Financial Statements
June 30, 2022

Monterey Peninsula Community College District

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Unaudited Additional Supplementary Information

Independent Auditor's Report

Board of Trustees
Monterey Peninsula Community College District
Monterey, 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 the Monterey Peninsula 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 11 and other required supplementary schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

The accompanying unaudited additional supplementary information on pages 94 through 103 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2022 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
December 9, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS

The Monterey Peninsula Community College District's (the District) financial statements are presented in accordance with Governmental Accounting Standards Board (GASB) 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 liabilities. 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 (BTA) model for financial statement reporting purposes.

FINANCIAL HIGHLIGHTS

The District's assets are primarily cash, land, and facilities. Liabilities are primarily long-term bonds and pension liability. The District's total assets and deferred outflows of resources increased by $36.1 million, or 16.60%, to $253.3 million and total liabilities and deferred inflows of resources increased by $24.6 million, or 12.69%, to $218.3 million. Net position increased by $11.5 million, or 48.80%, to $ 35.0 million.

In August 2021, the District issued $30 million of General Obligation Bonds, Election of 2020, Series A. The bonds finance the repair, upgrading, modernization and equipping of District sites and facilities as well as to pay the costs of issuance. The Measure V bond program will enhance the student experience by providing modern state of the art facilities including new facilities at our Marina Education Center as well as providing needed renovation of existing facilities at our main campus in Monterey. A state-of-the-art Enterprise Resource Planning (ERP) system will be implemented bringing technological systems up to higher education industry standards.

STATEMENT OF NET POSITION

The Statement of Net Position includes all assets, deferred outflows, liabilities, and deferred inflows using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions. The biggest change in this statement is that our capital assets (land, building, and equipment) are capitalized and depreciated. As a result, they are now reflected as an asset on this statement. Net position, the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources, are one way to measure the financial health of the District.

	2022	2021	Change
Assets			
Cash and investments	$ 81,999,325	$ 41,351,076	$ 40,648,249
Receivables	6,495,766	9,162,365	(2,666,599)
Other current assets	203,574	-	203,574
Capital assets, net	143,784,726	143,906,482	(121,756)
Total assets	232,483,391	194,419,923	38,063,468
Deferred Outflows of Resources	20,391,027	22,806,056	(2,415,029)
Liabilities			
Accounts payable and accrued liabilities	17,863,435	11,693,716	6,169,719
Current portion of long-term liabilities	13,680,235	8,714,375	4,965,860
Noncurrent portion of long-term liabilities	166,067,568	169,911,820	(3,844,252)
Total liabilities	197,611,238	190,319,911	7,291,327
Deferred Inflows of Resources	20,673,232	3,380,157	17,293,075
Net Position			
Net investment in capital assets	50,964,663	45,686,803	5,277,860
Restricted	17,383,082	12,372,959	5,010,123
Unrestricted deficit	(33,757,797)	(34,533,851)	776,054
Total net position	$ 34,589,948	$ 23,525,911	$ 11,064,037

Cash and investments consist primarily of funds held in the Monterey County Treasury. The changes in our cash position are explained in the Statement of Cash Flows on pages 14 and 15.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses, and Changes in Net Position present the operating results of the District, as well as the nonoperating revenue and expenses. The State general apportionment and property taxes, while budgeted for operations, are considered nonoperating revenues according to Governmental Accounting Standards Board (GASB). As a result, this statement will show a significant operating loss.

	2022	2021	Change
Operating Revenues			
Tuition and fees, net	$ 4,035,401	$ 3,590,413	$ 444,988
Grants and contracts, noncapital	23,796,404	18,889,636	4,906,768
Total operating revenues	27,831,805	22,480,049	5,351,756
Operating Expenses			
Salaries and benefits	36,260,030	41,324,880	(5,064,850)
Supplies, services, equipment, and maintenance	27,709,517	19,446,082	8,263,435
Student financial aid	13,117,375	11,196,684	1,920,691
Depreciation and amortization	4,668,932	4,620,182	48,750
Total operating expenses	81,755,854	76,587,828	5,168,026
Operating loss	(53,924,049)	(54,107,779)	183,730
Nonoperating Revenues (Expenses)			
State apportionments	13,522,683	12,638,079	884,604
Property taxes	42,320,612	35,161,012	7,159,600
Student financial aid grants	7,318,898	7,269,847	49,051
Other state revenues	1,591,055	1,586,665	4,390
Net interest expense	(5,815,298)	(2,991,783)	(2,823,515)
Other nonoperating revenues	5,019,354	2,439,484	2,579,870
Total nonoperating revenues (expenses)	63,957,304	56,103,304	7,854,000
Other Revenues			
State and local capital income	1,030,782	554,621	476,161
Change in net position	$ 11,064,037	$ 2,550,146	$ 8,513,891

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 are as follows:

	Salaries and Employee Benefits	Supplies, Material, and Other Expenses and Services	Student Financial Aid	Equipment, Maintenance, and Repairs	Depreciation	Total
Instructional activities	$ 16,619,834	$ 4,315,988	$ -	$ 297,630	$ -	$ 21,233,452
Instructional administration	1,844,324	474,042	-	4,557	-	2,322,923
Instructional support services	1,314,098	401,317	-	9,534	-	1,724,949
Student services	5,445,237	1,024,393	-	98,323	-	6,567,953
Plant operations and maintenance	1,326,862	1,911,642	-	57,643	-	3,296,147
Planning, policymaking and coordinations	1,908,890	852,159	-	232,889	-	2,993,938
Institutional support services	5,213,270	14,822,599	-	294,215	-	20,330,084
Ancillary services and auxiliary operations	2,587,515	1,232,515	-	11,771	-	3,831,801
Physical property and related acquisitions	-	1,118,520	-	549,780	-	1,668,300
Student aid	-	-	13,117,375	-	-	13,117,375
Unallocated depreciation	-	-	-	-	4,668,932	4,668,932
Total	$ 36,260,030	$ 26,153,175	$ 13,117,375	$ 1,556,342	$ 4,668,932	$ 81,755,854

STATEMENT OF CASH FLOWS

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

	2022	2021	Change
Net Cash Flows from			
Operating activities	$ (45,659,077)	$ (51,391,379)	$ 5,732,302
Noncapital financing activities	55,571,489	49,970,498	5,600,991
Capital financing activities	32,294,336	(1,814,251)	34,108,587
Investing activities	(1,626,610)	433,501	(2,060,111)
Net Increase (Decrease) in Cash	40,580,138	(2,801,631)	43,381,769
Cash and cash equivalents, Beginning of Year	41,266,959	44,068,590	(2,801,631)
Cash and cash equivalents, End of Year	$ 81,847,097	$ 41,266,959	$ 40,580,138

CAPITAL ASSET AND LONG-TERM LIABILITIES

Capital Assets

At June 30, 2022, the District had $215,931,093 in a broad range of capital assets including land, and furniture and equipment. At June 30, 2022, our net capital assets were $143,784,726.

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

	Balance July 1, 2021	Additions	Deletions	Balance, June 30, 2022
Capital Assets				
Land and construction in progress	$ 12,154,947	$ 3,532,991	$ (1,921,150)	$ 13,766,788
Buildings and improvements	190,301,126	1,921,150	-	192,222,276
Furniture, equipment, and vehicles	8,927,844	1,014,185	-	9,942,029
Subtotal capital assets	211,383,917	6,468,326	(1,921,150)	215,931,093
Accumulated depreciation	(67,477,435)	(4,668,932)	-	(72,146,367)
Total capital assets, net	$ 143,906,482	$ 1,799,394	$ (1,921,150)	$ 143,784,726

Long-Term Liabilities Including Pensions and OPEB

At June 30, 2022, the District had $144,789,895 in general obligation bonds outstanding, including premium. These bonds are repaid annually in accordance with the obligation requirements through an increase in the assessed property taxes on property within the Monterey Peninsula Community College District boundaries. Other long-term liabilities for the District include the compensated absences, early retirement plan, claims liability, aggregate net OPEB liability, and the aggregate net pension liability.

Notes 7 through 10 in the financial statements provides additional information on long-term liabilities. A summary of long-term liabilities is presented below.

	Balance July 1, 2021	Additions	Deletions	Balance, June 30, 2022
General obligation bonds	$ 120,875,289	$ 32,450,381	$ (8,535,775)	$ 144,789,895
Aggregate net OPEB liability	5,320,184	-	(455,975)	4,864,209
Aggregate net pension liability	49,460,278	-	(22,149,752)	27,310,526
Other liabilities	2,970,444	137,104	(324,375)	2,783,173
Total long-term liabilities	$ 178,626,195	$ 32,587,485	$ (31,465,877)	$ 179,747,803
Amount due within one year				$ 13,680,235

ECONOMIC FACTORS AFFECTING THE FUTURE OF THE MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT

Proposition 98

While our college is primarily funded by Local Property Taxes, the District relies on minimum guarantees from Proposition 98. Proposition 98 establishes funding levels for schools and community colleges within the State of California on the whole. This minimum funding requirement is commonly called the minimum guarantee. The state calculates the minimum guarantee by comparing three main formulas or "tests". Each test takes into account certain inputs, such as state General Fund revenue, per capita personal income, and K-12 student attendance. The state can choose to fund at the minimum guarantee or any level above it. It also can suspend the guarantee with a two-thirds vote of each house of the Legislature, allowing the state to provide less funding than the formulas require that year. The state meets the guarantee through a combination of state General Fund and local property tax revenue.

Public School Stabilization Account

Proposition 2 was a constitutional amendment that established a reserve account within the State budget specifically for schools. Proposition 2 was established to mitigate volatility of educational funding to schools and community colleges. As a result of its passage in 2014 the state is required to deposit funding in the reserve when school funding is growing relatively quickly and various other conditions are met.

