SIERRA JOINT COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENTS
June 30, 2021

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
ORGANIZATION
(Unaudited)
June 30, 2021

Sierra Joint Community College District (the "District") is comprised of areas in Placer, Nevada, El Dorado and Sacramento Counties. The District operates a central campus located on a 299-acre site in the city of Rocklin, in southwestern Placer County, California, and two small satellite campuses located in Grass Valley and Truckee in Nevada County. Classes are also taught at the Roseville site and other sites throughout the 3,200-square-mile territory of the District. The District currently serves approximately 18,000 students who are enrolled in both day and evening classes, has a full time faculty of over 230, and a part time faculty of almost 900. Many areas of study are offered as well as vocational and technical education and many courses of instruction are transferable to accredited four-year colleges and universities.

The District is governed by a seven-member Board of Trustees, each member of which is elected to a four-year term. Elections for positions to the Board are held every two years, alternating between three and four available positions. The management and policies of the District are administered by a Superintendent appointed by the Board who is responsible for day-to-day District operations as well as the supervision of the District's other key personnel.

The Board of Trustees and District Administration for the fiscal year ended June 30, 2021, were composed of the following members:

BOARD OF TRUSTEES

Members	Office	Term Expires
Ms. Carol Garcia	President	December 2024
Mr. Paul Bancroft	Vice President/Clerk	December 2022
Ms. Cari Dawson Bartley	Trustee	December 2022
Mr. Scott Leslie	Trustee	December 2024
Ms. Nancy B. Palmer	Trustee	December 2022
Mr. Bob Romness	Trustee	December 2022
Mr. Bob Sinclair	Trustee	December 2024

BOARD AUDIT COMMITTEE MEMBERS

Mr. Paul Bancroft   Mr. Bob Romness   Mr. Bob Sinclair

DISTRICT ADMINISTRATION

Mr. William H. Duncan, IV
Superintendent/President

Mr. Erik Skinner
Vice President of Administrative Services

AUXILIARY ORGANIZATIONS

None

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2021

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Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Sierra Joint Community College District
Rocklin, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, the discretely presented component unit and the fiduciary activities of Sierra Joint Community College District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Sierra Joint Community College District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the discretely presented component unit and the fiduciary activities of Sierra Joint Community College District, as of June 30, 2021 , and the respective changes in its 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the District implemented Government Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. This result in a restatement of the beginning net position totaling $1,715,010. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 16 and the Schedule of Changes in Net OPEB Liability, the Schedule of Money-Weighted Rate of Return, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions on pages 65 to 70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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 Sierra Joint Community College District's basic financial statements. The accompanying schedule of expenditure of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditure of federal awards and supplementary information as listed in the table of contents is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The schedule of expenditure of federal awards and supplementary information as listed in the table of contents, except for the Organization, Combining Statement of Net Position by Fund and Combining Statement of Revenues, Expenses, and Change in Net Position by Fund have 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 expenditure of federal awards and supplementary information as listed in the table of contents, except for the Organization, Combining Statement of Net Position by Fund and Combining Statement of Revenues, Expenses, and Change in Net Position by Fund, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

(Continued)

The Organization, Combining Statement of Net Position by Fund and Combining Statement of Revenues, Expenses, and Change in Net Position by Fund have 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2021, on our consideration of Sierra Joint Community College District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sierra Joint Community College 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 Sierra Joint Community College District's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Sacramento, California
December 7, 2021

INTRODUCTION

This section of Sierra Joint Community College District's financial statements presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2021. The discussion has been prepared by management and should be read in conjunction with the financial statements and notes, which follow this section.

The Sierra Joint Community College District was established in 1936, covers over 3,200 square miles and serves Placer, Nevada and parts of El Dorado and Sacramento counties. The District includes one comprehensive community college and two centers. Students may choose from 96 associate degree majors and 98 achievement or skill certificate programs, complete courses toward the first two years of a bachelor's degree program or pursue courses for professional or other purposes.

The District attained fiscal independence from Placer County Office of Education in 2008-2009. The application process required an extensive evaluation of our accounting controls to ensure they met the standards required by the Board of Governors. The District passed this evaluation and was granted fiscal independence by the Board of Governors effective July 1, 2009.

