Financial Statements
June 30, 2022

West Hills Community College District

Independent Auditor's Report

Board of Trustees
West Hills Community College District
Coalinga, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the aggregate remaining fund information of the West Hills Community College District (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Adoption of New Accounting Standard

As discussed in Note 2 and Note 14 to the financial statements, the District has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ending June 30, 2022. Accordingly, a restatement has been made to the business-type activities net position as of June 30, 2021, to restate beginning net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 13 and other required supplementary schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Eide Bailly LLP

Rancho Cucamonga, California
January 23, 2023

WEST HILLS
COMMUNITY COLLEGE DISTRICT

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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

In June 1999, the Government Accounting Standards Board (GASB) issued Statement No. 34, *"Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments,"* which established a new reporting format for annual financial statements of governmental entities. In November 1999, GASB issued Statement No. 35, *"Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities,"* which applies these new reporting standards to public colleges and universities such as the District. The following discussion and analysis provides an overview of the District's financial activity. This report presents this information in a comparative format. Responsibility for the completeness and fairness of this information rests with the District.

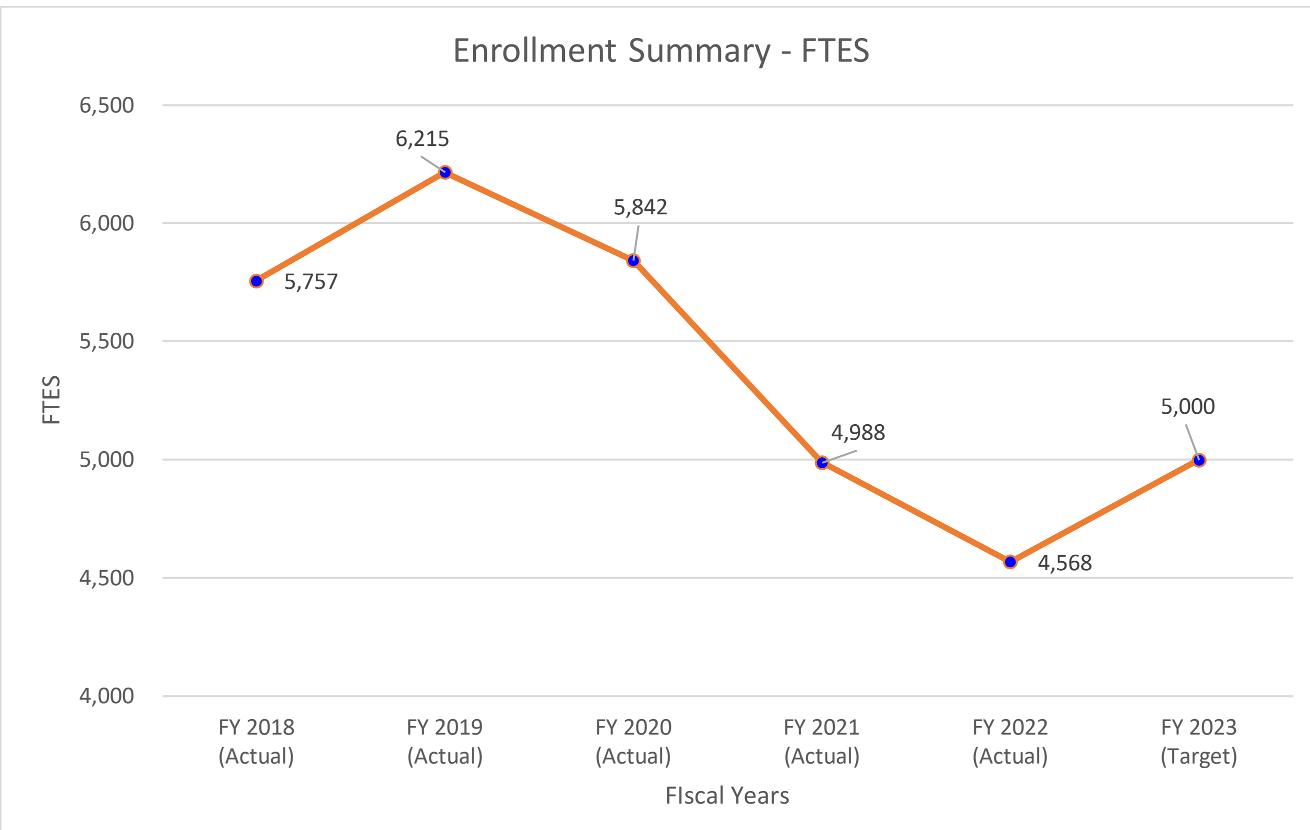
USING THIS ANNUAL REPORT

As required by accounting principles, the annual report consists of three basic financial statements that provide information on the District's activities 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 focus of the Statement of Net Position is designed to be similar to bottom line results for the District. This statement combines and consolidates current financial resources (net short-term spendable resources) with capital assets, deferred outflows of resources, deferred inflows of resources, and long-term liabilities. The Statement of Revenues, Expenses, and Changes in Net Position focuses on the costs of the District's operational activities, which are supported mainly by property taxes and by State and other revenues. This approach is intended to summarize and simplify the user's analysis of the cost of various District services to students and the public. The Statement of Cash Flows provides an analysis of the sources and uses of cash within the operations of the District.

FINANCIAL HIGHLIGHTS ATTENDANCE

- State apportionments, noncapital, local property taxes, and tuition and fees are all components of the community college apportionment funding model. The model is comprised of a base allocation, an amount per credit Full-Time Equivalent Students (FTES), noncredit FTES, and an enhanced amount per qualifying noncredit FTES for career development and college preparation courses. An important aspect of the community college apportionment funding model is the inverse relationship between State apportionment and local property taxes. Thus, our funding essentially comes from enrollment fees and local property taxes with the difference made up by State apportionment. Actual FTES in fiscal year 2021-2022 were 4,568. The target FTES for fiscal year 2022-2023 is 5,000. FTES are generated at the District's Coalinga and Lemoore Colleges, the North District Center in Firebaugh, and various satellite locations.



FINANCIAL HIGHLIGHTS

- The State Chancellor's Office recommends reserve levels of two months of cash in reserve, or 16.67% of unrestricted General Fund expenditures be set aside for economic uncertainties. The District exceeded the recommended reserve level set forth in Administrative Procedure 6305.

- The primary expenditure of the District is for the salaries and benefits of the Academic, Classified, and Administrative salaries of District employees. Salary and benefits for the 2021-2022 fiscal year were approximately $52.8 million although the reported amount is $45.2 million. This is due to an off-setting entry as a result of a decrease in the net pension liability. The pension liability is adjusted based upon market performance. In addition to the costs for current employees' insurance coverage, the District provides insurance benefits to retirees meeting plan eligibility requirements.

- The District continues several construction and modernization projects throughout the District. These projects will be funded through various financial vehicles, including various maintenance and construction projects funded through the State Chancellor's Office.

- The District provides student financial aid to qualifying students of the District in the amount of approximately $20.2 million. This aid is provided through grants, and loans from the Federal government, State Chancellor's Office, and local funding.

- Property taxes was approximately $14 million and Grants & Contracts, Noncapital was approximately $26.4 million, while Tuition and Fees was approximately $2 million.

Condensed financial information is as follows:

Net Position - As of June 30, 2022 and 2021

	2022	2021, as restated	Change
Assets			
Cash and investments	$ 62,069,822	$ 45,289,550	$ 16,780,272
Receivables, net	12,056,095	21,185,684	(9,129,589)
Other current assets	895,491	8,947	886,544
Lease receivables	1,247,633	1,188,222	59,411
Capital and right-to-use leased assets, net	162,871,038	155,038,411	7,832,627
Total assets	239,140,079	222,710,814	16,429,265
Deferred Outflows of Resources	11,812,158	12,336,401	(524,243)
Liabilities			
Accounts payable and accrued liabilities	20,891,867	22,573,431	(1,681,564)
Current portion of long-term liabilities	7,143,910	3,433,158	3,710,752
Noncurrent portion of long-term liabilities	110,076,103	149,491,756	(39,415,653)
Total liabilities	138,111,880	175,498,345	(37,386,465)
Deferred Inflows of Resources	27,528,589	7,889,712	19,638,877
Net Position			
Net investment in capital assets	85,941,924	78,585,398	7,356,526
Restricted	25,632,058	9,219,302	16,412,756
Unrestricted deficit	(26,262,214)	(36,145,542)	9,883,328
Total net position	$ 85,311,768	$ 51,659,158	$ 33,652,610

Operating Results for the Years Ended June 30, 2022 and 2021

	2022	2021*	Change
Operating Revenues			
Tuition and fees, net	$ 2,057,834	$ 755,319	$ 1,302,515
Grants and contracts, noncapital	25,457,601	21,901,167	3,556,434
Total operating revenues	27,515,435	22,656,486	4,858,949
Operating Expenses			
Salaries and benefits	45,181,670	54,534,173	(9,352,503)
Supplies, services, equipment, and maintenance	15,398,980	15,914,356	(515,376)
Student financial aid	20,235,160	16,209,882	4,025,278
Depreciation and amortization	7,960,491	5,855,168	2,105,323
Total operating expenses	88,776,301	92,513,579	(3,737,278)
Operating loss	(61,260,866)	(69,857,093)	8,596,227
Nonoperating Revenues (Expenses)			
State apportionments	43,222,748	43,587,944	(365,196)
Property taxes	14,090,768	6,573,270	7,517,498
Student financial aid grants	19,628,178	16,789,913	2,838,265
State revenues	1,231,917	75,464	1,156,453
Net interest expense	(2,854,875)	(3,881,304)	1,026,429
Other nonoperating revenues and transfers	1,189,494	2,910,059	(1,720,565)
Total nonoperating revenues (expenses)	76,508,230	66,055,346	10,452,884
Other Revenues and (Losses)	18,405,246	19,008,908	(603,662)
Change in net position	$ 33,652,610	$ 15,207,161	$ 18,445,449

* The 2021 year has not been restated for the effects of the implementation of GASB Statement No. 87.

Generally, operating revenues, including tuition and fees and grants and contracts, noncapital, are earned for providing goods and services to the various customers and constituencies of the District. Operating expenses are those expenses incurred to acquire or produce the goods and services provided in return for the operating revenues earned and to fulfill the mission of the District. Nonoperating revenues are those received or pledged for which goods and services are not provided; for example, state appropriations are nonoperating because they are provided by the legislature to the District without the legislature directly receiving commensurate goods and services for those revenues. As a result, the operating loss of $61.3 million is mostly balanced by the state general apportionment sources resulting in an increase in the District's Net Position of $34.2 million.

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

The interest income is primarily the result of cash held at the Fresno County Treasurer. The interest expense relates to interest payments on the long-term liabilities which are described in Note 9 of the financial statements.

The District is recording the depreciation and amortization expense related to capital and leased assets. The detail of the changes in capital and right-to-use leased assets for the year is included in the notes to the financial statements as Note 7.

Statement of Cash Flows for the Years Ended June 30, 2022 and 2021

The Statement of Cash Flows provides information about cash receipts and payments during the year. This statement also assists users in assessing the District's ability to meet its obligations as they come due and its need for external financing.