The Student-Centered Funding Formula (SCFF) adopted in the 2018-2019 fiscal year provides funding to districts based upon additional factors: the number of low-income students enrolled, the number of students who meet specific student success metrics, including completion of a degree or certificate.

The formula planned implementation was to occur over the initial three-year period beginning in 2019. However, the pandemic and other budgetary issues have affected the implementation.

Important features of the funding formula include the following: Formula Structure and Transition – in 2018-2019, 70% of funding distributed based on enrollment, 20% based on enrollment of low-income students, and 10% based on student success metrics. To protect District's from unintended adverse impacts during initial implementation a "hold harmless" provision was created that extends through the end of the 2024/25 fiscal year. In 2025/26, a newly adopted funding floor will replace the hold harmless provision. The new floor will create a base year with minimum funding equal to the amount of funding received in the 2024/25 year. In addition, the state increased the funding rates significantly for 2022/23 forward budget years. It is possible that the increase will eliminate our reliance on the hold harmless mechanism currently in place. The primary feature of the hold harmless is to protect districts during implementation so that no district will receive less funding than they received in 2017-2018, and each district will receive an increase to reflect a cost-of-living increase.

The District has experienced a downward trend in FTES as shown below. The pandemic exacerbated the trend beginning in the 2020-21 fiscal year. Expansion of our promise program, as well as additional strategies for enrollment management continue to have a positive impact on the trend. The District continues remain optimistic that the trend will begin to reverse. A return to face to face on campus classes has brought many students back to the campuses. Efforts to improve student access and retention remain critical to our enrollment management program forecasts.

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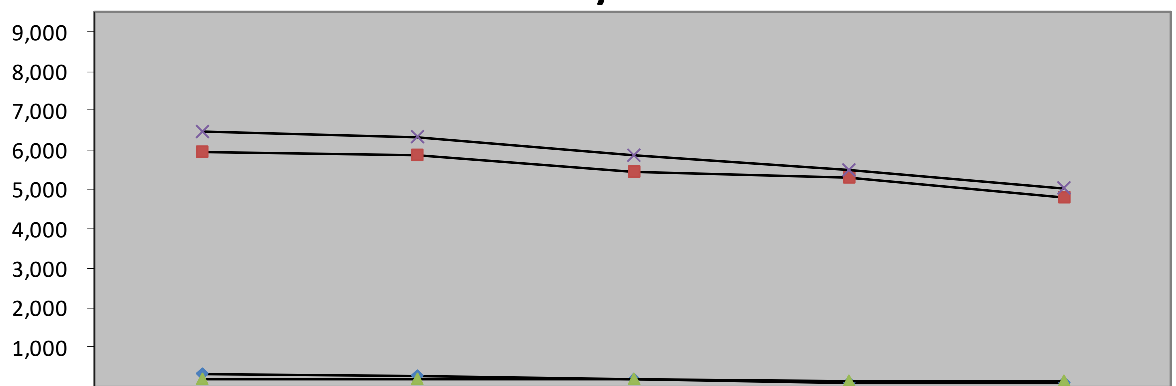
FTES History



Fiscal Year	17-18	18-19	19-20	20-21	21-22
Noncredit	318	284	206	79	112
Credit	5,956	5,874	5,472	5,304	4,802
Nonres	188	175	195	131	119
Total FTES	6,462	6,333	5,873	5,514	5,033

In conclusion, the District continues to have a solid financial base. Reserves are believed to be adequate. The 2022-2023 final budget continues to be "structurally balanced", with no need for augmentation from existing reserves.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Monterey Peninsula Community College District at 980 Fremont Street, Monterey, California 93940-4799.

Assets	
Cash and cash equivalents	$ 2,585,261
Investments	79,414,064
Accounts receivable	6,256,843
Student receivables	238,923
Prepaid expenses	203,574
Capital assets	
Nondepreciable capital assets	13,766,788
Depreciable capital assets, net of depreciation	130,017,938
Total capital assets, net	143,784,726
Total assets	232,483,391
Deferred Outflows of Resources	
Deferred outflows of resources related to debt refunding	5,783,938
Deferred outflows of resources related to OPEB	3,729,971
Deferred outflows of resources related to pensions	10,877,118
Total deferred outflows of resources	20,391,027
Liabilities	
Accounts payable	9,143,943
Accrued interest payable	475,651
Unearned revenue	8,243,841
Long-term liabilities	
Long-term liabilities other than OPEB and pensions, due within one year	13,680,235
Long-term liabilities other than OPEB and pensions, due in more than one year	133,892,833
Aggregate net other postemployment benefits (OPEB) liability	4,864,209
Aggregate net pension liability	27,310,526
Total liabilities	197,611,238
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	1,617,535
Deferred inflows of resources related to pensions	19,055,697
Total deferred inflows of resources	20,673,232
Net Position	
Net investment in capital assets	50,964,663
Restricted for	
Debt service	14,231,462
Capital projects	819,820
Other activities	2,331,800
Unrestricted deficit	(33,757,797)
Total net position	$ 34,589,948

Operating Revenues	
Tuition and fees	$ 6,572,795
Less: Scholarship discounts and allowances	(2,537,394)
Net tuition and fees	4,035,401
Grants and contracts, noncapital	
Federal	10,247,325
State	13,368,465
Local	180,614
Total grants and contracts, noncapital	23,796,404
Total operating revenues	27,831,805
Operating Expenses	
Salaries	30,782,654
Employee benefits	5,477,376
Supplies, materials, and other operating expenses and services	26,153,175
Student financial aid	13,117,375
Equipment, maintenance, and repairs	1,556,342
Depreciation	4,668,932
Total operating expenses	81,755,854
Operating Loss	(53,924,049)
Nonoperating Revenues (Expenses)	
State apportionments, noncapital	13,522,683
Local property taxes, levied for general purposes	27,433,915
Taxes levied for other specific purposes	14,886,697
Federal and State financial aid grants	7,318,898
State taxes and other revenues	1,591,055
Investment loss, net	(1,637,744)
Interest expense on capital related debt	(3,772,767)
Investment loss on capital asset-related debt, net	(404,787)
Other nonoperating revenue	5,019,354
Total nonoperating revenues (expenses)	63,957,304
Income Before Other Revenues	10,033,255
Other Revenues	
State revenues, capital	1,030,782
Change In Net Position	11,064,037
Net Position, Beginning of Year	23,525,911
Net Position, End of Year	$ 34,589,948

Cash Flows from Operating Activities	
Tuition and fees	$ 3,747,222
Federal, state, and local grants and contracts, noncapital	28,506,264
Payments to or on behalf of employees	(40,161,411)
Payments to vendors for supplies and services	(24,633,777)
Payments to students for scholarships and grants	(13,117,375)
Net cash flows from operating activities	(45,659,077)
Cash Flows from Noncapital Financing Activities	
State apportionments	13,852,608
Federal and state financial aid grants	7,318,898
Property taxes - nondebt related	27,433,915
State taxes and other apportionments	1,999,616
Other nonoperating	4,966,452
Net cash flows from noncapital financing activities	55,571,489
Cash Flows from Capital Financing Activities	
Purchase of capital assets	(3,864,871)
Proceeds from issuance of capital debt	30,120,156
State revenue, capital	1,030,782
Property taxes - related to capital debt	14,886,697
Principal paid on capital debt	(8,390,000)
Interest paid on capital debt	(1,083,641)
Interest received on capital asset-related debt	(404,787)
Net cash flows from capital financing activities	32,294,336
Cash Flows from Investing Activities	
Change in fair market value of cash in county treasury	(1,845,250)
Interest received from investments	218,640
Net cash flows from investing activities	(1,626,610)
Change In Cash and Cash Equivalents	40,580,138
Cash and Cash Equivalents, Beginning of Year	41,266,959
Cash and Cash Equivalents, End of Year	$ 81,847,097

Reconciliation of Net Operating Loss to Net Cash Flows From Operating Activities	
Operating Loss	$ (53,924,049)
Adjustments to reconcile operating loss to net cash flows from operating activities	
Depreciation expense	4,668,932
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources	
Receivables	2,046,695
Prepaid expenses	(203,574)
Deferred outflows of resources related to OPEB	(132,489)
Deferred outflows of resources related to pensions	2,068,847
Accounts payable	2,941,498
Unearned revenue	2,374,986
Compensated absences	137,104
Early retirement incentives	(324,375)
Aggregate net OPEB liability	(455,975)
Aggregate net pension liability	(22,149,752)
Deferred inflows of resources related to OPEB	711,899
Deferred inflows of resources related to pensions	16,581,176
Total adjustments	8,264,972
Net cash flows from operating activities	$ (45,659,077)
Cash and Cash Equivalents Consist of the Following:	
Cash in banks and on hand	$ 2,585,261
Cash in county treasury	79,261,836
Total cash and cash equivalents	$ 81,847,097
Noncash Transactions	
Amortization of deferred outflows of resources related to debt refunding	$ 478,671
Amortization of debt premiums	$ 145,775
Accretion of interest on capital appreciation bonds	$ 2,330,225

	Retiree OPEB Trust
Assets	
Investments	$ 6,676,981
Net Position	
Restricted for postemployment benefits other than pensions	$ 6,676,981

	Retiree OPEB Trust
Additions	
District contributions	$ 985,655
Interest and investment income	194,854
Total additions	1,180,509
Deductions	
Benefit payments	985,655
Administrative expenses	9,985
Net realized and unrealized losses	1,113,673
Total deductions	2,109,313
Change in Net Position	(928,804)
Net Position - Beginning of Year	7,605,785
Net Position - End of Year	$ 6,676,981

Note 1 - Organization

The Monterey Peninsula Community College District (the District) was established in September 1947 is a political subdivision of the State of California and is a comprehensive, public, two-year institution offering educational services to the local residents of the surrounding area. The District consists of one community college located in Monterey, California. The District operates under a locally elected five-member Board of Trustees form of government and provides higher education in the County of Monterey. The District currently operates one college campus located in the city of Monterey, one educational center in Marina, and the Public Safety Training Center (PSTC) in Seaside. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of GASB Statement No. 61. The District is classified as a Public Educational Institution under Internal Revenue Code Section 115 and is, therefore, exempt from Federal taxes.