OVERVIEW OF THE FINANCIAL STATEMENTS

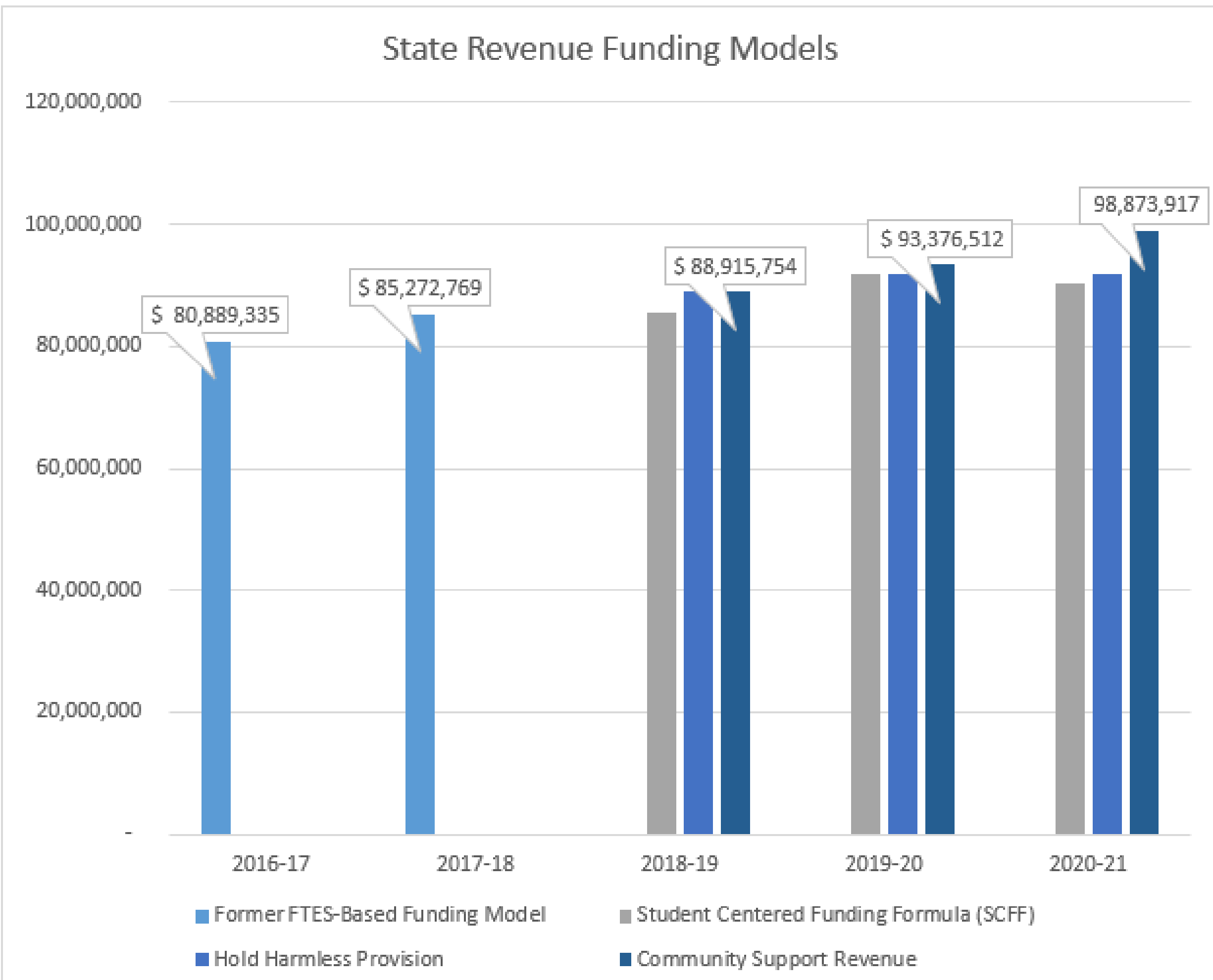
The Sierra Joint Community College District's financial statements are presented in accordance with Governmental Accounting Standards Board (GASB) Statements No. 34, "*Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments and No. 35, Basic Financial Statements – and Management Discussion and Analysis - for Public College and Universities*". The following discussion and analysis provides an overview of the District's financial activities for the fiscal year ended June 30, 2021 and the intent of this discussion and analysis is to look at the District's financial performance as a whole. To provide a complete understanding of the District's financial standing, this analysis should be read in conjunction with the entire Independent Auditor's Report, particularly the District's financial statements, and the notes to the basic financial statements. The California Community College Chancellor's Office, through its Fiscal and Accountability Standards Committee, has recommended the Business Type Activity (BTA) model for financial reporting and the District has adopted the BTA reporting model for these financial statements.

As required, the annual report consists of three basic financial statements that provide information on the District as a whole:

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

FINANCIAL HIGHLIGHTS

- Prior to the 2018-19 fiscal year, the District was primarily funded under an FTES-based funding model. Starting in 2018-19, a new funding model, the Student Centered Funding Formula (SCFF) was introduced that shifted allocations from enrollment-based funding to one that allocates resources based on student enrollment (70%), student demographics (20%) and student success (10%). In order to ease the transition to the new SCFF, the state provided several years of a funding guarantee called the 'Hold Harmless Provision'. The Hold Harmless funding provision is equal to a district's 2017-18 Total Computational Revenue adjusted for COLA and will continue through the 2024-25 fiscal year. In addition to the above-mentioned funding options, when the amount of property tax and student enrollment fee revenue received by the district exceed the state funding guarantee, the district becomes what is known as 'Community Supported' or 'Basic Aid'. The District receives and reports funding at the highest of the three funding options. The below graph displays the funding levels under each method.



- The 2020-21 total General Fund revenues, excluding the recording of State On-Behalf payments of $3.5 million were $131.8 million compared to $124.8 million earned in 2019-20, an increase of $7.0 million or 5.63%.

- Revenues for categorical programs and other grants in the Restricted General Fund increased to $27.9 million in 2020-21 from $23.4 million in 2019-20, primarily due to COVID-19 related grant programs.

- The District's unrestricted fund balance, after commitments, leaves a 2020-21 ending fund balance of $14.7 million or 11.6% of general fund expenditures. The Board of Trustees has set a goal to maintain reserves between eight and twelve percent of General Fund expenditures.

- State On-behalf Pension contributions were calculated in the amount of $3.5 million for 2020-21, comprised of $3.5 million for CalSTRS and $0 for CalPERS. Districts are required under GASB 24 to recognize the state's on-behalf contributions. These costs paid by the State of California are reflected in the benefit expenses and a corresponding amount of state revenue is also recorded resulting in no impact to fund balance.

- Health benefits expenses, for both employees and retirees decreased by $313,000 over the prior year. For employees hired before July 1, 1994, the District pays medical premiums upon retirement. The District has accounted for retiree benefits on a "pay-as-you-go basis." The Net OPEB Liability as of June 30, 2021, is $30.9 million when considering $16 million of assets held in a GASB 74 qualifying OPEB Trust. Accounting principles provide that the cost of retiree benefits should be accrued over employees' working lifetime. In accordance with this principle, GASB issued in June of 2015 Accounting Standards 74 and 75 for retiree health benefits. These standards apply to all public employers that pay any part of the cost of retiree health benefits for current or future retirees. The year ended June 30, 2017 marks the first year these Accounting Standards were applied to the financial statements.