	2022	2021	Change
Net Cash Flows from			
Operating activities	$ (52,340,194)	$ (39,992,896)	$ (12,347,298)
Noncapital financing activities	73,476,290	49,974,508	23,501,782
Capital financing activities	(3,111,831)	(2,716,286)	(395,545)
Investing activities	(1,243,993)	597,528	(1,841,521)
Net Increase in Cash and Cash Equivalents	16,780,272	7,862,854	8,917,418
Cash and Cash Equivalents, Beginning of Year	45,289,550	37,426,696	7,862,854
Cash and Cash Equivalents, End of Year	$ 62,069,822	$ 45,289,550	$ 16,780,272

The primary operating receipts are student tuition and fees and Federal, State, and local grants and contracts. The primary operating expense of the District is the payment of salaries and benefits to instructional and classified support staff, as well as District administrators.

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

Functional Expenditures

In accordance with requirements set forth by the California State Chancellor's Office, the District reports operating expenses by object code. Operating expenses by functional classification are as follows:

Year ended June 30, 2022:

	Salaries and Employee Benefits	Supplies, Material, and Other Expenses and Services	Student Financial Aid	Equipment, Maintenance, and Repairs	Depreciation and Amortization	Total
Instructional activities	$ 16,826,555	$ 1,884,475	$ -	$ 29,651	$ -	$ 18,740,681
Instructional administration	1,730,658	738,142	-	6,234	-	2,475,034
Instructional support services	1,406,698	202,934	-	-	-	1,609,632
Student services	10,061,916	2,019,295	-	368,052	-	12,449,263
Plant operations and maintenance	2,263,684	2,062,506	-	1,698,671	-	6,024,861
Planning, policymaking, and coordinations	1,748,256	774,208	-	18,250	-	2,540,714
Institutional support services	3,454,204	607,795	-	336	-	4,062,335
Community services	1,689,900	322,969	-	30,533	-	2,043,402
Ancillary services and auxiliary operations	5,630,495	4,620,506	-	9,171	-	10,260,172
Student aid	-	-	20,235,160	-	-	20,235,160
Physical property and related acquisitions	369,304	5,252	-	-	-	374,556
Unallocated depreciation and amortization	-	-	-	-	7,960,491	7,960,491
Total	$ 45,181,670	$ 13,238,082	$ 20,235,160	$ 2,160,898	$ 7,960,491	$ 88,776,301

Capital and Right-to-Use Leased Assets

As of June 30, 2022, the District had approximately $162.9 million invested in net capital and right-to-use leased assets. Total capital and leased assets of $257.0 million consist of land, construction in progress, buildings and improvements, equipment, and right-to-use leased assets. These assets have accumulated depreciation/ amortization of $94.2 million. In fiscal year 2021-22, there were capital asset additions in the amount of $22.2 million, which primarily includes costs for the North District Center Building Expansion project, and net depreciation/amortization expense of $8.0 million. We present more detailed information regarding our capital and leased assets in Note 7 of the financial statements.

	2022	2021, as restated	Change
Land and construction in progress	$ 47,224,436	$ 29,461,671	$ 17,762,765
Buildings and improvements, net	110,266,135	122,979,898	(12,713,763)
Furniture, equipment and vehicles, net	5,286,116	2,437,211	2,848,905
Right-to-use leased assets, net	94,351	159,631	(65,280)
Total	$ 162,871,038	$ 155,038,411	$ 7,832,627

Long-Term Liabilities including OPEB and Pensions

At June 30, 2022, the District had $117.2 million in outstanding long-term liabilities compared to $152.9 million at June 30, 2021. We present more detailed information regarding our long-term liabilities in Notes 9, 10, and 12 to the financial statements.

	Balance, July 1, 2021, as restated	Additions	Deductions	Balance June 30, 2022
General obligation bonds	$ 69,841,172	$ 9,911,567	$ (13,832,940)	$ 65,919,799
Certificates of participation	-	12,285,000	(220,000)	12,065,000
Premium on issuance	3,428,373	1,601,464	(832,073)	4,197,764
Leases	252,833	19,596	(85,133)	187,296
Aggregate net OPEB liability	2,394,006	188,829	-	2,582,835
Aggregate net pension liability	58,964,678	-	(29,453,836)	29,510,842
Other liabilities	18,043,852	-	(15,287,375)	2,756,477
Total long-term liabilities	$ 152,924,914	$ 24,006,456	$ (59,711,357)	$ 117,220,013
Amount due within one year				$ 7,143,910

At June 30, 2022, the District has an aggregate net other postemployment benefit liability (OPEB) of $2,582,835 compared to $2,394,006 at June 30, 2021, a net increase of $188,829 or 7.9%.

At June 30, 2022, the District has an aggregate net pension liability of $29,510,842 compared to $58,964,678 at June 30, 2021, a net decrease of $29,453,836 or 50.0%.

ECONOMIC FACTORS AFFECTING THE FUTURE OF WEST HILLS COMMUNITY COLLEGE DISTRICT

Fiscal year 2021-2022 continued with recovery of the COVID-19 pandemic. As a result, enrollment has not increased at the rate predicted. In response, the District has instituted multi-year budget projections and scenario planning tools to assist in strategic planning. The District will continue to exercise caution as the Student Centered Funding Formula solidifies and hold harmless is addressed. The District is planning on emergency conditions allowance to not be renewed in the 2023-2024 fiscal year. Consistent with its long history, West Hills maintained a strong commitment to the relentless pursuit of student success.

Budgeting will be conservative as there are several factors that will affect the future funding of the District. The State is anticipating a deficit of more than $22 billion in fiscal year 2023-2024. The January 2023 Governor's budget did not project major cuts to community colleges, however this may change in the May revise and final budget for the 2023-2024 fiscal year.

With the passage of Proposition 55, the income tax increase on high-income taxpayers generating and is scheduled to end on 2030. These taxes represent a funding source of several billion dollars. The economic engine for California will be the creation of jobs that will generate tax revenue from both income and sales taxes. West Hills Community College District is well positioned to provide the necessary training and re-training required the workforce to meet the demands of the private sector. West Hills College will continue to watch all expenses and consider every position that is vacated before replacing them.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If there any questions about this report or need any additional financial information, contact Shanna Ahrens, Vice Chancellor of Business and Fiscal Services, at West Hills Community College District, 275 Phelps Ave., Coalinga, California 93210, or e-mail at shannaahrens@whccd.edu.

Assets	
Cash and cash equivalents	$ 13,406,544
Investments	48,663,278
Accounts receivable	11,339,962
Student receivables, net	716,133
Prepaid expenses	895,491
Lease receivables	1,247,633
Capital and right-to-use leased assets	
Nondepreciable capital assets	47,224,436
Depreciable capital assets, net of accumulated depreciation	115,552,251
Right-to-use leased assets, net of accumulated amortization	94,351
Total capital and right-to-use leased assets, net	162,871,038
Total assets	239,140,079
Deferred Outflows of Resources	
Deferred outflows of resources related to debt refunding	644,412
Deferred outflows of resources related to OPEB	2,536,264
Deferred outflows of resources related to pensions	8,631,482
Total deferred outflows of resources	11,812,158
Liabilities	
Accounts payable	9,158,197
Accrued interest payable	1,062,162
Unearned revenue	10,671,508
Long-term liabilities	
Long-term liabilities other than OPEB and pensions, due within one year	7,143,910
Long-term liabilities other than OPEB and pensions, due in more than one year	77,982,426
Aggregate net other postemployment benefits (OPEB) liability	2,582,835
Aggregate net pension liability	29,510,842
Total liabilities	138,111,880
Deferred Inflows of Resources	
Deferred inflows of resources related to leases	1,247,633
Deferred inflows of resources related to OPEB	1,489,793
Deferred inflows of resources related to pensions	24,791,163
Total deferred inflows of resources	27,528,589
Net Position	
Net investment in capital assets	85,941,924
Restricted for	
Debt service	4,897,726
Capital projects	16,227,602
Educational programs	1,519,093
Other activities	2,987,637
Unrestricted deficit	(26,262,214)
Total net position	$ 85,311,768

Operating Revenues	
Tuition and fees	$ 5,500,566
Less: Scholarship discounts and allowances	(3,442,732)
Net tuition and fees	2,057,834
Grants and contracts, noncapital	
Federal	10,606,653
State	14,225,307
Local	625,641
Total grants and contracts, noncapital	25,457,601
Total operating revenues	27,515,435
Operating Expenses	
Salaries	35,213,659
Employee benefits	9,968,011
Supplies, materials, and other operating expenses and services	13,238,082
Student financial aid	20,235,160
Equipment, maintenance, and repairs	2,160,898
Depreciation and amortization	7,960,491
Total operating expenses	88,776,301
Operating Loss	(61,260,866)
Nonoperating Revenues (Expenses)	
State apportionments, noncapital	43,222,748
Local property taxes, levied for general purposes	7,673,927
Taxes levied for other specific purposes	6,416,841
Federal and State financial aid grants	19,628,178
State taxes and other revenues	1,231,917
Investment loss, net	(1,083,217)
Interest expense on capital related debt	(1,591,655)
Investment loss on capital asset-related debt, net	(180,003)
Transfer to fiduciary fund	(219,048)
Other nonoperating revenue	1,408,542
Total nonoperating revenues (expenses)	76,508,230
Income Before Other Revenues and (Losses)	15,247,364
Other Revenues and (Losses)	
State revenues, capital	19,851,863
Loss on disposal of capital assets	(1,446,617)
Total other revenues and (losses)	18,405,246
Change In Net Position	33,652,610
Net Position, Beginning of Year, as Restated	51,659,158
Net Position, End of Year	$ 85,311,768

Cash Flows from Operating Activities	
Tuition and fees	$ 2,311,053
Federal, state, and local grants and contracts, noncapital	32,035,799
Payments to or on behalf of employees	(50,483,086)
Payments to vendors for supplies and services	(15,968,800)
Payments to students for scholarships and grants	(20,235,160)
Net cash flows from operating activities	(52,340,194)
Cash Flows from Noncapital Financing Activities	
State apportionments	51,868,912
Federal and state financial aid grants	16,955,786
Property taxes - nondebt related	7,673,927
State taxes and other apportionments	6,540,670
Principal paid on noncapital debt	(4,977,500)
Other nonoperating	(4,585,505)
Net cash flows from noncapital financing activities	73,476,290
Cash Flows from Capital Financing Activities	
Purchase of capital assets	(22,991,206)
Proceeds from capital debt	21,427,000
Proceeds from sale of capital assets	2,249,772
State revenue, capital	19,851,863
Property taxes - related to capital debt	6,416,841
Principal paid on capital debt	(29,345,304)
Interest paid on capital debt	(775,688)
Interest received on capital asset-related debt	54,891
Net cash flows from capital financing activities	(3,111,831)
Cash Flows from Investing Activities	
Change in fair market value of cash in county treasury	(2,225,002)
Interest received from investments	981,009
Net cash flows from investing activities	(1,243,993)
Change In Cash and Cash Equivalents	16,780,272
Cash and Cash Equivalents, Beginning of Year	45,289,550
Cash and Cash Equivalents, End of Year	$ 62,069,822

