except the obligations of the U.S. government, U.S. government agencies, and U.S. government-sponsored enterprises. There were no concentrations of credit risk for the District at June 30, 2021. The Foundation did not have any investments that exceeded 5%.

District – Investment Interest Rate Risk

California Government Code, Section 53601, limits the District’s investments to maturities of five years. The District does not have an investment policy regarding interest rate risk.

The schedule of maturities for the District at June 30, 2021, is as follows:

Investment Type	Fair Value	Maturity
County treasurer’s investment pool	\$ 104,068,899	One to Five Years

**YUBA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 – CASH AND INVESTMENTS, continued

Foundation – Investment Interest Rate Risk

The Foundation’s investment policy requires that at least 40% of investments be in fixed income securities and 50% to 60% in equities. Investment decisions are executed with the intent that they will be held to maturity.

Foundation – Highly Sensitive Investments

The U.S. government agency securities (Federal Home Loan Bank) are mortgage-backed securities which entitle the purchaser to receive a share of the cash flows, such as principal and interest payments, from a pool of mortgages. Mortgage securities are sensitive to interest rate changes because principal payments either increase (in a low interest rate environment) or decrease (in a high interest rate environment). A change, up or down, in the payment rate will result in a change in the security yield.

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable for the District consisted primarily of intergovernmental grants, entitlements, interest, and other local sources. As of June 30, 2021, accounts receivable amounted to \$14,776,966.

NOTE 5 – CAPITAL ASSETS

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

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021
Capital Assets not being Depreciated				
Land	\$ 6,139,728	\$ -	\$ -	\$ 6,139,728
Construction in progress	7,643,143	2,007,996	6,230,679	3,420,460
Total Capital Assets not being Depreciated	<u>13,782,871</u>	<u>2,007,996</u>	<u>6,230,679</u>	<u>9,560,188</u>
Capital Assets being Depreciated				
Site improvements	3,787,191	-	-	3,787,191
Buildings & improvements	213,512,619	8,100,488	9,716	221,603,391
Equipment	12,577,110	972,597	-	13,549,707
Vehicles	846,680	-	-	846,680
Total Capital Assets being Depreciated	<u>230,723,600</u>	<u>9,073,085</u>	<u>9,716</u>	<u>239,786,969</u>
Total Capital Assets	<u>244,506,471</u>	<u>11,081,081</u>	<u>6,240,395</u>	<u>249,347,157</u>
Less Accumulated Depreciation	<u>74,285,184</u>	<u>6,529,597</u>	<u>-</u>	<u>80,814,781</u>
Net Capital Assets	<u>\$ 170,221,287</u>	<u>\$ 4,551,484</u>	<u>\$ 6,240,395</u>	<u>\$ 168,532,376</u>

**YUBA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 – LONG-TERM LIABILITIES

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

	Balance July 1, 2020	Additions	Payments and Reductions	Balance June 30, 2021	Due Within One Year
Compensated absences	\$ 1,698,004	\$ 228,743	\$ -	\$ 1,926,747	\$ -
General obligation bonds	194,815,271	443,325	2,770,000	192,488,596	5,755,000
QEC Bonds - central plant	2,875,431	-	443,966	2,431,465	457,511
QEC Bonds - solar project	6,985,000	-	825,000	6,160,000	850,000
Unamortized bond premium	12,884,782	-	956,788	11,927,994	956,788
California Energy Commission note payable	889,248	-	135,473	753,775	-
CREB Leases	5,792,000	-	223,000	5,569,000	-
Total Long-Term Liabilities	\$ 225,939,736	\$ 672,068	\$ 5,354,227	\$ 221,257,577	\$ 8,019,299

Description of Debt

Payments on the general obligation bonds and lease revenue bonds are made by the Capital Outlay fund. The capital lease payments are made by the General Fund and Capital Outlay fund. The compensated absences are made by the fund for which the employees' salaries are paid from. The District's General Fund makes payments for the golden handshake, supplemental early retirement plan, and load banking obligations from the General Fund.

Bonds Payable

The outstanding bonded debt is as follows:

Series	Issuance Date	Interest Yield	Maturity Date	Amount of Original Issue	Bonds			Bonds Outstanding June 30, 2021	Due Within One Year
					Outstanding July 1, 2020	Additions	Redeemed		
2006 Series C	7/12/2011	0.48-7.25%	8/1/2050	\$ 34,935,795	\$ 7,195,271	\$ 443,325	\$ 385,000	\$ 7,253,596	\$ 340,000
2015 Series A Refunding	6/18/2015	1.48-3.64%	8/1/2030	3,790,000	3,670,000	-	145,000	3,525,000	175,000
2015 Series B Refunding	6/18/2015	1.48-3.30%	8/1/2030	25,040,000	24,285,000	-	935,000	23,350,000	1,135,000
2006 Series D	4/6/2016	1.14-3.09%	8/1/2039	26,500,000	26,500,000	-	-	26,500,000	125,000
2016 Series A Refunding	5/12/2016	0.74-3.07%	8/1/2038	72,010,000	71,920,000	-	970,000	70,950,000	1,020,000
2017 Refunding	12/28/2017	1.19-3.19%	8/1/2047	29,410,000	27,680,000	-	335,000	27,345,000	360,000
2016 Series A	10/31/2019	1.03-2.2%	8/1/2032	33,565,000	33,565,000	-	-	33,565,000	2,600,000
				229,055,795	194,815,271	443,325	2,770,000	192,488,596	5,755,000
2011 QEC Bonds - Central Plant	6/3/2011	2.84-6.50%	6/3/2026	6,324,000	2,875,431	-	443,966	2,431,465	457,511
2011 QEC Bonds - Solar Project	6/15/2011	2.03-6.29%	6/1/2027	15,040,000	6,985,000	-	825,000	6,160,000	850,000
				21,364,000	9,860,431	-	1,268,966	8,591,465	1,307,511
Total				\$ 250,419,795	\$ 204,675,702	\$ 443,325	\$ 4,038,966	\$ 201,080,061	\$ 7,062,511

**YUBA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 – LONG-TERM LIABILITIES, continued

General Obligation Bonds

The District issued 2006 Series C bonds in the aggregate principal amount of \$34,935,795 with interest yields ranging from 0.48 to 7.25 percent and maturing through August 1, 2050. The District refunded a portion of the 2006 Series C bonds with the issuance of the 2017 Refunding bonds.

The annual requirements to amortize the 2006 Series C general obligation bonds payable are as follows:

Fiscal Year	Principal	Interest	Accreted Interest	Total
2022	\$ 340,000	\$ 8,500	\$ -	\$ 348,500
2023	-	-	-	-
2024	-	-	-	-
2025	-	-	-	-
2026	-	-	-	-
2027-2031	-	-	-	-
2032-2036	-	-	-	-
2037-2041	1,143,700	-	6,186,300	7,330,000
2042-2046	-	-	-	-
2047-2051	2,332,405	-	32,022,594	34,354,999
Accretion	3,437,491	-	(3,437,491)	-
Total	\$ 7,253,596	\$ 8,500	\$ 34,771,403	\$ 42,033,499

**YUBA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 – LONG-TERM LIABILITIES, continued

General Obligation Bonds, continued

The District issued 2015 Series A refunding bonds in the aggregate principal amount of \$3,790,000 with interest yields ranging from 1.48 to 3.64 percent and maturing through August 1, 2030.

The annual requirements to amortize the 2015 Series A general obligation refunding bonds payable are as follows:

Fiscal Year	Principal	Interest	Total
2022	\$ 175,000	\$ 128,006	\$ 303,006
2023	205,000	120,406	325,406
2024	235,000	110,431	345,431
2025	275,000	97,681	372,681
2026	320,000	82,806	402,806
2027-2031	2,315,000	210,397	2,525,397
Total	\$ 3,525,000	\$ 749,727	\$ 4,274,727

The District issued 2015 Series B crossover refunding bonds in the aggregate principal amount of \$25,040,000 with interest yields ranging from 1.48 to 3.30 percent and maturing through August 1, 2030.