Note 2 - Summary of Significant Accounting Policies

Financial Reporting Entity

The District has adopted accounting policies to determine whether certain organizations, for which the District is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the District, as defined by accounting principles generally accepted in the United States of America and established by the Governmental Accounting Standards Board (GASB). The District has identified no component units.

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

Basis of Accounting

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

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

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

Cash and Cash Equivalents

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

Investments

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

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

Accounts Receivable

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. Management has analyzed these accounts and believes all amounts are fully collectable.

Prepaid Expenses

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

Capital Assets and Depreciation

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

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

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

Compensated Absences

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

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

Debt Premiums

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

Deferred Outflows of Resources and Deferred Inflows of Resources

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

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for 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) plan for schools (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value. The aggregate net pension liability attributable to the governmental activities will be paid by the fund in which the employee worked.

Postemployment Benefits Other Than Pensions (OPEB)

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

Unearned Revenue

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

Noncurrent Liabilities

Noncurrent liabilities include bonds payable, compensated absences, early retirement incentives, aggregate net pension liability, aggregate net OPEB liability, and claims liability payable 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 $17,800,026 of restricted net position, and the fiduciary funds financial statements report $6,676,981 of restricted net position.

Operating and Nonoperating Revenues and Expenses

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

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

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

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

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

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

State Apportionments

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

Property Taxes

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

The voters of the District passed a General Obligation Bonds in 2002 and 2020 for the acquisition, construction, and remodeling of certain District property. As a result of the passage of the Bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are assessed, billed, and collected as noted above and remitted to the District when collected.

Scholarship Discounts and Allowances

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

Financial Assistance Programs

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

Estimates

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

Interfund Activity

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

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

Adoption of New Standard

As of July 1, 2021, the District adopted GASB Statement No. 87, Leases. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The 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 expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap Clarifying the definition of reference rate, as it is used in Statement 53, as amended
- Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

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

Note 3 - Deposits and Investments

Policies and Practices

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

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

General Authorizations

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

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

Authorized Under Debt Agreements

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

Summary of Deposits and Investments

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

	Primary Government	Fiduciary Fund
Cash on hand and in banks	$ 2,560,261	$ -
Cash in revolving	25,000	-
Investments	79,414,064	6,676,981
Total deposits and investments	$ 81,999,325	$ 6,676,981

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the Monterey County Investment Pool, Mutual Funds, and the Master Trust.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the Monterey County Investment Pool, Mutual Funds, and the Master Trust are not required to be rated, nor have been rated as of June 30, 2022.

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 Days to Maturity	Credit Rating
Master trust	$ 6,676,981	No maturity	Not rated
Mutual funds	152,228	No maturity	Not rated
Monterey County investment pool	79,261,836	482	Not rated
Total	$ 86,091,045		

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 of 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 $2,467,584 was exposed to custodial credit risk because it was uninsured but 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 $6,176,981 was exposed to custodial credit risk because it was uninsured, unregistered and held by the brokerage firm which is also the counterparty for these securities. The District does not have a policy limiting the amount of securities that can be held by counterparties.

Note 4 - Fair Value Measurements

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

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

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

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

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

		Fair Value Measurements Using	
Investment Type	Fair Value	Level 1 Inputs	Level 3 Inputs
Master trust	$ 6,676,981	$ -	$ 6,676,981
Mutual funds	152,228	152,228	-
Total	$ 6,829,209	$ 152,228	$ 6,676,981

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
Federal Government	
Categorical aid	$ 4,683,984
State Government	
Categorical aid	630,502
Lottery	355,000
Other state sources	91,408
Local Sources	
Interest	52,000
Other local sources	443,949
Total	$ 6,256,843
Student receivables	$ 238,923

Note 6 - Capital Assets

Capital asset activity 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	$ 9,900,000	$ 1,852,000	$ -	$ 11,752,000
Construction in progress	2,254,947	1,680,991	(1,921,150)	2,014,788
Total capital assets not being depreciated	12,154,947	3,532,991	(1,921,150)	13,766,788
Capital Assets Being Depreciated				
Land improvements	29,195,917	1,921,150	-	31,117,067
Buildings and improvements	161,105,209	-	-	161,105,209
Furniture and equipment	8,927,844	1,014,185	-	9,942,029
Total capital assets being depreciated	199,228,970	2,935,335	-	202,164,305
Total capital assets	211,383,917	6,468,326	(1,921,150)	215,931,093
Less Accumulated Depreciation				
Land improvements	(18,755,053)	(1,341,531)	-	(20,096,584)
Buildings and improvements	(40,533,855)	(3,150,646)	-	(43,684,501)
Furniture and equipment	(8,188,527)	(176,755)	-	(8,365,282)
Total accumulated depreciation	(67,477,435)	(4,668,932)	-	(72,146,367)
Net capital assets	$ 143,906,482	$ 1,799,394	$ (1,921,150)	$ 143,784,726

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	$ 119,949,842	$ 32,330,225	$ (8,390,000)	$ 143,890,067	$ 13,520,000
Bond premium	925,447	120,156	(145,775)	899,828	-
Compensated absences	1,208,263	137,104	-	1,345,367	-
Early retirement incentives	965,315	-	(324,375)	640,940	160,235
Claims liability	796,866	-	-	796,866	-
Total	$ 123,845,733	$ 32,587,485	$ (8,860,150)	$ 147,573,068	$ 13,680,235

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 compensated absences will be paid by the fund for which the employee worked. The claims liability will be paid by the Internal Service Fund. The early retirement incentives will be paid by the General Fund.

Bonded Debt

General Obligation Bonds

Election 2002 General Obligation Bonds, Series 2002B

During January 2008, the District issued the 2008 General Obligation Bonds, Series B, for $9,004,530. The bonds issued included $8,440,000 of Current Interest bonds and $564,530 of Capital Appreciation bonds. The Capital Appreciation bonds have a maturing principal balance of $1,000,000. The Current Interest bonds mature beginning on August 1, 2008 through August 1, 2021, with interest rates ranging from 3.80% to 5.35%. The Capital Appreciation bonds mature beginning on August 1, 2015 through August 1, 2021, with yield rate of 5.10%. At June 30, 2022, the principal balance was paid in full.

2013 General Obligation Refunding Bonds, Series A

In May 2013, the District issued the $19,235,000 2013 General Obligation Refunding Bonds, Series A. The bonds have a final maturity to occur on August 1, 2021, with interest rates from 0.335% to 4.00%. The net proceeds from the issuance were used to advance refund a portion of the District's outstanding 2002 General Obligation Bonds, Series C and to pay the cost of issuance associated with the refunding bonds. In addition, the net proceeds were used to advance refund a portion of the District's outstanding 2005 General Obligation Refunding Bonds and to pay the cost of the issuance associated with the refunding bonds. Amounts paid to the refunded bond escrow agent in excess of outstanding debt at the time of payment are recorded as deferred charges on refunding on the Statement of Net Position and are amortized to interest expense over the life of the liability. At June 30, 2022, the principal balance paid in full.

2016 General Obligation Refunding Bonds, Series B

In May 2016, the District issued the $105,348,522 2016 General Obligation Refunding Bonds. The bonds have a final maturity to occur on August 1, 2034, with interest rates from 1.50% to 4.00%. The net proceeds of $106,531,137 (representing the principal amount of $105,348,522 plus premium on issuance of $1,182,615) from the issuance were used to advance refund a portion of the District's outstanding 2002 General Obligation Bonds, Series C and to pay the cost of issuance associated with the refunding bonds. Amounts paid to the refunded bond escrow agent in excess of outstanding debt at the time of payment are recorded as deferred charges on refunding on the Statement of Net Position and are amortized to interest expense over the life of the liability. At June 30, 2022, the principal balance outstanding was $113,890,067. Unamortized premium received on issuance of the bonds and deferred outflows of resources on refunding amounted to $783,010 and $5,783,938, respectively, as of June 30, 2022.

Election 2020 General Obligation Bonds, Series 2021A

During August 2021, the District issued the Election 2020 General Obligation Bonds, Series 2021A, for $30,000,000. The bonds have a final maturity date of August 1, 2051, with interest rates ranging from 0.18% to 2.95%. The net proceeds of $30,120,156 (representing the principal amount of $30,000,000 plus premium on issuance of $120,156) from the issuance were used to finance the repair, upgrading, modernization and equipping of District sites and facilities, and to pay the cost of issuance associated with the bonds.

