Financial Statements
June 30, 2022

Contra Costa Community College District

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Independent Auditor's Report

Board of Trustees
Contra Costa Community College District
Martinez, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the remaining fund information of Contra Costa 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 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.

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 14 and other required supplementary schedules on pages 67 through 73 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 25, 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 25, 2023

USING THE INDEPENDENT AUDITOR'S REPORT

The purpose of this annual report is to provide readers with information about the activities, programs, and financial condition of the Contra Costa Community College District (the District) as of June 30, 2022. The report consists of three basic financial statements that provide information about the District as a whole:

- Statement of Net Position
- Statement of Revenues, Expenses, and Changes in Net Position
- Statement of Cash Flows

This section of the annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2022. Please read it in conjunction with the District's financial statements, which immediately follow this section. Responsibility for the completeness and accuracy of this information rests with the District management.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Contra Costa Community College District's financial statements are presented in accordance with Governmental Accounting Standards Board Statements No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and local Governments* and No. 35, *Basic Financial Statements – and Management Discussion and Analysis – for Public College and Universities*. These statements allow for the presentation of financial activity and results of operations which focuses on the District as a whole. The government-wide financial statements present the overall results of operations whereby all of the District's activities are consolidated into one total versus the traditional presentation by fund type. The focus of the Statement of Net Position is designed to be similar to the bottom line results of the District. This statement combines and consolidates current financial resources with capital assets and long-term obligations. The Statement of Revenues, Expenses, and Changes in Net Position focuses on the costs of the District's operational activities with revenues and expenses categorized as operating and nonoperating, and expenses are reported by natural classification. The Statement of Cash Flows provides an analysis of the sources and uses of cash within the operations of the District.

The California Community Colleges Chancellor's Office has recommended that all State community colleges follow the Business Type Activity model for financial statement reporting purposes. This reporting model does not require fund financial statements to be included with the District's annual financial report.

FINANCIAL HIGHLIGHTS

The District's primary funding source is general revenue comprised of local property taxes, student enrollment fees, and apportionment received from the State of California. Total funding available is determined by a formula established by the legislature. Prior to Fiscal Year 2018-2019, the funding formula consisted of a basic allocation established by State regulations plus an amount per full time equivalent student (FTES). In 2018-2019 legislature adopted the Student-Centered Funding Formula (SCFF) which realigned how allocations are determined. Under SCFF, 70 percent of the general revenue is determined by a base allocation plus an amount per FTES; the remaining 30 percent of the funding is based on other metrics such as enrollment of special populations and various student success measures. During fiscal year 2021-22, the District is currently taking advantage of a hold harmless provision that maintains revenue levels under the old funding formula. Subsequent to fiscal year end, the 2022-23 state enacted budget for the California community college system included an extension of the SCFF hold harmless provision with modifications through fiscal year 2024-2025 and described on page 14, under Budgetary Highlights.

In 2021-2022, the District received general revenue funding of $190,848,318 and an increase of $10.4 million or 6% year over year predominately due to cost-of-living statutory rate provided in the enacted state budget. In addition, the District recognized $18.6 million in HEERF revenue to support student financial and institutional needs. Also, the District received $11 million in deferred maintenance revenue. On the personnel side, the District experienced a $7.2 million or 5% year over year increase in salary costs due to negotiated salary increases for employee groups. Also, benefit expense reflects a $31 million year over year net decrease combining costs adjustments related to the changes in the pension and OPEBs liabilities.

The District acts as a pass-through for financial aid funds distributed to its students. During fiscal year 2021-2022, the District provided more than $68.0 million in financial aid to students attending classes at its three colleges and two centers. This aid was provided in the form of grants, scholarships and loans funded through the Federal government and the State System Office.

In 2006 and 2014 the voters of Contra Costa County approved over $736 million in capital bonds to be financed through property tax assessments. The District is utilizing these funds for several construction and modernization projects at its three college campuses. Current project commitments total $11.1 million to be funded with the District's bond programs.

THE DISTRICT AS A WHOLE

Net Position

Table 1

The Statement of Net Position as of June 30, 2022 and 2021, is summarized below:

	2022	2021	Change
Assets			
Current assets			
Cash, cash equivalents, and investments	$ 227,492,074	$ 229,773,625	$ (2,281,551)
Receivables, net	30,835,596	39,732,431	(8,896,835)
Inventory and other current assets	6,553,745	4,905,343	1,648,402
Total current assets	264,881,415	274,411,399	(9,529,984)
Noncurrent assets			
Capital assets, net	714,596,763	679,811,724	34,785,039
Total assets	979,478,178	954,223,123	25,255,055
Deferred Outflows of Resources	94,960,697	82,973,377	11,987,320
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	32,380,713	41,031,666	(8,650,953)
Unearned revenue	29,479,098	19,519,940	9,959,158
Current portion of long-term liabilities	59,765,000	29,772,216	29,992,784
Total current liabilities	121,624,811	90,323,822	31,300,989
Noncurrent liabilities			
Noncurrent portion of long-term liabilities	835,225,500	914,692,172	(79,466,672)
Total liabilities	956,850,311	1,005,015,994	(48,165,683)
Deferred Inflows of Resources	115,734,339	65,521,553	50,212,786
Net Position			
Net investment in capital assets	128,995,755	106,865,518	22,130,237
Restricted	103,120,483	100,331,473	2,789,010
Unrestricted deficit	(230,262,013)	(240,538,038)	10,276,025
Total net position (deficit)	$ 1,854,225	$ (33,341,047)	$ 35,195,272

Cash and investments consist primarily of funds held in the Contra Costa County Treasury, actively managed investment accounts, and the Local Agency Investment Fund (LAIF). The changes in our cash position are explained in the Statement of Cash Flows on pages 17 and 18.

Much of the unrestricted net assets have been designated by the Board or by contracts for purposes such as our required general reserve for ongoing financial health, commitments on contracts, other postemployment benefits, and auxiliary services reserves.

Operating Results for the Year

The results of this year's operations for the District as a whole are reported in the *Statement of Revenues, Expenses, and Changes in Net Position* on page 16.

Table 2

	2022	2021	Change
Operating Revenues			
Tuition and fees, net	$ 26,128,010	$ 27,355,301	$ (1,227,291)
Grants and contracts, noncapital	74,342,448	80,304,039	(5,961,591)
Auxiliary sales and charges	3,443,198	2,796,688	646,510
Total operating revenues	103,913,656	110,456,028	(6,542,372)
Operating Expenses			
Salaries and benefits	207,456,975	231,318,681	(23,861,706)
Supplies and other expenses	122,079,487	88,785,985	33,293,502
Depreciation	21,267,851	19,094,447	2,173,404
Total operating expenses	350,804,313	339,199,113	11,605,200
Operating loss	(246,890,657)	(228,743,085)	(18,147,572)
Nonoperating Revenues (Expenses)			
State apportionments	48,641,086	44,751,012	3,890,074
Property taxes	173,152,323	162,211,717	10,940,606
Student financial aid grants	54,484,501	43,224,544	11,259,957
State taxes and other revenues	8,319,103	8,545,058	(225,955)
Net interest expense	(21,031,653)	(18,543,714)	(2,487,939)
Other nonoperating revenues	7,196,620	2,253,841	4,942,779
Total nonoperating revenues (expenses)	270,761,980	242,442,458	28,319,522
Other Revenues			
State and local capital income	11,323,949	2,656,127	8,667,822
Change in net position	$ 35,195,272	$ 16,355,500	$ 18,839,772

Highlights and other operational information for the District in fiscal year 2021-2022 include:

- The District experienced a $25.3 million or 3% year over year increase in total assets caused by two major fluctuations. First, capital assets increased with the capitalization of newly constructed buildings and related acquisitions of new furniture and fixtures. Second, accounts receivables decreased predominantly due to the write-off of students accounts as one of many initiatives implemented as student aid provided under the Higher Education Emergency Relief Funds (HEERF).

- The District's total liabilities experienced a $48.2 million or 5% year over year net decrease caused by two major fluctuations. First, the District's liabilities decreased caused by higher asset valuations at the measurement date of June 2021 and offset by an increase in costs related to the net OPEB liability which has declined to a 55.6% funding level due to the decline in market value of OPEB investments assets as of June 2022. The change in the OPEB liability was caused by market value unrealized losses in investment assets held in the irrecoverable trust for retiree health benefits. Second and offsetting the decrease, the District issued a bond anticipation note as bridge financing which was repaid once General Obligation bonds under the 2014 Measure E Bond authorization were issued after the fiscal year in September 2022.

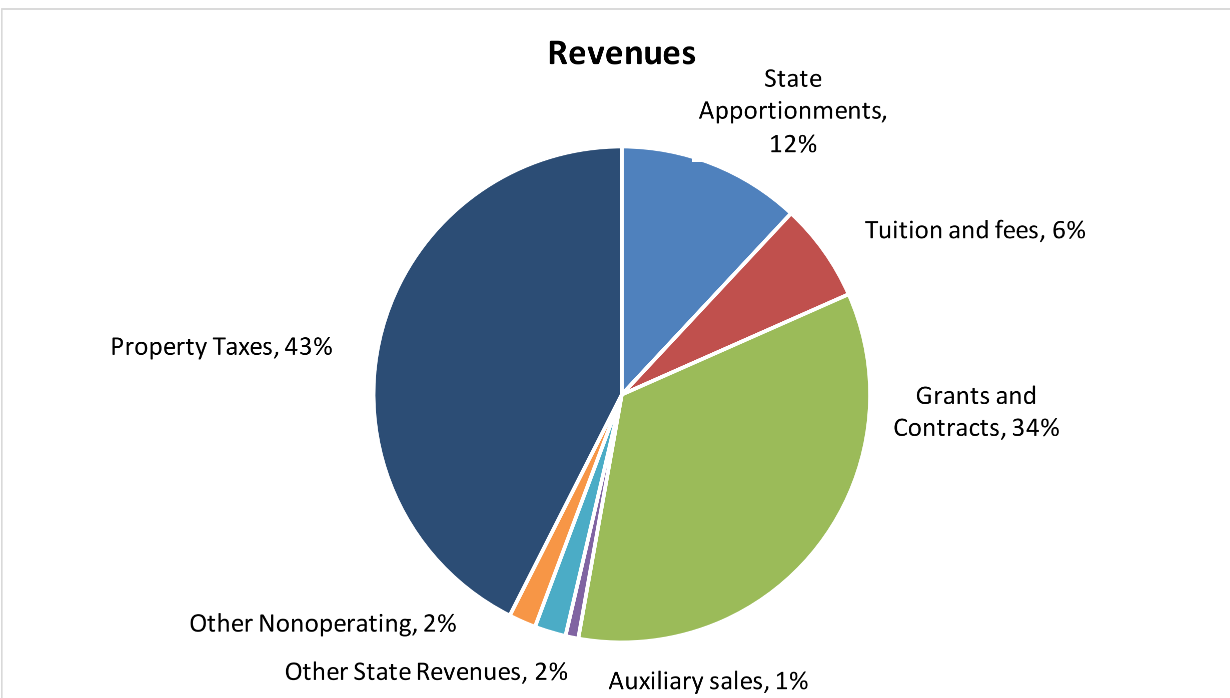
- Total operating revenue experienced a $6.5 million or 6% year over year net decrease caused by two major fluctuations. First, enrollment and nonresident tuition and fees revenue were lower due to lower enrollment levels. Second and in general, grants and contract revenue increased due to Federal HEERF revenue and spent predominantly on student emergency grants and the write-off of student accounts accumulated during the pandemic. Also, increases in State grant revenue increased in deferred maintenance, EPA, categorical and other state revenue but these increases were offset by reclassifications of certain account balances to non-operating and other revenues on the Statement of Revenues, Expenses and Changes in Net Position.