The annual requirements to amortize the 2015 Series B general obligation crossover refunding bonds payable are as follows:

Fiscal Year	Principal	Interest	Total
2022	\$ 1,135,000	\$ 1,120,000	\$ 2,255,000
2023	1,345,000	1,070,400	2,415,400
2024	1,570,000	1,004,250	2,574,250
2025	1,835,000	919,125	2,754,125
2026	2,105,000	820,625	2,925,625
2027-2031	15,360,000	2,095,000	17,455,000
Total	\$ 23,350,000	\$ 7,029,400	\$ 30,379,400

**YUBA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 – LONG-TERM LIABILITIES, continued

General Obligation Bonds, continued

The District issued 2006 Series D bonds in the aggregate principal amount of \$26,500,000 with interest yields ranging from 1.14 to 3.09 percent and maturing through August 1, 2039.

The annual requirements to amortize the 2006 Series D general obligation bonds payable are as follows:

Fiscal Year	Principal	Interest	Total
2022	\$ 125,000	\$ 1,017,931	\$ 1,142,931
2023	265,000	1,010,756	1,275,756
2024	415,000	995,081	1,410,081
2025	575,000	970,331	1,545,331
2026	690,000	938,707	1,628,707
2027-2031	5,495,000	4,152,393	9,647,393
2032-2036	9,525,000	2,366,182	11,891,182
2037-2040	9,410,000	603,480	10,013,480
Total	\$ 26,500,000	\$ 12,054,861	\$ 38,554,861

The District issued 2016 Series A Refunding bonds in the aggregate principal amounts of \$72,010,000, with interest yields ranging from 0.74 to 3.07 percent and maturing through August 1, 2038.

The annual requirements to amortize the 2016 Series A general obligation refunding bonds payable are as follows:

Fiscal Year	Principal	Interest	Total
2022	\$ 1,020,000	\$ 2,315,650	\$ 3,335,650
2023	1,070,000	2,263,400	3,333,400
2024	1,125,000	2,208,525	3,333,525
2025	1,180,000	2,150,900	3,330,900
2026	1,235,000	2,090,525	3,325,525
2027-2031	7,005,000	9,669,675	16,674,675
2032-2036	36,820,000	6,364,375	43,184,375
2037-2039	21,495,000	766,425	22,261,425
Total	\$ 70,950,000	\$ 27,829,475	\$ 98,779,475

**YUBA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 – LONG-TERM LIABILITIES, continued

General Obligation Bonds, continued

The District issued 2017 refunding bonds in the aggregate principal amount of \$29,410,000 with interest yields ranging from 1.19 to 3.19 percent and maturing through August 1, 2047.

The annual requirements to amortize the 2016 general obligation refunding bonds payable are as follows:

Fiscal Year	Principal	Interest	Total
2022	\$ 360,000	\$ 1,068,206	\$ 1,428,206
2023	675,000	1,042,331	1,717,331
2024	645,000	1,009,331	1,654,331
2025	600,000	978,206	1,578,206
2026	615,000	947,831	1,562,831
2027-2031	3,280,000	4,283,581	7,563,581
2032-2036	3,645,000	3,691,806	7,336,806
2037-2041	5,650,000	2,961,778	8,611,778
2042-2046	7,615,000	1,661,500	9,276,500
2047-2048	4,260,000	179,200	4,439,200
	<u>\$ 27,345,000</u>	<u>\$ 17,823,770</u>	<u>\$ 45,168,770</u>

The District issued 2016 Series A bonds in the aggregate principal amount of \$26,500,000 with interest yields ranging from 1.03 to 2.20 percent and maturing through August 1, 2032.

The annual requirements to amortize the 2006 Series D general obligation bonds payable are as follows:

Fiscal Year	Principal	Interest	Total
2022	2,600,000	1,199,150	3,799,150
2023	2,800,000	1,064,150	3,864,150
2024	2,080,000	942,150	3,022,150
2025	2,240,000	834,150	3,074,150
2026	2,410,000	717,900	3,127,900
2027-2031	15,275,000	1,797,725	17,072,725
2032-2033	6,160,000	114,100	6,274,100
	<u>\$ 33,565,000</u>	<u>\$ 6,669,325</u>	<u>\$ 40,234,325</u>

**YUBA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 – LONG-TERM LIABILITIES, continued

Qualified Energy Conservation Bonds

Interest payments for the qualified energy conservation bonds are subsidized by the government with subsidy payments being sent to the District at regular intervals corresponding to the interest payments being made. These subsidy payments are reported as revenue for the District; therefore, the future interest payments shown in the tables below represent the gross payment amounts.

The District issued 2011 Central Plant qualified energy conservation bonds in the aggregate principal amount of \$6,324,000 with an interest yields of 2.84 to 6.50 percent and maturing through June 3, 2026.

The annual requirements to amortize the 2011 Central Plant qualified energy conservation bonds payable are as follows:

Fiscal Year	Principal	Interest	Interest Subsidy	Total
2022	\$ 457,511	\$ 150,667	\$ (80,479)	\$ 527,699
2023	471,470	120,704	(64,474)	527,700
2024	485,854	89,826	(47,981)	527,699
2025	500,677	58,004	(30,983)	527,698
2026	515,953	25,215	(13,469)	527,699
Total	\$ 2,431,465	\$ 444,416	\$ (237,386)	\$ 2,638,495

The District issued 2011 Solar Project qualified energy conservation bonds in the aggregate principal amount of \$15,040,000 with interest yields ranging from 2.03 to 6.29 percent and maturing through June 1, 2027.

The annual requirements to amortize the 2011 Solar Project qualified energy conservation bonds payable are as follows:

Fiscal Year	Principal	Interest	Interest Subsidy	Total
2022	\$ 850,000	\$ 369,600	\$ (222,930)	\$ 996,670
2023	915,000	318,600	(192,168)	1,041,432
2024	985,000	263,700	(159,056)	1,089,644
2025	1,060,000	204,600	(123,408)	1,141,192
2026	1,135,000	141,000	(85,046)	1,190,954
2027	1,215,000	72,900	(43,970)	1,243,930
Total	\$ 6,160,000	\$ 1,370,400	\$ (826,578)	\$ 6,703,822

**YUBA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 – LONG-TERM LIABILITIES, continued

Qualified Energy Conservation Bonds, continued

On June 15, 2013, the District entered into an unsecured note payable due to the California Energy Commission. Semiannual installments of \$34,828 are due beginning December 22, 2014, through June 22, 2028, at an interest rate of 1.00%.

Additionally, on March 22, 2016, the District entered into an unsecured note payable due to the California Energy Commission for \$900,000. The requirements of both agreements are as follows:

Fiscal Year	Principal	Interest	Total
2022	\$ 136,119	\$ 4,535	\$ 140,654
2023	136,772	3,882	140,654
2024	137,424	3,232	140,656
2025	138,099	2,558	140,657
2026	67,772	1,885	69,657
2027-2028	137,589	3,611	141,200
	<u>\$ 753,775</u>	<u>\$ 19,703</u>	<u>\$ 773,478</u>

In 2017-18, the District issued \$6,000,000 in Clean Renewable Energy Bonds (CREBs). The bonds mature through August 1, 2037.