- The District paid down $12.6 million in long-term debt.

- The District is required to allocate 50 percent of unrestricted general fund expenses to classroom instructional costs (50 percent law). The District continues to be in compliance and has exceeded this requirement. In 2020-2021, the District expended 51.94% on classroom instructional compensation.

Statement of Net Position

The Statement of Net Position includes all assets and liabilities using the accrual basis of accounting. Net position – the difference between assets and liabilities, is one way to measure the financial condition of the District. A summary of the Statement of Net Position as of June 30, 2021 and June 30, 2020 is shown below:

	2020-21	2019-20	Increase (Decrease)	Percent Change
ASSETS				
Current assets				
Cash and cash equivalents	$ 181,005,033	$ 119,036,431	$ 61,968,602	52.1%
Accounts receivable and other assets, net	10,874,225	3,726,233	7,147,992	191.8%
Total Current Assets	**191,879,258**	**122,762,664**	**69,116,594**	**56.3%**
Noncurrent assets				
Restricted cash and cash equivalents	34,990,392	26,762,446	8,227,946	30.7%
Notes receivable	12,000	24,000	(12,000)	-50.0%
Capital assets (net of depreciation)	197,773,927	154,004,684	43,769,243	28.4%
Total Noncurrent Assets	**232,776,319**	**180,791,130**	**51,985,189**	**28.8%**
TOTAL ASSETS	**424,655,577**	**303,553,794**	**121,101,783**	**39.9%**
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow of resources - loss on refunding	820,761	1,540,731	(719,970)	-46.7%
Deferred outflow of resources - OPEB	0	27,323	(27,323)	-100.0%
Deferred outflow of resources - pensions	21,919,516	23,319,170	(1,399,654)	-6.0%
TOTAL ASSETS AND DEFERRED OUTFLOWS	**$ 447,395,854**	**$ 328,441,018**	**$ 118,954,836**	**36.2%**
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	$ 10,393,926	$ 12,525,857	$ (2,131,931)	-17.0%
Unearned revenue	23,709,048	19,507,490	4,201,558	21.5%
Current portion of long-term obligations	16,964,088	17,399,793	(435,705)	-2.5%
Total Current Liabilties	**51,067,062**	**49,433,140**	**1,633,922**	**3.3%**
Noncurrent liabilities				
Non-current portion of long-term obligations	353,032,362	257,766,004	95,266,358	37.0%
Other long-term obligations	16,600,746	15,623,388	977,358	6.3%
Total Noncurrent Liabilties	**369,633,108**	**273,389,392**	**96,243,716**	**35.2%**
TOTAL LIABILITIES	**420,700,170**	**322,822,532**	**97,877,638**	**30.3%**
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - pensions	3,792,000	7,194,000	(3,402,000)	-47.3%
Deferred inflows of resources - OPEB	1,664,321	56,859	1,607,462	2827.1%
Total Outflow of Resources	**5,456,321**	**7,250,859**	**(1,794,538)**	**-24.7%**
NET POSITION				
Net investment in capital assets	78,718,924	72,023,569	6,695,355	9.3%
Restricted for:				
Scholarships and loans	2,756	2,756	0	0.0%
Capital projects	142,251,196	79,786,927	62,464,269	78.3%
Debt service	24,330,660	19,422,087	4,908,573	25.3%
Student Center, Clubs, Fee	2,024,139	0	2,024,139	100.0%
Unrestricted	(226,088,312)	(172,867,712)	(53,220,600)	30.8%
TOTAL NET POSITION	**21,239,363**	**(1,632,373)**	**22,871,736**	**-1401.1%**
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	**$ 447,395,854**	**$ 328,441,018**	**$ 118,954,836**	**36.2%**

- Approximately 98% of the cash balance is cash deposited in the Placer County Treasury Pool and approximately 2% is cash deposited in local financial institutions. The Statement of Cash Flows contained within these financial statements provides greater detail regarding the sources and uses of cash and the net increase or decrease of cash during the fiscal year.

- The District receives cash unevenly throughout the year, as the main source of revenue is property taxes, which are collected and received in December and April. In order for the District to meet its cash needs during the months immediately preceding December and April, the District arranges Dry Period Financing through the Placer County Treasury. This form of borrowing is very efficient and cost effective for the District given the relatively small amounts and short timeframes that an advance of cash is needed to support operations.

- The majority of the accounts receivable balance is from student enrollment fees, federal and state grant programs and federal and state entitlement programs.

- Capital Assets, net of depreciation, are $198 million, with debt related to these assets of $230 million, and a deferred loss on refunding of $821,000 for a net investment in capital assets of $72 million. The majority of debt is in the form of General Obligation Bonds related to School Facility Improvement Districts for the Tahoe-Truckee campus, the Nevada County campus in Grass Valley and the Rocklin campus. Projects for the Tahoe-Truckee campus were completed in 2010-2011 and projects in Grass Valley were completed during 2014-15. Construction commitments for all capital projects at June 30, 2021 were $22.8 million of which a major component is an $8.6 million remaining construction contract related to the Rocklin Infrastructure Project which began construction in August 2020. See Note 5, Capital Assets, in the Notes to Basic Financial Statements for detailed information.

- At year-end, the District had $246.9 million in General Obligation Bonds and associated unamortized bond premium and accreted interest, Certificates of Participation (COP), and Capitalized Lease Obligations outstanding. The District continued to pay down its debt, retiring $12.4 million of the COPs, capital leases, and bonds exclusive of debt refunding. See Note 7, Long-Term Liabilities in the Notes to Basic Financial Statements for detailed information.