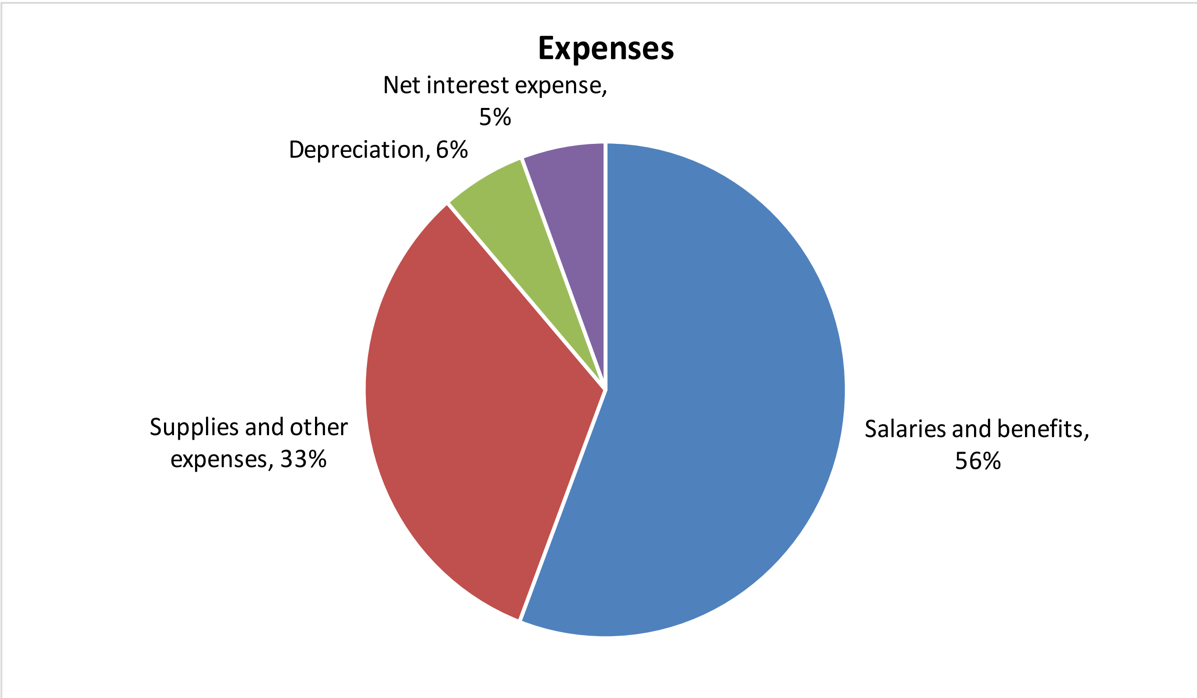
- Total operating expenses experienced a $11.6 million or 3% year over year increase caused by three major fluctuations. First, salary costs increase due to 5% negotiated salary increases for employee groups. Second, health and welfare costs related to pension cost adjustments reflecting a decrease in the pension liability caused by higher asset valuations at the measurement date of June 2021 and offset by an increase in costs to reflect a decline in the OPEB liability to a 55.6% funding level due to the decline in market value of OPEB investments assets as of June 2022. Third, the District increased student financial aid grants for tuition fees and the District incurred expense related to the write-off of student accounts. In addition, service and other costs increases were due to settlement of legal claims and related legal fees, utility cost increase and consultants for student enrollment recovery.

- Total net non-operating revenues experienced a $28.3 million or 12% year over year increase caused by two major fluctuations. First, property tax revenue as a component of apportionment funding increased. The state's economy was strong through fiscal year end which is a testament to the strong local and state economy. Increased local property tax revenue makes the District less reliant on state funding and generally improves our cash position. Other property tax revenue received by the District include the ad valorem taxes collected to pay the bondholders for the District's general obligation bonds. Second, Student Financial aid revenue increased. Federal and state revenues related primarily to student financial aid as well as to specific Federal and State grants received for programs serving the students and programs of the District. These grant and program revenues are restricted to allowable expenses related to the programs.

- Total other revenues experienced a $8.6 million or 326% year over year increase and predominately due to one-time deferred maintenance funding provided by the District to support and address aging campus and plant facilities needs and which can be allocated across expenditure commitments for three years.

The following graphs show the components of the District's revenues and expenses in all funds.





In accordance with requirements set forth by the California Community Colleges Chancellor's Office, the District reports operating expenses by object code. Operating expenses by functional classification for the year ended June 30, 2022 were:

	Salaries and Employee Benefits	Supplies, Material, and Other Expenses and Services	Student Financial Aid	Equipment, Maintenance, and Repairs	Depreciation	Total
Instructional activities	$ 103,046,201	$ 2,836,844	$ -	$ 151,792	$ -	$ 106,034,837
Academic support	12,582,221	365,591	-	3,157	-	12,950,969
Student services	35,646,553	10,302,871	-	578,212	-	46,527,636
Plant operations and maintenance	10,634,366	8,482,893	-	17,421	-	19,134,680
Instructional support services	28,740,128	11,538,320	-	64,745	-	40,343,193
Community services and economic development	4,388,206	2,423,998	-	29,366	-	6,841,570
Ancillary services and auxiliary operations	10,939,222	6,291,393	-	32,537	-	17,263,152
Student aid	10,782	4,139,806	67,975,744	-	-	72,126,332
Physical property and related acquisitions	1,469,296	-	-	6,741,297	-	8,210,593
Other outgo	-	103,500	-	-	-	103,500
Unallocated depreciation	-	-	-	-	21,267,851	21,267,851
Total	$ 207,456,975	$ 46,485,216	$ 67,975,744	$ 7,618,527	$ 21,267,851	$ 350,804,313

The Statement of Cash Flows on pages 17 and 18 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. The District's 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. The statement of cash flows is summarized below.

Table 3

	2022	2021
Net Cash Flows from		
Operating activities	$ (229,128,791)	$ (215,112,320)
Noncapital financing activities	248,966,688	271,316,110
Capital financing activities	(20,187,564)	(41,331,484)
Investing activities	(2,609,304)	1,105,523
Change in Cash and Cash Equivalents	(2,958,971)	15,977,829
Cash and cash equivalents, Beginning of Year	229,773,625	213,795,796
Cash and cash equivalents, End of Year	$ 226,814,654	$ 229,773,625

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

CAPITAL ASSET AND LONG-TERM LIABILITY ADMINISTRATION

Capital Assets

At June 30, 2022, the District had $714.6 million in a broad range of capital assets, including land, buildings, furniture and equipment. As a comparison, at June 30, 2021, the District's net capital assets were $679.8 million. The District continues its major capital improvement program with construction ongoing throughout the college campuses. These projects are primarily funded through our general obligation bonds resulting from voter-approved Measure A 2006 and Measure E 2014. These projects are accounted for within our Construction in Progress account until the project is completed at which time the cost of the buildings and/or improvements will be brought into the depreciable Buildings and Improvements category.

Capital projects will continue for the next several fiscal years, with primary funding provided by the District's general obligation bonds.

Note 6 in the financial statements provides additional information on capital assets. A summary of capital assets is presented below.

Table 4

	2022	2021
Land and improvements	$ 25,860,034	$ 29,545,151
Buildings and improvements	578,281,980	455,600,709
Furniture and equipment	14,055,789	11,512,301
Construction in progress	96,398,960	183,153,563
Total	$ 714,596,763	$ 679,811,724

Long-Term Liabilities

At the end of the 2021-2022 fiscal year, the District had $596.8 million in general obligation bonds outstanding. These bonds are repaid annually in accordance with the obligation requirements through an increase in the assessed property taxes on property within the Contra Costa Community College District boundaries.

In addition to the above obligation, the District is obligated to employees or other vendors of the District for vacation and load banking benefits, retiree health benefits, and its share of unfunded pension and MPP Program OPEB liabilities for the CalSTRS and CalPERS retirement systems. Table 5 summarizes these obligations.

Note 7, Note 8, and Note 10 in the financial statements provides additional information on long-term liabilities. A summary of long-term liabilities is presented below.

Table 5

	2022	2021
General obligation bonds payable	$ 596,784,297	$ 626,315,890
Bond anticipation note	30,000,000	-
Compensated absences and load banking	16,545,996	15,819,296
Aggregate net OPEB liability	111,399,252	69,247,658
Aggregate net pension liability	140,260,955	233,081,544
Total long-term liabilities	894,990,500	944,464,388
Less current portion	(59,765,000)	(29,772,216)
Total long-term portion	$ 835,225,500	$ 914,692,172

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The Governing Board adopted the final amendment to the budget for the 2021-22 fiscal year on September 14, 2022.

The District continued to see a vast majority of its expenditures within the unrestricted general fund go towards employee salary and benefits. In FY 2021-2022, approximately 88.1% of all expenses within the unrestricted general fund went towards paying the salaries and benefits of current and retired employees. Retiree health benefit expenses as a stand-alone item constitute approximately 5.32% of the unrestricted general fund expenses.

ECONOMIC FACTORS AFFECTING THE FUTURE OF CONTRA COSTA COMMUNITY COLLEGE DISTRICT

The economic position of the District is closely tied to the State of California as the general revenue allocated to the District represents the majority of the total unrestricted sources of revenues within the General Fund.

The approval of Proposition 30 and the subsequent extension of the personal income tax through Proposition 55 by the voters of California allows the community college system to maintain its base funding levels and stabilize the system revenue through 2030. In addition, the state continues to increase categorical funding earmarked for student success, equity, retention and enrollment outreach and career and technical education.

The CCCCD Governing Board continues to maintain the District's reserves in anticipation of an economic slowdown or recession. A Districtwide minimum reserve of 5%, a Board Contingency Reserve of 5%, plus college-level reserves yield a $45.6 million budgeted ending fund balance for fiscal year 2022-2023.

The 2021-22 Budget Act extended the SCFF's existing minimum revenue (hold harmless) provision by one year, through 2024-25. Under that provision, districts will earn at least their 2017-18 total computational revenue, adjusted by COLA each year, if applicable. The 2022-23 Budget Act extends the revenue protections under the Student Centered Funding Formula (SCFF) in a modified form, with a goal of avoiding sharp fiscal declines in 2025-26 and supporting a smooth transition to the SCFF by formula over time. Under the provision, a district's 2024-25 funding will represent its new "floor," below which it cannot drop. Starting in 2025-26, districts will be funded at their SCFF generated amount that year or their "floor" (2024-25 funding amount), whichever is higher. This revised hold harmless provision will no longer include adjustments to reflect cumulative COLAs over time, as is the case with the provision in effect through 2024-25, so a district's hold harmless amount would not grow.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, students, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need any additional information, please contact the Contra Costa Community College District, 500 North Court Street, Martinez, CA 94553.