The outstanding general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding Beginning of Year	Issued	Accreted Interest	Redeemed	Bonds Outstanding End of Year
1/24/2008	8/1/2021	3.80%-5.35%	$ 9,004,530	$ 200,000	$ -	$ -	$ (200,000)	$ -
5/7/2013	8/1/2021	1.50%-4.00%	19,235,000	8,190,000		-	(8,190,000)	-
6/2/2016	8/1/2034	1.65%-4.00%	105,348,522	111,559,842	-	2,330,225	-	113,890,067
8/25/2021	8/1/2051	0.18%-2.95%	30,000,000	-	30,000,000	-	-	30,000,000
				$ 119,949,842	$30,000,000	$ 2,330,225	$ (8,390,000)	$143,890,067

The general obligation bonds mature through 2052 as follows:

Fiscal Year	Principal (Including accreted interest to date)	Accreted Interest	Current Interest to Maturity	Total
2023	$ 13,460,582	$ 59,418	$ 1,135,861	$ 14,655,861
2024	14,325,708	204,292	1,088,939	15,618,939
2025	15,006,593	388,407	1,029,430	16,424,430
2026	7,902,811	617,189	1,011,144	9,531,144
2027	8,064,935	910,065	1,011,144	9,986,144
2028-2032	41,908,647	10,461,353	5,055,720	57,425,720
2033-2037	34,860,791	4,844,209	2,806,030	42,511,030
2038-2042	1,845,000	-	1,086,223	2,931,223
2043-2047	2,705,000	-	766,798	3,471,798
2048-2052	3,810,000	-	295,837	4,105,837
Total	$ 143,890,067	$ 17,484,933	$ 15,287,126	$ 176,662,126

Early Retirement Plan

The District has entered into agreements to provide certain benefits to employees participating in early retirement incentive offerings. The District will pay a remaining total amount of $640,940 on behalf of retirees through the 2026 fiscal year with the following schedule:

Year Ending June 30,	
2023	$ 160,235
2024	160,235
2025	160,235
2026	160,235
Total	$ 640,940

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

For the 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	$ 4,689,505	$ 3,729,971	$ 1,617,535	$ 169,744
Medicare Premium Payment (MPP) Program	174,704	-	-	(46,309)
Total	$ 4,864,209	$ 3,729,971	$ 1,617,535	$ 123,435

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 Community College League of California (CCLC) Retiree Health Benefit Program Joint Powers Authority.

Plan Membership

At June 30, 2020, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	93
Active employees	251
Total	344

Monterey Peninsula Community College District Retiree Health Benefit Program Trust

The Monterey Peninsula Community College District Retiree Health Benefit Program 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 Community College League of California (CCLC) Retiree Health Benefit Program Joint Powers Authority as directed by the investment alternative choice selected by the District. The District retains the responsibility to oversee the management of the Trust, including the requirement that investments and assets held within the Trust continually adhere to the requirements of the California *Government Code* Section 53600.5 which specifies that the trustee's primary role is to preserve capital, to maintain investment liquidity, and to protect investment yield. As such, the District acts as the fiduciary of the Trust. The financial activity of the Trust has been discretely presented. Separate financial statements are not prepared for the Trust.

Benefits Provided

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

Contributions

The contribution requirements of Plan members and the District are established and may be amended by the District, the Monterey Peninsula College Teachers Association (MPCTA), the local California School Employees Association (CSEA), and unrepresented groups. Voluntary contributions based on projected pay-as-you-go financing requirements, and any additional amounts to prefund benefits with the District, MPCTA, CSEA and unrepresented groups are based on the availability of funds. For the measurement period of June 30, 2021, the District contributed $1,040,187 to the Plan, all of which was used for current premiums.

Investment

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the governing board by a majority vote of its members. It is the policy of the District to pursue an investment strategy that reduces risks through the prudent diversification for the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, expect for liquidity purposes, and aims to refrain from dramatically shifting asset class allocation over short time spans. The following was the governing board's adopted asset allocation policy as of June 30, 2021:

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

Rate of Return

For the year ended June 30, 2021, the annual money-weighed rate of return on investments, net of investment expense, was 21.93%. 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 $4,689,505 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 of June 30, 2020. The components of the net OPEB liability of the District at June 30, 2021, were as follows:

Total OPEB liability	$ 12,295,290
Plan fiduciary net position	(7,605,785)
Net OPEB liability	$ 4,689,505
Plan fiduciary net position as a percentage of the total OPEB liability	61.86%

Actuarial Assumptions

The total OPEB liability as of June 30, 2021 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. The following assumptions were applied to all periods included in the measurement, unless otherwise specified:

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

The discount rate was based on the long-term expected return on Plan assets assuming 100% funding through the Trust, using the building block method.

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actual experience study as of July 2020.

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, 2021, (see the discussion of the Plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
US Large Cap	7.545%
US Small Cap	7.545%
All Foreign Stock	7.545%
Other Fixed Income	3.000%

Discount Rate

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

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance, June 30, 2020	$ 11,427,048	$ 6,327,877	$ 5,099,171
Service cost	543,282	-	543,282
Interest	684,558	-	684,558
Difference between expected and actual experience	461,409	-	461,409
Contributions - employer	-	1,040,187	(1,040,187)
Expected investment income	-	372,111	(372,111)
Differences between projected and actual earnings on OPEB plan investments	-	1,157,854	(1,157,854)
Changes of assumptions	219,180	-	219,180
Benefit payments	(1,040,187)	(1,040,187)	-
Administrative expense	-	(252,057)	252,057
Net change in total OPEB liability	868,242	1,277,908	(409,666)
Balance, June 30, 2021	$ 12,295,290	$ 7,605,785	$ 4,689,505

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

Changes of assumptions and other inputs reflects a change in the discount rate from 6.00% to 5.75%, since the previous valuation. The rate of inflation was changed from 2.75% to 2.50%, since the previous valuation.

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

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

Discount Rate	Net OPEB Liability
1% decrease (4.75%)	$ 5,524,030
Current discount rate (5.75%)	4,689,505
1% increase (6.75%)	3,886,305

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

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

Healthcare Cost Trend Rates	Net OPEB Liability
1% decrease (3.00%)	$ 3,604,269
Current healthcare cost trend rate (4.00%)	4,689,505
1% increase (5.00%)	5,978,420

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
OPEB contributions subsequent to measurement date	$ 985,655	$ -
Differences between expected and actual experience	2,315,900	604,818
Changes of assumptions	428,416	165,484
Net difference between projected and actual earnings on OPEB plan investments	-	847,233
Total	$ 3,729,971	$ 1,617,535

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	$ (203,781)
2024	(204,756)
2025	(207,126)
2026	(231,570)
Total	$ (847,233)

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	$ 211,284
2024	211,284
2025	211,284
2026	211,284
2027	211,284
Thereafter	917,594
Total	$ 1,974,014

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 $174,704 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 0.0438% and 0.0522%, respectively, resulting in a net decrease in the proportionate share of 0.0084%.

For the year ended June 30, 2022, the District recognized OPEB expense of ($46,309).

Actuarial Methods and Assumptions

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

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

For the valuation as of June 30, 2020, CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in 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%)	$ 192,572
Current discount rate (2.16%)	174,704
1% increase (3.16%)	159,438

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 are one percent lower or higher than the current rates:

Medicare Costs Trend Rate	Net OPEB Liability
1% decrease (3.5% Part A and 4.4% Part B)	$ 158,873
Current Medicare costs trend rate (4.5% Part A and 5.4% Part B)	174,704
1% increase (5.5% Part A and 6.4% Part B)	192,854

Note 9 - Employee Retirement Systems

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

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

Pension Plan	Aggregate Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 13,260,491	$ 7,000,132	$ 13,530,475	$ 412,575
CalPERS	14,050,035	3,876,986	5,525,222	1,865,016
Total	$ 27,310,526	$ 10,877,118	$ 19,055,697	$ 2,277,591

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

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

Benefits Provided

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

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

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

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

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

Contributions

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and are detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with California Assembly Bill 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2022, are presented above, and the District's total contributions were $3,056,407.

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	$ 13,260,491
State's proportionate share of net pension liability associated with the District	6,672,165
Total	$ 19,932,656

The net pension liability was measured as of June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2021 and June 30, 2020, was 0.0291% and 0.0299%, respectively, resulting in a net decrease in the proportionate share of 0.0008%.

For the year ended June 30, 2022, the District recognized pension expense of $412,575. In addition, the District recognized pension expense and revenue of $228,280 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	$ 3,056,407	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	2,031,637	1,629,893
Differences between projected and actual earnings on pension plan investments	-	10,489,390
Differences between expected and actual experience in the measurement of the total pension liability	33,218	1,411,192
Changes of assumptions	1,878,870	-
Total	$ 7,000,132	$ 13,530,475

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	$ (2,663,676)
2024	(2,436,393)
2025	(2,496,856)
2026	(2,892,465)
Total	$ (10,489,390)

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	$ 341,529
2024	680,304
2025	(48,905)
2026	91,541
2027	93,817
Thereafter	(255,646)
Total	$ 902,640

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 (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2021, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public equity	42%	4.8%
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 of 7.10% and assuming that contributions, benefit payments, and administrative expense occurred midyear. Based on these assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 26,993,613
Current discount rate (7.10%)	13,260,491
1% increase (8.10%)	1,862,261

California Public Employees' Retirement System (CalPERS)

Plan Description

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

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

Benefits Provided

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

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

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

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2022, are presented above, and the total District contributions were $2,720,913.

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

As of June 30, 2022, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $14,050,035. 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 0.0691% and 0.0667%, respectively, resulting in a net increase in the proportionate share of 0.0024%.

For the year ended June 30, 2022, the District recognized pension expense of $1,865,016. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 2,720,913	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	736,643	100,114
Differences between projected and actual earnings on pension plan investments	-	5,391,986
Differences between expected and actual experience in the measurement of the total pension liability	419,430	33,122
Total	$ 3,876,986	$ 5,525,222

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	$ (1,352,306)
2024	(1,243,567)
2025	(1,296,498)
2026	(1,499,615)
Total	$ (5,391,986)

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	$ 504,711
2024	273,773
2025	222,398
2026	21,955
Total	$ 1,022,837

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%)	$ 23,690,332
Current discount rate (7.15%)	14,050,035
1% increase (8.15%)	6,046,520

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS for the fiscal year ended June 30, 2022, which amounted to $1,873,989 (10.828%) of salaries subject to CalSTRS. Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Deferred Compensation

The District offers its employees a CalPERS administered 457 Deferred Compensation Program (the Program). The plan, available to all permanent employees, permits them to defer a portion of pre-tax salary into investment of an individual's own choosing until future years. The deferred compensation is not available to the employees or their beneficiaries until termination, retirement, death, or an unforeseeable emergency. The CalPERS Board controls the investment and administrative functions of the CalPERS 457 Deferred Compensation Program. The Board for the exclusive benefit of participating employees, which adds security, holds the assets in trust.