- The District has adopted Governmental Accounting Standards Board Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in 2016-17. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. GASB Statement 75 requires the liability of employers and non-employer contributing entities to employees, for defined benefit OPEB (net OPEB liability), to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

- The District engaged an actuarial service to calculate the Net OPEB Liability as of June 30, 2021, which was $30.9 million, unchanged from June 30, 2020. The District has set aside funds to cover retiree health liabilities in a GASB 74 qualifying trust. The Fiduciary Net Position of this trust at June 30, 2021 was $16 million, an increase of $2.7 million over June 30, 2020 when the balance was $13.3 million. See Note 10 in the Financial Statements for additional detail.

- Compensated absences (accrued vacation not used at June 30), reflected as liability, totaled $2.5 million.

- The District has three General Obligation Bonds and Ratings are based on the District's fiscal stability, and overall creditworthiness. The table below reflects the most recent rating assigned by the major rating agencies.

	Standard & Poor's	Moody's
SFID #1 (Tahoe-Truckee Campus)	AA	Aaa
SFID #2 (Nevada County Campus)	AA	Aa1
SFID #4 (Rocklin Campus)	AA	Aaa

Statement of Revenues, Expenses, and Change in Net Position

The Statement of Revenues, Expenses and Change in Net Position presents the operating results of the District, as well as the non-operating revenues and expenses.

	2020-21	2019-20	Increase (Decrease)	Percent Change
OPERATING REVENUES				
Net tuition & fees	$ 9,865,898	$ 12,787,447	$ (2,921,549)	-22.8%
Grants & contracts	32,835,781	32,049,712	786,069	2.5%
Auxiliary	167,101	701,136	(534,035)	-76.2%
TOTAL OPERATING REVENUES	**42,868,780**	**45,538,295**	**(2,669,515)**	**-5.9%**
OPERATING EXPENSES				
Salaries	66,629,861	70,828,969	(4,199,108)	-5.9%
Employee benefits	38,390,358	35,152,316	3,238,042	9.2%
Supplies, materials & other	14,366,240	17,771,379	(3,405,139)	-19.2%
Student financial aid & scholarships	32,716,942	35,229,678	(2,512,736)	-7.1%
Utilities	2,380,822	2,407,645	(26,823)	-1.1%
Depreciation	6,069,444	6,217,792	(148,348)	-2.4%
TOTAL OPERATING EXPENSES	**160,553,667**	**167,607,779**	**(7,054,112)**	**-4.2%**
NON-OPERATING & CAPITAL ACTIVITY				
State taxes & other revenues	11,208,018	9,641,375	1,566,643	16.2%
Local property taxes & revenues	108,104,079	103,331,945	4,772,134	4.6%
Federal grants and contracts, non-capital	8,935,516	-	8,935,516	100.0%
Pell grants	16,603,270	20,636,633	(4,033,363)	-19.5%
Investment income	540,831	2,300,958	(1,760,127)	-76.5%
Interest expense	(6,840,882)	(5,972,744)	(868,138)	14.5%
Other Non-Operating Revenue	290,781	673,169	(382,388)	-56.8%
TOTAL NON-OPERATING & CAPITAL ACTIVITY	**138,841,613**	**130,611,336**	**8,230,277**	**6.3%**
CHANGE IN NET POSITION	21,156,726	8,541,922	12,614,874	147.7%
BEGINNING NET POSITION	(1,632,373)	(10,174,295)	8,541,922	-84.0%
Cumulative effect of GASB No. 84 implementation	1,715,010	-	1,715,010	100.0%
ENDING NET POSITION	**$ 21,239,363**	**$ (1,632,373)**	**$ 21,156,796**	**-1401.1%**

The primary operating revenues are from grants and contracts as well as student tuition and fees. The primary operating expense of the District is the payment of salaries and benefits to instructional and classified support staff.

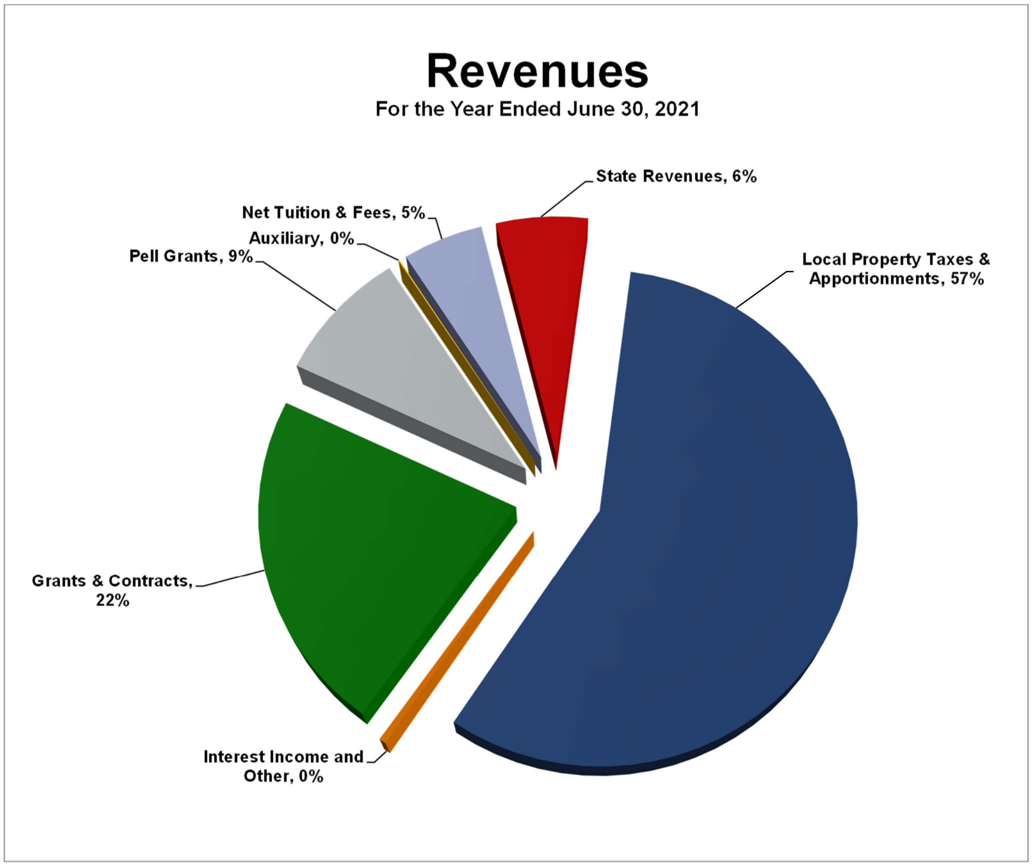
- The major components of tuition and fees are the $46 per unit enrollment fee that is charged to all students registering for classes and the additional $290 per unit fee that is charged to all non-resident students. Net tuition and fees decreased by $2.9 million or 22.9%. This decrease is related to the impact of COVID-19 on course registration.