Assets	
Cash and cash equivalents	$ 5,161,625
Investments	222,330,449
Accounts receivable	23,737,418
Student receivables, net	7,098,178
Prepaid expenses	5,418,886
Inventories	1,134,859
Capital assets	
Nondepreciable capital assets	110,453,668
Depreciable capital assets, net of accumulated depreciation	604,143,095
Total capital assets, net	714,596,763
Total assets	979,478,178
Deferred Outflows of Resources	
Deferred outflows of resources related to debt refunding	11,183,289
Deferred outflows of resources related to OPEB	34,369,169
Deferred outflows of resources related to pensions	49,408,239
Total deferred outflows of resources	94,960,697
Liabilities	
Accounts payable	24,302,385
Accrued interest payable	8,078,316
Due to fiduciary fund	12
Unearned revenue	29,479,098
Long-term liabilities	
Long-term liabilities other than OPEB and pensions, due within one year	59,765,000
Long-term liabilities other than OPEB and pensions, due in more than one year	583,565,293
Aggregate net other postemployment benefits (OPEB) liability	111,399,252
Aggregate net pension liability	140,260,955
Total liabilities	956,850,311
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	19,303,084
Deferred inflows of resources related to pensions	96,431,255
Total deferred inflows of resources	115,734,339
Net Position	
Net investment in capital assets	128,995,755
Restricted for	
Debt service	53,004,142
Capital projects	45,492,666
Educational programs	1,558,894
Other activities	3,064,781
Unrestricted deficit	(230,262,013)
Total net position	$ 1,854,225

Operating Revenues	
Tuition and fees	$ 36,999,412
Less: Scholarship discounts and allowances	(10,871,402)
Net tuition and fees	26,128,010
Grants and contracts, noncapital	
Federal	28,912,654
State	45,072,817
Local	356,977
Total grants and contracts, noncapital	74,342,448
Auxiliary enterprise sales and charges	
Bookstore	2,883,489
Cafeteria	559,709
Total operating revenues	103,913,656
Operating Expenses	
Salaries	151,863,686
Employee benefits	55,593,289
Supplies, materials, and other operating expenses and services	46,485,216
Student financial aid	67,975,744
Equipment, maintenance, and repairs	7,618,527
Depreciation	21,267,851
Total operating expenses	350,804,313
Operating Loss	(246,890,657)
Nonoperating Revenues (Expenses)	
State apportionments, noncapital	48,641,086
Local property taxes, levied for general purposes	127,514,081
Taxes levied for other specific purposes	45,638,242
Federal and state financial aid grants	54,484,501
State taxes and other revenues	8,319,103
Investment income (loss), net	(1,234,667)
Interest expense on capital related debt	(19,303,849)
Investment income (loss) on capital asset-related debt, net	(493,137)
Other nonoperating revenues	7,196,620
Total nonoperating revenues (expenses)	270,761,980
Income Before Other Revenues	23,871,323
Other Revenues	
State revenues, capital	11,323,949
Change In Net Position	35,195,272
Net Position, Beginning of Year	(33,341,047)
Net Position, End of Year	$ 1,854,225

Operating Activities	
Tuition and fees	$ 28,916,797
Federal, state, and local grants and contracts, noncapital	93,702,706
Auxiliary sales	3,443,198
Payments to or on behalf of employees	(217,135,154)
Payments to vendors for supplies and services	(70,080,594)
Payments to students for scholarships and grants	(67,975,744)
Net cash flows from operating activities	(229,128,791)
Noncapital Financing Activities	
State apportionments	55,155,506
Federal and state financial aid grants	54,484,501
Property taxes - nondebt related	127,514,081
State taxes and other apportionments	7,533,606
Other nonoperating activities	4,278,994
Net cash flows from noncapital financing activities	248,966,688
Capital Financing Activities	
Purchase of capital assets	(60,324,272)
Proceeds from sale of capital debt	30,000,000
State revenue, capital	11,323,949
Property taxes - related to capital debt	45,638,242
Principal paid on capital debt	(27,545,000)
Interest paid on capital debt	(19,524,623)
Interest received on capital asset-related debt	244,140
Net cash flows from capital financing activities	(20,187,564)
Investing Activities	
Purchase of investments	(677,421)
Change in fair value of cash in county treasury	(2,710,442)
Interest received from investments	778,559
Net cash flows from investing activities	(2,609,304)
Change In Cash and Cash Equivalents	(2,958,971)
Cash and Cash Equivalents, Beginning of Year	229,773,625
Cash and Cash Equivalents, End of Year	$ 226,814,654

Reconciliation of Operating Loss to Net Cash Flows from Operating Activities	
Operating Loss	$ (246,890,657)
Adjustments to reconcile operating loss to net cash flows from operating activities	
Depreciation expense	21,267,851
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources	
Accounts receivable	9,237,948
Student receivables, net	2,951,939
Prepaid expenses	(1,876,929)
Inventories	228,527
Deferred outflows of resources related to OPEB	(11,219,777)
Deferred outflows of resources related to pensions	(2,342,306)
Accounts payable	(10,715,036)
Unearned revenue	9,959,158
Compensated absences	(604,428)
Load banking	1,331,128
Aggregate net OPEB liability	42,151,594
Aggregate net pension liability	(92,820,589)
Deferred inflows of resources related to OPEB	(34,408,469)
Deferred inflows of resources related to pensions	84,621,255
Total adjustments	17,761,866
Net Cash Flows From Operating Activities	$ (229,128,791)
Cash and Cash Equivalents Consist of the Following:	
Cash on hand and in banks	$ 5,161,625
Cash in county treasury	221,653,029
Total cash and cash equivalents	$ 226,814,654
Noncash Transactions	
Amortization of deferred outflows of resources related to debt refunding	$ 1,574,763
Amortization of debt premiums	$ 1,986,593

	Retiree OPEB Trust
Assets	
Investments	$ 138,945,018
Accounts receivable	5
Due from primary government	12
Total assets	138,945,035
Liabilities	
Accounts payable	120
Net Position	
Restricted for postemployment benefits other than pensions	$ 138,944,915

	Retiree OPEB Trust
Additions	
District contributions	$ 11,359,036
Interest and investment income	10,674,029
Net realized and unrealized losses	(43,649,935)
Total additions	(21,616,870)
Deductions	
Benefit payments	11,359,036
Administrative expenses	554,382
Total deductions	11,913,418
Change in Net Position	(33,530,288)
Net Position - Beginning of Year	172,475,203
Net Position - End of Year	$ 138,944,915

Note 1 - Organization

Contra Costa Community College District (the "District") was established in 1948 and began operating in 1949 as a political subdivision of the State of California and provides educational services to residents of the surrounding area. The District operates under a locally elected five-member Governing Board form of government, which establishes the policies and procedures by which the District operates. The Board must approve the annual budgets for the General Fund, special revenue funds, and capital project funds, but these budgets are managed at the department level. Currently, the District operates three colleges, Diablo Valley College located in Pleasant Hill, Contra Costa College located in San Pablo, and Los Medanos College located in Pittsburgh. In addition, there are two satellite centers located within Contra Costa County, California. While the District is a political subdivision of the State, it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board ("GASB") Codification Section (Cod. Sec) 2100.101. The District is classified as a state instrumentality under Internal Revenue Code Section 115. The District identified that the Contra Costa College, Diablo Valley College, and Los Medanos College Foundations do not meet the criteria as a component unit under GASB Statement No. 14, 39, and 61, therefore, the Foundations' assets, liabilities, and disbursements are not included in the District financial statements.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

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

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Nonexchange transactions, in which the District receives value without directly giving equal value in return, such as State apportionments, property taxes, Federal and State grants, entitlements, and donations, are classified as nonoperating revenue. Federal and State grants received to provide direct grants to students are classified as nonoperating revenues because the District does not generally receive any direct benefit from the grants. Eligibility requirements may include time and/or purpose requirements. Property tax revenues are recognized in the fiscal year in which they are received. State apportionment revenue is earned based upon criteria set forth from the California Community Colleges Chancellor's Office and includes reporting of full-time equivalent students (FTES). The corresponding apportionment revenue is recognized in the period the FTES are generated.

Expenses are recorded on an 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 the County treasury 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 are not required to be categorized within the fair value hierarchy.

Accounts Receivable

Accounts receivable include amounts due from 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 $4,378,842 for the 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.

Inventories

Inventories consist primarily of bookstore and cafeteria merchandise held for resale to the students and faculty of the colleges. Inventories are stated at the lower of cost or market value, utilizing the first-in, first-out method. The cost is recorded as an expense as the inventory is consumed rather than when purchased.

Capital Assets and Depreciation

Capital assets are long-lived assets of the District as a whole and include land, construction in progress, buildings, building and land improvements, and equipment. The District maintains an initial unit cost capitalization threshold of $250,000 for building and land improvements and $5,000 for all other capital assets. 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, 20 years; equipment, 5 to 15 years; and vehicles, 8 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 and Load Banking

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

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

Debt Premiums

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

Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

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

Unearned Revenue

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

Noncurrent Liabilities

Noncurrent liabilities include bonds and notes payable, compensated absences, load banking, aggregate net OPEB liability, and aggregate net pension liability with maturities greater than one year.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position related to net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on 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 $103,120,483 of restricted net position and the fiduciary fund financial statements report $138,944,915 of restricted net position.

Operating and Nonoperating Revenues and Expenses

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

> **Operating Revenues** - Operating revenues include activities that have the characteristics of exchange transactions such as tuition and fees, net of scholarship discounts and allowances, Federal, State, and local grants and contracts, and sales and services of auxiliary enterprises.
>
> **Nonoperating Revenues** - Nonoperating revenues include activities that have the characteristics of nonexchange transactions such as State apportionments, property taxes, investment income, and other revenue sources defined by GASB.

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

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

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

State Apportionments

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

Property Taxes

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

The voters of the District passed General Obligation Bonds in June 2006 and June 2014 for the acquisition, construction, and rehabilitation of facilities. As a result of the passage of the Bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are assessed, billed, and collected by the County of Contra Costa and remitted to the District.

Scholarship Discounts and Allowances

Tuition and fee revenue is reported net of scholarship discounts and allowances. Fee waivers approved by the California Community College Board of Governors are included within the scholarship discounts and allowances in the Statement of Revenues, Expenses, and Change 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 have 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 provisions of this Statement have been implemented as of June 30, 2022.

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

Investment in the State Investment Pool - The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California *Government Code* Section 16429 under the oversight of the Treasurer of the State of California. 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 LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, 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, consisted of the following:

	Primary Government	Fiduciary Fund
Cash on hand and in banks	$ 4,880,781	$ -
Cash in revolving	129,340	-
Cash with fiscal agent	151,504	-
Investments	222,330,449	138,945,018
Total deposits and investments	$ 227,492,074	$ 138,945,018

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the Contra Costa County Investment Pool, LAIF, and mutual funds.