Note 10 - Risk Management

Claims Liability

The District records an estimated liability for healthcare claims against the District. Claims liability is based on the ultimate cost of the reported claims including future claim adjustment expense and an estimate for claims incurred, but not reported, based on historical experience. The projected liability for unpaid losses reported in the Statement of Net Position is $796,866 and was calculated using claim lag reports and completion factor methodology.

	Healthcare
Liability Balance, July 1, 2020	$ 796,866
Claims and changes in estimates	8,995,660
Claims payments	(8,995,660)
Liability Balance, June 30, 2021	796,866
Claims and changes in estimates	11,558,871
Claims payments	(11,558,871)
Liability Balance, June 30, 2022	$ 796,866
Assets available to pay claims at June 30, 2022	$ 2,122,838

Property and Liability Insurance Coverages

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions. The District purchases coverage through their participation in the Bay Area Community College District Joint Powers Authority (BACCD JPA). The coverage provides liability coverage up to $1 million per occurrence. In addition, through participation in the BACCD JPA, the District also has coverage for damage to or loss of property up to $250,250,000 per occurrence. The District liability and property coverage is subject to a $100,000 and $250,000, respectively, per occurrence deductible. The District also provides health insurance benefits to District employees, their families, and retirees of the District.

Joint Powers Authority Risk Pools

During fiscal year ended June 30, 2022, the District contracted with the Bay Area Community College District Joint Powers Authority for property and liability insurance coverage. During the past three years the District had no claims that exceeded the limit of liability provided by the BACCD JPA. Additionally, there has been no reduction in the coverage provided by the BACCD JPA.

Workers' Compensation

For fiscal year 2021-2022, the District participated in the Northern California Community College Pool, an insurance purchasing pool. The intent of the Pool is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the Pool. The workers' compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in the Pool. Each participant pays its workers' compensation premium based on its individual rate. Participation in the Pool is limited to community college districts that can meet the Pool's selection criteria.

Insurance Program / Company Name	Type of Coverage	Limits
Northern California Community College JPA	Workers' Compensation	$ 1,000,000
Bay Area Community College District JPA	Property	$ 250,250,000
Bay Area Community College District JPA	General Liability	$ 1,000,000

Participation in Public Entity Risk Pools and Joint Powers Authorities

The District is a member of the Bay Area Community College District (BACCD) JPA, the Northern California Community College Pool (NCCCP), and the Alameda County Schools Insurance Group (ACSIG) Joint Powers Authority. The District pays annual premiums for its property and liability, health, workers' compensation, dental, and vision coverage. The relationship between the District and the JPAs are such that they are not component units of the District for financial reporting purposes.

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

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 approximately $1.5 million in commitments with respect to unfinished capital projects. The projects are funded through a combination of general obligation bonds and capital project apportionments from the California State Chancellor's Office.

Required Supplementary Information
June 30, 2022

Monterey Peninsula Community College District

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	$ 543,282	$ 582,303	$ 521,369	$ 495,830	$ 234,699
Interest	684,558	602,519	545,492	661,508	639,050
Difference between expected and actual experience	461,409	1,595,077	891,338	(1,070,066)	-
Changes of assumptions	219,180	(203,528)	340,877	-	-
Benefit payments	(1,040,187)	(1,132,096)	(1,402,973)	(1,297,047)	(582,995)
Net change in total OPEB liability	868,242	1,444,275	896,103	(1,209,775)	290,754
Total OPEB Liability - Beginning	11,427,048	9,982,773	9,086,670	10,296,445	10,005,691
Total OPEB Liability - Ending (a)	$ 12,295,290	$ 11,427,048	$ 9,982,773	$ 9,086,670	$ 10,296,445
Plan Fiduciary Net Position					
Contributions - employer	$ 1,040,187	$ 2,203,315	$ 1,814,983	$ 1,827,907	$ 695,009
Expected investment income	372,111	212,803	296,669	250,243	295,578
Differences between projected and actual earnings on OPEB plan investments	1,157,854	-	(11,849)	(4,882)	-
Benefit payments	(1,040,187)	(1,132,096)	(1,402,973)	(1,297,047)	(582,995)
Administrative expense	(252,057)	(8,810)	(4,592)	(500)	(500)
Net change in plan fiduciary net position	1,277,908	1,275,212	692,238	775,721	407,092
Plan Fiduciary Net Position - Beginning	6,327,877	5,052,665	4,360,427	3,584,706	3,177,614
Plan Fiduciary Net Position - Ending (b)	$ 7,605,785	$ 6,327,877	$ 5,052,665	$ 4,360,427	$ 3,584,706
Net OPEB Liability - Ending (a) - (b)	$ 4,689,505	$ 5,099,171	$ 4,930,108	$ 4,726,243	$ 6,711,739
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	61.86%	55.38%	50.61%	47.99%	34.81%
Covered Payroll	$ 28,945,672	$ 28,516,668	$ 26,642,274	$ 26,066,191	$ 23,494,589
Net OPEB Liability as a Percentage of Covered Payroll	16.20%	17.88%	18.50%	18.13%	28.57%
Measurement Date	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
Annual money-weighted rate of return, net of investment expense	21.93%	3.14%	5.88%	6.51%	9.23%

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	0.0438%	0.0522%	0.0480%	0.0000%	0.0000%
Proportionate share of the net OPEB liability	$ 174,704	$ 221,013	$ 178,585	$ 183,407	$ 212,524
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
CalSTRS					
Proportion of the net pension liability	0.0291%	0.0299%	0.0271%	0.0267%	0.0279%
Proportionate share of the net pension liability	$ 13,260,491	$ 29,005,088	$ 24,483,436	$ 24,535,147	$ 25,804,391
State's proportionate share of the net pension liability associated with the District	6,672,165	14,952,126	13,357,349	14,047,519	15,265,660
Total	$ 19,932,656	$ 43,957,214	$ 37,840,785	$ 38,582,666	$ 41,070,051
Covered payroll	$ 17,806,155	$ 17,351,164	$ 15,691,720	$ 15,112,904	$ 15,411,582
Proportionate share of the net pension liability as a percentage of its covered payroll	74.47%	167.17%	156.03%	162.35%	167.44%
Plan fiduciary net position as a percentage of the total pension liability	87%	72%	73%	71%	69%
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
CalPERS					
Proportion of the net pension liability	0.0691%	0.0667%	0.0663%	0.0673%	0.0635%
Proportionate share of the net pension liability	$ 14,050,035	$ 20,455,190	$ 19,317,902	$ 17,956,579	$ 15,152,951
Covered payroll	$ 11,139,517	$ 11,165,504	$ 10,950,554	$ 10,953,287	$ 8,083,007
Proportionate share of the net pension liability as a percentage of its covered payroll	126.13%	183.20%	176.41%	163.94%	187.47%
Plan fiduciary net position as a percentage of the total pension liability	81%	70%	70%	71%	72%
Measurement Date	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.

	2017	2016	2015
CalSTRS			
Proportion of the net pension liability	0.0290%	0.0317%	0.0320%
Proportionate share of the net pension liability	$ 23,455,119	$ 21,365,382	$ 19,691,915
State's proportionate share of the net pension liability associated with the District	13,352,581	11,299,932	11,286,985
Total	$ 36,807,700	$ 32,665,314	$ 30,978,900
Covered payroll	$ 15,041,901	$ 14,507,218	$ 14,503,338
Proportionate share of the net pension liability as a percentage of its covered payroll	155.93%	147.27%	135.78%
Plan fiduciary net position as a percentage of the total pension liability	70%	74%	77%
Measurement Date	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS			
Proportion of the net pension liability	0.0665%	0.0728%	0.0813%
Proportionate share of the net pension liability	$ 13,143,367	$ 10,727,955	$ 9,225,415
Covered payroll	$ 7,987,128	$ 8,057,608	$ 8,531,836
Proportionate share of the net pension liability as a percentage of its covered payroll	164.56%	133.14%	108.13%
Plan fiduciary net position as a percentage of the total pension liability	74%	79%	83%
Measurement Date	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
CalSTRS					
Contractually required contribution	$ 3,056,407	$ 2,875,694	$ 2,967,049	$ 2,554,612	$ 2,180,792
Less contributions in relation to the contractually required contribution	(3,056,407)	(2,875,694)	(2,967,049)	(2,554,612)	(2,180,792)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 18,063,871	$ 17,806,155	$ 17,351,164	$ 15,691,720	$ 15,112,904
Contributions as a percentage of covered payroll	16.92%	16.15%	17.10%	16.28%	14.43%
CalPERS					
Contractually required contribution	$ 2,720,913	$ 2,305,880	$ 2,201,949	$ 1,977,889	$ 1,701,155
Less contributions in relation to the contractually required contribution	(2,720,913)	(2,305,880)	(2,201,949)	(1,977,889)	(1,701,155)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 11,876,530	$ 11,139,517	$ 11,165,504	$ 10,950,554	$ 10,953,287
Contributions as a percentage of covered payroll	22.910%	20.700%	19.721%	18.062%	15.531%