The annual requirements to amortize the CREBs are as follows:

Fiscal Year	Principal	Interest	Subsidy	Total
2022	\$ 238,000	\$ 247,430	\$ (152,218)	\$ 333,212
2023	255,000	236,239	(145,333)	345,906
2024	271,000	224,299	(137,988)	357,311
2025	287,000	211,633	(130,196)	368,437
2026	304,000	198,217	(121,943)	380,274
2027-2031	1,626,000	768,666	(472,884)	1,921,782
2032-2036	1,764,000	394,390	(242,628)	1,915,762
2037-2038	824,000	37,818	(23,265)	838,553
	<u>\$ 5,569,000</u>	<u>\$ 2,318,692</u>	<u>\$ (1,426,455)</u>	<u>\$ 6,461,237</u>

**YUBA COMMUNITY COLLEGE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021**

NOTE 7 – OPERATING LEASES

On April 12, 2016, The District entered into a building operating lease. The lease agreement is effective for ten (10) years. Total monthly payments are \$19,221 and increase by 1.75% yearly, beginning on July 1, 2018. In addition, the District will pay its share of operating expense and real property taxes totaling \$4,606 each month. This agreement contains a termination clause providing for cancellation upon written notice to lessors, but it is unlikely that the District will cancel any of the agreements prior to the expiration date. Future minimum lease payments are as follows:

Fiscal Year	Lease Payment
2022	\$ 247,221
2023	251,548
2024	255,950
2025	260,429
2026	132,494
Total	\$ 1,147,642

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB)

Plan Description

The District provides certain health care benefits for retired salaried employees. The District’s salaried employees may become eligible for those benefits if they reach normal retirement age and length of service while working for the District. The District covers these benefits for retirees and all eligible dependents to age 65 or for the retirees’ lifetimes depending on the type of retiree (faculty, classified, academic management, or classified management/confidential).

The District, effective with the approval of the Board of Trustees on August 23, 2017 joined the California Public Employees Retirement System (CALPERS) and California Employers Retirement Benefits Trust (CERTB), an agent multiple-employer defined benefit OPEB plan. The CALPERS CERTB is a joint powers authority as discussed in note 11. The Retirement Health Benefit Program (RHBP) does not issue a stand-alone financial report.

**YUBA COMMUNITY COLLEGE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021**

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB), continued

Funding Policy

The District’s agreement with retired employees is for monthly contributions for members who meet the eligibility criteria of their collective agreement and who retire during the term of the contract. The contribution requirements of the District and plan members are established and may be amended by the District through the collective bargaining process.

The following is a summary of the current employee retiree benefit plan:

	Faculty	Classified	Academic Management	Classified Management/ Confidential
Applies to	Regardless of hire date	Regardless of hire date	Hired prior to 7/1/02	Hired prior to 7/1/02
Benefit types provided	Medical only*	Medical only	Medical and life	Medical only
Duration of Benefits	Lifetime	To age 65***	Lifetime	Lifetime
Required Service	20 years**	20 years+	10 years	10 years
Minimum Age	55	55	55	60~
Dependent Coverage	No*	Yes	Yes	Yes
College Contribution %	100%**	100%	One-third^	One-third~~
College Cap	None	\$1,000 per year++	None	None

*Those hired prior to July 1, 2002 also receive dental, vision and life coverage. Dependents also covered.

**Those hired prior to April 1, 1986 need only 10 years. Those hired April 1, 1986 to June 30, 2002 need 10 years of service for one-third payment and 20 years for 100% payment

***Those hired prior to 7/1/08 receive lifetime coverage

+Ten years for those hired prior to January 27, 1986

++No cap for those hired prior to January 1, 2003

^100% for those hired before April 1, 1986

~Age 55 for those hired prior to January 1, 1991

~~100% for those hired prior to January 1, 1991

**YUBA COMMUNITY COLLEGE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021**

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB), continued

Employees Covered by Benefits Term

The following is a table of plan participants as of the June 30, 2019 valuation:

	Number of Participants
Inactive Employees Receiving Benefits	244
Active Employees	262
	<u>506</u>

Actuarial Assumptions The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Fiscal year	July 1st to June 30th
Actuarial cost methods	Entry age normal cost method
Inflation rate	2.75%
Investment rate of return	6.00%
Discount rate	6.00%
Health care cost trend rate	4.00%
Payroll increase	2.75%
Mortality	For certificated employees the 2009 CalSTRS mortality tables were used. For classified employees the 2014 CalPERS active mortality for miscellaneous employees were used.

**YUBA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB), continued

Changes in the Net OPEB Liability

	Increase/(Decrease)		
	Total OPEB Liability	Total Fiduciary Net Position	Net OPEB Liability (Asset)
	(a)	(b)	(a) - (b)
Balance July 1, 2019	\$ 54,667,946	\$ -	\$ 54,667,946
Changes for the year:			
Service cost	597,563	-	597,563
Interest	3,207,224	-	3,207,224
Employer contributions	-	6,031,678	(6,031,678)
Expected investment income	-	89,987	(89,987)
Investment gains (losses)	-	251,202	(251,202)
Administrative expense	-	(443)	443
Expected benefit payments	(3,026,001)	(3,031,678)	5,677
Net change	778,786	3,340,746	(2,561,960)
Balance June 30, 2020	\$ 55,446,732	\$ 3,340,746	\$ 52,105,986

Sensitivity of the net pension liability to assumptions

The following presents the net OPEB liability calculated using the discount rate of 6.0 percent. The schedule also shows what the net OPEB liability would be if it were calculated using a discount rate that is 1 percent lower (5.0 percent) and 1 percent higher (7.0%):

	Discount Rate 1% Lower (5.00%)	Current Discount Rate (6.00%)	Discount Rate 1% Higher (7.00%)
Net OPEB liability	\$ 58,819,030	\$ 52,105,986	\$ 46,560,566

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

	Trend Rate 1% Lower (3.0%)	Current Trend Rate (4.0%)	Trend Rate 1% Higher (5.0%)
Net OPEB liability	\$ 45,957,409	\$ 52,105,986	\$ 59,438,089

**YUBA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB), continued

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

For the fiscal year ended June 30, 2021, the Authority recognized OPEB expense of \$1,840,111. As of the year ended June 30, 2021, the Authority reported deferred outflows and inflows of resources as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings on plan investments	\$ -	\$ 200,961
Differences between expected and actual experience	172,888	-
Change in assumptions	12,094,346	12,150,367
District contributions subsequent to the measurement date	3,370,000	-
	<u>\$ 15,637,234</u>	<u>\$ 12,351,328</u>

The deferred outflows/(inflows) of resources related to OPEB will be recognized as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	\$ 1,632,526
2023	1,632,526
2024	1,632,526
2025	(2,398,921)
2026	(2,348,682)
Thereafter	(234,069)
	<u>\$ (84,094)</u>

NOTE 9 – NET PENSION LIABILITY

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are member of the California State Teachers' Retirement System (CalSTRS), and Classified employees are members of the California Public Employees' Retirement System (CalPERS). The District reported its proportionate share of the net pension liabilities, pension expense, deferred outflow of resources, and deferred inflow of resources for each of the above plans as follows:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	\$ 32,550,890	\$ 7,390,262	\$ 1,672,310	\$ 3,610,129
CalPERS	27,482,570	5,383,830	551,482	4,865,773
Total	<u>\$ 60,033,460</u>	<u>\$ 12,774,092</u>	<u>\$ 2,223,792</u>	<u>\$ 8,475,902</u>

**YUBA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 – NET PENSION LIABILITY, continued

Pension Plans – California Public Employees’ Retirement System (CalPERS)

General Information about the Pension Plan

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2019 annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/forms-publications>.

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

The CalPERS provisions and benefits in effect at June 30, 2021, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	December 31, 2012	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	7.000%	6.500%
Required employer contribution rate	20.700%	20.700%

**YUBA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 – NET PENSION LIABILITY, continued

Pension Plans – California Public Employees’ Retirement System (CalPERS), continued

General Information about the Pension Plan, continued

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 the 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 contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2021, are presented above and the total District contributions were \$2,683,924.

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

As of June 30, 2021, the District reported a net pension liability for its proportionate share of the CalPERS net pension liability totaling \$27,482,570. The net pension liability was measured as of June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2020 and June 30, 2019, respectively was 0.090 percent and 0.092 percent, resulting in a net decrease in the proportionate share of 0.002 percent.