Reconciliation of Net Operating Loss to Net Cash Flows from Operating Activities	
Operating Loss	$ (61,260,866)
Adjustments to reconcile operating loss to net cash flows from operating activities	
Depreciation and amortization expense	7,960,491
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources	
Receivables, net	433,613
Prepaid expenses	(886,544)
Lease receivables	(59,411)
Deferred outflows of resources related to OPEB	(1,645,103)
Deferred outflows of resources related to pensions	2,813,758
Accounts payable	3,852,841
Unearned revenue	6,157,301
Compensated absences	(80,144)
Aggregate net OPEB liability	188,829
Aggregate net pension liability	(29,453,836)
Deferred inflows of resources related to leases	59,411
Deferred inflows of resources related to OPEB	(1,493,965)
Deferred inflows of resources related to pensions	21,073,431
Total adjustments	8,920,672
Net cash flows from operating activities	$ (52,340,194)
Cash and Cash Equivalents Consist of the Following:	
Cash on hand and in banks	$ 13,406,544
Cash in county treasury	48,663,278
Total cash and cash equivalents	$ 62,069,822
Noncash Transactions	
Recognition of issuance of debt premiums	$ 1,601,464
Recognition of deferred outflows of resources related to debt refunding	$ 660,795
Amortization of deferred outflows of resources related to debt refunding	$ 16,383
Amortization of debt premiums	$ 832,073
Accretion of interest on capital appreciation bonds	$ 769,567

	Retiree OPEB Trust
Assets	
Investments	$ 15,275,145
Accounts receivable	7,900
Total assets	15,283,045
Net Position	
Restricted for postemployment benefits other than pensions	$ 15,283,045

	Retiree OPEB Trust	Custodial Funds	Total
Additions			
District contributions	$ 3,641,490	$ -	$ 3,641,490
Interest and investment income	632,002	-	632,002
Transfers from primary government	-	219,048	219,048
Total additions	4,273,492	219,048	4,492,540
Deductions			
Benefit payments	642,910	-	642,910
Administrative expenses	19,038	-	19,038
Net realized and unrealized losses	2,758,099	-	2,758,099
Total deductions	3,420,047	-	3,420,047
Change in Net Position	853,445	219,048	1,072,493
Net Position - Beginning of Year	14,429,600	(219,048)	14,210,552
Net Position - End of Year	$ 15,283,045	$ -	$ 15,283,045

Note 1 - Organization

The West Hills Community College District (the District) is a political subdivision of the State of California and is a comprehensive, public, two-year institution offering postsecondary education to the students of Coalinga-Huron Unified School District, Lemoore Union High School District, Riverdale Joint Unified School District, Golden Plains Unified School District, Firebaugh-Las Deltas Unified School District, Reef-Sunset Unified School District, and Mendota Unified School District. The District maintains a Coalinga Campus, a Lemoore Campus, and the North District Center in Firebaugh. The District operates under a locally elected seven-member Board of Trustees form of government and provides higher education in the County of Fresno. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61. The District is classified as a Public Educational Institution under Internal Revenue Code Section 115 and is, therefore, exempt from Federal taxes.

Note 2 - Summary of Significant Accounting Policies

Financial Reporting Entity

The District has adopted accounting policies to determine whether certain organizations, for which the District is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the District as defined by accounting principles generally accepted in the United States of America and established by the Government Accounting Standards Board (GASB). The basic criteria for including a component unit are (1) the economic resources held or received by the other entity are entirely or almost entirely for the direct benefit of the District, (2) the District is entitled to, or has the ability to otherwise access, a majority of the economic resources held or received by the other entity, and (3) the other entity's resources to which the District is entitled or has the ability to otherwise access are significant to the District. If any of these criteria are not met, the final criterion for including a component unit is whether the other entity is closely related to, or financially integrated with, the District. The financial reporting entity consists of the primary government, the District, and the following component unit:

- West Hills Financing Corporation

The West Hills Financing Corporation (the Corporation) is a legally separate organization and a component unit of the District. The Corporation was formed to obtain new market tax credits and financing instruments specifically for the acquisition and construction of capital assets for the District. The Board of Trustees of the Corporation is the same as the Board of Trustees of the District. The financial activity has been "blended" or consolidated within the financial statements of the District as if the activity was the District's. Individually prepared financial statements are not prepared for the Corporation.

The District has analyzed the financial and accountability relationship with the West Hills Community College Foundation (the Foundation) in conjunction with the GASB Statement No. 61 criteria. The Foundation is a separate, not for profit organization, and the District does provide and receive benefits to and from the Foundation. However, it has been determined that all criteria under GASB Statement No. 61 have not been met to require inclusion of the Foundation's financial statements in the District's annual report. Information on the Foundation may be requested through the West Hills Community College Foundation.

Basis of Accounting

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

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Nonexchange transactions, in which the District receives value without directly giving equal value in return, include State apportionments, property taxes, Federal and State financial aid grants, entitlements, and donations. Property tax revenue is recognized in the fiscal year received. State apportionment revenue is earned based upon criteria set forth from the Community Colleges Chancellor's Office and includes reporting of full-time equivalent students (FTES) attendance. The corresponding apportionment revenue is recognized in the period the FTES are generated. Revenue from Federal and State grants and entitlements are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements may include time and/or purpose requirements.

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

Cash and Cash Equivalents

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

Investments

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

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

Accounts Receivable

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. The District provides for an allowance for uncollectible accounts as an estimation of amounts that may not be received. This allowance is based upon management's estimates and analysis. The allowance was estimated at $2,118,809 for the fiscal year ended June 30, 2022.

Prepaid Expenses

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

Capital Assets and Depreciation

Capital assets are long-lived assets of the District as a whole and include land, construction in progress, buildings, building and land improvements, furniture and equipment. The District maintains an initial unit cost capitalization threshold of $5,000 and an estimated useful life greater than one year. Assets are recorded at historical cost, or estimated historical cost, when purchased or constructed. The District does not possess any infrastructure. Donated capital assets are recorded at acquisition value at the date of donation. Improvements to buildings and land that significantly increase the value or extend the useful life of the asset are capitalized; the costs of routine maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are charged as an operating expense in the year in which the expense was incurred. Major outlays for capital improvements are capitalized as construction in progress as the projects are constructed.

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

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 2022.

Compensated Absences

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

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

Debt Premiums

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

Deferred Outflows of Resource and Deferred Inflows of Resources

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

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

Leases

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

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

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Unearned Revenue

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

Noncurrent Liabilities

Noncurrent liabilities include general obligation bonds, lease liability, financed purchases, certificates of participation, compensated absences, the aggregate net OPEB liability, and the net aggregate pension liability with maturities greater than one year.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position related to net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report $26,084,109 of restricted net position, and the fiduciary funds financial statements report $15,283,045 of restricted net position.

Operating and Nonoperating Revenues and Expenses

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

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

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

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

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

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

State Apportionments

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

Property Taxes

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

The voters of the District passed various General Obligation Bonds for the acquisition, construction, and remodeling of certain District property. As a result of the passage of the Bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are billed and collected as noted above and remitted to the District when collected.

Scholarships, Discounts, and Allowances

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

Financial Assistance Programs

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

Estimates

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

Interfund Activity

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

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

Change in Accounting Principles

Implementation of GASB Statement No. 87

As of July 1, 2021, the District adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The standard requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The effect of the implementation of this standard on beginning net position is disclosed in Note 14 and the additional disclosures required by this standard are included in Notes 6, 7, and 9.

Implementation of GASB Statement No. 92

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

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

The requirements of this Statement are effective as follows:

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

The provisions of this Statement have been implemented as of June 30, 2022.

Implementation of GASB Statement No. 93

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

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

The provisions of this Statement have been implemented as of June 30, 2022.

Note 3 - Deposits and Investments

Policies and Practices

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

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

General Authorizations

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

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

Authorized Under Debt Agreements

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

Summary of Deposits and Investments

Deposits and investments as of June 30, 2022, consist of the following:

	Primary Government	Fiduciary Funds
Cash on hand and in banks	$ 13,405,280	$ -
Cash in revolving	1,264	-
Investments	48,663,278	15,275,145
Total deposits and investments	$ 62,069,822	$ 15,275,145

Interest Rate Risk and Credit Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District manages its exposure to interest rate risk by investing in the Fresno County Investment Pool and mutual funds.

Investment Type	Fair Value	Weighted Average Maturity in Years	Credit Rating
Mutual funds	$ 15,275,145	No maturity	Not rated
Fresno County investment pool	48,663,278	2.32	Not rated
Total	$ 63,938,423		

Custodial Credit Risk

Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk. However, the *California Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law unless so waived by the governmental unit. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2022, approximately $14.1 million of the District's bank balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

Investments

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. As of June 30, 2022, the District's investment balance of approximately $14.8 was exposed to custodial credit risk because it was uninsured, unregistered and held by the brokerage firm which is also the counterparty for these securities. The District does not have a policy limiting the amount of securities that can be held by counterparties.

Note 4 - Fair Value Measurements

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

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

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

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

The District's fair value measurements are as follows at June 30, 2022:

Investment Type	Fair Value	Fair Value Measurements Using Level 1 Inputs
Mutual funds	$ 15,275,145	$ 15,275,145

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

Note 5 - Accounts Receivable

Accounts receivable as June 30, 2022, consisted of the following:

	Primary Government
Federal Government	
Categorical aid	$ 2,181,577
State Government	
Categorical aid	1,007,373
Lottery	339,670
Other state sources	2,732,159
Local Sources	
Interest	137,689
Property taxes	625,107
Other local sources	4,316,387
Total	$ 11,339,962
Student receivables	$ 2,834,942
Less: allowance for bad debt	(2,118,809)
Student receivables, net	$ 716,133

Note 6 - Lease Receivables

The District has entered into a lease agreement with Lemoore Union High School District. The lease receivables are summarized below:

Lease Receivables	Balance, July 1, 2021, as restated	Additions	Deductions	Balance, June 30, 2022
Lemoore UHSD - Facilities Lease	$ 1,188,222	$ 829,975	$ (770,564)	$ 1,247,633

Lemoore Union High School District Facilities Lease

The District leases a portion of its facilities to Lemoore Union High School District for education purposes related to the operation of Lemoore Middle College High School. The lease agreement runs through June 30, 2040, however either party may terminate the agreement, for any reason, with 18 months' notice to the other party without penalty. The agreements allow for 5.0% annual COLA increases to the license payments. At termination, lessee will surrender possession of the facilities, including any fixtures to the District. During the fiscal year, the District recognized $770,564 in lease revenue and $33,504 in interest revenue related to this agreement. At June 30, 2022, the District recorded $1,247,633 in lease receivables and deferred inflows of resources for these arrangements. The District used an interest rate of 4.00%, based on the rates available to finance real estate over the same time period.