Information about the sensitivity of the fair values of the District's investments to interest rate risk and credit risk is provided by the following schedule that shows the distribution of the District's investment by maturity and credit rating:

Investment Type	Fair Value	Weighted Average Maturity in Days	Credit Rating
Mutual funds	$ 138,936,965	No maturity	Not rated
Contra Costa County Investment pool	221,661,082	266	AAAf/S1+
Local Agency Investment Fund (LAIF)	677,420	311	Not rated
Total	$ 361,275,467		

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in mutual funds and LAIF are not required to be rated, nor have they been rated as of June 30, 2022.

Custodial Credit Risk

Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California *Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. 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, the District's bank balance of approximately $2.8 million was exposed to custodial credit risk because it was 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 $138.4 million 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 at June 30, 2022, were as follows:

		Fair Value Measurements Using		
Investment Type	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Mutual funds	$ 138,936,965	$ 138,936,965	$ -	$ -

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 of June 30, 2022 consisted of the following:

	Primary Government	Fiduciary Fund
Federal Government		
Categorical aid	$ 14,875,145	$ -
State Government		
Categorical aid	2,968,640	-
Lottery	1,736,570	-
Local Sources		
Interest	101,187	5
Other local sources	4,055,876	-
Total accounts receivable	$ 23,737,418	$ 5
Student receivables	11,477,020	-
Less: allowance for bad debt	(4,378,842)	-
Total student receivables, net	$ 7,098,178	$ -

Note 6 - Capital Assets

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

	Balance, July 1, 2021	Additions	Deductions	Balance, June 30, 2022
Capital Assets Not Being Depreciated				
Land	$ 14,054,708	$ -	$ -	$ 14,054,708
Construction in progress	183,153,563	38,607,919	(125,362,522)	96,398,960
Total capital assets not being depreciated	197,208,271	38,607,919	(125,362,522)	110,453,668
Capital Assets Being Depreciated				
Land improvements	70,232,821	-	-	70,232,821
Buildings and improvements	599,159,765	135,749,653	-	734,909,418
Furniture and equipment	80,575,120	7,057,840	(171,741)	87,461,219
Total capital assets being depreciated	749,967,706	142,807,493	(171,741)	892,603,458
Total capital assets	947,175,977	181,415,412	(125,534,263)	1,003,057,126
Less Accumulated Depreciation				
Land improvements	(54,742,378)	(3,685,117)	-	(58,427,495)
Buildings and improvements	(143,559,056)	(13,068,382)	-	(156,627,438)
Furniture and equipment	(69,062,819)	(4,514,352)	171,741	(73,405,430)
Total accumulated depreciation	(267,364,253)	(21,267,851)	171,741	(288,460,363)
Total capital assets, net	$ 679,811,724	$ 160,147,561	$(125,362,522)	$ 714,596,763

Note 7 - Long-Term Liabilities other than OPEB and Pensions

Summary

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

	Balance, July 1, 2021	Additions	Deductions	Balance, June 30, 2022	Due in One Year
General obligation bonds	$ 596,325,000	$ -	$ (27,545,000)	$ 568,780,000	$ 29,765,000
Bond premium	29,990,890	-	(1,986,593)	28,004,297	-
Bond anticipation notes	-	30,000,000	-	30,000,000	30,000,000
Compensated absences	7,012,079	-	(604,428)	6,407,651	-
Load banking	8,807,217	1,331,128	-	10,138,345	-
Total	$ 642,135,186	$ 31,331,128	$ (30,136,021)	$ 643,330,293	$ 59,765,000

Description of Long-Term Liabilities

Payments on the general obligation bonds are made by the bond interest and redemption fund with local property tax revenues. The bond anticipation notes will be paid from the proceeds of a future general obligation bond issuance. The compensated absences and load banking liability will be paid by the fund for which the employee worked.

General Obligation Bonds

In March 2010, the District issued the 2010 Series B bonds in the amount of $50,305,000. The bonds require annual principal payments and semi-annual interest payments beginning August 2010 through August 2034. Annual interest rates range from 5.88% to 6.50%.

In November 2011, the District issued the 2011 General Obligation Refunding Bonds in the amount of $38,595,000 to refund all or a portion of the Series 2002 bonds issued on July 2, 2002. The bonds required annual principal payments and semi-annual interest payments beginning February 2012 through August 2026. Annual interest rates range from 4.00% to 5.00%. During the year ended June 30, 2020, $16,830,000 of the bonds were refunded, and the remaining bonds matured in August 2021.

In November 2012, the District issued the 2012 General Obligation Refunding Bonds in the amount of $106,565,000 to refund all or a portion of the Series 2004, Series 2006 and Series 2007 bonds issued on August 25, 2004, May 11, 2006 and August 16, 2007, respectively. The bonds originally issued required annual principal payments and semi-annual interest payments through August 2032, with annual interest rates ranging from 2.00% to 5.00%. During the year ended June 30, 2020, $52,810,000 of the bonds were refunded and are defeased. During the year ended June 30, 2021, an additional $20,365,000 of the bonds were refunded and are defeased. The remaining unrefunded bonds have a final maturity of August 2023.

In August 2013, the District issued the 2013 Series C bonds in the amount of $140,500,000. The bonds required annual principal payments and semi-annual interest payments beginning February 2014 through August 2038. Annual interest rates range from 1.00% to 5.00%. During the year ended June 30 2020, $124,415,000 of the bonds were refunded and are defeased. During the year ended June 30 2021, an additional $11,860,000 of the bonds were refunded and are defeased. The remaining bonds have a final maturity of August 2023.

In August 2014, the District issued the 2014 Series A bonds in the amount of $120,000,000. The bonds require annual principal payments and semi-annual interest payments through August 2039. Annual interest rates range from 2.00% to 4.00%.

In September 2019, the District issued the 2019 Series B-2 bonds in the amount of $99,350,000. The bonds require annual principal payments and semi-annual interest payments through August 2039. Annual interest rates range from 3.00% to 5.00%.

In September 2019, the District issued the 2019 General Obligation Refunding Bonds in the amount of $221,660,000. The refunding bonds require annual principal payments and semi-annual interest payments through August 2038. Annual interest rates range from 1.65% to 2.93%.

In November 2020, the District issued the 2020 Series C bonds in the amount of $110,000,000. The bonds require annual principal payments and semi-annual interest payments through August 2039. Annual interest rates range from 0.20% to 4.00%.

In November 2020, the District issued the 2020 General Obligation Refunding Bonds in the amount of $35,395,000. The refunding bonds require annual principal payments and semi-annual interest payments through August 2032. Annual interest rates range from 0.35% to 2.25%.

The following table summarizes the outstanding General Obligation Bonds at June 30, 2022:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding, July 1, 2021	Issued	Redeemed	Bonds Outstanding, June 30, 2022
3/30/2010	8/1/2034	5.88%-6.50%	$ 50,305,000	$ 50,305,000	$ -	$ -	$ 50,305,000
11/15/2011	8/1/2021	4.00%-5.00%	38,595,000	2,865,000	-	(2,865,000)	-
11/15/2012	8/1/2023	2.00%-5.00%	106,565,000	14,300,000	-	(4,385,000)	9,915,000
8/21/2013	8/1/2023	1.00%-5.00%	140,500,000	955,000	-	-	955,000
8/27/2014	8/1/2039	2.00%-4.00%	120,000,000	84,440,000	-	-	84,440,000
9/12/2019	8/1/2039	3.00%-5.00%	99,350,000	85,305,000	-	(15,535,000)	69,770,000
9/12/2019	8/1/2038	1.65%-2.93%	221,660,000	218,375,000	-	(3,865,000)	214,510,000
11/23/2020	8/1/2039	0.20%-4.00%	110,000,000	104,385,000	-	-	104,385,000
11/23/2020	8/1/2032	0.35%-2.25%	35,395,000	35,395,000	-	(895,000)	34,500,000
				$ 596,325,000	$ -	$ (27,545,000)	$ 568,780,000

The bonds mature through 2040 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2023	$ 29,765,000	$ 18,505,961	$ 48,270,961
2024	22,440,000	17,593,567	40,033,567
2025	21,140,000	16,922,522	38,062,522
2026	23,055,000	16,328,857	39,383,857
2027	25,145,000	15,608,723	40,753,723
2028-2032	152,360,000	63,957,563	216,317,563
2033-2037	178,490,000	34,127,785	212,617,785
2038-2040	116,385,000	4,660,025	121,045,025
Total	$ 568,780,000	$ 187,705,003	$ 756,485,003

Bond Anticipation Notes

In April 2022, the District issued the 2022 General Obligation Bond Anticipation Notes. The notes were issued as current interest notes in the original principal amount of $30,000,000 through a private placement offering. The notes bear an interest rate of 2.50% and had an original maturity date of December 1, 2022.

	Balance, July 1, 2021	Additions	Deductions	Balance, June 30, 2022	Due in One Year
Bond anticipation notes	$ -	$ 30,000,000	$ -	$ 30,000,000	$ 30,000,000

Note 8 - Aggregate Net Other Postemployment Benefits (OPEB) Liability

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

OPEB Plan	Aggregate Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 110,603,140	$ 34,369,169	$ 19,303,084	$ (3,446,355)
Medicare Premium Payment (MPP) Program	796,112	-	-	(30,297)
Total	$ 111,399,252	$ 34,369,169	$ 19,303,084	$ (3,476,652)

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 Retirement Board of Authority. The Board of Authority is comprised of the following seven positions: Executive Vice Chancellor, Administrative Services, Associate Vice Chancellor/Chief Financial Officer, College President, Vice President, United Faculty Representative, Local 1 Representative and Management Council Representative. Board members are appointed by resolution of the governing body of the District.

Plan Membership

At June 30, 2021, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	775
Active employees	1,105
Total	1,880

Contra Costa Community College District Futuris Trust

The Contra Costa Community College District Futuris Trust (the Trust) is an irrevocable governmental trust pursuant to Section 115 of the IRC for the purpose of funding certain postemployment benefits other than pensions. The Trust is administered by the Contra Costa Community College District Retirement Board of Authority as directed by the investment alternative choice selected by the District. The District retains the responsibility to oversee the management of the Trust, including the requirement that investments and assets held within the Trust continually adhere to the requirements of the California *Government Code* Section 53600.5 which specifies that the trustee's primary role is to preserve capital, to maintain investment liquidity, and to protect investment yield. As such, the District acts as the fiduciary of the Trust. The financial activity of the Trust has been discretely presented. The Trust issues separate financial statements, which are produced by the District and available upon request.