Pension Plans – California Public Employees’ Retirement System (CalPERS), continued

For the year ended June 30, 2021, the District recognized pension expense of \$4,865,773. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ 572,101	\$ -
Differences between expected and actual experience	1,363,051	-
Changes in assumptions	100,780	-
Net changes in proportionate share of net pension liability	663,974	551,482
District contributions subsequent to the measurement date	2,683,924	-
Total	\$ 5,383,830	\$ 551,482

**YUBA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 – NET PENSION LIABILITY, continued

Pension Plans – California Public Employees’ Retirement System (CalPERS), continued

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

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 pensions will be recognized as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	\$ 723,197
2023	715,225
2024	549,016
2025	160,986
2026	(112,205)
	\$ 2,148,424

Actuarial assumptions. For the measurement period ended June 30, 2020 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2019 total pension liability. The June 30, 2019 and the June 30, 2020 total pension liabilities were based on the following actuarial methods and assumptions:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Experience study	July 1, 1997, through June 30, 2015
Actuarial cost method	Entry Age Normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS experience study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include five years of projected ongoing mortality improvement using Scale AA published by the Society of Actuaries. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund.

The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

**YUBA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 – NET PENSION LIABILITY, continued

Pension Plans – California Public Employees’ Retirement System (CalPERS), continued

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses:

Asset Class*	Assumed Asset Allocation	Real Return Years 1 - 10**	Real Return Years 11+***
Global Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation Assets	0%	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	13%	3.75%	4.93%
Liquidity	1%	0.00%	-0.92%
Liquidity	100%		

*In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

**An expected inflation of 2.0% used for this period

***An expected inflation of 2.92% used for this period

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

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate -

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.15 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is in the following table:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Plan's net pension liability	\$ 39,511,206	\$ 27,482,570	\$ 17,499,406

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS CAFR at <https://www.calpers.ca.gov>.

**YUBA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 – NET PENSION LIABILITY, continued

Pension Plans – California State Teachers’ Retirement System (CalSTRS)

General Information about the Pension Plan

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2019, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

Benefits Provided - The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0 percent 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 provision and benefits in effect as June 30, 2021 are summarized as follows:

	STRP Defined Benefit Plan	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	December 31, 2012	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%	9.205%*
Required employer contribution rate	16.15%	16.15%
Required state contribution rate	10.328%	10.328%

*The rate imposed on CalSTRS 2% at 62 members assuming no change in the normal cost of benefits.

**YUBA COMMUNITY COLLEGE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021**

NOTE 9 – NET PENSION LIABILITY, continued

Pension Plans – California State Teachers’ Retirement System (CalSTRS), continued

General Information about the Pension Plan, continued

Contributions - Required member, District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2021, are presented above and the District's total contributions were \$3,116,626.

On-Behalf Payments - The District was the recipient of on-behalf payments made by the State of California to CalSTRS for community college education. These payments consist of state general fund contributions of approximately \$2,998,704 to CalSTRS.

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

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

Total net pension liability, including state share:

District's proportionate share of the net pension liability	\$ 32,550,890
State's proportionate share of the net pension liability associated with the District	16,779,852
Total	<u>\$ 49,330,742</u>

The net pension liability was measured as of June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2020 and June 30, 2019, respectively, was 0.034 percent and 0.034 percent, resulting in no net change in the proportionate share.

**YUBA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 – NET PENSION LIABILITY, continued

Pension Plans – California State Teachers’ Retirement System (CalSTRS), continued

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

For the year ended June 30, 2021, the District recognized pension expense of \$3,610,129. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ 773,022	\$ -
Differences between expected and actual experience	57,438	917,415
Changes in assumptions	3,173,598	-
Net changes in proportionate share of net pension liability	269,578	754,895
District contributions subsequent to the measurement date	3,116,626	-
Total	<u>\$ 7,390,262</u>	<u>\$ 1,672,310</u>

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 pensions will be recognized as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	\$ (305,324)
2023	1,152,481
2024	1,426,319
2025	410,143
2026	(85,460)
Thereafter	3,167
	<u>\$ 2,601,326</u>

**YUBA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 – NET PENSION LIABILITY, continued

Pension Plans – California State Teachers’ Retirement System (CalSTRS), continued

Actuarial Assumptions

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

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Experience study	July 1, 2015, through June 30, 2018
Actuarial cost method	Entry Age Normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

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. Based on the model for CalSTRS consulting actuary's investment practice, a best estimate range was determined by assuming the portfolio is re-balanced annually and that the annual returns are lognormally distributed and independent from year to year to develop expected percentiles for the long-term distribution of annualized returns. The assumed asset allocation is based on Teachers' Retirement Board of the California State Teachers' Retirement System (board) policy for target asset allocation in effect on February 2, 2012, the date the current experience study was approved by the board. Best estimates of 20-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-term Expected Real Rate of Return*
Global Equity	47%	6.30%
Fixed Income	12%	0.30%
Real Estate	13%	5.20%
Private Equity	13%	9.30%
Cash/Liquidity	2%	-1.00%
Risk Mitigating Strategies	9%	2.90%
Inflation Sensitive	4%	3.80%
	100%	

*20-year geometric average

**YUBA COMMUNITY COLLEGE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021**

NOTE 9 – NET PENSION LIABILITY, continued

Pension Plans – California State Teachers’ Retirement System (CalSTRS), continued

Discount rate - The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increase per Assembly Bill 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the STRP’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate - The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.10% percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10%) or 1-percentage-point higher (8.10%) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Plan's net pension liability	\$ 49,179,860	\$ 32,550,890	\$ 18,821,333

Pension plan fiduciary net position - Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalSTRS CAFR at <http://www.calstrs.com/comprehensive-annual-financial-report>.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Federal and State Allowances, Awards, and Grants

The District received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

**YUBA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11 – JOINT POWERS AUTHORITIES

The District participates in joint ventures under joint power agreements with the following joint powers authorities (JPAs): Schools Excess Liability Fund (SELF), Tri-County Schools Insurance Group (TCSIG), Northern California Community Colleges Self Insurance Authority (NCCC SIA), California Asset Management Program (CAMP), Statewide Association of Community Colleges (SWACC), and CALPERS CERTB. The relationship between the District and the JPAs is such that the JPAs are not component units of the District for financial reporting purposes. The JPAs arrange for and provide property, liability, workers' compensation, dental, vision, and excess liability coverage for their members. Each member pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to its participation in the JPA.

TCSIG arranges for and provides health benefits coverage for its member districts. CALPERS CERTB has established the Retiree Health Benefit Program (RHBP) to use funds invested by the District to pay postemployment health care and welfare benefits for eligible employees and retirees. As of June 30, 2021, no funds have been contributed to RHBP. CAMP is a JPA created to provide investment management services for surplus funds and comprehensive investment management, accounting, and arbitrage rebate calculation services for proceeds of tax-exempt financings. The District participates in the remaining JPAs to mitigate its risks associated with property and liability insurance, as well as workers' compensation coverage, as described further in note 2 above.

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

NOTE 12 – PRIOR PERIOD ADJUSTMENT

The beginning net position decreased by \$98,907 due to the implementation of GASB Statement No. 84, Fiduciary Activities for the implementation of change in accounting principal.

NOTE 13 – SUBSEQUENT EVENTS

The District evaluated subsequent events from June 30, 2021 through December 16, 2021, the date the financial statements were issued. The District concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements.