Note 7 - Capital and Right-to-use Leased Assets

Capital and right-to-use leased asset activity for the District for the year ended June 30, 2022, was as follows:

	Balance, July 1, 2021, as restated	Reclassifications*	Additions	Deductions	Balance, June 30, 2022
Capital Assets Not Being Depreciated					
Land	$ 7,765,959	$ -	$ -	$ -	$ 7,765,959
Construction in progress	21,695,712	2,759,497	18,003,268	(3,000,000)	39,458,477
Total capital assets not being depreciated	29,461,671	2,759,497	18,003,268	(3,000,000)	47,224,436
Capital Assets Being Depreciated					
Land improvements	38,625,071	-	327,047	-	38,952,118
Buildings and improvements	165,423,820	(2,759,497)	317,408	(4,426,359)	158,555,372
Furniture and equipment	8,303,173	-	3,583,478	(24,000)	11,862,651
Total capital assets being depreciated	212,352,064	(2,759,497)	4,227,933	(4,450,359)	209,370,141
Total capital assets	241,813,735	-	22,231,201	(7,450,359)	256,594,577
Less Accumulated Depreciation					
Land improvements	(17,342,867)	-	(1,201,207)	-	(18,544,074)
Buildings and improvements	(63,726,126)	-	(5,940,555)	969,400	(68,697,281)
Furniture and equipment	(5,865,962)	-	(733,853)	23,280	(6,576,535)
Total accumulated depreciation	(86,934,955)	-	(7,875,615)	992,680	(93,817,890)
Net capital assets	154,878,780	-	14,355,586	(6,457,679)	162,776,687
Right-to-use Leased Assets Being Amortized					
Equipment	408,044	-	19,596	-	427,640
Less Accumulated Amortization					
Equipment	(248,413)	-	(84,876)	-	(333,289)
Net right-to-use leased assets	159,631	-	(65,280)	-	94,351
Total capital and right-to-use leased assets, net	$ 155,038,411	$ -	$ 14,290,306	$ (6,457,679)	$ 162,871,038

* Project costs for the North District Center expansions project were reclassified from Buildings and Improvements to Construction in Progress as this project was not completed as of June 30, 2022.

Note 8 - Tax and Revenue Anticipation Notes

On March 16, 2021, the District issued Tax and Revenue Anticipation Notes in the amount of $4,977,500 bearing an interest rate of 0.339%. The Notes matured on January 31, 2022. The Notes were issued to supplement cash flows as a hedge against state apportionment deferrals. As of June 30, 2022, the Notes were repaid in full.

	Balance, July 1, 2021	Additions	Deductions	Balance, June 30, 2022
2021 0.339% TRANS	$ 4,977,500	$ -	$ (4,977,500)	$ -

Note 9 - Long-Term Liabilities Other Than OPEB and Pensions

The changes in the District's long-term liabilities other than OPEB and pensions during the year ended June 30, 2022 consisted of the following:

	Balance, July 1, 2021, as restated	Additions	Deductions	Balance, June 30, 2022	Due in One Year
General obligation bonds	$ 69,841,172	$ 9,911,567	$ (13,832,940)	$ 65,919,799	$ 6,014,171
Premium on issuance	3,428,373	552,484	(782,122)	3,198,735	-
Certificates of participation	-	12,285,000	(220,000)	12,065,000	415,000
Premium on issuance	-	1,048,980	(49,951)	999,029	-
Financed purchases	15,917,921	-	(15,207,231)	710,690	119,710
Lease liability	252,833	19,596	(85,133)	187,296	84,522
Compensated absences	2,125,931	-	(80,144)	2,045,787	510,507
Total	$ 91,566,230	$ 23,817,627	$ (30,257,521)	$ 85,126,336	$ 7,143,910

Description of Long-Term Liabilities

Payments on the general obligation bonds are made by the Bond Interest Redemption Fund with local property tax collections. Payments on the certificates of participation are made by the District's General Fund. Payments for the lease liability and financed purchases will be made by the fund for which the equipment were intended for. The compensated absences liability is paid by the fund for which the employees' salaries are paid from.

General Obligation Bonds

1998 General Obligation Bonds – Measure G

On November 3, 1998, the District voters authorized the issuance and sale of general obligation bonds totaling $19,000,000. Proceeds from the sale of the bonds were used to finance the construction of a new campus and for the alterations and additions to existing classrooms and other District facilities.

The bonds have a final maturity to occur on August 1, 2030, with interest rates from 2.00 to 5.00%. At June 30, 2022, the principal balance outstanding was $8,740,000, with an unamortized premium received on issuance of the bonds that amounted to $498,563.

2008 General Obligation Bonds – Measure Q (SFID #1 – Northern)

On June 3, 2008, the District voters authorized the issuance and sale of general obligation bonds totaling $11,800,000. Proceeds from the sale of the bonds were used to improve the quality of education, construct classrooms and a library; renovate existing classrooms and facilities; acquire land; improve energy efficiency; upgrade electrical systems to improve access to computers and technology; and make the District eligible for State matching funds.

The bonds have a final maturity to occur on August 1, 2037, with interest rates from 2.00 to 6.19%. At June 30, 2022, the principal balance outstanding was $10,508,550, with an unamortized premium received on issuance of the bonds that amounted to $833,051.

2008 General Obligation Bonds – Measure C (SFID #2 – Coalinga)

On November 4, 2008, the District voters authorized the issuance and sale of general obligation bonds totaling $11,600,000. Proceeds from the sale of the bonds were used to improve the quality of education; renovate and construct classrooms and educational facilities; acquire land; improve energy efficiency; upgrade electrical systems to improve access to computers and technology; and make the District eligible for up to $50.0 million in State matching funds.

The bonds have a final maturity to occur on August 1, 2038, with interest rates from 2.00 to 12.00%. At June 30, 2022, the principal balance outstanding was $11,191,610, with an unamortized premium received on issuance of the bonds that amounted to $353,733.

2008 General Obligation Bonds – Measure E (SFID #3 – Lemoore)

On November 4, 2008, the District voters authorized the issuance and sale of general obligation bonds totaling $31,000,000. Proceeds from the sale of the bonds will be used to improve the quality of education; construct and improve classrooms and educational facilities; acquire land; improve energy efficiency; upgrade electrical systems to improve access to computers and technology; and make the District eligible for up to $70.6 million in State matching funds.

The bonds have a final maturity to occur on August 1, 2041, with interest rates from 1.88 to 11.94%. At June 30, 2022, the principal balance outstanding was $21,452,579, with an unamortized premium received on issuance of the bonds that amounted to $847,532.

2012 General Obligation Bonds – Measure L (SFID #3 - Lemoore)

On November 6, 2012, the District voters authorized the issuance and sale of general obligation bonds totaling $12,655,000. Proceeds from the sale of the bonds were used to finance the renovation, equipping and construction of classrooms and college facilities, upgrade computer and technology systems for student access, and reduce overall borrowing costs.

The bonds have a final maturity to occur on August 1, 2045, with interest rates from 2.00 to 5.50%. At June 30, 2022, the principal balance outstanding was $12,295,000, with an unamortized premium received on issuance of the bonds that amounted to $665,856.

2014 General Obligation Bonds – Measure T

On November 4, 2014, the District voters authorized the issuance and sale of general obligation bonds totaling $20,000,000. Proceeds from the sale of the bonds will be used to increase student access to computers; maintain and upgrade educational software; keep pace with 21st century technological innovations; and significantly reduce borrowing costs.

The bonds have a final maturity to occur on August 1, 2023, with an interest rate of 2.70%. At June 30, 2022, the principal balance outstanding was $1,732,060.

Debt Maturity

General Obligation Bonds

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding Beginning of Year	Issued	Accreted Interest	Redeemed	Bonds Outstanding End of Year
Election 1998 - Measure G								
6/19/12	8/1/29	2.00%-3.50%	$ 3,080,000	$ 1,805,000	$ -	$ -	$ (175,000)	$ 1,630,000
6/11/15	8/1/30	2.00%-5.00%	10,395,000	7,730,000		-	(620,000)	7,110,000
Election 2008 - Measure Q								
11/12/08	8/1/33	3.41%-6.19%	3,839,677	1,322,606	-	60,944	(190,000)	1,193,550
6/4/12	8/1/22	2.00%-5.40%	7,957,059	7,380,648		4,352	(7,215,000)	170,000
6/11/15	8/1/28	3.00%-5.00%	2,270,000	2,270,000	-	-	-	2,270,000
6/21/22	8/1/37	3.46%-5.00%	6,875,000	-	6,875,000	-	-	6,875,000
Election 2008 - Measure C								
3/18/09	8/1/22	2.62%-5.40%	2,998,815	205,000		-	(100,000)	105,000
6/19/12	8/1/38	2.00%-12.00%	8,598,578	9,026,217	-	170,393	(250,000)	8,946,610
12/8/16	8/1/33	2.00%-5.00%	2,195,000	2,140,000	-	-	-	2,140,000
Election 2008 - Measure E								
3/19/9	8/1/22	4.50%-11.94%	5,999,837	694,102		10,898	(705,000)	-
3/9/11	8/1/38	5.00%-12.00%	12,343,908	6,937,599	-	522,980	(1,880,000)	5,580,579
12/8/16	8/1/41	2.00%-5.00%	14,455,000	13,730,000	-	-	(125,000)	13,605,000
11/10/21	8/1/31	1.88%	2,267,000	-	2,267,000	-	-	2,267,000
Election 2012 - Measure L								
1/27/16	8/1/45	2.00%-5.50%	12,655,000	12,400,000	-	-	(105,000)	12,295,000
Election 2014 - Measure T								
2/1/19	8/1/23	2.70%	4,200,000	4,200,000	-	-	(2,467,940)	1,732,060
				$ 69,841,172	$ 9,142,000	$ 769,567	$ (13,832,940)	$ 65,919,799

Debt Service Requirements to Maturity

Fiscal Year	Principal (Including accreted interest to date)	Accreted Interest	Current Interest to Maturity	Total
2023	$ 5,926,628	$ 87,543	$ 2,070,728	$ 8,084,899
2024	3,003,376	46,513	2,253,325	5,303,214
2025	2,605,670	30,330	1,964,856	4,600,856
2026	2,842,000	-	1,849,153	4,691,153
2027	3,093,000	-	1,977,819	5,070,819
2028-2032	14,897,238	699,172	9,387,284	24,983,694
2033-2037	13,184,639	1,774,012	6,382,762	21,341,413
2038-2042	16,592,248	677,752	2,198,219	19,468,219
2043-2046	3,775,000	-	264,346	4,039,346
Total	$ 65,919,799	$ 3,315,322	$ 28,348,492	$ 97,583,613

Certificates of Participation

On January 13, 2022, the District issued the 2022 Refunding Certificates of Participation in the amount of $12,285,000 with interest rates from 2.125 to of 4.00%. Proceeds from the Certificates were used to prepay and defease an outstanding lease which was executed and delivered in 2018 for the purpose of financing various educational improvements of the District. At June 30, 2022, the principal balance outstanding was $12,065,000. Unamortized premium received on issuance of the certificates of participation amount to $999,029 as of June 30, 2022.

Fiscal Year	Principal	Current Interest to Maturity	Total
2023	$ 415,000	$ 393,362	$ 808,362
2024	430,000	376,762	806,762
2025	450,000	359,562	809,562
2026	465,000	341,562	806,562
2027	485,000	322,962	807,962
2028-2032	2,735,000	1,307,610	4,042,610
2033-2037	3,315,000	727,748	4,042,748
2038-2042	3,770,000	270,030	4,040,030
Total	$ 12,065,000	$ 4,099,598	$ 16,164,598

Financed Purchases

The District has entered into an agreement for the financed purchase of fixtures and equipment. The District will pay $710,690 through the 2028, with interest rate of 3.35%, in accordance with the following schedule:

Fiscal Year	Principal	Current Interest to Maturity	Total
2023	$ 119,710	$ 22,314	$ 142,024
2024	123,772	18,252	142,024
2025	127,970	14,054	142,024
2026	132,311	9,713	142,024
2027	136,799	5,225	142,024
2028	70,128	884	71,012
Total	$ 710,690	$ 70,442	$ 781,132

Leases

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

Leases	Balance, July 1, 2021, as restated	Additions	Deductions	Balance, June 30, 2022
Equipment	$ 252,833	$ 19,596	$ (85,133)	$ 187,296

Equipment Leases

The District entered into several agreement to lease equipment for five years, through the 2026-2027 fiscal year. Under the terms of the lease, the District pays monthly payments ranging from $300 to $2,060, which amounted to total principal and interest costs of $93,584. Annual interest rates charged on the leases are 2.90% to 4.82%. At June 30, 2022, the District has recognized a right to use asset of $427,640 and a lease liability of $187,296 related to these agreements. During the fiscal year, the District recorded $84,876 in amortization expense and $8,451 in interest expense for the right to use of the equipment.