Benefits Provided

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

The following summarizes benefits provided under the Plan for the year ended June 30, 2022:

	Faculty	Classified	Management
Hire date	Before July 1, 1984	Before July 1, 1984	Before July 1, 1984
Benefits provided	Medical, Dental, and Part B	Medical, Dental, and Part B	Medical, Dental, and Part B
Duration of benefits	Lifetime	Lifetime	Lifetime
Required service	10 years	10 years	10 years
Minimum age	55	50	50-55
Dependent Coverage	Yes	Yes	Yes
District contribution	100%	100%	100%
District cap	Active	Active	Active

	Faculty	Classified	Management
Hire date	July 1, 1984 to June 30, 2005	July 1, 1984 to June 30, 2005	July 1, 1984 to June 30, 2005
Benefits provided	Medical, Dental, and Part B	Medical, Dental, and Part B	Medical, Dental, and Part B
Duration of benefits	Lifetime	Lifetime	Lifetime
Required service	10 years	10 years	10 years
Minimum age	55	50	50-55
Dependent Coverage	Yes	Yes	Yes
District contribution	Age + Service: 80+	Age + Service: 80+	Age + Service: 80+
	100% for employee 50% for dependent	100% for employee 50% for dependent	100% for employee 50% for dependent
	Age + Service: 70-79	Age + Service: 70-79	Age + Service: 70-79
	50% for employee 25% for dependent	50% for employee 25% for dependent	50% for employee 25% for dependent
District cap	Active	Active	Active

	Faculty	Classified	Management
Hire date	After June 30, 2005	After June 30, 2005	After June 30, 2005
Benefits provided	Medical, Dental, and Part B	Medical, Dental, and Part B	Medical, Dental, and Part B
Duration of benefits	Lifetime	Lifetime	Lifetime
Required service	10 years	10 years	10 years
Minimum age	55	50	50-55
Dependent Coverage	Yes	Yes	Yes
District contribution	Age + Service: 80+	Age + Service: 80+	Age + Service: 80+
	Age: less than 65	Age: less than 65	Age: less than 65
	100% for employee 50% for dependent	100% for employee 50% for dependent	100% for employee 50% for dependent
	Age: 65+	Age: 65+	Age: 65+
	50% for employee only	50% for employee only	50% for employee only
	Age + Service: 70-79	Age + Service: 70-79	Age + Service: 70-79
	Age: less than 65	Age: less than 65	Age: less than 65
	50% for employee 25% for dependent	50% for employee 25% for dependent	50% for employee 25% for dependent
	Age: 65+	Age: 65+	Age: 65+
	25% for employee only	25% for employee only	25% for employee only
District cap	Active	Active	Active

Contributions

The contribution requirements of Plan members and the District are established and may be amended by the District and the bargaining units. Voluntary contributions are based on projected pay-as-you-go financing requirements. For the measurement period ending June 30, 2022, the District contributed $11,359,036 to the Plan, all of which was used for current premiums.

Investment

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the governing board by a majority vote of its members. It is the policy of the District to pursue an investment strategy that reduces risks through the prudent diversification for the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, except 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
Domestic equity	22%
Fixed income	55%
International equity	19%
Real estate	4%

Rate of Return

For the year ended June 30, 2022, the annual money-weighed rate of return on investments, net of investment expense, was -19.35%. 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 $110,603,140 was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. The components of the net OPEB liability of the District at June 30, 2022, were as follows:

Total OPEB liability	$ 249,548,055
Plan fiduciary net position	(138,944,915)
Net OPEB liability	$ 110,603,140
Plan fiduciary net position as a percentage of the total OPEB liability	55.68%

Actuarial Assumptions

The total OPEB liability as of June 30, 2022 was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2021 and rolling forward the total OPEB liability to June 30, 2022. The following assumptions were applied to all periods included in the measurement, unless otherwise specified:

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

The discount rate was based on the assumed long-term expected rate of return on plan assets.

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actual experience study as of June 2021.

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
Domestic equity	7.25%
Fixed income	4.25%
International equity	7.25%
Real estate	7.25%

Discount Rate

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

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance, June 30, 2021	$ 240,896,452	$ 172,475,203	$ 68,421,249
Service cost	5,494,814	-	5,494,814
Interest	14,515,825	-	14,515,825
Contributions - employer	-	11,359,036	(11,359,036)
Expected investment income	-	10,503,579	(10,503,579)
Differences between projected and actual earnings on OPEB plan investments	-	(43,479,485)	43,479,485
Benefit payments	(11,359,036)	(11,359,036)	-
Administrative expense	-	(554,382)	554,382
Net change in total OPEB liability	8,651,603	(33,530,288)	42,181,891
Balance, June 30, 2022	$ 249,548,055	$ 138,944,915	$ 110,603,140

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

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

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

Discount Rate	Net OPEB Liability
1% decrease (5.10%)	$ 141,384,329
Current discount rate (6.10%)	110,603,140
1% increase (7.10%)	84,968,267

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

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

Healthcare Cost Trend Rate	Net OPEB Liability
1% decrease (3.00%)	$ 79,398,319
Current healthcare cost trend rate (4.00%)	110,603,140
1% increase (5.00%)	148,932,037

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	$ -	$ 19,303,084
Changes of assumptions	14,048,530	-
Net difference between projected and actual earnings on OPEB plan investments	20,320,639	-
Total	$ 34,369,169	$ 19,303,084

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 in future years as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	$ 4,301,964
2024	3,972,559
2025	3,350,230
2026	8,695,886
Total	$ 20,320,639

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 6.8 years and will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	$ (1,173,804)
2024	(1,173,804)
2025	(1,091,259)
2026	(1,008,716)
2027	(806,971)
Total	$ (5,254,554)

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, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

Net OPEB Liability and OPEB Expense

At June 30, 2022, the District reported a liability of $796,112 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 periods of June 30, 2021 and June 30, 2020, was 0.1996% and 0.1950%, respectively, resulting in a net increase in the proportionate share of 0.0046%.

For the year ended June 30, 2022, the District recognized OPEB expense of $(30,297).

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

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%. As the MPP Program is funded on a pay-as-you-go basis as previously noted, the OPEB Plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 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%)	$ 877,534
Current discount rate (2.16%)	796,112
1% increase (3.16%)	726,545

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 the Medicare costs trend rates that is 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)	$ 723,971
Current Medicare costs trend rates (4.50% Part A and 5.40% Part B)	796,112
1% increase (5.50% Part A and 6.40% Part B)	878,819

Note 9 - Risk Management

The District participates in Joint Power Agreements ("JPAs"), with Contra Costa County Schools Insurance Group (CCCSIG) for workers' compensation insurance and Bay Area Community College District Joint Powers Authority (BACCDJPA) for property and liability insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years. There have been no significant reductions in insurance coverage from coverage in the prior year. The relationship between the District and the JPAs is such that the JPAs are not component units of the District for financial reporting purposes. The JPAs are governed by boards consisting of a representative from each member district. The boards control the operations of the JPAs, including the selection of management and approval of operating budgets, independent of any influence by the member district beyond their representation on the governing board. The District pays a premium commensurate with the level of coverage requested.

Member districts share surpluses and deficits proportionate to their participation in the JPAs. The JPAs are independently accountable for their fiscal matters and maintain their own accounting records. Budgets are not subject to any approval other than that of the governing board.

Workers' Compensation: The District provides a cooperative program of self-insurance for workers' compensation for its employees. The District is covered by CCCSIG for individual claims to a Statutory maximum per claim.

Property and Liability: The District is self insured for individual property and liability claims less than $10,000, and is covered by BACCDJPA for individual claims exceeding such amounts to $250 million for property and $25 million for liability.

Employee Medical Benefits: The District has contracted with Kaiser and Anthem to provide employee medical benefits. Rates are set through an annual calculation process. The District pays monthly contributions as applicable to each of these plans.

Note 10 - 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), classified employees are members of the California Public Employees' Retirement System (CalPERS) Schools Pool Plan, and campus police employees are members of the California Public Employees' Retirement System (CalPERS) Safety Pool Plan. Additionally, employees may elect to participate in the District's Cash-in-lieu Plan.

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	$ 60,427,032	$ 29,242,102	$ 59,276,050	$ 1,769,975
CalPERS - Schools Pool Plan	64,627,975	14,606,601	25,137,981	6,971,068
CalPERS - Safety Pool Plan	2,464,073	2,348,259	1,637,544	(66,249)
Cash-in-lieu Plan	12,741,875	3,211,277	10,379,680	206,239
Total	$ 140,260,955	$ 49,408,239	$ 96,431,255	$ 8,881,033

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 may 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 non-employer contributing entity to the STRP.

The District contributes to the STRP Defined Benefit Program and Cash Balance Program.

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 CalSTRS will be increasing to a total of 19.1% of applicable member earnings 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 $13,348,787.

Pension Liabilities, Pension Expense, 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	$ 60,427,032
State's proportionate share of net pension liability associated with the District	30,404,539
Total	$ 90,831,571

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, as actuarially determined. The District's proportionate share for the measurement periods of June 30, 2021 and June 30, 2020, was 0.1328% and 0.1220%, respectively, resulting in a net increase in the proportionate share of 0.0108%.

For the year ended June 30, 2022, the District recognized pension expense of $1,769,975. In addition, the District recognized pension expense and revenue of $1,040,254, 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	$ 13,348,787	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	7,180,074	5,046,017
Differences between projected and actual earnings on pension plan investments	-	47,799,338
Differences between expected and actual experience in the measurement of the total pension liability	151,373	6,430,695
Changes of assumptions	8,561,868	-
Total	$ 29,242,102	$ 59,276,050

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	$ (12,138,165)
2024	(11,102,456)
2025	(11,377,981)
2026	(13,180,736)
Total	$ (47,799,338)

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	$ 1,350,091
2024	2,605,647
2025	(308,659)
2026	(101,820)
2027	313,797
Thereafter	557,547
Total	$ 4,416,603

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 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 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%
Private equity	13%	6.3%
Real estate	15%	3.6%
Inflation sensitive	6%	3.3%
Fixed income	12%	1.3%
Risk mitigating strategies	10%	1.8%
Cash/liquidity	2%	-0.4%

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10%) and assuming that contributions, benefit payments, and administrative expense occurred mid-year. 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%)	$ 123,007,810
Current discount rate (7.10%)	60,427,032
1% increase (8.10%)	8,486,182

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 may 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 Employee 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 $10,688,381.

Pension Liabilities, Pension Expense, 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 $64,627,975. 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 0.3178% and 0.3120%, respectively, resulting in a net increase in the proportionate share of 0.0058%.

For the year ended June 30, 2022, the District recognized pension expense of $6,971,068. 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	$ 10,688,381	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	1,988,910	183,333
Differences between projected and actual earnings on pension plan investments	-	24,802,293
Differences between expected and actual experience in the measurement of the total pension liability	1,929,310	152,355
Total	$ 14,606,601	$ 25,137,981

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	$ (6,220,394)
2024	(5,720,210)
2025	(5,963,691)
2026	(6,897,998)
Total	$ (24,802,293)

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and the District's proportionate share of contributions, and differences between expected and actual experience in the measurement of the total pension liability 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	$ 1,981,229
2024	1,155,338
2025	412,002
2026	33,963
Total	$ 3,582,532

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 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%)	$ 108,971,841
Current discount rate (7.15%)	64,627,975
1% increase (8.15%)	27,813,052

California Public Employees' Retirement System (CalPERS) – Safety Pool Plan

Plan Description

Qualified employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Plan under CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The Public Agency Cost-Sharing Multiple-Employer Plan is comprised of a Miscellaneous Risk Pool and a Safety Risk Pool. The District sponsors one Safety Pool Plan (the Plan) for employees of the District Police Department. The Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

Benefits Provided

The Plan provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members who must be sworn police officers and beneficiaries. Benefits are based on years of service credit, a benefit factor, and the member's final compensation. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for employment-related disability benefits regardless of length of service and non-duty disability benefits after five years of service. Disability benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. The Post-Retirement Death Benefit is a one-time payment made to a retiree's designated survivor or estate upon the retiree's death. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The Special Death Benefit is provided to an employee's eligible survivors if the member dies while actively employed and the death is job-related. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

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

Hire date	On or before December 31, 2012	On or after January 1, 2013
Benefit formula	3% 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	2.4% - 3.0%	1.0% - 2.5%
Required employee contribution rate	8.95%	13.75%
Required employer contribution rate	19.88%	13.98%
Required unfunded liability payment to CalPERS	$315,846	$3,003

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are 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 determined annually 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 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 $862,703.