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

	2017	2016	2015
CalSTRS			
Contractually required contribution	$ 1,938,777	$ 1,613,996	$ 1,288,241
Less contributions in relation to the contractually required contribution	(1,938,777)	(1,613,996)	(1,288,241)
Contribution deficiency (excess)	$ -	$ -	$ -
Covered payroll	$ 15,411,582	$ 15,041,901	$ 14,507,218
Contributions as a percentage of covered payroll	12.58%	10.73%	8.88%
CalPERS			
Contractually required contribution	$ 1,122,568	$ 946,235	$ 948,461
Less contributions in relation to the contractually required contribution	(1,122,568)	(946,235)	(948,461)
Contribution deficiency (excess)	$ -	$ -	$ -
Covered payroll	$ 8,083,007	$ 7,987,128	$ 8,057,608
Contributions as a percentage of covered payroll	13.888%	11.847%	11.771%

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

Note 1 - Purpose of Schedules

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

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

- *Changes in Benefit Terms* - There were no changes in benefit terms since the previous valuation.
- *Changes of Assumptions* - Changes of assumptions and other inputs reflects a change in the discount rate from 6.00% to 5.75%, since the previous valuation. The rate of inflation was changed from 2.75% to 2.50%, 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 positions and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

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

Schedule of District Contributions for Pensions

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

Supplementary Information
June 30, 2022

Monterey Peninsula Community College District

The Monterey Peninsula Community College District was established in 1961. The District provides higher education to communities within Monterey County. The District currently operates one campus located in Monterey and one education center. There were no changes to the District's boundaries during the year. The District's college is accredited by the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges, which is one of six regional associations that accredit public and private schools, colleges, and universities in the United States.

Board of Trustees as of June 30, 2022

Member	Office	Term Expires
Ms. Rosalyn Green	Chair	2022
Dr. Loren Steck	Vice Chair	2024
Ms. Yuri Anderson	Trustee	2022
Ms. Debeliah Anthony	Trustee	2024
Ms. Elizabeth Downey	Trustee	2024
Ms. Maritza Rivas	Student Trustee	2023

Administration as of June 30, 2022

Dr. Mark Zacovic	Interim Superintendent/President
Mr. Steve Haigler	Vice President, Administrative Services
Dr. Jon Knolle	Vice President of Academic Affairs
Mr. Laurence Walker	Vice President of Student Services
Ms. Rebecca Michael	Vice President, Advancement

Auxiliary Organizations in Good Standing

Monterey Peninsula College Foundation, established 1994
Master Agreement revised - 2017
Ms. Rebecca Michael, Executive Director

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Student Financial Assistance Cluster			
Federal Pell Grant Program	84.063		$ 4,798,968
Federal Direct Student Loans	84.268		578,910
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		184,867
Federal Work-Study Program	84.033		115,400
Subtotal Student Financial Assistance Cluster			5,678,145
TRIO Cluster			
Student Support Services Program	84.042A		333,861
Upward Bound Program	84.047A		451,950
Upward Bound - Math and Science	84.047M		363,703
Subtotal TRIO Cluster			1,149,514
COVID-19: Higher Education Emergency Relief Funds, Student Aid Portion	84.425E		2,296,739
COVID-19: Higher Education Emergency Relief Funds, Institutional Portion	84.425F		6,162,950
COVID-19: Higher Education Emergency Relief Funds, Institutional Resilience and Expanded Postsecondary Opportunity	84.425P		90,941
Subtotal			8,550,630
Title V - Ready, Set, Transfer	84.031S		609,365
Title V - Engage, Promote, Connect	84.031S		790,156
Enhanced Diversity in STEM through Magnified Resources	84.031C		102,834
Subtotal			1,502,355
Passed through California Community Colleges Chancellor's Office			
Career and Technical Education Act (CTEA), Title I, Part C	84.048A	21-C01-033	169,866
Total U.S. Department of Education			17,050,510
Research and Development Cluster			
National Science Foundation			
MATE ROV Competitions: Providing Pathways to the Ocean STEM Workforce	47.076		223,427
MATE: A New Approach to ESROV	47.076		67,076
Marine Advanced Technology Education Support Center	47.076		101,335
Passed through University Corporation at Monterey Bay			
Robert Noyce Teacher Scholarship Program	47.076	5059601A/ 06302021-A	10,399
Passed through Allan Hancock Community College District			
Louis Stokes B2B Alliance	47.076	NSFC6-03	11,286
Passed through Stanford Medical Center			
Diversifying and Integrating Education at Stations Along a Biogeographic Gradient	47.076	[1]	2,037
Subtotal Research and Development Cluster			415,560

[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 Agriculture			
Passed through from California Department of Education			
Child and Adult Care Food Program	10.558	04130-CACFP-27-CC-IC	$ 27,254
Total U.S. Department of Agriculture			27,254
U.S. Department of Veterans Affairs			
Veterans Education	64.116		2,440
Total U.S. Department of Veterans Affairs			2,440
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]	19,479
Child Care and Development Fund (CCDF) Cluster			
Passed through from Yosemite Community College District			
Child Development Training Consortium	93.575	20-21-3969	11,657
Subtotal CCDF Cluster			11,657
Total U.S. Department of Health and Human Services			31,136
Total Federal Financial Assistance			$ 17,526,900

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

Program	Program Revenues: Cash Received	Accounts Receivable	Unearned Revenue	Total Revenue	Program Expenditures
Access Resource Center (Passed Through UC Santa Cruz)	$ -	$ 8,487	$ -	$ 8,487	$ 8,487
Access Resource Center (DSP&S)	888,597	-	83,465	805,132	805,132
Adult Education Block Grant	98,835	-	25,577	73,258	73,258
Basic Needs	198,270	-	198,270	-	-
CalFresh Outreach	30,718	-	30,718	-	-
California Promise Scholarship	739,348	-	266,858	472,490	472,490
California State Preschool Program	187,101	98,171		285,272	285,272
CalWORKs	288,613	-	85,891	202,722	202,722
Cap and Gown Grant Funds	17,500	-	17,500	-	-
CARE	198,778	-	36,974	161,804	161,804
Cash4College	5,632	-	5,632	-	-
CCAP Instructional Materials for Dual Enrollment	40,982	-	40,982	-	-
COVID-19 Response Block Grant (CRF)	348,648	-	-	348,648	348,648
CTE - Data Unlocked	49,872	-	49,872	-	-
Culturally Competent Faculty Professional Development	50,435	-	50,435	-	-
Early Action Emergency Financial Aid	439,833	-	439,833	-	-
EEO Best Practices	208,333	-	208,333	-	-
Extended Opportunity Programs and Service (EOPS)	1,229,625	-	238,319	991,306	991,306
Financial Aid Technology	131,594	-	94,680	36,914	36,914
First 5 Workforce Development Incentive Project	57,488	39,961	-	97,449	97,449
Guided Pathways	230,863	-	2,144	228,719	228,719
Institutional Effectiveness Partnership Initiative	131,090	-	37,036	94,054	94,054
Instructional Equipment	300,000	-	195,295	104,705	104,705
LGBTQIA	63,661	-	63,661	-	-
Library	17,118	-	17,118	-	-

Program	Program Revenues: Cash Received	Accounts Receivable	Unearned Revenue	Total Revenue	Program Expenditures
Mental Health Support	$ 189,793	$ -	$ 189,793	$ -	$ -
Regional Nursing Program Grant	188,518	-	2,114	186,404	186,404
Retention and Enrollment Outreach	749,855	-	719,604	30,251	30,251
Song Brown Grant	10,000	-	10,000	-	-
Staff Diversity	85,568	-	65,935	19,633	19,633
Strong Workforce Program	2,458,723	-	736,086	1,722,637	1,722,637
Strong Workforce Program - Regional Pass Through Cabrillo CCD	129,025	483,883		612,908	612,908
Student Equity and Achievement	2,450,477	-	-	2,450,477	2,450,477
Student Financial Aide Admin. (BFAP)	241,848	-	-	241,848	241,848
Student Food and Housing Support	207,837	-	207,837	-	-
Student Success Completion	770,453	-	296,694	473,759	473,759
Teacher Credentialing Pathway	450,000	-	305,757	144,243	144,243
Umoja	26,578	-	14,978	11,600	11,600
Undocumented Res Liaisons	124,157	-	124,157	-	-
Veterans Resource Center	184,688	-	109,811	74,877	74,877
Total state programs	$ 14,220,454	$ 630,502	$ 4,971,359	$ 9,879,597	$ 9,879,597

CATEGORIES	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2021 only)			
1. Noncredit*	14.22	-	14.22
2. Credit	544.43	-	544.43
B. Summer Intersession (Summer 2022 - Prior to July 1, 2022)			
1. Noncredit*	-	-	-
2. Credit	30.40	-	30.40
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	713.93	-	713.93
(b) Daily Census Contact Hours	109.61	-	109.61
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit*	98.12	-	98.12
(b) Credit	1,024.10	-	1,024.10
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Procedure Courses	1,909.76	-	1,909.76
(b) Daily Census Procedure Courses	469.35	-	469.35
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	4,913.92	-	4,913.92
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. In-Service Training Courses (FTES)	-	-	-
F. Basic Skills Courses and Immigrant Education			
1. Noncredit*	-	-	-
2. Credit	-	-	-
CCFS-320 Addendum			
CDCP Noncredit FTES	17.49	-	17.49
Centers FTES			
1. Noncredit*	3.13	-	3.13
2. Credit	158.38	-	158.38