The District's liability on lease agreements is summarized below:

Fiscal Year	Principal	Interest	Total
2023	$ 84,522	$ 5,221	$ 89,743
2024	62,597	2,366	64,963
2025	31,640	743	32,383
2026	7,830	121	7,951
2027	707	3	710
Total	$ 187,296	$ 8,454	$ 195,750

Note 10 - Aggregate Net Other Postemployment Benefit (OPEB) Liability

For the year ended June 30, 2022, the District reported an aggregate net OPEB liability, deferred inflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Aggregate Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 2,437,891	$ 2,536,264	$ 1,489,793	$ (2,904,908)
Medicare Premium Payment (MPP) Plan	144,944	-	-	(45,331)
Total	$ 2,582,835	$ 2,536,264	$ 1,489,793	$ (2,950,239)

The details of each plan are as follows:

District Plan

Plan Administration

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

Management of the Plan is vested in the District management. Management of the trustee assets is vested with the Retiree Health Benefit Program Joint Powers Agency (RHBP). The RHBP administers the West Hills Community College District's Postemployment Benefits Plan (the Plan). The Plan is a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses.

Plan Membership

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

Inactive employees or beneficiaries currently receiving benefits payments	56
Active employees	316
Total	372

Retiree Health Benefit OPEB Trust

The Retiree Health Benefit OPEB Trust (the Trust) is an irrevocable governmental trust pursuant to Section 115 of the IRC for the purpose of funding certain postemployment benefits other than pensions. The Trust is administered by the Retiree Health Benefit Funding Program Joint Powers Agency (the JPA) as directed by the investment alternative choice selected by the District. The District retains the responsibility to oversee the management of the Trust, including the requirement that investments and assets held within the Trust continually adhere to the requirements of the California *Government Code* Section 53600.5 which specifies that the trustee's primary role is to preserve capital, to maintain investment liquidity, and to protect investment yield. As such, the District acts as the fiduciary of the Trust. The financial activity of the Trust has been discretely presented.

Benefits Provided

The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The District's governing board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

Contributions

The contribution requirements of Plan members and the District are established and may be amended by the District, the Unions, and unrepresented groups. Voluntary contributions based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by District administration. For the measurement period of June 30, 2022, the District contributed $3,941,490 to the Plan, of which $642,910 was used for current premiums and $3,298,580 was used to fund the OPEB trust.

Investment

Investment Policy

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

Asset Class	Target Allocation
US Large Cap	29%
US Small Cap	13%
All Foreign Stock	9%
Other Fixed Income	49%

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense was (13.59%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the District

The District's net OPEB liability of $2,437,891 was measured as of June 30, 2022, by an actuarial valuation as of that date. The components of the net OPEB liability of the District at June 30, 2022, were as follows:

Total OPEB liability	$ 17,720,936
Plan fiduciary net position	(15,283,045)
Net OPEB liability	$ 2,437,891
Plan fiduciary net position as a percentage of the total OPEB liability	86.24%

Actuarial Assumptions

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

Inflation	2.50 percent
Salary increases	2.75 percent
Discount rate	5.75 percent
Investment rate of return	5.75 percent, net of OPEB plan investment expense
Healthcare cost trend rates	4.00 percent

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

Mortality rates were based on the 2020 CalSTRS Mortality Table for certificated employees and the 2017 CalPERS Active Mortality for Miscellaneous Employees Table for classified employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2022, (see the discussion of the Plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
US Large Cap	7.55%
US Small Cap	7.55%
All Foreign Stock	7.55%
Other Fixed Income	3.00%

Discount Rate

The discount rate used to measure the total OPEB liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance, June 30, 2021	$ 16,333,331	$ 14,129,600	$ 2,203,731
Service cost	653,601	-	653,601
Interest	939,474	-	939,474
Difference between expected and actual experience	437,440	-	437,440
Contributions - employer	-	3,941,490	(3,941,490)
Expected investment income	-	632,002	(632,002)
Differences between projected and actual earnings on OPEB plan investments	-	(2,758,099)	2,758,099
Benefit payments	(642,910)	(642,910)	-
Administrative expense	-	(19,038)	19,038
Net change in total OPEB liability	1,387,605	1,153,445	234,160
Balance, June 30, 2022	$ 17,720,936	$ 15,283,045	$ 2,437,891

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

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

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

Discount Rate	Net OPEB Liability
1% decrease (4.75%)	$ 4,386,494
Current discount rate (5.75%)	2,437,891
1% increase (6.75%)	746,060

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

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

Healthcare Cost Trend Rate	Net OPEB Liability
1% decrease (3.00%)	$ 1,143,742
Current healthcare cost trend rate (4.00%)	2,437,891
1% increase (5.00%)	3,996,517

Deferred Outflows/Inflows of Resources Related to OPEB

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB for the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 404,549	$ 1,489,793
Changes of assumptions	678,748	-
Net difference between projected and actual earnings on OPEB plan investments	1,452,967	-
Total	$ 2,536,264	$ 1,489,793

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	$ 306,598
2024	299,882
2025	255,312
2026	591,175
Total	$ 1,452,967

The deferred outflows/(inflows) of resources related to differences between expected and actual experience in the measurement of the total OPEB liability and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits as of the beginning of the measurement period. The EARSL for the measurement period is 13.3 years and will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	$ (52,338)
2024	(52,338)
2025	(52,338)
2026	(52,338)
2027	(52,338)
Thereafter	(144,806)
Total	$ (406,496)

Medicare Premium Payment (MPP) Program

Plan Description

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

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2020 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

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

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

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

Net OPEB Liability and OPEB Expense

At June 30, 2022, the District reported a liability of $144,944 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating entities, actuarially determined. The District's proportionate share for the measurement period June 30, 2021 and June 30, 2020, was 0.0363%, and 0.0476%, respectively, resulting in a net decrease in the proportionate share of 0.0113%.

For the year ended June 30, 2022, the District recognized OPEB expense of $(45,331).

Actuarial Methods and Assumptions

The June 30, 2021 total OPEB liability was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2020, and rolling forward the total OPEB liability to June 30, 2021, using the assumptions listed in the following table:

Measurement Date	June 30, 2021	June 30, 2020
Valuation Date	June 30, 2020	June 30, 2019
Experience Study	July 1, 2015 through June 30, 2018	June 30, 2014 through June 30, 2018
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	2.16%	2.21%
Medicare Part A Premium Cost Trend Rate	4.50%	4.50%
Medicare Part B Premium Cost Trend Rate	5.40%	5.40%

For the valuation as of June 30, 2020, CalSTRS uses a generational mortality assumption which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in incases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale as set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale, (MP-2019) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 245 or an average of 0.16% of the potentially eligible population (152,062).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2021, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2021 is 2.16%. The MPP Program is funded on a pay-as-you-go basis as previously noted. The OPEB Plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 2.16%, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2021, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate decreased 0.05% from 2.21% as of June 30, 2020.

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

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

Discount Rate	Net OPEB Liability
1% decrease (1.16%)	$ 159,768
Current discount rate (2.16%)	144,944
1% increase (3.16%)	132,278

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

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

Medicare Costs Trend Rates	Net OPEB Liability
1% decrease (3.50% Part A and 4.40% Part B)	$ 131,810
Current Medicare costs trend rate (4.50% Part A and 5.40% Part B)	144,944
1% increase (5.50% Part A and 6.40% Part B)	160,002

Note 11 - Risk Management

Joint Powers Authority Risk Pools

During fiscal year ended June 30, 2022, the District contracted with the Statewide Association of Community Colleges (SWACC) Joint Powers Authority for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2021-2022, the District participated in the Protected Insurance Program for Schools (PIPS) Joint Powers Authority, an insurance purchasing pool. The intent of PIPS is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in PIPS. The workers' compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in PIPS. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated, and each participant's individual performance is compared to the overall saving. A participant will then either receive money from or be required to contribute to the "equity-pooling fund". This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of PIPS. Participation in PIPS is limited to community college districts that can meet PIPS's selection criteria.

Note 12 - Employee Retirement Systems

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

For the fiscal year ended June 30, 2022, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources and pension expense for each of the above plans as follows:

Pension Plan	Aggregate Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 11,001,637	$ 4,561,063	$ 11,928,058	$ 339,329
CalPERS	18,509,205	4,070,419	12,863,105	91,400
Total	$ 29,510,842	$ 8,631,482	$ 24,791,163	$ 430,729

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2020, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

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

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

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

The STRP Defined Benefit Program provisions and benefits in effect at June 30, 2022, are summarized as follows:

Hire date	On or before December 31, 2012	On or after January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	16.92%	16.92%
Required State contribution rate	10.828%	10.828%

Contributions

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and are detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with California Assembly Bill 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2022, are presented above, and the District's total contributions were $2,479,504.

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

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

Total net pension liability, including State share:	
District's proportionate share of net pension liability	$ 11,001,637
State's proportionate share of net pension liability associated with the District	5,535,597
Total	$ 16,537,234

The net pension liability was measured as of June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2021 and June 30, 2020, was 0.0242% and 0.0258%, respectively, resulting in a net decrease in the proportionate share of 0.0016%.

For the year ended June 30, 2022, the District recognized pension expense of $339,329. In addition, the District recognized pension expense and revenue of $189,394 for support provided by the State. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 2,479,504	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	495,183	2,054,677
Differences between projected and actual earnings on pension plan investments	-	8,702,577
Differences between expected and actual experience in the measurement of the total pension liability	27,560	1,170,804
Changes of assumptions	1,558,816	-
Total	$ 4,561,063	$ 11,928,058

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 inflows of resources related to the difference between projected and actual earning on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	$ (2,209,932)
2024	(2,021,367)
2025	(2,071,529)
2026	(2,399,749)
Total	$ (8,702,577)

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	$ 258,694
2024	300,034
2025	(404,311)
2026	(471,168)
2027	(478,520)
Thereafter	(348,651)
Total	$ (1,143,922)

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2020
Measurement date	June 30, 2021
Experience study	July 1, 2015 through June 30, 2018
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2021, are summarized in the following table:

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

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 22,395,395
Current discount rate (7.10%)	11,001,637
1% increase (8.10%)	1,545,035

California Public Employees' Retirement System (CalPERS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2020, annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/forms-publications.

Benefits Provided

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

The CalPERS School Employer Pool provisions and benefits in effect at June 30, 2022, are summarized as follows:

Hire date	On or before December 31, 2012	On or after January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	22.91%	22.91%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2022, are presented above, and the total District contributions were $3,517,872.

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

As of June 30, 2022, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $18,509,205. The net pension liability was measured as of June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2021 and June 30, 2020, was 0.0910% and 0.1108%, respectively, resulting in a net decrease in the proportionate share of 0.0198%.