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 Safety Risk Pool net pension liability totaling $2,464,073. 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 employers, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2021 and June 30, 2020, was 0.0702% and 0.0653%, respectively, resulting in a net increase in the proportionate share of 0.0049%.

For the year ended June 30, 2022, the District recognized pension expense of $(66,249). 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	$ 862,703	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	1,064,571	170,947
Differences between projected and actual earnings on pension plan investments	-	1,466,597
Differences between expected and actual experience in the measurement of the total pension liability	420,985	-
Total	$ 2,348,259	$ 1,637,544

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	$ (369,449)
2024	(340,915)
2025	(352,646)
2026	(403,587)
Total	$ (1,466,597)

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and the District's proportionate share of contributions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.8 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	$ 748,658
2024	549,397
2025	16,554
Total	$ 1,314,609

Actuarial Methods and Assumptions

Total pension liability for the Plan was determined by applying updated 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 Plan'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 (6.15%)	$ 4,941,243
Current discount rate (7.15%)	2,464,073
1% increase (8.15%)	429,384

Cash-in-lieu Plan

Plan Description

The cash in-lieu plan is a single employer defined benefit pension plan administered by the District. Retired employees who choose not to receive health contributions by the District and who submit an affidavit of other coverage shall receive a monthly amount equal to, or applicable percentage of, the Kaiser single premium rate, as determined by the provisions of the substantive cash in-lieu plan. There are no assets accumulated in a qualifying trust for this plan.

Plan Membership

At June 30, 2021, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefit payments	35
Active employees	1,105
Total	1,140

Benefits Provided

The District provides payments to eligible retirees to help offset the costs of healthcare coverage. There is no requirement for the annual payment to be spent on health insurance. The payment is treated as taxable income to the retiree, and is thus considered to be a pension rather than a retiree health benefit falling within the scope of GASB Statement No. 75.

This benefit is payable in addition to pension benefits that may be payable under one of the District's other pension plans (CalPERS, CalSTRS, or a supplemental employee retirement plan).

The Cash-in-lieu Plan provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Faculty	Classified	Management
Hire date	Before July 1, 1984	Before July 1, 1984	Before July 1, 1984
Benefits provided	Cash	Cash	Cash
Duration of benefits	Lifetime	Lifetime	Lifetime
Required service	10 years	10 years	10 years
Minimum age	55	50	50-55
District cap	Kaiser premium	Kaiser premium	Kaiser premium

	Faculty	Classified	Management
Hire date	After July 1, 1984	After July 1, 1984	After July 1, 1984
Benefits provided	Cash	Cash	Cash
Duration of benefits	Lifetime	Lifetime	Lifetime
Required service	10 years	10 years	10 years
Minimum age	55	50	50-55
District contribution	Age + Service: 80+	Age + Service: 80+	Age + Service: 80+
	100% for employee	100% for employee	100% for employee
	Age + Service: 70-79	Age + Service: 70-79	Age + Service: 70-79
	50% for employee	50% for employee	50% for employee
District cap	Applicable percentage of Single Kaiser Premium	Applicable percentage of Single Kaiser Premium	Applicable percentage of Single Kaiser Premium

Contributions

The District provides contributions to all eligible retirees in the Plan. Total District contributions for the year ending June 30, 2022, were $526,986.

Changes in the Total Pension Liability (TPL)

	Total Pension Liability
Balance at June 30, 2021	$ 15,089,544
Service cost	653,059
Interest	327,296
Changes of assumptions	(2,801,038)
Benefit payments	(526,986)
Net change in total pension liability	(2,347,669)
Balance at June 30, 2022	$ 12,741,875

Pension Expense, Deferred Outflows of Resources, and Deferred Inflow of Resources Related to Pensions

For the year ended June 30, 2022, the District recognized pension expense of $206,239. 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
Differences between expected and actual experience in the measurement of the total pension liability	$ -	$ 3,776,047
Changes of assumptions	3,211,277	6,603,633
Total	$ 3,211,277	$ 10,379,680

The deferred outflows/(inflows) of resources related to 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 11.2 years and will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	$ (774,116)
2024	(774,116)
2025	(774,116)
2026	(774,116)
2027	(774,116)
Thereafter	(3,297,823)
Total	$ (7,168,403)

Actuarial Methods and Assumptions

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Experience study	As of June 2021
Actuarial cost method	Entry age normal
Discount rate	3.54%
Consumer price inflation	2.50%
Wage growth	2.75%

Mortality rates were based on the 2020 CalSTRS Mortality Table for certificated employees and the 2017 CalPERS Active Mortality for Miscellaneous and School Employees Table for classified and miscellaneous 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.)

Discount Rate

The discount rate used to measure the total pension liability was 3.54%. The discount rate was based on the Bond Buyer 20-Bond General Obligation Index.

The following presents the District's total pension liability calculated using the current discount rate, as well as what the total 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	Total Pension Liability
1% decrease (2.54%)	$ 14,722,335
Current discount rate (3.54%)	12,741,875
1% increase (4.54%)	11,336,393

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 $8,539,636 (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 on behalf contribution payments have been recorded in these financial statements.

Note 11 - 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 committed under various capital expenditure purchase agreements for various projects totaling approximately $11.1 million to be funded through a combination of general obligation bonds and capital project apportionments from the California State Chancellor's Office.

Note 12 - Subsequent Events

In October 2022, the District issued the Election of 2014, 2022 Series D and 2022 Series E General Obligation Bonds in the amounts of $40,000,000 and $70,000,000, respectively. The bonds were issued to finance specific construction and modernization projects and the furnishing and equipping of District facilities approved by the voters, and to pay the outstanding 2022 Bond Anticipation Notes. The 2022 Series D bonds require annual principal payments and semi-annual interest payments beginning February 2035 through August 2039, with an annual interest rate of 5.00%. The 2022 Series E bonds require annual principal payments and semi-annual interest payments beginning February 2023 through August 2035. Annual interest rates range from 4.07% to 4.85%.

Required Supplementary Information
June 30, 2022

Contra Costa Community College District

	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	$ 5,494,814	$ 5,031,066	$ 4,896,415	$ 4,376,778	$ 4,259,638	$ 4,145,633
Interest	14,515,825	15,344,934	14,880,070	14,487,926	14,030,835	13,581,519
Difference between expected and actual experience	-	(26,761,353)	-	(1,073,071)	-	-
Changes of assumptions	-	19,902,086	-	-	-	-
Benefit payments	(11,359,036)	(12,634,630)	(12,369,884)	(11,632,101)	(11,142,888)	(10,714,315)
Net change in total OPEB liability	8,651,603	882,103	7,406,601	6,159,532	7,147,585	7,012,837
Total OPEB Liability - Beginning	240,896,452	240,014,349	232,607,748	226,448,216	219,300,631	212,287,794
Total OPEB Liability - Ending (a)	$ 249,548,055	$ 240,896,452	$ 240,014,349	$ 232,607,748	$ 226,448,216	$ 219,300,631
Plan Fiduciary Net Position						
Contributions - employer	$ 11,359,036	$ 12,634,630	$ 26,977,784	$ 16,847,901	$ 16,362,461	$ 16,414,515
Expected investment income	10,503,579	35,638,883	5,031,233	5,519,557	7,061,693	10,443,808
Differences between projected and actual earnings on OPEB plan investments	(43,479,485)	-	-	-	-	-
Benefit payments	(11,359,036)	(12,634,630)	(12,369,884)	(11,632,101)	(11,142,888)	(10,714,315)
Administrative expense	(554,382)	(515,161)	(411,592)	(377,549)	(355,956)	(302,333)
Net change in plan fiduciary net position	(33,530,288)	35,123,722	19,227,541	10,357,808	11,925,310	15,841,675
Plan Fiduciary Net Position - Beginning	172,475,203	137,351,481	118,123,940	107,766,132	95,840,822	79,999,147
Plan Fiduciary Net Position - Ending (b)	$ 138,944,915	$ 172,475,203	$ 137,351,481	$ 118,123,940	$ 107,766,132	$ 95,840,822
Net OPEB Liability - Ending (a) - (b)	$ 110,603,140	$ 68,421,249	$ 102,662,868	$ 114,483,808	$ 118,682,084	$ 123,459,809
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	55.68%	71.60%	57.23%	50.78%	47.59%	43.70%
Covered Employee Payroll	$ 125,547,320	$ 94,670,553	$ 98,253,624	$ 92,199,316	$ 88,414,095	$ 89,504,733
Net OPEB Liability as a Percentage of Covered Employee Payroll	88.10%	72.27%	104.49%	124.17%	134.23%	137.94%
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	-19.35%	23.00%	3.90%	4.60%	6.50%	11.50%
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

Year ended June 30,	2022	2021	2020	2019	2018
Proportion of the net OPEB liability	0.1996%	0.1950%	0.2190%	0.2126%	0.2172%
Proportionate share of the net OPEB liability	$ 796,112	$ 826,409	$ 798,610	$ 713,029	$ 1,286,745
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	2018	2017	2016	2015
CalSTRS								
Proportion of the net pension liability	0.1328%	0.1220%	0.1240%	0.1240%	0.1260%	0.1350%	0.1440%	0.1330%
Proportionate share of the net pension liability	$ 60,427,032	$ 117,893,000	$ 111,786,000	$ 114,269,000	$ 116,525,000	$ 108,983,000	$ 97,268,576	$ 84,557,797
State's proportionate share of the net pension liability associated with the District	30,404,539	64,428,000	60,987,000	65,425,000	68,936,000	62,048,000	51,444,000	47,048,000
Total	$ 90,831,571	$ 182,321,000	$ 172,773,000	$ 179,694,000	$ 185,461,000	$ 171,031,000	$ 148,712,576	$ 131,605,797
Covered payroll	$ 75,765,994	$ 69,642,088	$ 66,528,999	$ 66,183,001	$ 69,533,029	$ 67,152,908	$ 67,059,144	$ 59,386,000
Proportionate share of the net pension liability as a percentage of its covered payroll	79.75%	169.28%	168.03%	172.66%	167.58%	162.29%	145.05%	142.39%
Plan fiduciary net position as a percentage of the total pension liability	87%	72%	73%	71%	69%	70%	74%	77%
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS - Schools Pool Plan								
Proportion of the net pension liability	0.3178%	0.3120%	0.3060%	0.3090%	0.3200%	0.3270%	0.3290%	0.3650%
Proportionate share of the net pension liability	$ 64,627,975	$ 100,099,000	$ 93,111,000	$ 86,016,000	$ 79,451,000	$ 68,722,000	$ 48,535,698	$ 41,440,016
Covered payroll	$ 48,245,048	$ 44,950,783	$ 42,393,306	$ 40,792,377	$ 43,397,177	$ 39,268,996	$ 40,329,003	$ 38,123,677
Proportionate share of the net pension liability as a percentage of its covered payroll	133.96%	222.69%	219.64%	210.86%	183.08%	175.00%	120.35%	108.70%
Plan fiduciary net position as a percentage of the total pension liability	81%	70%	70%	71%	72%	74%	79%	83%
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	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	2018	2017	2016	2015
CalPERS - Safety Pool Plan								
Proportion of the net pension liability	0.0702%	0.0653%	N/A	N/A	N/A	N/A	N/A	N/A
Proportionate share of the net pension liability	$ 2,464,073	$ 4,350,000	N/A	N/A	N/A	N/A	N/A	N/A
Covered payroll	$ 1,900,918	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Proportionate share of the net pension liability as a percentage of its covered payroll	129.63%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	87%	73%	73%	71%	72%	70%	77%	81%
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

N/A: Information is not available for years prior to June 30, 2021. Certain information for the year ending June 30, 2021 is not available.