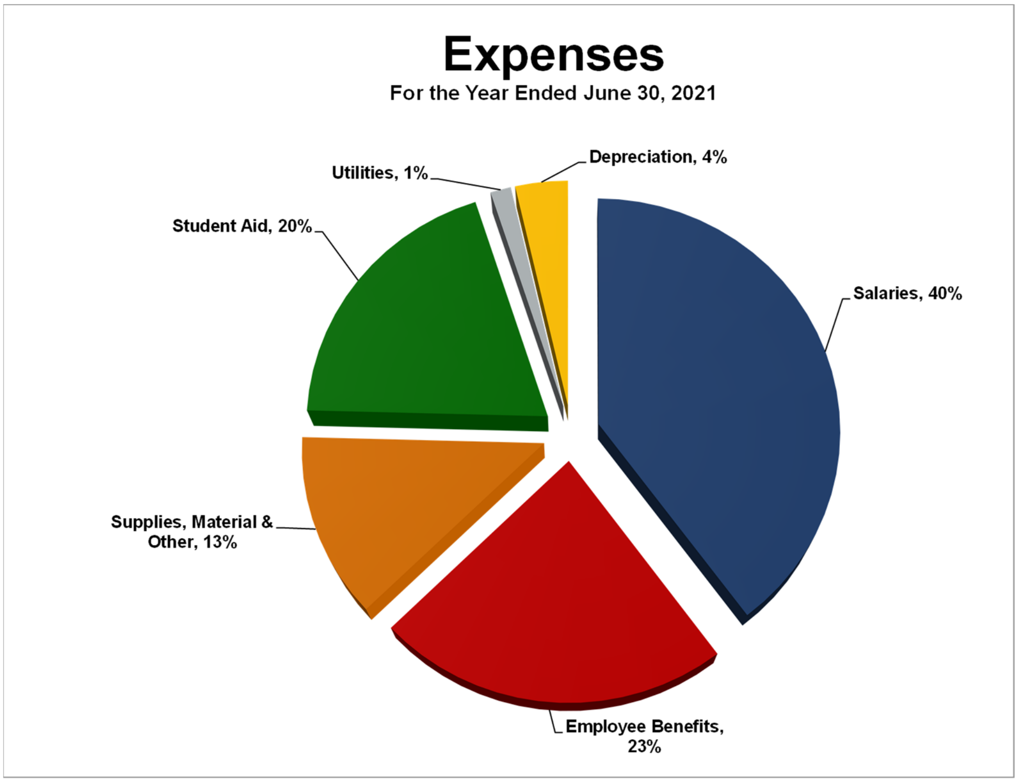
- Apportionment Funding: The 2020-2021 funding formula revenues for the unrestricted general fund reflect an increase over the 2019-2020 fiscal year. 2019-2020 revenues from the state funding formula totaled approximately $93.4 million and increased to approximately $98.9 million for 2020-2021. This represents a $5.5 million or 5.9% total increase.

- The interest income is primarily the result of earnings on cash held at the Placer County Treasury.

- Expenses for employee salaries and statutory benefits decreased by $1.0 million over 2019-20 or 0.9% and include step, column, longevity and approximately $800,000 in a one-time payment to staff. Included in the salary and benefits is an additional $9.5 million of pension expense is reflected in the audited financial statements related to GASB 68 pension costs and an increase of $1.5 million of GASB 75 OPEB costs. State on behalf expenses for CalSTRS decreased by $496,000 from 2019-20. Total operating expenses decreased by $7.1 million or 4.2%. The percentage of personnel costs included in operating expenses increased slightly to 65%.

- During the 2020-21 fiscal year, $3.9 million of assets were placed in service and $45.9 million was added to construction in progress while $63,000 net of accumulated depreciation were retired. Depreciation expense declined to $6.1 million. The District uses the straight line, mid-year convention.


Revenues
For the Year Ended June 30, 2021
State Revenues, 6%
Net Tuition & Fees, 5%
Auxiliary, 0%
Pell Grants, 9%
Local Property Taxes & Apportionments, 57%
Grants & Contracts, 22%
Interest Income and Other, 0%


Expenses
For the Year Ended June 30, 2021
Depreciation, 4%
Utilities, 1%
Student Aid, 20%
Salaries, 40%
Supplies, Material & Other, 13%
Employee Benefits, 23%

Statement of Cash Flows

The Statement of Cash Flows provides information about cash receipts and cash payments during the fiscal year. The statement also helps users assess the District's ability to generate positive cash flows, meet obligations as they come due and the need for external financing.