**REQUIRED SUPPLEMENTARY
INFORMATION**

**YUBA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 597,563	\$ 262,535	\$ 150,401	\$ 146,376
Interest	3,207,224	2,657,770	1,767,840	3,208,534
Experience gains (losses)	-	233,899	-	-
Changes of assumptions	-	(16,915,219)	24,188,693	-
Benefit payments	(3,026,001)	(2,762,151)	(2,725,450)	(2,620,625)
Net change in total OPEB liability	778,786	(16,523,166)	23,381,484	734,285
Total OPEB liability, beginning of year	54,667,946	71,191,112	47,809,628	47,075,343
Total OPEB liability, end of year (a)	\$ 55,446,732	\$ 54,667,946	\$ 71,191,112	\$ 47,809,628
Plan fiduciary net position				
Employer contributions	\$ 6,031,678	\$ 2,762,151	\$ 2,725,450	\$ 2,620,625
Expected benefit payments	(3,031,678)	(2,762,151)	(2,725,450)	(2,620,625)
Change in plan fiduciary net position	3,340,746	-	-	-
Fiduciary trust net position, beginning of year	-	-	-	-
Fiduciary trust net position, end of year (b)	\$ 3,340,746	\$ -	\$ -	\$ -
Net OPEB liability (asset), ending (a) - (b)	\$ 52,105,986	\$ 54,667,946	\$ 71,191,112	\$ 47,809,628
Covered payroll	\$ 30,107,186	\$ 30,107,186	\$ 31,107,043	\$ 31,107,043
Plan fiduciary net position as a percentage of the total OPEB liability	6%	0%	0%	0%
Net OPEB asset as a percentage of covered payroll	173%	182%	229%	154%

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

**YUBA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CONTRIBUTIONS - OPEB
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	2021	2020	2019	2018
Actuarially determined contribution	\$ 3,036,515	\$ 3,026,001	\$ 2,762,151	\$ 2,725,450
Contributions in relations to the actuarially determined contribution	6,117,676	5,867,816	2,620,625	2,620,625
Contribution deficiency (excess)	<u>\$ (3,081,161)</u>	<u>\$ (2,841,815)</u>	<u>\$ 141,526</u>	<u>\$ 104,825</u>
 Covered-employee payroll	 \$ 30,107,186	 \$ 30,107,186	 \$ 31,107,043	 \$ 31,107,043
Contribution as a percentage of covered-employee payroll	20.32%	19.49%	8.42%	8.42%

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

**YUBA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Reporting Fiscal Year (Measurement Date)			
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
CalSTRS				
District's proportion of the net pension liability	0.034%	0.034%	0.034%	0.033%
District's proportionate share of the net pension liability	\$ 32,550,890	\$ 30,311,129	\$ 31,304,119	\$ 30,946,114
State's proportionate share of the net pension liability associated with the District	16,779,852	16,536,878	17,923,934	18,307,608
Total	<u>\$ 49,330,742</u>	<u>\$ 46,848,007</u>	<u>\$ 49,228,053</u>	<u>\$ 49,253,722</u>
District's covered - employee payroll	\$ 18,543,161	\$ 19,586,143	\$ 19,890,360	\$ 18,168,275
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	175.54%	154.76%	157.38%	170.33%
Plan fiduciary net position as a percentage of the total pension liability	71.8%	72.6%	71.0%	69.0%
	Reporting Fiscal Year (Measurement Date)			
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
CalPERS				
District's proportion of the net pension liability	0.090%	0.092%	0.088%	0.086%
District's proportionate share of the net pension liability	\$ 27,482,570	\$ 26,772,072	\$ 23,387,981	\$ 20,501,600
District's covered - employee payroll	\$ 13,067,806	\$ 13,201,733	\$ 13,168,488	\$ 11,452,952
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	210.31%	202.79%	177.61%	179.01%
Plan fiduciary net position as a percentage of the total pension liability	70.0%	70.0%	70.8%	71.9%

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

**YUBA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Reporting Fiscal Year (Measurement Date)		
	2017 (2016)	2016 (2015)	2015 (2014)
CalSTRS			
District's proportion of the net pension liability	0.037%	0.037%	0.037%
District's proportionate share of the net pension liability	\$ 29,913,464	\$ 24,782,820	\$ 21,833,744
State's proportionate share of the net pension liability associated with the District	17,031,708	13,107,344	13,202,697
Total	\$ 46,945,172	\$ 37,890,164	\$ 35,036,441
District's covered - employee payroll	\$ 14,140,000	\$ 10,274,997	\$ 15,515,304
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	211.55%	241.20%	140.72%
Plan fiduciary net position as a percentage of the total pension liability	70.0%	76.5%	76.5%

	Reporting Fiscal Year (Measurement Date)		
	2017 (2016)	2016 (2015)	2015 (2014)
CalPERS			
District's proportion of the net pension liability	0.090%	0.091%	0.102%
District's proportionate share of the net pension liability	\$ 17,689,266	\$ 13,485,143	\$ 11,533,112
District's covered - employee payroll	\$ 10,040,717	\$ 10,283,826	\$ 10,710,962
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	176.18%	131.13%	107.68%
Plan fiduciary net position as a percentage of the total pension liability	73.9%	83.4%	83.4%

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

**YUBA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CONTRIBUTIONS - PENSIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

CaSTRS	Reporting Fiscal Year			
	2021	2020	2019	2018
Statutorily required contribution	\$ 3,116,626	\$ 3,361,875	\$ 3,188,624	\$ 2,870,179
District's contributions in relation to the statutorily required contribution	3,116,626	3,361,875	3,188,624	2,870,179
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 19,297,994	\$ 18,543,161	\$ 19,586,143	\$ 19,890,360
District's contributions as a percentage of covered-employee payroll	16.15%	18.13%	16.28%	14.43%

CaIPERS	Reporting Fiscal Year			
	2021	2020	2019	2018
Statutorily required contribution	\$ 2,683,924	\$ 2,577,102	\$ 2,384,497	\$ 1,829,103
District's contributions in relation to the statutorily required contribution	2,683,924	2,577,102	2,384,497	1,829,103
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 12,965,816	\$ 13,067,806	\$ 13,201,733	\$ 13,168,488
District's contributions as a percentage of covered-employee payroll	20.70%	19.72%	18.06%	13.89%

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

**YUBA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CONTRIBUTIONS - PENSIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Reporting Fiscal Year		
	2017	2016	2015
CalSTRS			
Statutorily required contribution	\$ 2,285,569	\$ 2,031,915	\$ 1,536,440
District's contributions in relation to the statutorily required contribution	2,285,569	2,031,915	1,536,440
District's contribution deficiency (excess)	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 18,168,275	\$ 14,140,000	\$ 10,274,997
District's contributions as a percentage of covered-employee payroll	12.58%	14.37%	14.95%
	Reporting Fiscal Year		
	2017	2016	2015
CalPERS			
Statutorily required contribution	\$ 1,590,815	\$ 1,447,948	\$ 1,233,459
District's contributions in relation to the statutorily required contribution	1,590,815	1,447,948	1,233,459
District's contribution deficiency (excess)	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 11,452,952	\$ 10,040,717	\$ 10,283,826
District's contributions as a percentage of covered-employee payroll	13.89%	14.42%	11.99%

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

**SUPPLEMENTARY
INFORMATION**

**YUBA COMMUNITY COLLEGE DISTRICT
DISTRICT ORGANIZATIONAL STRUCTURE
JUNE 30, 2021**

The District, a political subdivision of the State of California, was established on July 1, 1964, and commenced operations on July 1, 1965. Its territories encompass Yuba, Sutter, and Colusa counties and portions of Glenn, Lake, Yolo, Butte, and Placer counties. There were no changes in boundaries during the fiscal year.

BOARD OF TRUSTEES

NAME	OFFICE	TERM EXPIRES
Susan Alves	President	2024
Dennise Burbank	Vice President	2024
Jesse Ortiz	Clerk	2022
David Wheeler	Trustee	2022
Juan Delgado	Trustee	2024
Bill Roderick	Trustee	2024
Richard Teagarden	Trustee	2022
Maria Ornelas	Student Trustee	2022
Donovan Hutchins	Student Trustee	2022

DISTRICT ADMINISTRATION

Dr. James Houpis <i>Interim Chancellor</i>	Dr. Tawny Dotson <i>President, Yuba College</i>
Dr. Artemio Pimentel <i>President, Woodland Community College</i>	Kuldeep Kaur <i>Vice Chancellor Administrative Services</i>
Dr. Sonja Lolland <i>Vice Chancellor Education and Planning</i>	Jake Hurley <i>Associate Vice Chancellor of Human Resources</i>

AUXILIARY ORGANIZATIONS IN GOOD STANDING

AUXILIARY NAME	DIRECTOR'S NAME	ESTABLISHMENT AND MASTER AGREEMENT DATE
Yuba Community College District Foundation	Thomas "Jay" Lowden, Director Foundation	Organized 1972, Master Agreement approved by Board March 3, 2020.