For the year ended June 30, 2022, the District recognized pension expense of $91,400. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 3,517,872	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	-	5,716,189
Differences between projected and actual earnings on pension plan investments	-	7,103,282
Differences between expected and actual experience in the measurement of the total pension liability	552,547	43,634
Total	$ 4,070,419	$ 12,863,105

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	$ (1,781,497)
2024	(1,638,247)
2025	(1,707,978)
2026	(1,975,560)
Total	$ (7,103,282)

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 4.1 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	$ (1,703,451)
2024	(1,929,373)
2025	(1,436,549)
2026	(137,903)
Total	$ (5,207,276)

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2020
Measurement date	June 30, 2021
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

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90% of scale MP-2016.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	50%	5.98%
Fixed income	28%	2.62%
Inflation assets	0%	1.81%
Private equity	8%	7.23%
Real assets	13%	4.93%
Liquidity	1%	-0.92%

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (6.15%)	$ 31,209,118
Current discount rate (7.15%)	18,509,205
1% increase (8.15%)	7,965,551

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS for the fiscal year ended June 30, 2022, which amounted to $1,554,765 (10.828%) of salaries subject to CalSTRS. Contributions are no longer appropriated in the annual *Budget Act* for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

APPLE

Plan Description

The District contributes to the APPLE plan for employees not covered under CalPERS or CalSTRS plans. The plan provides benefits in a lump sum distribution of the employees' vested balance as of their retirement date.

Funding Policy

Active plan members and the District are each required to contribute 3.75% of an individual's salary to the plan, for a total of 7.5% of an individual's salary. Individuals enrolled in the plan are 100% vested in the contributions made to it. The District's contribution to the plan for the fiscal year ending June 30, 2022, was $100,482.

Note 13 - Commitments and Contingencies

Grants

The District receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2022.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2022.

Construction Commitments

As of June 30, 2022, the District had approximately $213.2 million in commitments with respect to unfinished capital projects. The projects are funded through a combination of general obligation bonds and capital project apportionments from the California State Chancellor's Office.

Note 14 - Adoption of New Standard

As of July 1, 2021, the District adopted GASB Statement No. 87, Leases. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. As a result of this new standard, the opening balances of certain assets, liabilities and deferred inflows of resources were restated in addition to beginning net position was restated as follows:

Primary Government	
Net Position - Beginning	$ 51,752,360
Lease receivables	1,188,222
Right-to-use leased assets, net of amortization	159,631
Lease liabilities	(252,833)
Deferred inflows of resources related to leases	(1,188,222)
Net Position - Beginning, as Restated	$ 51,659,158

Required Supplementary Information
June 30, 2022

West Hills Community College District

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	$ 653,601	$ 606,702	$ 581,099	$ 565,546	$ 550,410
Interest	939,474	900,245	1,005,740	940,250	879,524
Difference between expected and actual experience	437,440	-	(1,941,248)	-	-
Changes of assumptions	-	422,035	419,765	-	-
Benefit payments	(642,910)	(592,775)	(501,224)	(510,828)	(510,828)
Net change in total OPEB liability	1,387,605	1,336,207	(435,868)	994,968	919,106
Total OPEB Liability - Beginning	16,333,331	14,997,124	15,432,992	14,438,024	13,518,918
Total OPEB Liability - Ending (a)	$ 17,720,936	$ 16,333,331	$ 14,997,124	$ 15,432,992	$ 14,438,024
Plan Fiduciary Net Position					
Contributions - employer	$ 3,941,490	$ 683,983	$ 603,644	$ 1,134,278	$ 1,010,828
Contributions - employee	-	-	-	-	120,650
Expected investment income	632,002	2,381,980	500,551	626,378	618,848
Differences between projected and actual earnings on OPEB plan investments	(2,758,099)	-	-	-	-
Benefit payments	(642,910)	(592,775)	(501,224)	(510,828)	(510,828)
Administrative expense	(19,038)	(17,033)	(16,118)	(9,344)	(500)
Net change in plan fiduciary net positio	1,153,445	2,456,155	586,853	1,240,484	1,238,998
Plan Fiduciary Net Position - Beginning	14,129,600	11,673,445	11,086,592	9,846,108	8,607,110
Plan Fiduciary Net Position - Ending (b)	$ 15,283,045	$ 14,129,600	$ 11,673,445	$ 11,086,592	$ 9,846,108
Net OPEB Liability - Ending (a) - (b)	$ 2,437,891	$ 2,203,731	$ 3,323,679	$ 4,346,400	$ 4,591,916
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	86.24%	86.51%	77.84%	71.84%	68.20%
Covered Payroll	$ 30,009,460	$ 36,023,719	$ 32,001,682	$ 31,145,190	$ 30,311,620
Net OPEB Liability as a Percentage of Covered Payroll	8.12%	6.12%	10.39%	13.96%	15.15%
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018

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

	2022*
Annual money-weighted rate of return, net of investment expense	-13.59%

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

*Information regarding the annual money-weighted rate of return, net of investment expense, prior to the 2021-2022 fiscal year is unavailable.

Year ended June 30,	2022	2021	2020	2019	2018
Proportion of the net OPEB liability	0.0363%	0.0476%	0.0449%	0.0474%	0.0467%
Proportionate share of the net OPEB liability	$ 144,944	$ 190,275	$ 177,198	$ 181,425	$ 196,397
Covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	-0.80%	-0.71%	-0.81%	-0.40%	0.01%
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

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

	2022	2021	2020	2019
CalSTRS				
Proportion of the net pension liability	0.0242%	0.0258%	0.0269%	0.0264%
Proportionate share of the net pension liability	$ 11,001,637	$ 24,971,152	$ 24,293,362	$ 24,270,026
State's proportionate share of the net pension liability associated with the District	5,535,597	12,872,632	13,253,651	13,895,725
Total	$ 16,537,234	$ 37,843,784	$ 37,547,013	$ 38,165,751
Covered payroll	$ 15,817,771	$ 14,490,228	$ 12,744,447	$ 14,378,351
Proportionate share of the net pension liability as a percentage of its covered payroll	69.55%	172.33%	190.62%	168.80%
Plan fiduciary net position as a percentage of the total pension liability	87%	72%	73%	71%
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
CalPERS				
Proportion of the net pension liability	0.0910%	0.1108%	0.1176%	0.1188%
Proportionate share of the net pension liability	$ 18,509,205	$ 33,993,526	$ 34,285,386	$ 31,682,678
Covered payroll	$ 13,151,333	$ 15,986,096	$ 16,390,610	$ 16,170,987
Proportionate share of the net pension liability as a percentage of its covered payroll	140.74%	212.64%	209.18%	195.92%
Plan fiduciary net position as a percentage of the total pension liability	81%	70%	70%	71%
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018

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

	2018	2017	2016	2015
CalSTRS				
Proportion of the net pension liability	0.0258%	0.0251%	0.0258%	0.0289%
Proportionate share of the net pension liability	$ 23,846,314	$ 20,326,089	$ 17,367,732	$ 16,872,365
State's proportionate share of the net pension liability associated with the District	14,107,278	11,571,280	9,185,616	10,188,262
Total	$ 37,953,592	$ 31,897,369	$ 26,553,348	$ 27,060,627
Covered payroll	$ 14,051,486	$ 12,908,248	$ 12,056,059	$ 13,313,333
Proportionate share of the net pension liability as a percentage of its covered payroll	169.71%	157.47%	144.06%	126.73%
Plan fiduciary net position as a percentage of the total pension liability	69%	70%	74%	77%
Measurement Date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS				
Proportion of the net pension liability	0.1137%	0.1093%	0.1069%	0.1113%
Proportionate share of the net pension liability	$ 27,134,981	$ 21,582,587	$ 15,752,845	$ 12,629,704
Covered payroll	$ 14,665,013	$ 13,189,533	$ 11,780,715	$ 11,462,620
Proportionate share of the net pension liability as a percentage of its covered payroll	185.03%	163.63%	133.72%	110.18%
Plan fiduciary net position as a percentage of the total pension liability	72%	74%	79%	83%
Measurement Date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

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

	2022	2021	2020	2019
CalSTRS				
Contractually required contribution	$ 2,479,504	$ 2,554,570	$ 2,477,829	$ 2,074,796
Contributions in relation to the contractually required contribution	(2,479,504)	(2,554,570)	(2,477,829)	(2,074,796)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 14,654,279	$ 15,817,771	$ 14,490,228	$ 12,744,447
Contributions as a percentage of covered payroll	16.92%	16.15%	17.10%	16.28%
CalPERS				
Contractually required contribution	$ 3,517,872	$ 2,722,326	$ 3,152,618	$ 2,960,472
Contributions in relation to the contractually required contribution	(3,517,872)	(2,722,326)	(3,152,618)	(2,960,472)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 15,355,181	$ 13,151,333	$ 15,986,096	$ 16,390,610
Contributions as a percentage of covered payroll	22.910%	20.700%	19.721%	18.062%

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

	2018	2017	2016	2015
CalSTRS				
Contractually required contribution	$ 2,074,796	$ 1,767,677	$ 1,385,055	$ 1,070,578
Contributions in relation to the contractually required contribution	(2,074,796)	(1,767,677)	(1,385,055)	(1,070,578)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 14,378,351	$ 14,051,486	$ 12,908,248	$ 12,056,059
Contributions as a percentage of covered payroll	14.43%	12.58%	10.73%	8.88%
CalPERS				
Contractually required contribution	$ 2,511,516	$ 2,036,677	$ 1,562,564	$ 1,386,708
Contributions in relation to the contractually required contribution	(2,511,516)	(2,036,677)	(1,562,564)	(1,386,708)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 16,170,987	$ 14,665,013	$ 13,189,533	$ 11,780,715
Contributions as a percentage of covered payroll	15.531%	13.888%	11.847%	11.771%

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

Note 1 - Purpose of Schedules

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

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

- *Changes in Benefit Terms* - There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – There were no changes in assumption since the previous valuation.

Schedule of OPEB Investment Returns

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

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

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

- *Changes in Benefit Terms* - There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* - The plan rate of investment return assumption was changed from 2.21% to 2.16% since the previous valuation.

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

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

- *Changes in Benefit Terms* **-** There were no changes in benefit terms since the previous valuations for either CalSTRS or CalPERS.
- *Changes of Assumptions* **-** There were no changes in economic assumptions since previous valuations for either CalSTRS or CalPERS.

Schedule of District Contributions for Pensions

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

Supplementary Information
June 30, 2022

West Hills Community College District

The West Hills Community College District was established in September 1932. The West Hills Community College District provides postsecondary education to the students of Coalinga-Huron Unified School District, Lemoore Union High School District, Riverdale Joint Unified School District, Golden Plains Unified School District, Firebaugh-Las Deltas Unified School District, Reef-Sunset Unified School District, and Mendota Unified School District. The West Hills Community College District maintains a District Office, a Coalinga College, a Lemoore College, the North District Center in Firebaugh, and a center at NAS Lemoore. There were no changes in the boundaries of the District during the fiscal year.