A summary of the Statement of Cash Flows for the years ended June 30, 2021 and June 30, 2020 is shown below.

	2020-21	2019-20	Increase (Decrease)	Percent Change
NET CASH PROVIDED BY (USED IN)				
Operating activities	$ (109,793,547)	$ (108,736,686)	$ (1,056,861)	1.0%
Non-capital financing activities	127,119,765	116,909,351	10,210,414	8.7%
Capital and related financing activites	50,677,974	(15,146,898)	65,824,872	-434.6%
Investing activities	426,171	1,860,479	(1,434,308)	-77.1%
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**68,430,363**	**(5,113,754)**	**73,544,117**	**-1438.2%**
CASH BALANCE, BEGINNING OF YEAR	**145,798,877**	**150,912,631**	**(5,113,754)**	**-3.4%**
Cumulative Effect of GASB No. 84 implementation	1,766,185	-	1,766,185	**100.0%**
CASH BALANCE, END OF YEAR	**$ 215,995,425**	**$ 145,798,877**	**$ 70,196,548**	**48.1%**

- Operating activities includes tuition and fees, grants and operating payments. The net amount of cash used increased by $1 million to $110 million. The sub-components were a decrease in tuition and fees and grant revenues with offsetting reductions in payments to suppliers, employees and aid to students. The increases and decreases are due to changes in operations impacted by remote instruction and remote work environment due to COVID-19.

- There is consistent significant cash in-flow in non-capital financing activities which includes property taxes, Pell grants, State apportionments, and local revenues; property taxes being the largest component at $89 million which increase $4.8 million in 2020-21.

- Capital and related financing activities correlate to bond issuances and redemptions. Measure E Series B bonds were issued in March 2021 and provided $99.4 million in funding to support the bond construction program. Construction projects and spending of capital debt are also reported in capital and related financing activities. $42.8 million was invested in capital assets funded by Measure E during 2020-21.

- Cash flow is adequate for a medium size district; the District participates in the Placer County Treasury investment pool to maximize interest earnings on unspent cash and minimize risk.

A LOOK FORWARD

General Revenue Outlook: Despite the major social and economic impacts of the COVID-19 pandemic, 2020-21 funding levels from the State were largely unaffected for California's 72 community college districts. The only negative fiscal impact to community colleges was a deferral of payments, which the District was able to manage from within existing resources (back-up financing from the Placer County Treasury was arranged, but never needed during the course of the year). For 2021-22, reports from the Legislative Analyst's Office indicate that growth in the Proposition 98 minimum funding guarantee should result in increased funding for community colleges in the coming year.

Community Supported Status: The District receives the vast majority of its revenues from local property tax and student fee revenues. In fact, funding from these sources exceeds the District's funding eligibility under the community college funding formula (Student Centered Funding Formula or SCFF), making the District what is known as "community supported" or "basic aid" under California's finance laws for K-12 schools and community colleges. Not only does the district get to keep the funding above the funding formula calculations, but because these revenues are generated locally and cannot under law be taken by the State, they tend to be less volatile than State funding which ebbs and flows with changes in state tax revenues. The District became community supported in 2019-20 when local revenues exceeded its eligibility for funding under the SCFF by $1.5M ($93.3M compared with $91.8M under SCFF). In 2020-21, local revenues exceeded SCFF eligibility by $7M in 2020-21 ($98.8M compared with $91.8M under SCFF). For 2021-22, the District's local revenues are projected to exceed SCFF eligibility by $8.8M ($100.6M compared to $91.8M).

Major Expenditure Items: Given uncertainty over economic impacts of the pandemic and possible impacts on available revenues, in 2020-21 the District took a conservative approach and maintained spending generally in line with 2019-20 spending levels. Given strong growth in property tax revenues, the District was able to make some critical investments for 2021-22. The 2021-22 budget includes the following increases over prior-year levels (amounts are ongoing unless otherwise noted):

▪ Transfer to capital projects (one-time)	$4.2M
▪ Off-schedule employee payment (one-time)	$3.7M
▪ On-schedule employee salary increase	$2.2M
▪ CalPERS Employer Rate Increase	$405k
▪ Equipment/Facilities investments (one-time)	$500k
▪ Fire Mitigation efforts (one-time)	$500k
▪ CalSTRS Employer Rate Increase	$251k

On-Schedule Salary Increase: The District negotiated with employee bargaining groups to provide an on-schedule salary increase of 3% effective July 2021 and an off-schedule, one-time payment of 5.3% to be paid in fall 2021 (third bullet, above). The District's labor-relations climate remains generally positive.

Response to COVID-19 Pandemic: In March 2020, the District responded rapidly to the emerging pandemic by converting its onsite classes to an online delivery format. Less than five percent of instruction remained on-ground, comprised of training for first responders (EMTs, nurses, fire fighters, and law enforcement) and other essential workforce classifications identified by the State. This rapid conversion to online instruction and remote operations kept our students and employees safe during these unprecedented times while also providing continuity of instruction for our students. The District maintained this largely online status in spring and summer 2021. Due to the availability of vaccinations and improving public health conditions, the District increased on-ground instruction for fall 2021 to roughly one-third of course offerings and plans to increase on-ground instruction to roughly one-half of course offerings in spring 2022. The District has closely followed federal, state, and local guidance and protocols throughout this crisis. As a result, the District has successfully limited spread of COVID-19, with no known community spread occurring on campus. A large infusion of federal and state emergency assistance funding has helped the District meet the additional costs incurred, including significant investments in staff development and Information Technology to improve online instruction and student support.