*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
Academic Salaries							
Instructional Salaries							
Contract or Regular	1100	$ 7,601,145	$ -	$ 7,601,145	$ 7,601,145	$ -	$ 7,601,145
Other	1300	5,582,581	-	5,582,581	5,598,060	-	5,598,060
Total Instructional Salaries		13,183,726	-	13,183,726	13,199,205	-	13,199,205
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	2,746,623	-	2,746,623
Other	1400	-	-	-	560,540	-	560,540
Total Noninstructional Salaries		-	-	-	3,307,163	-	3,307,163
Total Academic Salaries		13,183,726	-	13,183,726	16,506,368	-	16,506,368
Classified Salaries							
Noninstructional Salaries							
Regular Status	2100	-	-	-	5,784,534	-	5,784,534
Other	2300	-	-	-	339,281	-	339,281
Total Noninstructional Salaries		-	-	-	6,123,815	-	6,123,815
Instructional Aides							
Regular Status	2200	594,957	-	594,957	853,464	-	853,464
Other	2400	301,731	-	301,731	355,252	-	355,252
Total Instructional Aides		896,688	-	896,688	1,208,716	-	1,208,716
Total Classified Salaries		896,688	-	896,688	7,332,531	-	7,332,531
Employee Benefits	3000	8,636,385	-	8,636,385	15,572,953	-	15,572,953
Supplies and Material	4000	-	-	-	606,210	-	606,210
Other Operating Expenses	5000	2,451,493	-	2,451,493	6,198,192	-	6,198,192
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures		25,168,292	-	25,168,292	46,216,254	-	46,216,254

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Exclusions							
Activities to Exclude							
Instructional Staff - Retirees' Benefits and Retirement Incentives	5900	$ -	$ -	$ -	$ -	$ -	$ -
Student Health Services Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	-	-	-
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	6740	-	-	-	-	-	-
Objects to Exclude							
Rents and Leases	5060	-	-	-	-	-	-
Lottery Expenditures							-
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	1,123,884	-	1,123,884
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines, and Periodicals	4200	-	-	-	-	-	-
Instructional Supplies and Materials	4300	-	-	-	-	-	-
Noninstructional Supplies and Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	-	-	-

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Other Operating Expenses and Services	5000	$ -	$ -	$ -	$ -	$ -	$ -
Capital Outlay	6000						
Library Books	6300	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay							
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		-	-	-	1,123,884	-	1,123,884
Total for ECS 84362, 50 Percent Law		$ 25,168,292	$ -	$ 25,168,292	$ 45,092,370	$ -	$ 45,092,370
Percent of CEE (Instructional Salary Cost/Total CEE)		55.81%		55.81%	100.00%		100.00%
50% of Current Expense of Education					$ 22,546,185		$ 22,546,185

See Note to Supplementary Information

Activity Classification	Object Code				Unrestricted
EPA Proceeds:	8630				$ 12,634,069
Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	1000-5900	$ 12,634,069	$ -	$ -	$ 12,634,069
Total Expenditures for EPA		$ 12,634,069	$ -	$ -	$ 12,634,069
Revenues Less Expenditures					$ -

Amounts reported for governmental activities in the Statement of Net Position are different because		
Total fund balance		
General Funds	$ 10,899,061	
Special Revenue Funds	3,263,981	
Capital Project Funds	34,594,168	
Debt Service Funds	14,707,113	
Internal Service Funds	7,049,692	
Total fund balance - all District funds		$ 70,514,015
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	215,931,093	
Accumulated depreciation is	(72,146,367)	
Total capital assets, net		143,784,726
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	5,783,938	
Deferred outflows of resources related to OPEB	3,729,971	
Deferred outflows of resources related to pensions	10,877,118	
Total deferred outflows of resources		20,391,027
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.		(475,651)
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	(132,378,349)	
Compensated absences	(1,345,367)	
Early retirement incentive	(640,940)	
Aggregate net other postemployment benefits (OPEB) liability	(4,864,209)	
Aggregate net pension liability	(27,310,526)	
In addition, the District has issued 'capital appreciation' general obligation bonds. The accretion of interest unmatured on the general obligation bonds to date is	(12,411,546)	
Total long-term liabilities		(178,950,937)

Deferred inflows of resources represent an acquisition of net position in a future period and is not reported in the District's funds. Deferred inflows of resources amount to and related to		
Deferred inflows of resources related to OPEB	$ (1,617,535)	
Deferred inflows of resources related to pensions	(19,055,697)	
Total deferred inflows of resources		$ (20,673,232)
Total net position		$ 34,589,948

Note 1 - Purpose of Schedules

District Organization

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

Schedule of Expenditures of Federal Awards (SEFA)

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 Organization has not elected to use the 10% de minimis cost rate.

Schedule of Expenditures of State Awards

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

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

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

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

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

Proposition 30 Education Protection Account (EPA) Expenditure Report

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

Reconciliation of 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

Monterey Peninsula 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
Monterey Peninsula Community College District
Monterey, 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 Monterey Peninsula 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 December 9, 2022.

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.

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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
December 9, 2022

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
Monterey Peninsula Community College District
Monterey, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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
December 9, 2022

Independent Auditor's Report on State Compliance

Board of Trustees
Monterey Peninsula Community College District
Monterey, California

Report on State Compliance

We have audited Monterey Peninsula 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	Proposition 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 did not receive Apprenticeship Related and Supplemental Instruction (RSI) Funds during the year; therefore, the compliance tests within this section were not applicable.

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the 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
December 9, 2022

Schedule of Findings and Questioned Costs
June 30, 2022

Monterey Peninsula 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
TRIO Cluster	84.042A, 84.047A, 84.047M
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, Institutional Resilience and Expanded Postsecondary Opportunity	84.425P

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

STATE COMPLIANCE

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

None reported.

None reported.

None reported.

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

Financial Statement Findings

None reported.

Federal Awards Findings

2021-001 Reporting

Program Name: COVID-19 – Higher Education Emergency Relief Funds – Institutional Aid Portion
Federal Assistance Listing Number: 84.425E; 84.425F
Federal Agency: U.S. Department of Education (ED)
Pass-Through Entity: Direct Funded

Criteria or Specific Requirements

Section 18004(a)(1) and *Section 18004(a)(3)* of The Coronavirus Aid, Relief, and Economic Security Act requires that institutions that received HEERF *Section(a)(1)*award to publicly post certain information on their website. This information is required to be published and updated no later than 10 days after the end of each calendar quarter:

Condition

Significant Deficiency – During our testing over quarterly reporting for the Institutional Portion, two of the reports do not appear to have been uploaded to the District's website within the required 10 days from the end of each calendar quarter.

Questioned Costs

There are no questioned costs associated to the noncompliance.

Context

The District was required to complete and post on their website four quarterly reports for the Student Aid and Institutional portions during the 2020-2021 year.

Effect

The required HEERF reporting deadlines were not met and support for the reported amounts were not maintained by the District.

Cause

The District did not have processes and procedures in place to monitor compliance with the reporting requirements described in Section 18004(a)(1).

Repeat Finding (Yes or No)

No.

Recommendation

The District should implement procedures to ensure that deadlines are clearly communicated to all staff and are in place to ensure that these deadlines are met.

Current Status

Implemented.

State Compliance Findings

None reported.

Unaudited Additional Supplementary Information
June 30, 2022

Monterey Peninsula Community College District

	General	Special Revenue Funds: Child Development	Student Center	Parking	Associated Students	Student Financial Aid	Scholarship and Loan	ORR Fund	Direct Loan
Assets									
Cash and cash equivalents	$ 467,081	$ 20,945	$ 10,911	$ 7,587	$ 337,409	$ 58,557	$ 219,683	$ 33,299	$ 205
Investments	21,051,294	95,436	899,071	(149,811)	-	-	152,228	-	-
Accounts receivable	5,617,255	98,171	32,691	-	-	122,605	113,975	-	-
Student receivables	238,923	-	-	-	-	-	-	-	-
Due from other funds	311,035	100,267	1,220	409,438	-	-	-	-	-
Prepaid expenses	203,574	-	-	-	-	-	-	-	-
Total assets	$ 27,889,162	$ 314,819	$ 943,893	$ 267,214	$ 337,409	$ 181,162	$ 485,886	$ 33,299	$ 205
Liabilities and Fund Balances									
Liabilities									
Accounts payable	$ 8,015,964	$ 6,695	$ 2,940	$ 908	$ 50,115	$ 97,140	$ 115,289	$ -	$ -
Due to other funds	2,528,488	68,379	267	-	-	-	-	-	-
Unearned revenue	6,445,649	57,484	8,505	13,581	-	-	-	-	-
Total liabilities	16,990,101	132,558	11,712	14,489	50,115	97,140	115,289	-	-
Fund Balances									
Nonspendable	228,574	-	-	-	-	-	-	-	-
Restricted	-	182,261	932,181	252,725	287,294	84,022	370,597	33,299	205
Undesignated	10,670,487	-	-	-	-	-	-	-	-
Total fund balances	10,899,061	182,261	932,181	252,725	287,294	84,022	370,597	33,299	205
Total liabilities, deferred inflows of resources, and fund balances	$ 27,889,162	$ 314,819	$ 943,893	$ 267,214	$ 337,409	$ 181,162	$ 485,886	$ 33,299	$ 205