**YUBA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass Through/ Grant Number	Federal CFDA Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
<i>Direct Awards</i>			
Financial Aid Cluster			
Federal Work Study Program	*	84.033	\$ 306,557
Federal Pell Grant Program	*	84.063	9,924,301
Federal FSEOG	*	84.007	537,050
Federal Direct Loans	*	84.268	290,712
Total Financial Aid Cluster			<u>11,058,620</u>
TRIO Cluster			
TRIO - Student Support Services	*	84.042	735,463
TRIO - Talent Search	*	84.044	302,030
TRIO - Upward Bound	*	84.047	598,023
Total TRIO Cluster			<u>1,635,516</u>
Higher Education Emergency Relief Fund (HEERF)			
COVID-19 HEERF II Institutional Portion	*	84.425F	673,228
COVID-19 HEERF I Student Portion	*	84.425E	2,685,996
COVID-19 HEERF II Student Portion	*	84.425E	2,685,996
COVID-19 HEERF III Student Portion		84.425E	3,528,497
COVID-19 HEERF I MSI	*	84.425L	114,074
COVID-19 HEERF II MSI	*	84.425L	224,159
Total Higher Education Emergency Relief Fund (HEERF)			<u>9,911,950</u>
<i>Passed through California Community Colleges Chancellor's Office</i>			
Career and Technical Education - Basic Grants to States	*	84.048	324,441
Total U.S. Department of Education			<u>22,930,527</u>
U.S. DEPARTMENT OF LABOR			
<i>Direct Award</i>			
WIOA Adult Program	*	17.258	18,550
Total Direct U.S. Department of Labor			<u>18,550</u>
DEPARTMENT OF VETERANS AFFAIRS			
<i>Direct Award</i>			
Veterans Education	*	64.028	2,976
Total Department of Veterans Affairs			<u>2,976</u>
U.S. DEPARTMENT OF AGRICULTURE			
<i>Direct Awards</i>			
Child and Adult Care Food Program	2657-6A	10.558	57,791
Cal Fresh	18-055	10.561	23,857
<i>Passed through Yuba County Office of Education</i>			
Forest Reserve	*	10.992	4,742
Total U.S. Department of Agriculture			<u>86,390</u>
Balance Forward			<u>\$ 23,038,443</u>

*Pass-Through number is either not available or not applicable

See accompanying note to the supplementary information.

**YUBA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass Through/ Grant Number	Federal CFDA Number	Federal Expenditures
Balance Brought Forward			\$ 23,038,443
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed through California Community Colleges Chancellor's Office</i>			
Temporary Assistance for Needy Families	*	93.558	98,311
<i>Passed Through the California Department of Education</i>			
Child Care and Development Block Grant	CCTR-2350	93.575	54,947
Child Care Mandatory and Matching Funds of the Child Care	CCTR-2350	93.596	120,878
Total U.S. Department of Health and Human Services			<u>274,136</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 23,312,579</u>

*Pass-Through number is either not available or not applicable

**YUBA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Program Entitlements		
	Current Year	Prior-Year Carryover	Total Entitlement
CATEGORICAL APPORTIONMENTS			
Extended Opportunity Program and Services	\$ 1,657,702	\$ 10,695	\$ 1,668,397
Cooperative Agencies Resources for Education	297,712	69,416	367,128
Disabled Student Program and Services	1,085,014	251,781	1,336,795
Board Financial Assistance Program	412,735	37,766	450,501
Cal Grant	2,034,525	4,291	2,038,816
Student Success Completion	1,680,367	-	1,680,367
Staff Development	-	9,434	9,434
Staff Diversity	50,000	147,287	197,287
Classified Professional Development	-	27,175	27,175
CalWorks	544,062	45,234	589,296
Financial Aid Technology	63,964	198,295	262,259
RN Capacity Building	205,878	-	205,878
Guided Pathways	144,128	573,250	717,378
Hunger Free Campus	-	60,418	60,418
California Community College Promise	328,059	193,157	521,216
Veteran Resource Center	-	76,886	76,886
Veteran Program	41,242	-	41,242
Campus Safety	-	9,601	9,601
Student Equity	3,657,828	1,504,151	5,161,979
Subtotal	12,203,216	3,218,837	15,422,053
CATEGORICAL PROGRAM ALLOWANCES			
Puente Project	1,500	-	1,500
Lottery	588,193	74,988	663,181
Foster Parent	310,156	-	310,156
Foster Care Education	30,990	-	30,990
State Preschool	1,251,986	-	1,251,986
Independent Living Program	108,959	-	108,959
MESA	121,740	-	121,740
Child Development Training Consortium	37,673	2,383	40,056
Strong Workforce	68,000	3,585,778	3,653,778
IEPI	-	480,963	480,963
WCC Textbook Program	-	12,320	12,320
DSN	240,000	45,809	285,809
Apprenticeship Technical Assistance	177,918	-	177,918
Adult Education	115,921	362,614	478,535
Konocti Middle College	90,000	-	90,000
CTE Data Unlock	-	10,730	10,730
Veterans Resource Center	100,868	-	100,868
STEM Pathways	333,333	183,848	517,181
CVC Online Education Initiative	240,361	-	240,361
Norcal Teach Up	500,000	-	500,000
SB116 Disaster Student Aid	75,374	-	75,374
SB85 CalFresh	34,841	-	34,841
SB85 Rentention & Enrollment Outreach	146,241	-	146,241
SB85 Early Action Emergency Fin Aid	756,978	-	756,978
Covid Block Grant	445,090	-	445,090
Student Engagement	5,000	-	5,000
Credit for Prior Learning	4,000	-	4,000
WIOA	-	-	-
Community College Civic Impact	3,786	-	3,786
Dreamer Resource Support	70,377	-	70,377
CVC-OIE	15,000	-	15,000
Subtotal	5,874,285	4,759,434	10,633,718
Total State District Funding	\$ 18,077,501	\$ 7,978,271	\$ 26,055,771

See accompanying note to the supplementary information.