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

	2022	2021	2020	2019	2018	2017	2016	2015
CalSTRS								
Contractually required contribution	$ 13,348,787	$ 12,236,208	$ 11,908,797	$ 10,830,921	$ 9,550,207	$ 8,747,255	$ 7,205,507	$ 5,954,852
Contributions in relation to the contractually required contribution	(13,348,787)	(12,236,208)	(11,908,797)	(10,830,921)	(9,550,207)	(8,747,255)	(7,205,507)	(5,954,852)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 78,893,540	$ 75,765,994	$ 69,642,088	$ 66,528,999	$ 66,183,001	$ 69,533,029	$ 67,152,908	$ 67,059,144
Contributions as a percentage of covered payroll	16.92%	16.15%	17.10%	16.28%	14.43%	12.58%	10.73%	8.88%
CalPERS - Schools Pool Plan								
Contractually required contribution	$ 10,688,381	$ 9,986,725	$ 8,864,744	$ 7,657,079	$ 6,335,464	$ 6,027,000	$ 4,652,198	$ 4,747,127
Contributions in relation to the contractually required contribution	(10,688,381)	(9,986,725)	(8,864,744)	(7,657,079)	(6,335,464)	(6,027,000)	(4,652,198)	(4,747,127)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 46,653,780	$ 48,245,048	$ 44,950,783	$ 42,393,306	$ 40,792,377	$ 43,397,177	$ 39,268,996	$ 40,329,003
Contributions as a percentage of covered payroll	22.910%	20.700%	19.721%	18.062%	15.531%	13.888%	11.847%	11.771%
CalPERS - Safety Pool Plan								
Contractually required contribution	$ 862,703	$ 860,252	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	(862,703)	(860,252)	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 1,931,567	$ 1,900,918	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	44.663%	45.255%	N/A	N/A	N/A	N/A	N/A	N/A

N/A: Information is not available for years prior to June 30, 2021.

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

	2022	2021	2020	2019	2018	2017
Total Pension Liability						
Service cost	$ 653,059	$ 918,893	$ 620,964	$ 380,612	$ 370,425	$ 360,511
Interest	327,296	473,776	378,174	707,085	727,024	659,009
Difference between expected and actual experience	-	(2,642,069)	-	(2,593,954)	(881,562)	-
Changes of assumptions	(2,801,038)	(4,386,586)	3,892,699	695,880	-	-
Benefit payments	(526,986)	(700,615)	(689,855)	(765,324)	(726,052)	(726,052)
Net change in total pension liability	(2,347,669)	(6,336,601)	4,201,982	(1,575,701)	(510,165)	293,468
Total Pension Liability - Beginning	15,089,544	21,426,145	17,224,163	18,799,864	19,310,029	19,016,561
Total Pension Liability - Ending	$ 12,741,875	$ 15,089,544	$ 21,426,145	$ 17,224,163	$ 18,799,864	$ 19,310,029
Covered Payroll	$ 125,547,320	$ 94,670,553	$ 98,253,145	$ 92,199,316	$ 88,414,095	$ 89,504,733
Total Pension Liability as a Percentage of Covered Payroll	10.15%	15.94%	21.81%	18.68%	21.26%	21.57%
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

Note 1 - Purpose of Schedules

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

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

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

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.

Schedule of Changes in the District's Cash-in-Lieu Plan Total Pension Liability and Related Ratios

This schedule presents information on the District's changes in the Cash-in-lieu total pension liability, including beginning and ending balances and related ratios. In the future, as data becomes available, ten years of information will be presented.

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

Supplementary Information
June 30, 2022

Contra Costa Community College District

The Contra Costa Community College District was established in 1948, and is comprised of an area of approximately 686 square miles located in Contra Costa County. There were no changes in the boundaries of the District during the current year. The District's three colleges are each accredited by the Accrediting Commission for Community and Junior Colleges Western Association of Schools and Colleges.

Board of Trustees as of June 30, 2022

Member	Office	Term Expires
Judy E. Walters	President	2024
Fernando Sandoval	Vice President	2024
John E. Márquez	Secretary	2022
Rebecca Barrett	Member	2022
Andi Li	Member	2024
Surpreet Kaur	Student Trustee	2023

Administration as of June 30, 2022

Mojdeh Mehdizadeh	Interim Chancellor
Eugene Huff [1]	Executive Vice Chancellor. Administrative Services
Vacant	Executive Vice Chancellor, Education and Technology

Auxiliary Organizations in Good Standing

The District did not identify any auxiliary organizations in good standing.

[1] Eugene Huff has an effective retirement date of June 30, 2022.

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Student Financial Assistance Cluster			
Federal Pell Grant Program	84.063		$ 25,356,243
Federal Pell Grant Program Administrative Allowance	84.063		38,090
Federal Direct Student Loans	84.268		2,485,922
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		755,125
Federal Work-Study Program	84.033		658,433
Subtotal Student Financial Assistance Cluster			29,293,813
TRIO Cluster			
TRIO Talent Search	84.044A		361,153
TRIO Upward Bound I	84.047A		323,536
TRIO Upward Bound II	84.047A		296,072
Subtotal TRIO Cluster			980,761
COVID-19: Higher Education Emergency Relief Funds, Student Aid Portion	84.425E		18,982,651
COVID-19: Higher Education Emergency Relief Funds, Institutional Portion	84.425F		22,282,028
COVID-19: Higher Education Emergency Relief Funds, Minority Serving Institutions	84.425L		1,499,792
Subtotal			42,764,471
Title III, Hispanic Serving Institutions - EXITO STEM	84.031C		969,663
Title V, Caminos Project	84.031S		243,429
Subtotal			1,213,092
CCAMPIS - Parent Success Initiative	84.335A		104,980
Passed through California Community Colleges Chancellor's Office			
Career and Technical Education Act (CTEA), Title I, Part C	84.048A	[1]	1,101,757
Passed through University of California, Davis			
Open Education Resource	84.116T	[1]	33,339
Total U.S. Department of Education			75,492,213
U.S. Department of Agriculture			
Passed through California Department of Education			
Child and Adult Care Food Program	10.558	13666	13,071

[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
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]	$ 717,500
National Science Foundation			
Research and Development Cluster			
STEM Scholars	47.076		102,773
STEM Transfer Improvement	47.076		61,339
Diversity in Cybersecurity	47.076		20,775
Subtotal Research and Development Cluster			184,887
U.S. Department of Veterans Affairs			
Veterans Outreach Program - Administration	64.117		6,208
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]	107,138
Foster and Kinship Care Education	93.658	[1]	78,128
Passed through Contra Costa County			
Foster Care - Title IV-E - Foster Relative	93.658	19-695, 21-114 21-326	6,474
Foster Care - Title IV-E - Foster Pride	93.658	20-046, 20-047, 21-261	72,011
Subtotal			156,613
Total U.S. Department of Health and Human Services			263,751
Total Federal Financial Assistance			$ 76,677,630

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

Program	Program Revenues Cash Received	Accounts Receivable	Unearned Revenue	Total Revenue	Program Expenditures
AB 104	$ 732,970	$ -	$ 268,664	$ 464,306	$ 464,306
AB 19 - Direct Student Aid	3,708,736	-	2,298,882	1,409,854	1,409,854
AB 602 Board of Financial Aid Staffing	1,135,680	-	80,140	1,055,540	1,055,540
Basic Needs Centers	1,408,938	-	1,280,262	128,676	128,676
CalFresh Outreach	48,983	-	22,726	26,257	26,257
Cal Grants	3,745,666	83,070	-	3,828,736	3,828,736
CalWORKS	745,830	18,258	40,559	723,529	723,529
CCAP Instructional Materials	81,672	-	81,672	-	-
CCAP STEM	520,979	-	252,563	268,416	268,416
Cooperative Agencies Resources for Education (CARE)	519,626	-	75,906	443,720	443,720
COVID-19 Block Grant - State Portion	1,357,897	-	-	1,357,897	1,357,897
CTE Data Unlocked	64,074	-	64,074	-	-
Culturally Competent Professional Development	151,305	-	151,305	-	-
Disabled Student Program & Services (DSPS)	4,244,353	-	1,110,797	3,133,556	3,133,556
Dreamers Emergency Student Financial Aid	10,539	-	-	10,539	10,539
Dream Resource Liaison	426,203	-	386,072	40,131	40,131
Education Planning	33,984	-	33,984	-	-
EEO Best Practices	208,333	-	208,333	-	-
Extended Opportunity Programs and Services (EOPS)	3,737,651	-	299,155	3,438,496	3,438,496
Faculty and Staff Diversity	171,994	-	119,312	52,682	52,682
Financial Aid Technology	178,476	-	124,873	53,603	53,603
Foster Kinship Care Education	247,127	8,136	65,072	190,191	190,191
Guided Pathways	821,882	-	389,014	432,868	432,868
Hunger Free Campus	28,251	-	-	28,251	28,251
Instructional Equipment	1,703,734	-	1,551,709	152,025	152,025
LGBTQ+ Support Funding	253,724	-	253,724	-	-
Liabrary Services Platform	30,155	-	12,132	18,023	18,023
MCHS STEM	210,364	-	11,200	199,164	199,164
Mental Health Support	730,304	-	685,953	44,351	44,351
MESA	291,353	-	182,631	108,722	108,722

Program	Program Revenues: Cash Received	Accounts Receivable	Unearned Revenue	Total Revenue	Program Expenditures
Puente Project	$ 2,011,314	$ -	$ 22,964	$ 1,988,350	$ 1,988,350
Regional Director	233,846	41,913	-	275,759	275,759
RN Enrollment Growth	346,104	-	31,132	314,972	314,972
Strong Workforce - Regional	1,162,913	2,684,611	2,249	3,845,275	3,845,275
Strong Workforce	8,420,151	-	4,228,637	4,191,514	4,191,514
Student Equity & Achievement Program	15,403,304	-	3,659,355	11,743,949	11,743,949
Student Retention & Enrollment Outreach	2,536,503	-	1,561,566	974,937	974,937
Student Success Completion Grant	2,799,663	-	451,878	2,347,785	2,347,785
Veterans Services	870,680	132,652	616,034	387,298	387,298
Total state programs	$ 61,335,261	$ 2,968,640	$ 20,624,529	$ 43,679,372	$ 43,679,372

CATEGORIES	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2021 only)			
1. Noncredit*	4.03	-	4.03
2. Credit	2,305.76	-	2,305.76
B. Summer Intersession (Summer 2022 - Prior to July 1, 2022)			
1. Noncredit*	-	-	-
2. Credit	86.37	-	86.37
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	5,742.82	-	5,742.82
(b) Daily Census Contact Hours	461.30	-	461.30
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit*	113.86	-	113.86
(b) Credit	514.47	-	514.47
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Procedure Courses	12,010.53	-	12,010.53
(b) Daily Census Procedure Courses	2,261.05	-	2,261.05
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	23,500.19	-	23,500.19
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. Inservice Training Courses (FTES)	-	-	-
F. Basic Skills Courses and Immigrant Education			
1. Noncredit*	46.11	-	46.11
2. Credit	360.89	-	360.89
CCFS-320 Addendum			
CDCP Noncredit FTES	90.27	-	90.27
Centers FTES			
1. Noncredit*	1.13	-	1.13
2. Credit	2,279.82	-	2,279.82

*Including Career Development and College Preparation (CDCP) FTES.