	Special Revenue Funds				Debt Service Fund	Capital Project Funds			Total Governmental Fund (Memorandum Only)
	Trust Fund	Continuing Education Fund	Gentrain	Cal Grant	Bond Interest and Redemption	Capital Outlay Projects	General Obligation Bond Construction Fund Measure I	General Obligation Bond Construction Fund Measure V	
Assets									
Cash and cash equivalents	$ 329,428	$ 697,702	$ 95,060	$ 843	$ -	$ -	$ -	$ -	$ 2,278,710
Investments	-	-	-	-	14,707,113	2,647,101	6,063,897	28,154,936	73,621,265
Accounts receivable	-	-	-	5,604	-	93,408	8,000	21,000	6,112,709
Student receivables	-	-	-	-	-	-	-	-	238,923
Due from other funds	-	-	-	-	-	205,704	2,700	50,913	1,081,277
Prepaid expenses	-	-	-	-	-	-	-	-	203,574
Total assets	$ 329,428	$ 697,702	$ 95,060	$ 6,447	$ 14,707,113	$ 2,946,213	$ 6,074,597	$ 28,226,849	$ 83,536,458
Liabilities and Fund Balances									
Liabilities									
Accounts payable	$ 800	$ -	$ -	$ 6,440	$ -	$ 404,383	$ 12,338	$ 421,686	$ 9,134,698
Due to other funds	-	-	-	-	-	3,388	47,525	45,549	2,693,596
Unearned revenue	-	-	-	-	-	1,718,622	-	-	8,243,841
Total liabilities	800	-	-	6,440	-	2,126,393	59,863	467,235	20,072,135
Fund Balances									
Nonspendable	-	-	-	-	-	-	-	-	228,574
Restricted	328,628	697,702	95,060	7	14,707,113	819,820	6,014,734	27,759,614	52,565,262
Undesignated	-	-	-	-					10,670,487
Total fund balances	328,628	697,702	95,060	7	14,707,113	819,820	6,014,734	27,759,614	63,464,323
Total liabilities, deferred inflows of resources, and fund balances	$ 329,428	$ 697,702	$ 95,060	$ 6,447	$ 14,707,113	$ 2,946,213	$ 6,074,597	$ 28,226,849	$ 83,536,458

				Special Revenue Funds							
	General Unrestricted	General Restricted	Combined General	Child Development	Student Center	Parking	Associated Students	Student Financial Aid	Scholarship and Loan	ORR Fund	Direct Loan
Revenues											
Federal revenues	$ 999	$ 9,640,163	$ 9,641,162	$ 27,253	$ -	$ -	$ -	$ 7,318,898	$ -	$ -	$ 578,910
State revenues	18,072,996	10,090,528	28,163,524	211,338	-	-	-	-	774,727	-	-
Local revenues	30,065,221	808,090	30,873,311	258,376	179,972	97,342	113,061	45	665,847	22	1
Total revenues	48,139,216	20,538,781	68,677,997	496,967	179,972	97,342	113,061	7,318,943	1,440,574	22	578,911
Expenditures											
Current Expenditures											
Academic salaries	16,963,728	2,680,066	19,643,794	-	-	-	-	-	-	-	-
Classified salaries	7,597,345	2,681,119	10,278,464	433,170	32,796	257,326	-	-	-	-	-
Employee benefits	15,701,799	4,187,907	19,889,706	239,771	25,486	204,384	-	-	-	-	-
Books and supplies	701,475	1,111,071	1,812,546	28,689	20,384	10,694	-	-	-	19	-
Services and operating expenditures	6,541,316	3,286,325	9,827,641	-	109,514	18,092	78,053	(1,421)	-	-	-
Capital outlay	211,272	2,528,998	2,740,270	9,060	-	-	-	-	-	-	-
Debt service - principal	-	-	-	-	-	-	-	-	-	-	-
Debt service - interest and other	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	47,716,935	16,475,486	64,192,421	710,690	188,180	490,496	78,053	(1,421)	-	19	-
Excess of Revenues Over (Under) Expenditures	422,281	4,063,295	4,485,576	(213,723)	(8,208)	(393,154)	35,008	7,320,364	1,440,574	3	578,911
Other Financing Sources (Uses)											
Operating transfers in	-	69,583	69,583	100,000	-	409,000	-	-	-	-	-
Operating transfers out	(169,583)	(1,185,000)	(1,354,583)	-	-	-	-	-	-	-	-
Other uses	-	(2,942,830)	(2,942,830)	-	-	-	-	(7,270,784)	(1,375,555)	-	(578,910)
Total other financing sources (uses)	(169,583)	(4,058,247)	(4,227,830)	100,000	-	409,000	-	(7,270,784)	(1,375,555)	-	(578,910)
Net Change in Fund Balances	252,698	5,048	257,746	(113,723)	(8,208)	15,846	35,008	49,580	65,019	3	1
Fund Balances, Beginning of Year	10,646,363	(5,048)	10,641,315	295,984	940,389	236,879	252,286	34,442	305,578	33,296	204
Fund Balances, End of Year	$ 10,899,061	$ -	$ 10,899,061	$ 182,261	$ 932,181	$ 252,725	$ 287,294	$ 84,022	$ 370,597	$ 33,299	$ 205

	Special Revenue Funds				**Service Fund**	**Capital Projects Funds**			Total Governmental Fund (Memorandum Only)
	Trust Fund	Continuing Education Fund	Gentrain	Cal Grant	Bond Interest and Redemption	Capital Outlay Projects	General Obligation Bond Construction Fund Measure I	General Obligation Bond Construction Fund Measure V	
Revenues									
Federal revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 17,566,223
State revenues	-	-	-	939,241	39,093	1,030,782	-	-	31,158,705
Local revenues	163,288	346,725	42,610	7	14,481,910	95,113	(132,161)	(713,380)	46,472,089
Total revenues	163,288	346,725	42,610	939,248	14,521,003	1,125,895	(132,161)	(713,380)	95,197,017
Expenditures									
Current Expenditures									
Academic salaries	-	-	-	-	-	-	-	-	19,643,794
Classified salaries	-	-	-	-	-	-	-	-	11,001,756
Employee benefits	-	-	-	-	-	-	-	-	20,359,347
Books and supplies	176,924	239,635	27,196	-	-	-	-	-	2,316,087
Services and operating expenditures	-	-	-	-	-	215,347	103,639	1,278,457	11,629,322
Capital outlay	-	-	-	-	-	1,072,336	61,147	368,705	4,251,518
Debt service - principal	-	-	-	-	8,390,000	-	-	-	8,390,000
Debt service - interest and other	-	-	-	-	1,083,641	-	-	-	1,083,641
Total expenditures	176,924	239,635	27,196	-	9,473,641	1,287,683	164,786	1,647,162	78,675,465
Excess of Revenues Over (Under) Expenditures	(13,636)	107,090	15,414	939,248	5,047,362	(161,788)	(296,947)	(2,360,542)	16,521,552
Other Financing Sources (Uses)									
Operating transfers in	-	-	-	-	-	-	-	-	578,583
Operating transfers out	-	-	-	-	-	-	-	-	(1,354,583)
Other uses	-	-	-	(949,296)	-	-	-	-	(13,117,375)
Total other financing sources (uses)	-	-	-	(949,296)	-	-	-	30,120,156	16,226,781
Net Change in Fund Balances	(13,636)	107,090	15,414	(10,048)	5,047,362	(161,788)	(296,947)	27,759,614	32,748,333
Fund Balances, Beginning of Year	342,264	590,612	79,646	10,055	9,659,751	981,608	6,311,681	-	30,715,990
Fund Balances, End of Year	$ 328,628	$ 697,702	$ 95,060	$ 7	$ 14,707,113	$ 819,820	$ 6,014,734	$ 27,759,614	$ 63,464,323

	Internal Service Fund
Assets	
Cash and cash equivalents	$ 306,551
Investments	5,792,799
Accounts receivable	144,134
Due from other funds	1,809,426
Total assets	$ 8,052,910
Liabilities and Fund Equity	
Liabilities	
Accounts payable	$ 9,245
Due to other funds	197,107
Claims liability	796,866
Total liabilities	1,003,218
Fund Equity	
Retained earnings	7,049,692
Total liabilities, deferred inflows of resources, and fund equity	$ 8,052,910

	Internal Service Fund
Operating Revenues	
Premium contributions	$ 7,411,189
Operating Expenses	
Employee benefits	(1,276,393)
Services and other operating expenditures	12,207,766
Total operating expenses	10,931,373
Operating Loss	(3,520,184)
Nonoperating Revenues (Expenses)	
Investment loss, net	(145,733)
Miscellaneous revenues	2,183,094
Total nonoperating revenues (expenses)	2,813,361
Net Loss	(706,823)
Retained Earnings, Beginning of Year	7,756,515
Retained Earnings, End of Year	$ 7,049,692

	Internal Service Fund
Cash Flows from Operating Activities	
Cash received from user charges	$ 7,219,971
Cash payments for insurance claims	(10,734,646)
Net Cash Used for Operating Activities	(3,514,675)
Cash Flows from Noncapital Financing Activities	
Other nonoperating	2,959,094
Cash Flows from Investing Activities	
Interest on investments	(145,733)
Net Increase in Cash and Cash Equivalents	(701,314)
Cash and Cash Equivalents - Beginning	6,800,664
Cash and Cash Equivalents - Ending	$ 6,099,350
Reconciliation of Operating Loss to Net Used By Operating Activities	
Operating loss	$ (3,520,184)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities	
Changes in assets and liabilities	
Accounts receivable	959,071
Due from other fund	(1,150,289)
Accrued liabilities	(380)
Due to other fund	197,107
Net Cash Used By Operating Activities	$ (3,514,675)
Cash and Cash Equivalents Consist of the Following:	
Cash collections awaiting deposit	$ 306,551
Cash in county treasury	5,792,799
Total cash and cash equivalents	$ 6,099,350

	Retiree OPEB Trust
Assets	
Investments	$ 6,676,981
Fund Balances	
Restricted	$ 6,676,981

See Note to Unaudited Additional Supplementary Information

	Retiree OPEB Trust
Revenues	
Local revenues	$ 66,836
Expenditures	
Current	
Employee benefits	985,655
Services and operating expenditures	9,985
Total expenditures	995,640
Change in Fund Balance	(928,804)
Fund Balances, Beginning of Year	7,605,785
Fund Balances, End of Year	$ 6,676,981

Note 1 - Purpose of Schedules

Fund Financial Statements - Unaudited

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