YUBA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES OF STATE AWARDS, continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Program Revenues				
	Cash Received	Accounts Receivable (Payable)	Grantor Advances	Total Revenue	Program Expenditures
CATEGORICAL APPORTIONMENTS					
Extended Opportunity Program and Services	\$ 1,668,399	\$ -	\$ 265,612	\$ 1,402,787	\$ 1,402,787
Cooperative Agencies Resources for Education	367,128	-	129,472	237,656	237,656
Disabled Student Program and Services	1,334,458	-	489,188	845,270	845,270
Board Financial Assistance Program	451,460	766	46,315	405,911	405,912
Cal Grant	2,038,816	-	337,870	1,700,946	1,700,946
Student Success Completion	1,675,771	4,596	664,120	1,016,247	1,016,247
Staff Development	9,434	-	9,434	-	-
Staff Diversity	197,287	-	193,613	3,674	3,674
Classified Professional Development	27,175	-	27,175	-	-
CalWorks	589,296	-	155,284	434,012	434,012
Financial Aid Technology	262,259	-	55,020	207,239	207,239
RN Capacity Building	205,878	-	-	205,878	205,878
Guided Pathways	717,378	-	512,696	204,682	204,682
Hunger Free Campus	60,418	-	8,701	51,717	51,718
California Community College Promise	521,216	-	334,295	186,921	186,921
Veteran Resource Center	76,886	-	49,112	27,774	27,774
Veteran Program	41,242	-	41,242	-	-
Campus Safety	9,601	-	9,601	-	-
Student Equity	1,832,328	1,389,677	-	3,222,005	3,222,005
Subtotal	12,086,430	1,395,039	3,328,750	10,152,719	10,152,721
CATEGORICAL PROGRAM ALLOWANCES					
Puente Project	1,500	-	-	1,500	1,500
Lottery	663,182	262,827	447,271	478,738	215,913
Foster Parent	186,751	123,405	-	310,156	310,046
Foster Care Education	2,461	28,529	-	30,990	30,990
State Preschool	1,251,986	58,143	210,143	1,099,986	1,099,986
Independent Living Program	64,731	86,306	-	151,037	151,037
MESA	-	121,740	-	121,740	121,740
Child Development Training Consortium	40,057	-	-	40,057	40,057
Strong Workforce	3,956,948	551,993	3,953,564	555,377	2,114,604
IEPI	480,963	-	170,836	310,127	315,125
WCC Textbook Program	12,320	-	12,320	-	-
DSN	285,809	-	93,200	192,609	192,609
Apprenticeship Technical Assistance	177,918	-	-	177,918	177,918
Adult Education	478,535	177,918	258,751	397,702	397,702
Konocti Middle College	-	90,000	-	90,000	90,000
CTE Data Unlock	10,730	5,502	-	16,232	16,232
Veterans Resource Center	100,868	-	91,274	9,594	9,594
STEM Pathways	517,182	-	342,514	174,668	174,668
CVC Online Education Initiative	240,361	15,917	-	256,278	256,279
Norcal Teach Up	450,000	-	418,146	31,854	31,854
SB116 Disaster Student Aid	75,374	-	47,222	28,152	28,152
SB85 CalFresh	34,841	-	34,841	-	-
SB85 Rentention & Enrollment Outreach	146,241	-	146,241	-	-
SB85 Early Action Emergency Fin Aid	756,978	-	756,978	-	-
Covid Block Grant	445,090	-	339,554	105,536	105,536
Student Engagement	5,000	-	3,417	1,583	1,583
Credit for Prior Learning	4,000	-	4,000	-	-
WIOA	-	18,550	-	18,550	18,550
Community College Civic Impact	3,786	-	2,297	1,489	1,489
Dreamer Resource Support	70,377	-	69,130	1,247	1,247
CVC-OIE	-	15,000	-	15,000	15,000
Subtotal	10,463,989	1,555,830	7,401,697	4,618,120	5,919,412
Total State District Funding	\$ 22,550,419	\$ 2,950,869	\$ 10,730,447	\$ 14,770,839	\$ 16,072,133

See accompanying note to the supplementary information.

**YUBA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT -
ANNUAL/ACTUAL ATTENDANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

CATEGORIES	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2020 only)			
1. Noncredit	5.49	-	5.49
2. Credit	19.22	-	19.22
B. Summer Intersession (Summer 2021 - Prior to July 1, 2021)			
1. Noncredit	-	-	-
2. Credit	672.87	-	672.87
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	1,619.20	-	1,619.20
(b) Daily Census Contact Hours	69.00	-	69.00
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	55.53	-	55.53
(b) Credit	533.28	-	533.28
3. Independent Study/Work Experience			
(a) Weekly Census Contact Hours	2,720.88	-	2,720.88
(b) Daily Census Contact Hours	291.63	-	291.63
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	5,987.10	-	5,987.10
Supplemental Information (subset of above information)			
E. In-service Training Courses	75.94	-	75.94
F. Basic Skills Courses and Immigrant Education			
1. Credit	27.33	-	27.33
2. Noncredit	54.86	-	54.86
Total Basic Skills FTES	82.19	-	82.19
<u>CCFS 320 Addendum</u>			
CDCP Noncredit FTES	13.70	-	13.70
Centers FTES			
1. Credit	1,818.59	-	1,818.59
2. Noncredit	5.89	-	5.89
Total Centers FTES	1,824.48	-	1,824.48

See accompanying note to the supplementary information.

**YUBA COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (CCFS-311) WITH FUND
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**YUBA COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF THE ECS 84362 (50 PERCENT LAW) CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Object/ TOP Codes	Activity (ESCA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6100			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Academic Salaries</u>							
Instructional Salaries							
Contract or Regular	1100	9,500,387	-	9,500,387	9,500,387	-	9,500,387
Other	1300	7,644,683	-	7,644,683	7,644,683	-	7,644,683
Total Instructional Salaries		17,145,070	-	17,145,070	17,145,070	-	17,145,070
Non-Instructional Salaries							
Contract or Regular	1200	-	-	-	4,660,387	-	4,660,387
Other	1400	-	-	-	288,358	-	288,358
Total Non-Instructional Salaries		-	-	-	4,948,745	-	4,948,745
Total Academic Salaries		17,145,070	-	17,145,070	22,093,815	-	22,093,815
<u>Classified Salaries</u>							
Non-Instructional Salaries							
Regular Status	2100	-	-	-	7,126,215	-	7,126,215
Other	2300	-	-	-	599,241	-	599,241
Total Non-Instructional Salaries		-	-	-	7,725,456	-	7,725,456
Instructional Aides							
Regular Status	2200	538,962	-	538,962	538,962	-	538,962
Other	2400	391,306	-	391,306	391,730	-	391,730
Total Instructional Aides		930,268	-	930,268	930,692	-	930,692
Total Classified Salaries		930,268	-	930,268	8,656,148	-	8,656,148
Employee Benefits	3000	6,968,835	-	6,968,835	14,016,003	-	14,016,003
Supplies and Materials	4000	-	-	-	374,139	-	374,139
Other Operating Expenses	5000	62,244	-	62,244	5,375,946	-	5,375,946
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures Prior to Exclusions		25,106,417	-	25,106,417	50,516,051	-	50,516,051
<u>Exclusions</u>							
Activities to Exclude							
Inst. Staff-Retirees' Benefits and Incentives	5900	-	-	-	-	-	-
Std. Health Svcs. Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	-	-	-
Non-inst.Staff-Retirees' Benefits and Incentives	6740	-	-	-	-	-	-
Object to Exclude							
Rents and Leases	5060	-	-	-	405,945	-	405,945
Lottery Expenditures							
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines & Periodicals	4200	-	-	-	-	-	-
Instructional Supplies & Materials	4300	-	-	-	-	-	-
Non-inst. Supplies & Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	-	-	-
Other Operating Expenses and Services	5000	-	-	-	1,387,225	-	1,387,225
Capital Outlay	6000	-	-	-	-	-	-
Library Books	6300	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay		-	-	-	-	-	-
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		\$ -	\$ -	\$ -	\$ 1,793,170	\$ -	\$ 1,793,170
Total for ECS 84362, 50% Law		\$ 25,106,417	\$ -	\$ 25,106,417	\$ 48,722,881	\$ -	\$ 48,722,881
Percent of CEE (Instructional Salary Cost/Total CEE)		51.53%	0.00%	51.53%	100.00%	0.00%	100.00%
50% of Current Expense of Education		\$ -	\$ -	\$ -	\$ 24,361,441	\$ -	\$ 24,361,441

See accompanying note to the supplementary information.

**YUBA COMMUNITY COLLEGE DISTRICT
 DETAILS OF THE EDUCATION PROTECTION ACCOUNT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EPA Revenue	12,156,494
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Activity Classification	Activity Code	Salaries and Benefits	Operating Expenses	Capital Outlay	Total
		(Obj 1000-3000)	(Obj 4000-5000)	(Obj 6000)	
Instructional Activities	0100-5900	12,156,494	-	-	12,156,494
Total		12,156,494	-	-	12,156,494

See accompanying note to the supplementary information.

**YUBA COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

Total Fund Equity - District Funds Included in the Reporting Entity:

General Fund	\$	17,853,702	
Debt Service Fund		26,496,837	
Capital Project Funds		56,173,139	
Internal Service Funds		920	
Student Activity Funds		100,524	\$ 100,625,122
			<hr/>

Assets recorded within the statements of net position not included in the District fund financial statements:

Nondepreciable capital assets	\$	9,560,188	
Depreciable capital assets		239,786,969	
Accumulated depreciation		(80,814,781)	168,532,376
			<hr/>

Unmatured Interest (2,981,214)

Liabilities recorded within the statements of net position not recorded in the District fund financial statements:

Net pension liability			(60,033,460)
Net OPEB liability			(52,105,986)
Long-term debt			(219,330,830)
Deferred outflows of resources			39,199,511
Deferred inflows of resources			(17,452,711)
			<hr/>

Net Position Reported Within the Statements of Net Position

\$ (43,547,192)

**YUBA COMMUNITY COLLEGE DISTRICT
NOTE TO THE SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 - PURPOSE OF SCHEDULES

District Organizational Structure

This schedule provides information about the District's governing board members and administration members.