Major Progress on Bond-Funded Construction Program: In June 2018, local voters approved Measure E, a $350 million facilities bond to fund improvements on the Rocklin Campus. These monies, along with an estimated $150 million from state facilities funding, other district funds, and proceeds from development of surplus property, will support an extensive program of new construction and modernization projects covering the entire campus. Since passage of Measure E, the District has been working intensively to implement this construction program. A silver-lining of the pandemic is the ability to accelerate construction projects to take advantage of reduced pedestrian and vehicular traffic on campus. Highlights of progress to date include:

- Completing of a $49.9M, 1,500 car Parking Garage on time and under budget
- Completing of a $5.7M renovation of the Student Union and Cafeteria Kitchen
- Completing of a $1.8M renovation of the N Building (career technical education)
- Launching a $32.6M Infrastructure Project to replace/upgrade all campus utilities
- Breaking ground on a $67.2M New Instructional Building that will be home to roughly 75% of lecture space on Rocklin Campus
- Securing $70.3M in State Bond funding for the Gym Modernization Project ($27.4), New Science Building ($25.6M), and Applied Technology Center ($17.3M). Construction on these projects to commence in summer 2022, spring 2023, and summer 2023, respectively.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the funds it receives. If you have any questions about this report or need any additional financial information, please contact the District:

Sierra Joint Community College District
Mr. Erik Skinner
Vice President-Administrative Services
5100 Sierra College Boulevard
Rocklin, CA 95677

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
STATEMENT OF NET POSITION,
June 30, 2021

ASSETS	
Current assets:	
Cash and cash equivalents	$ 181,005,033
Receivables, net	10,146,905
Inventory	50,539
Prepaid expenses	676,781
Total current assets	191,879,258
Noncurrent assets:	
Restricted cash, cash equivalents and investments	34,990,392
Notes receivable	12,000
Non-depreciable capital assets	78,763,025
Depreciable capital assets, net	119,010,902
Total noncurrent assets	232,776,319
Total assets	424,655,577
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - loss on refunding	$ 820,761
Deferred outflows of resources - pensions	21,919,516
Total deferred outflows	22,740,277
Total assets and deferred outflows	$ 447,395,854
LIABILITIES	
Current liabilities:	
Accounts payable	$ 5,032,832
Unearned revenue	23,709,048
Accrued payroll	2,631,282
Compensated absences payable	2,462,332
Long-term debt - current portion	14,501,756
Accrued interest on debt	2,729,812
Total current liabilities	51,067,062
Noncurrent liabilities:	
Accreted interest on bonds	16,600,746
Long-term debt - noncurrent portion	353,032,362
Total noncurrent liabilities	369,633,108
Total liabilities	420,700,170
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - OPEB	1,664,321
Deferred inflows of resources - pensions	3,792,000
Total inflows of resources	5,456,321
NET POSITION	
Net investment in capital assets	78,718,924
Restricted for:	
Scholarships and loans	2,756
Capital projects	142,251,196
Debt services	24,330,660
Students	2,024,139
Unrestricted	(226,088,312)
Total net position	21,239,363
Total liabilities, deferred inflows and net position	$ 447,395,854

See accompanying notes to the basic financial statements.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
DISCRETELY PRESENTED COMPONENT UNIT
SIERRA COLLEGE FOUNDATION
(A Nonprofit Organization)
STATEMENT OF FINANCIAL POSITION
June 30, 2021

ASSETS	
Cash and cash equivalents	$ 1,058,207
Investments	13,500,225
Receivables	42,016
Prepaid expenses	10,000
Total assets	$ 14,610,448
LIABILITIES	
Accounts payable and accrued expenses	$ 97,502
Payroll Protection Program (PPP) loan	57,345
Total liabilities	154,847
NET ASSETS	
Net assets, without donor restriction	4,186,092
Net assets, with donor restriction	10,269,509
Total net assets	14,455,601
Total liabilities and net assets	$ 14,610,448

See accompanying notes to the basic financial statements.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
For the Year Ended June 30, 2021

Operating revenues:	
Tuition and fees	$ 17,846,371
Less: fee waivers and allowances	(7,980,473)
Net tuition and fees	9,865,898
Grants and contracts, non-capital:	
Federal	5,108,402
State	24,213,018
Local	3,514,361
Auxiliary enterprise sales and charges	167,101
Total operating revenues	42,868,780
Operating expenses:	
Salaries	66,629,861
Employee benefits	38,390,358
Supplies, materials, and other operating expenses and services	14,366,240
Student financial aid and scholarships	32,716,942
Utilities	2,380,822
Depreciation	6,069,444
Total operating expenses	160,553,667
Loss from operations	(117,684,887)
Non-operating revenues (expenses):	
State apportionment, non-capital	1,355,322
Local property taxes	88,726,858
Federal grants and contracts, non-capital	8,935,516
State taxes and other revenues	11,208,018
Pell grants	16,603,270
Investment income, noncapital	426,171
Investment income, capital	114,660
Interest expense on capital asset-related debt	(6,840,882)
Other non-operating revenues	290,781
Total non-operating revenues (expenses)	120,819,714
Loss before capital revenues	3,134,827
Capital revenues:	
Grants and gifts	15,000
Local property taxes and revenues	18,006,899
Total capital revenues	18,021,899
Change in net position	21,156,726
Net position, July 1, 2020	(1,632,373)
Cumulative effect of GASB No. 84 implementation	1,715,010
Net position, beginning of year, as restated	82,637
Net position, June 30, 2021	$ 21,239,363

See accompanying notes to the basic financial statements.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
DISCRETELY PRESENTED COMPONENT -
SIERRA COLLEGE FOUNDATION
(A Nonprofit Organization)
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