Board of Trustees as of June 30, 2022

Member	Office	Term Expires
Mark McKean	President	2024
Jeff Levinson	Vice President	2022
Nina Oxborrow	Clerk/Secretary	2022
Steve Cantu	Member	2024
Crystal Jackson	Member	2024
Marin Maldonado	Member	2024
Salvador Raygoza	Member	2022

Administration as of June 30, 2022

Dr. Kristin Clark	Chancellor
Shanna Ahrens	Vice Chancellor of Business and Fiscal Services
Dr. Carla Tweed	President, West Hills College Coalinga
James Preston	President, West Hills College Lemoore
Dr. Sam Aunai	Vice President of Educational Services, West Hills College Coalinga
Christopher Whiteside	Vice President, Educational Services, West Hills College Lemoore
Dr. Angela Tos	Vice President of Student Services, West Hills College Coalinga
Val Garcia	Vice President, Student Services, West Hills College Lemoore

Auxiliary Organizations in Good Standing

West Hills Community College District Foundation, established in 1983
Master Agreement date: October 23, 2007
Alexis Perez, Executive Director

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amounts Passed through to Subrecipients
U.S. Department of Education				
Student Financial Assistance Cluster				
Federal Pell Grant Program	84.063		$ 9,281,766	$ -
Federal Direct Student Loans	84.268		729,830	-
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		222,867	-
Federal Work-Study Program	84.033		228,286	-
Subtotal Student Financial Assistance Cluster			10,462,749	-
TRIO Cluster				
Upward Bound	84.047A		956,970	-
Upward Bound - Math and Science	84.047M		301,250	-
Upward Bound - Veterans	84.047V		295,739	-
Student Support Services	84.042A		166,585	-
Subtotal TRIO Cluster			1,720,544	-
COVID-19: Higher Education Emergency Relief Funds, Student Aid Portion	84.425E		6,207,324	-
COVID-19: Higher Education Emergency Relief Funds, Institutional Portion	84.425F		5,230,261	-
Subtotal			11,437,585	-
CAMP Services	84.149A		481,563	-
High School Equivalency Program	84.141A		504,532	-
California Consortium for Equitable Change in HSI OER	84.116T		552,781	323,010
Passed through California Community Colleges Chancellor's Office				
Career and Technical Education Act (CTEA), Title I, Part C	84.048A	21-C01-580	247,338	-
VTEA Special Populations Collaborative	84.048A	[1]	66,900	-
Subtotal			314,238	-
Total U.S. Department of Education			25,473,992	323,010
U.S. Department of Agriculture				
NIFA Westside Works Apprenticeship in Agriculture	10.310		126,636	
Passed through California Department of Education				
Child and Adult Care Food Program	10.558	04351-CACFP-10-CC-CS	115,070	-
Total U.S. Department of Agriculture			241,706	-
U.S. Department of the Treasury				
Passed through California Community Colleges Chancellor's Office				
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	[1]	353,417	-
Total U.S. Department of the Treasury			353,417	-

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amounts Passed through to Subrecipients
U.S. Department of Labor				
PMS - National Farm Worker	17.264		$ 927,502	$ -
Workforce Innovation and Opportunity Act (WIOA) Cluster				
Passed through Fresno Regional Workforce Development Board				
WIOA Adult Program	17.258	250	1,496	-
WIOA Youth Activities	17.259	390-301	193,481	-
Subtotal WIOA Cluster			194,977	-
Total U.S. Department of Labor			1,122,479	-
National Endowment for the Arts				
Passed through California Community Colleges Chancellor's Office				
Promotion of the Arts Grants to Organizations and Individuals	45.024	[1]	8,796	-
Total National Endowment for the Arts			8,796	-
Research and Development Cluster				
National Science Foundation				
Welding Education Long-Distance Community Outreach	47.076		21,040	-
Improving Undergraduate STEM Education - HSI Program	47.076		13,572	-
Scholarships in STEM CORES	47.076		39,565	-
Subtotal Research and Development Cluster			74,177	-
U.S. Department of Veterans Affairs				
Veterans Services	64.117		1,520	-
Total U.S. Department of Veterans Affairs			1,520	-
U.S. Department of Health and Human Services				
Passed through California Community Colleges Chancellor's Office				
Temporary Assistance for Needy Families (TANF)	93.558	[1]	88,212	-
Passed through California Department of Education				
Child Care and Development Fund (CCDF) Cluster				
Child Care and Development Block Grant	93.596	13609	159,767	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.575	15136	73,443	-
Subtotal CCDF Cluster			233,210	-
Total U.S. Department of Health and Human Services			321,422	-
Total Federal Financial Assistance			$ 27,597,509	$ 323,010

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

Program	Program Revenues Cash Received	Accounts Receivable	Unearned Revenue	Total Revenue	Program Expenditures
BFAP - Financial Aid Administration	$ 384,081	$ -	$ 59,389	$ 324,692	$ 324,692
California Gov Office of Emergency Svs - SCIGP	93,973	-	-	93,973	93,973
California Promise Grant	275,257	7,958	92,472	190,743	190,743
CalWORKs (Prop 98 funds)	575,097	-	210,625	364,472	364,472
California Department of Corrections CDCR Equine	131,830	-	82,192	49,638	49,638
CARE Grant	235,468	-	38,062	197,406	197,406
CAPP GPAP EXT PH III - Coalinga	39,318	682	-	40,000	40,000
CAPP GPAP EXT PH III - Lemoore	39,061	939	1,838	38,162	38,162
Disability Support Programs and Services (DSPS)	877,752	-	94,767	782,985	782,985
Extended Opportunity Program and Service (EOPS)	1,130,956	-	154,333	976,623	976,623
Financial Aid Technology	187,930	-	173,680	14,250	14,250
Classified Professional Development	27,300	-	27,300	-	-
CCCBOG MESA	37,927	68,976	31,390	75,513	51,171
CCCCO/RSCCD Regional Director	114,385	-	-	114,385	114,385
CCCCO/Advanced Manufacturing Regional Director - Amendment	150,000	-	7,207	142,793	146,250
CCCCO Basic Needs Center	355,450	-	350,669	4,781	4,781
CCCCO Basic Needs Services and Support	380,863	-	380,863	-	-
CCCCO CAI Culinary	-	1,671	-	1,671	1,671
CCCCO/California Adult Ed Program	1,423,235	4,901	277,605	1,152,949	1,148,073
CCCCO Calfresh Outreach	37,653	-	22,616	15,037	15,037
CCCCO/CAI Child Development	68,732	92,936	-	161,668	161,668
CCCCO Culturally Comp Faculty Professional Development	100,870	-	100,870	-	-
CCCCO Dream Liaison	200,693	-	150,140	50,553	50,553
CCCCO Equal Employment Opportunities (EEO) Best Practices	208,333	-	208,333	-	-
CCCCO CAI - High Road Training Partnership (HRTP)	6,412	16,205	-	22,617	22,617

	Program Revenues				
Program	Cash Received	Accounts Receivable	Unearned Revenue	Total Revenue	Program Expenditures
CCCCO LGBTQ	$ 106,737	$ -	$ 106,737	$ -	$ -
CCCCO Mental Health Support	326,613	-	326,515	98	98
CCCCO Nurse Enrollment	108,176	-	-	108,176	108,176
CCCCO Student Retention and Enrollment Outreach	725,600	-	497,108	228,492	228,492
CCCCO/Strong Workforce 21-22-Apportionment (LOCAL)	1,401,473	-	942,358	459,115	459,115
CCCCO/Workforce _ VTEA 1B	66,900	-	-	66,900	66,900
IEPI SCCD	192,742	-	-	192,742	192,742
UOC The Puente Project - Coalinga	45,000	-	-	45,000	45,000
UOC The Puente Project - Firebaugh	45,000	-	25,575	19,425	19,425
Song Brown Capitation	26,855	37,500	-	64,355	64,355
Staff Diversity	164,787	-	145,885	18,902	18,902
State Block Grant	180,298	-	54,203	126,095	126,095
Strong Workforce 21-22-Regional Programs	594,259	753,739	404	1,347,594	1,315,622
Student Equity and Achievement (SEA)	3,752,188	-	762,807	2,989,381	2,989,381
Middle College High	162,000	9,000	57,655	113,345	113,345
Veterans Resources Center	53,492	-	28,678	24,814	25,101
Cal Grants	1,310,140	-	-	1,310,140	1,606,912
CSPP QRIS Block Grant	141,912	-	-	80,101	80,101
Child Care-State Preschool-	1,975,601	4,517	61,811	1,980,118	1,980,118
Child Care and Development Center Based	704,152	-	-	704,152	704,152
Child and Adult Care Food Program	4,899	1,106	-	6,005	6,005
Pre-Kindergarten Supplemental	2,500	7,243	-	9,743	9,743
Total state programs	$ 19,173,900	$ 1,007,373	$ 5,474,087	$ 14,709,604	$ 14,948,930

	**Revised Reported Data	Audit Adjustments	Audited Data
CATEGORIES			
A. Summer Intersession (Summer 2021 only)			
1. Noncredit*	64.74	-	64.74
2. Credit	506.58	-	506.58
B. Summer Intersession (Summer 2022 - Prior to July 1, 2022)			
1. Noncredit*	-	-	-
2. Credit	3.81	-	3.81
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	759.86	-	759.86
(b) Daily Census Contact Hours	334.20	-	334.20
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit*	321.40	-	321.40
(b) Credit	98.13	-	98.13
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Procedure Courses	584.63	-	584.63
(b) Daily Census Procedure Courses	1,887.74	-	1,887.74
(c) Noncredit Independent Study/Distance Education Courses	6.63	-	6.63
D. Total FTES	4,567.72	-	4,567.72
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. In-Service Training Courses (FTES)	-	-	-
F. Basic Skills Courses and Immigrant Education			
1. Noncredit*	391.38	-	391.38
2. Credit	25.05	-	25.05
CCFS-320 Addendum			
CDCP Noncredit FTES	3.29	-	3.29
Centers FTES			
1. Noncredit*	16.50	-	16.50
2. Credit	1,069.64	-	1,069.64

*Including Career Development and College Preparation (CDCP) FTES.
**Annual report revised as of November 1, 2022.

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110 Reported Data	Audit Adjustments	Revised Data	ECS 84362 B Total CEE AC 0100 - 6799 Reported Data	Audit Adjustments	Revised Data
Academic Salaries							
Instructional Salaries							
Contract or Regular	1100	$ 7,403,196	$ -	$ 7,403,196	$ 7,403,196	$ -	$ 7,403,196
Other	1300	4,567,165	-	4,567,165	4,567,165	-	4,567,165
Total Instructional Salaries		11,970,361	-	11,970,361	11,970,361	-	11,970,361
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	2,650,852	-	2,650,852
Other	1400	-	-	-	136,408	-	136,408
Total Noninstructional Salaries		-	-	-	2,787,260	-	2,787,260
Total Academic Salaries		11,970,361	-	11,970,361	14,757,621	-	14,757,621
Classified Salaries							
Noninstructional Salaries							
Regular Status	2100	-	-	-	6,297,564	-	6,297,564
Other	2300	-	-	-	163,159	-	163,159
Total Noninstructional Salaries		-	-	-	6,460,723	-	6,460,723
Instructional Aides							
Regular Status	2200	192,286	-	192,286	192,045	-	192,045
Other	2400	198,166	-	198,166	203,424	-	203,424
Total Instructional Aides		390,452	-	390,452	395,469	-	395,469
Total Classified Salaries		390,452	-	390,452	6,856,192	-	6,856,192
Employee Benefits	3000	4,890,843	-	4,890,843	10,581,993	-	10,581,993
Supplies and Material	4000	-	-	-	526,995	-	526,995
Other Operating Expenses	5000	271,240	-	271,240	2,819,013	-	2,819,013
Equipment Replacement	6420	-	-	-	2,666	-	2,666
Total Expenditures Prior to Exclusions		17,522,896	-	17,522,896	35,544,480	-	35,544,480