Schedule of Expenditures of Federal Awards

The accompanying schedule of expenditures of Federal awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (Part 200), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The District has not elected to use the ten percent de minimis cost rate as covered in Section 200.414 Indirect (F&A) costs of the Uniform Guidance.

Schedule of Revenues and 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 pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds, including restricted categorical funding, are made to community college districts. This schedule provides information regarding the annual attendance measurements of students throughout the District.

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

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

Reconciliation of the ECS 84362 (50 Percent Law) Calculation

ECS 84362 requires the District to expend a minimum of 50 percent 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.

**YUBA COMMUNITY COLLEGE DISTRICT
NOTE TO THE SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 – PURPOSE OF SCHEDULES, continued

Details of the Education Protection Account

This schedule provides the District's summary of receipts and uses of the monies received through the EPA.

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 entity-wide full accrual basis financial statements required under GASB Statements No. 34 and No. 35 business-type activities reporting model.

**OTHER INDEPENDENT
AUDITORS' REPORTS**



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Trustees
Yuba Community College District
Yuba City, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Yuba Community College District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Yuba Community College District's basic financial statements, and have issued our report thereon dated December 16, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Yuba Community College District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Yuba Community College District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Yuba Community College District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Yuba Community College District's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



San Diego, California
December 16, 2021



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Board of Trustees
Yuba Community College District
Yuba City, California

Report on Compliance for Each Major Federal Program

We have audited Yuba Community College District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Yuba Community College District's major federal programs for the year ended June 30, 2021. Yuba Community College District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

The Board of Trustees
Yuba Community College District
Yuba City, California

Report on State Compliance

We have audited Yuba Community College District's compliance with the types of compliance requirements described in the *California Community Colleges Contracted District Audit Manual (CDAM) 2020-21*, issued by the California Community Colleges Chancellor's Office for the year ended June 30, 2021.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on Yuba Community College District's compliance with the requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *California Community Colleges Contracted District Audit Manual (CDAM) 2020-21*, issued by the California Community Colleges Chancellor's Office. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the state programs noted below. An audit includes examining, on a test basis, evidence about Yuba Community College District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with the requirements referred to above. However, our audit does not provide a legal determination of Yuba Community College District's compliance with those requirements.

Opinion on State Compliance

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

Procedures Performed

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

Section 411 – SCFF Data Management Control Environment
Section 412 – SCFF Supplemental Allocation Metrics
Section 413 – SCFF Success Allocation Metrics
Section 421 – Salaries of Classroom Instructors (50 Percent Law)
Section 423 – Apportionment for Activities Funded From Other Sources
Section 424 – Student Centered Funding Formula Base Allocation: FTES
Section 425 – Residency Determination for Credit Courses
Section 426 – Students Actively Enrolled
Section 427 – Dual Enrollment (CCAP and Non-CCAP)
Section 430 – Scheduled Maintenance Program
Section 431 – Gann Limit Calculation
Section 435 – Open Enrollment
Section 444 – Apprenticeship Related and Supplemental Instruction (RSI) Funds
Section 475 – Disabled Student Programs and Services (DSPS)
Section 479 – To Be Arranged Hours (TBA)
Section 490 – Propositions 1D and 51 State Bond Funded Projects
Section 491 – Education Protection Account Funds
Section 499 – COVID-19 Response Block Grant Expenditures

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing over state laws and regulations based on the requirements described in the *California Community Colleges Contracted District Audit Manual (CDAM) 2020-21*. Accordingly, this report is not suitable for any other purpose.



San Diego, California
December 16, 2021

**SCHEDULE OF FINDINGS AND
QUESTIONED COSTS**

**YUBA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None Noted</u>
Non-compliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None Noted</u>
Type of auditors' report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards	<u>No</u>
Identification of major programs:	

<u>CFDA Numbers</u>	<u>Name of Federal Program of Cluster</u>
<u>84.007, 84.033, 84.063</u>	<u>Student Financial Aid Cluster</u>
<u>84.425E, 84.425F, 84.425L</u>	<u>Higher Education Emergency Relief Funds (HEERF)</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>No</u>

STATE AWARDS

Internal control over State programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None Noted</u>
Type of auditors' report issued on compliance for State programs:	<u>Unmodified</u>

**YUBA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no financial statement findings identified during 2020-21.

**YUBA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section III – Federal Award Findings and Questioned Costs

This section identifies the audit findings required to be reported by the *Uniform Guidance* (e.g., deficiencies, significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).

There were no federal award findings or questioned costs identified during 2020-21.

**YUBA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section IV – State Award Findings and Questioned Costs

This section identifies the audit findings pertaining to noncompliance with state program rules and regulations.

There were no state award findings or questioned costs identified during 2020-21.

**YUBA COMMUNITY COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FINDING #2020-001 – CREDIT CARDS

Criteria

Best practices require proper safeguarding and managing of District assets to ensure ongoing effective operations; maintenance of adequate cash reserves; and implementation and maintenance of effective internal controls.

Condition

During our review and testing of the District credit card policy, procedures, and transactions we noted an opportunity to strengthen controls:

- We noted that after one employee did not have a signed credit card user agreement and had made purchases during the year.

Effect

Non-compliance with District procedures and effective internal controls.

Cause

The District issued a Cal-card to an individual prior to obtaining a signed cardholder agreement. The cardholder has since had their card closed so no further purchases can take place.

Fiscal Impact

None.

Recommendation

The District should ensure that all employees prior to receiving a Cal-card, should sign the cardholder agreement.

Management's Response and Corrective Action Plan

Since the last audit, the District has been continuing to put controls and practices in place to ensure stronger control over credit cards. All cardholders upon accepting the Cal-card and annually, will certify the cardholder agreement acknowledge that the use of the Cal-card is for official business only. These forms will be obtained prior to any purchases made on the Cal-card. To ensure that the Cal-Card users understand the use requirements, Annual Cal-Card Training program has been implemented for all Cal-Card holders. Trainings are also recorded and posted on the Fiscal Services website.

Status

Implemented in 2020-21.

**YUBA COMMUNITY COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FINDING #2020-002 – GRAMM-LEACH-BLILEY ACT COMPLIANCE

Criteria or Specific Requirement

The Gramm-Leach Bliley Act (GLBA) requires districts to have a documented response to the Safeguards Rule. Specifically, this response covers key requirements including:

- Designate an information security officer and related oversight responsibilities for the institution's security.
- Assess the risks to confidential information, assess the level of mitigating controls in place, and identify action plans to accept or further mitigate remaining risks.
- Implement an information security program, including various technical and physical underlying controls, such as data encryption and secure shredding processes.
- Oversee vendor relationships to ensure confidential data are secured at their locations when applicable and access is controlled when vendors connect to the institution.
- Perform an ongoing evaluation of their program to keep content current with an ever-evolving security environment.

Condition

We noted that the District has completed all steps towards compliance with GLBA after the close of the fiscal year. The District will be in compliance beginning in fiscal year 2020-21.

Questioned Costs – Not applicable.

Context

Compliance with GLBA requirements.

Effect

The intent of the GLBA Safeguards Rule is to enhance security over confidential information. Without a documented response to all applicable requirements, the District is more susceptible to IT vulnerabilities than it will be following full implementation.

Cause

The law was effective towards the end of the fiscal and provided minimal amount of time to administration to implement. Steps taken in response to GLBA compliance requirements will require extensive administrative efforts to implement.

Recommendation

The District should continue to assess any changes to maintain compliance with any changes to GLBA.

Management's Response and Corrective Action Plan

The District has taken the necessary steps to ensure compliance with the GLBA and as of the audit report date, the district has implemented all areas and will be in compliance for fiscal year 2020-21.

Status

Implemented in 2020-21.