		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
<u>Academic Salaries</u>							
Instructional Salaries							
Contract or Regular	1100	$ 37,444,857	$ -	$ 37,444,857	$ 37,444,857	$ -	$ 37,444,857
Other	1300	30,199,708	-	30,199,708	30,232,325	-	30,232,325
Total Instructional Salaries		67,644,565	-	67,644,565	67,677,182	-	67,677,182
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	16,902,421	-	16,902,421
Other	1400	-	-	-	1,929,550	-	1,929,550
Total Noninstructional Salaries		-	-	-	18,831,971	-	18,831,971
Total Academic Salaries		67,644,565	-	67,644,565	86,509,153	-	86,509,153
<u>Classified Salaries</u>							
Noninstructional Salaries							
Regular Status	2100	-	-	-	28,264,810	-	28,264,810
Other	2300	-	-	-	3,227,471	-	3,227,471
Total Noninstructional Salaries		-	-	-	31,492,281	-	31,492,281
Instructional Aides							
Regular Status	2200	3,586,936	-	3,586,936	3,586,936	-	3,586,936
Other	2400	542,889	-	542,889	542,889	-	542,889
Total Instructional Aides		4,129,825	-	4,129,825	4,129,825	-	4,129,825
Total Classified Salaries		4,129,825	-	4,129,825	35,622,106	-	35,622,106
Employee Benefits	3000	26,652,371	-	26,652,371	65,038,262	-	65,038,262
Supplies and Material	4000	-	-	-	1,382,327	-	1,382,327
Other Operating Expenses	5000	178,685	-	178,685	21,652,812	-	21,652,812
Equipment Replacement	6420	-	-	-	294,991	-	294,991
Total Expenditures Prior to Exclusions		98,605,446	-	98,605,446	210,499,651	-	210,499,651

		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
<u>Exclusions</u>							
Activities to Exclude							
Instructional Staff - Retirees' Benefits and Retirement Incentives	5900	$ 6,115,107	$ -	$ 6,115,107	$ 6,115,107	$ -	$ 6,115,107
Student Health Services Above Amount Collected	6441	-	-	-	1,002,225	-	1,002,225
Student Transportation	6491	-	-	-	-	-	-
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	6740	-	-	-	5,472,123	-	5,472,123
Objects to Exclude							
Rents and Leases	5060	-	-	-	-	-	-
Lottery Expenditures							-
Academic Salaries	1000	-	-	-	1,977,860	-	1,977,860
Classified Salaries	2000	-	-	-	1,284,498	-	1,284,498
Employee Benefits	3000	-	-	-	1,555,990	-	1,555,990
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines, and Periodicals	4200	-	-	-	-	-	-
Instructional Supplies and Materials	4300	-	-	-	73,718	-	73,718
Noninstructional Supplies and Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	73,718	-	73,718

		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	$ -	$ -	$ -	$ 465,924	$ -	$ 465,924
Capital Outlay	6000						
Library Books	6300	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay							
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		6,115,107	-	6,115,107	17,947,445	-	17,947,445
Total for ECS 84362, 50% Law		$ 92,490,339	$ -	$ 92,490,339	$ 192,552,206	$ -	$ 192,552,206
Percent of CEE (Instructional Salary Cost/Total CEE)		48.03%		48.03%	100.00%		100.00%
50% of Current Expense of Education					$ 96,276,103		$ 96,276,103

Activity Classification	Object Code				Unrestricted
EPA Revenue:	8630				$ 45,222,183
Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	1000-5900	$ 45,222,183	$ -	$ -	$ 45,222,183
Total Expenditures for EPA		$ 45,222,183	$ -	$ -	$ 45,222,183
Revenues Less Expenditures					$ -

See Note to Supplementary Information

Amounts reported for governmental activities in the Statement of Net Position are different because		
Total fund balance		
General Funds	$ 55,776,727	
Special Revenue Funds	14,831,328	
Capital Project Funds	43,914,750	
Debt Service Funds	61,082,458	
Proprietary Funds	7,480,184	
Internal Service Funds	761,281	
Fiduciary Fund	138,944,915	
Total fund balance - all District funds		$ 322,791,643
Amounts held in trust on behalf of others (OPEB Trust)		(138,944,915)
The District's investment in the Contra Costa County investment pool is reported at fair market value in the Statement of Net Position.		(2,710,442)
Capital 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	1,003,057,126	
Accumulated depreciation is	(288,460,363)	
Less: fixed assets already recorded in proprietary funds	(36,366)	
Total capital assets, net		714,560,397
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	11,183,289	
Deferred outflows of resources related to OPEB	34,369,169	
Deferred outflows of resources related to pensions	49,408,239	
Total deferred outflows of resources		94,960,697
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.		(8,078,316)

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	$(596,784,297)	
Compensated absences	(6,407,651)	
Load banking	(10,138,345)	
Aggregate net OPEB liability	(111,399,252)	
Aggregate net pension liability	(140,260,955)	
Total long-term liabilities		$(864,990,500)
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	(19,303,084)	
Deferred inflows of resources related to pensions	(96,431,255)	
Total deferred inflows of resources		(115,734,339)
Total net position		$ 1,854,225

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 at 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. 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. No federal financial assistance has been provided to a subrecipient.

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

Education Code Section 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 summarized expenditures of EPA proceeds.

Reconciliation of the Governmental Funds to the Statement of Net Position

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

Independent Auditor's Reports
June 30, 2022

Contra Costa 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
Contra Costa Community College District
Martinez, 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 remaining fund information of Contra Costa 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 25, 2023.

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 25, 2023

CPAs & BUSINESS ADVISORS

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
Contra Costa Community College District
Martinez, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Contra Costa 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.

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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

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

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

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

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

Eide Bailly LLP

Rancho Cucamonga, California
January 25, 2023

Independent Auditor's Report on State Compliance

Board of Trustees
Contra Costa Community College District
Martinez, California

Report on State Compliance

We have audited Contra Costa 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 does not have any Propositions 1D and 51 State Bond Funded Projects; therefore, the compliance tests within this section were not applicable.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the requirements of the 2021-2022 California Community Colleges Chancellor's Office *Contracted District Audit Manual* and is described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the 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 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 25, 2023

Schedule of Findings and Questioned Costs
June 30, 2022

Contra Costa 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 programs:	
Material weaknesses identified	No
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):	No

Identification of major programs:

Name of Federal Program or Cluster	Federal Financial Assistance Listing/ Federal CFDA Number
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: Higher Education Emergency Relief Funds, Minority Serving Institutions	84.425L
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027

Dollar threshold used to distinguish between type A and type B programs	$2,300,329
Auditee qualified as low-risk auditee?	No

STATE COMPLIANCE

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

None reported.

None reported.

The following finding represents an instance of noncompliance and/or questioned costs relating to compliance with state laws and regulations.

2022-001 Section 421 - Salaries of Classroom Instructors (50 Percent Law)

Criteria or Specific Requirement
California *Education Code* Section 84362 requires a minimum of 50% of the District's Current Expense of Education (CEE) be expended during each fiscal year for "Salaries of Classroom Instructors". This is further defined in CCR Title 5, Section 59204.

Condition
The District's calculation of the salaries of classroom instructors for the 50% Law noted the District spent $94.5 million in instructional salary costs resulting in the percentage of the current expense of education (CEE) calculated at 48.03%, a shortfall of $3.8 million. The District has filed an exemption request with the California Community Colleges Chancellor's Office, as approved by the District's Governing Board on September 14, 2022.

Questioned Costs
None.

Context
50% of the District's current expense of education is calculated at $96.3 million.

Effect
The District is not in compliance with state requirements.

Cause
The District experienced a serious hardship in unanticipated, unbudgeted and necessary noninstructional expenditures in excess of budgeted amounts during the 2021-22 year, which is the basis of the exemption request filed with the State Chancellor's Office.

Repeat Finding (Yes or No)
No.

Recommendation
The District should continue to pursue the remedies under the 50% Law Exemption for "Serious Hardship". The budget should be thoroughly reviewed to determine any modifications that are required to ensure compliance with *Education Code* on an ongoing basis.

Views of Responsible Officials and Corrective Action Plan

Management concurs with the auditor's comments regarding the cause for noncompliance in fiscal year 2021-22 under the 50% Law. In response, on January 23, 2023 the California Community College Board of Governors granted the District's 50% Law exemption request in full and therefore, the District is not required to prepare a plan for spending the unexempted deficiency on salaries of classroom instructors nor will the District be subject to any withholding of the District's apportionment funding for 2021-22 in the exempted amount. In addition, the following action was taken to improve future compliance with the 50% Law. Beginning second quarter fiscal year 2022-23 and in compliance with the California Community Colleges *Budget and Accounting Manual*, management implemented improvements to monitoring general ledger classification of instruction costs, significant one-time costs included in CEE, and other significant fluctuations for proper treatment under the 50% Law regulations. Also, management has increased the frequency of reviewing and analyzing of the 50% Law calculated ratio during the fiscal year and plans appropriate adjustments or realignment of costs to assure compliance before fiscal year end.

Except as specified in the 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

2021-001 Internal Controls over Procurement - Material Weakness

Recommendation
The Board of Trustees should enhance their approval controls by sufficiently evaluating and resolving unusual terms or differences from their expectations prior to approving contracts, transactions, or other matters.

The District should consider implementing an internal control to require legal review, and evidence of this review provided to the Board upon request, for significant contracts and transactions over a certain dollar amount.

Management and the Board should also consider, on a periodic basis, consultation with legal counsel regarding the District's written policies and procedures for procurement and the vendor selection processes. A review of such policies may help to ensure compliance with changing laws and regulations, as well as industry practice updates.

Lastly, the District should consider implementing an internal control to ensure that price quotations are solicited in the procurement process for all procured contracts, regardless of the nature of the underlying contract.

Current Status
Implemented.

Federal Awards Findings

None reported.

State Compliance Findings

2021-002 Section 427 Dual Enrollment (CCAP and Non-CCAP)

Recommendation
The District should implement procedures to ensure that physical education courses with special admit students do not claim for apportionment reporting in excess of the thresholds prescribed by the Chancellor's Office.

Current Status
Implemented.