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Exclusions							
Activities to Exclude							
Instructional Staff - Retirees' Benefits and Retirement Incentives	5900	$ 1,361,601	$ -	$ 1,361,601	$ 1,361,601	$ -	$ 1,361,601
Student Health Services Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	11,801	-	11,801
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	6740	-	-	-	711,090	-	711,090
Objects to Exclude							
Rents and Leases	5060	-	-	-	163,426	-	163,426
Lottery Expenditures							-
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines, and Periodicals	4200	-	-	-	-	-	-
Instructional Supplies and Materials	4300	-	-	-	-	-	-
Noninstructional Supplies and Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	-	-	-

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Other Operating Expenses and Services	5000	$ -	$ -	$ -	$ 1,040,796	$ -	$ 1,040,796
Capital Outlay	6000						
Library Books	6300	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay							
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		1,361,601	-	1,361,601	3,288,714	-	3,288,714
Total for ECS 84362, 50% Law		$ 16,161,295	$ -	$ 16,161,295	$ 32,255,766	$ -	$ 32,255,766
Percent of CEE (Instructional Salary Cost/Total CEE)		50.10%		50.10%	100.00%		100.00%
50% of Current Expense of Education					$ 16,127,883		$ 16,127,883

Activity Classification	Object Code				Unrestricted
EPA Proceeds:	8630				$ 12,344,803
Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	1000-5900	$ 12,344,803	$ -	$ -	$ 12,344,803
Total Expenditures for EPA		$ 12,344,803	$ -	$ -	$ 12,344,803
Revenues Less Expenditures					$ -

Amounts reported for governmental activities in the Statement of Net Position are different because		
Total fund balance		
General Funds	$ 28,870,707	
Special Revenue Funds	2,987,637	
Capital Project Funds	16,862,964	
Debt Service Funds	5,959,888	
Fiduciary Funds	15,283,045	
Total fund balance - all District funds		$ 69,964,241
Amounts held in trust on behalf of others (OPEB Trust and Custodial Funds)		(15,283,045)
Capital and right-to-use leased assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	256,594,577	
Accumulated depreciation is	(93,817,890)	
The cost of right-to-use leased assets is	427,640	
Accumulated amortization is	(333,289)	
Total capital and right-to-use leased assets, net		162,871,038
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the District's funds. Deferred outflows of resources at year-end consist of:		
Deferred outflows of resources related to debt refunding	644,412	
Deferred outflows of resources related to OPEB	2,536,264	
Deferred outflows of resources related to pensions	8,631,482	
Total deferred outflows of resources		11,812,158
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide statements, unmatured interest on long-term liabilities is recognized when it is incurred.		(1,062,162)

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
General obligation bonds	$ (64,246,873)	
Certificates of participation	(13,064,029)	
Lease liability	(187,296)	
Compensated absences	(2,045,787)	
Less amount reported as a liability in the funds	510,507	
Financed purchases	(710,690)	
Aggregate net other postemployment benefits (OPEB) liability	(2,582,835)	
Aggregate net pension liability	(29,510,842)	
In addition, the District has issued 'capital appreciation' general obligation bonds. The accretion of interest unmatured on the general obligation bonds to date is	(4,871,661)	
Total long-term liabilities		$ (116,709,506)
Deferred inflows of resources represent an acquisition of net position in a future period and is not reported in the District's funds. Deferred inflows of resources amount to and related to		
Deferred inflows of resources related to OPEB	(1,489,793)	
Deferred inflows of resources related to pensions	(24,791,163)	
Total deferred inflows of resources		(26,280,956)
Total net position		$ 85,311,768

Note 1 - Purpose of Schedules

District Organization

This schedule provides information about the District's governing board members, administration members, and auxiliary organizations in good standing as of June 30, 2022.

Schedule of Expenditures of Federal Awards

Basis of Presentation
The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2022. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

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

Indirect Cost Rate
The District has not elected to use the 10% de minimis cost rate.

Schedule of Expenditures of State Awards

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

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

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

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

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

Proposition 30 Education Protection Account (EPA) Expenditure Report

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

Reconciliation of Government Funds to the Statement of Net Position

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

Independent Auditor's Reports
June 30, 2022

West Hills Community College District

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

Board of Trustees
West Hills Community College District
Coalinga, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate remaining fund information of West Hills Community College District (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 23, 2023.

Adoption of New Accounting Standard

As discussed in Note 2 and Note 14 to the financial statements, the District has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ending June 30, 2022. Accordingly, a restatement has been made to the business-type activities net position as of June 30, 2021, to restate beginning net position. Our opinions are not modified with respect to this matter.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Eide Bailly LLP

Rancho Cucamonga, California
January 23, 2023

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance Required by the Uniform Guidance

Board of Trustees
West Hills Community College District
Coalinga, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

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

Report on Internal Control over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a material weakness.

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

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

Eide Bailly LLP

Rancho Cucamonga, California
January 23, 2023

Independent Auditor's Report on State Compliance

Board of Trustees
West Hills Community College District
Coalinga, California

Report on State Compliance

We have audited West Hills Community College District's (the District) compliance with the types of compliance requirements described in the 2021-2022 California Community Colleges Chancellor's Office *Contracted District Audit Manual* applicable to the state laws and regulations listed in the table below for the year ended June 30, 2022.

Opinion

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the State programs noted in the table below, that were audited for the year ended June 30, 2022.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the standards and procedures identified in the 2021-2022 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Our responsibilities under those standards and the 2021-2022 California Community Colleges Chancellor's Office *Contracted District Audit Manual* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on state compliance with the compliance requirements subject to audit in the 2021-2022 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements listed in the table below has occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the 2021-2022 California Community Colleges Chancellor's Office *Contracted District Audit Manual* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements listed in the table below.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the 2021-2022 California Community Colleges Chancellor's Office *Contracted District Audit Manual*, we:

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

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

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

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

Compliance Requirements Tested

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

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

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

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the 2021-2022 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Rancho Cucamonga, California
January 23, 2023

Schedule of Findings and Questioned Costs
June 30, 2022

West Hills Community College District

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

Internal control over major program:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a):	Yes

Identification of major programs:

Name of Federal Program or Cluster	Federal Financial Assistance Listing/ Federal CFDA Number
Student Financial Assistance Cluster	84.007, 84.033, 84.063, 84.268
COVID-19: Higher Education Emergency Relief Funds, Student Aid Portion	84.425E
COVID-19: Higher Education Emergency Relief Funds, Institutional Portion	84.425F
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027

Dollar threshold used to distinguish between type A and type B programs:	$827,925
Auditee qualified as low-risk auditee?	No

STATE COMPLIANCE

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

None reported.

The following finding represents a material weakness and instance of noncompliance including questioned costs that is required to be reported by the Uniform Guidance.

2022-001 – Special Tests and Provisions – Return to Title IV

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

Criteria
When a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV aid earned by the student as of the student's withdrawal date. For a student who withdraws, without providing notification, from a school that is not required to take attendance, the school must determine the withdrawal date no later than 30 days after the end of the earlier of (1) the payment period or the period of enrollment (as applicable), (2) the academic year, or (3) the student's educational program in accordance with 34 CFR 668.22 (l)(3).

Condition
During our testing, we noted 19 instances out of 46 students tested where the date of determination of the student's WD was outside the required timeframe of 30 days for unofficial withdrawals.

Cause
The District's internal controls associated with timely return to Title IV procedures failed to ensure that withdrawal dates for "unofficial withdrawals" were determined within the 30 day requirement.

Effect
In 19 of the 46 calculations tested, the determination of when a student withdrew was done outside payment period.

Questioned Costs
None noted.

Context/Sampling
A non-statistical sample of 46 return of Title IV calculations were tested out of a total population of 282 return of Title IV calculations.

Repeat Finding from Prior Year
Yes

Recommendation
Management should have a process in place to ensure that the determination date for students that unofficially withdraw are completed within 30 days of the end of the payment period.

Corrective Action Plan and Views of Responsible Officials
Based on the review and assessment of findings, the Financial Aid Office at West Hills College Coalinga will continue to establish policies and procedures including instructions on completing R2T4 calculations, timelines, and trainings to ensure that the determination date for students that unofficially withdraw are completed within 30 days of the end of the payment period.

None reported.

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

Financial Statement Findings

None reported.

Federal Awards Findings

2021-001 – Special Tests and Provisions – Return to Title IV

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

Criteria or Specific Requirement
34 CFR 668.22(a) "When a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of title IV grant or loan assistance that the student earned as of the student's withdrawal date in accordance with 34 CFR 668.22(e)."

Condition
Material Weakness in Internal Control over Compliance - For the Spring 2021 term, Coalinga College did not perform any return to Title IV calculations.

Questioned Costs
The likely questioned costs are estimated to be approximately $26 thousand based on the students who were disbursed Title IV grant or loan assistance and withdrew during the term.

Effect
Without proper monitoring of student withdrawals, the District did not comply with federal regulation described in the above referenced criteria.

Cause
The District's internal controls associated with the return to Title IV procedures failed to ensure that calculations were performed.

Repeat Finding
No

Recommendation
The District should perform a review of each student that withdrew during the Spring 2021 term and perform a return to Title IV calculation to determine if funds disbursed to the student need to be returned to ED. In addition, the District should implement policies and procedures to ensure that the return to Title IV calculations are performed with prescribed timeframes.

Current Status
Partially implemented.

State Compliance Findings

2021-002 – Disabled Student Programs and Services (DSPS)

Criteria or Specific Requirement
Community College students with disabilities are those who have applied to or enrolled at a community college who, because of a verified disability, cannot benefit from general education classes, activities, and services without additional DSPS program support services to mitigate the effects of the educational limitations due to the disability. The purpose of academic adjustments, auxiliary aids, services and/or instruction is to allow the student with a disability to fully participate in the general college program; provide educational accommodations leading to vocational preparation, transfer, or general education; and increase independence or referral of the students to community resources most appropriate to their needs. Examples of services that may be provided by DSPS that are over and above those regularly offered by the college would be test-proctoring, assessment for learning disabilities, specialized counseling, interpreter or captioning services for hearing-impaired or deaf students, mobility assistance, note-taker services, reader services, transcription services, specialized tutoring, access to adaptive equipment, job development/placement, registration assistance, special parking and specialized instruction.

Condition
The District spent DSPS funds on services that aren't in line with the allowable costs as indicated in the Criteria above.

Questioned Costs
The unallowable expenditure totaled $252.88.

Context
The DSPS funds were spent for staff meals and not part of the services indicated above.

Effect
Funds were spent on nonqualified expenditures.

Cause
Not understanding compliance requirements for DSPS funds.

Repeat Finding
No

Current Status
Implemented.

2021-003 – Instructional Service Agreements (ISA)

Criteria or Specific Requirement
The contracting entity is required to certify that the direct education costs of the activity are not now, and are not going to be, funded through other sources.

Condition
We noted one 2021 Memorandum of Understanding with a contracting entity that did not include a statement to the effect of not being funded by other sources. We did note that this statement was included in the next year's agreement.

Questioned Costs
None

Context
The agreement with one contracting entity was missing a required statement about not having another funding source.

Effect
It was unclear if the course was funded from multiple sources.

Cause
Not understanding compliance requirements for these funds.

Repeat Finding
No

Current Status
Implemented.