	Without Donor Restriction	With Donor Restriction	Total
Revenues, gains and other support:			
Contributions and grants	$ 131,509	$ 1,305,852	$ 1,437,361
Investment income	53,751	99,294	153,045
Realized gain on sale of investments	18,881	54,115	72,996
Net unrealized gain on investments	985,416	1,328,344	2,313,760
Donated from the College District	277,670	-	277,670
Special events and other revenues	406,630	75,708	482,338
Total revenues, gains and other support before assets released from restrictions and other transfers	1,873,857	2,863,313	4,737,170
Net assets released from restrictions and other transfers	356,049	(356,049)	-
Total revenues, gains and other support	2,229,906	2,507,264	4,737,170
District support and Foundation expenses:			
Scholarships	275,034	-	275,034
Academic program support	251,858	-	251,858
Administration	254,220	-	254,220
Fundraising	240,596	-	240,596
Total District support and Foundation expenses	1,021,708	-	1,021,708
Change in net assets	1,208,198	2,507,264	3,715,462
Net assets, July 1, 2020	2,977,894	7,762,245	10,740,139
Net assets, June 30, 2021	$ 4,186,092	$ 10,269,509	$ 14,455,601

See accompanying notes to the basic financial statements.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2021

Cash flows from operating activities:	
Tuition and fees	$ 8,777,972
Federal, state and local grants and contracts	31,099,400
Payments to suppliers	(18,585,641)
Payments to/on behalf of employees	(98,557,137)
Payments to/on behalf of students	(32,695,242)
Auxiliary enterprises sales and charges	167,101
Net cash used in operating activities	(109,793,547)
Cash flows from noncapital financing activities:	
State apportionments and receipts	1,355,322
Pell grants	16,603,270
Federal grants	8,935,516
Local property taxes	88,726,858
State taxes and other revenues	11,208,018
Gifts and grants for other than capital purposes	290,781
Net cash provided by noncapital financing activities	127,119,765
Cash flows from capital and related financing activities:	
Proceeds from capital debt	99,445,000
Local property taxes and other revenues for capital purposes	18,006,899
Purchase of capital assets	(49,838,687)
Capital grants and gifts received	15,000
Principal paid on capital debt	(12,551,625)
Interest paid on capital debt, net	(4,513,273)
Interest on capital investments	114,660
Net cash provided by capital and related financing activities	50,677,974
Cash flows provided by investing activities:	
Interest income on investments	426,171
Net change in cash and cash equivalents	68,430,363
Cash and cash equivalents, beginning of year	147,565,062
Cash and cash equivalents, end of year	$ 215,995,425

(Continued)

Reconciliation of loss from operations to net cash used in operating activities:	
Loss from operations	$ (117,684,887)
Adjustments to reconcile loss from operations to net cash used in operating activities:	
Depreciation expense	6,069,444
Changes in assets and liabilities:	
Receivables, net	(6,919,327)
Inventory and prepaid expenses	(194,965)
Deferred outflows of resources - OPEB	27,323
Deferred outflows of resources - pensions	1,399,654
Accounts payable	(1,643,614)
Accrued payroll	(756,435)
Unearned revenue	4,128,720
Compensated absences	283,938
OPEB	(87,860)
Net pension liability	7,379,000
Deferred inflows of resources - pensions	(3,402,000)
Deferred inflows of resources - OPEB	1,607,462
Net cash used in operating activities	$ (109,793,547)
Supplementary disclosure of non-cash transactions:	
Amortization of premiums on debt	$ 657,093
Amortization of deferred loss on refunding	$ 179,970
Accretion of interest	$ 1,744,048
Refunding of debt directly through issuance of new debt	$ 18,200,000

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
DISCRETELY PRESENTED COMPONENT UNIT -
SIERRA COLLEGE FOUNDATION
(A Nonprofit Organization)
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2021

Cash flows from operating activities:	
Donations received from contributions and other revenues	$ 2,201,711
Contributions and other revenue restricted for long term investments	(908,975)
Payments to suppliers for goods and services	(281,775)
Payments to/on behalf of employees	(522,517)
Payments to/on behalf of students	(275,034)
Other receipts and payments	235,951
Net cash provided by operating activities	449,361
Cash flows from investing activities:	
Purchase of investments	(2,100,222)
Investment management fees	(82,906)
Proceeds from sales of investments	802,184
Net cash used in investing activities	(1,380,944)
Cash flows provided by financing activities:	
Contributions and other revenue restricted for long term investments	908,975
PPP loan received	57,345
Net cash provided by financing activities	966,320
Net change in cash and cash equivalents	34,737
Cash and cash equivalents - beginning of year	1,023,470
Cash and cash equivalents - end of year	$ 1,058,207
Reconciliation of change in net assets to net cash provided by operating activities:	
Change in net assets	$ 3,715,462
Realized gain on sales of investments	(72,996)
Investment management fees	82,906
Net change in the fair value of investments	(2,313,760)
Contributions and other revenue restricted for long term investments	(908,975)
PPP Loan forgiveness	(57,345)
Changes in assets and liabilities:	
Receivables	4,343
Accounts payable and accrued expenses	(274)
Net cash provided by operating activities	$ 449,361

See accompanying notes to the basic financial statements.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
TRUST FUND
June 30, 2021

	OPEB Trust
ASSETS	
Cash and cash equivalents	$ 23,064
Investments:	
Mutual Fund - Equities	6,342,285
Mutual Fund - Fixed Income	8,712,739
Mutual Fund - Real Estate	948,157
Total assets	16,026,245
LIABILITIES	
Accounts payable	23,064
Total liabilities	23,064
NET POSITION	
Net position restricted for OPEB	$ 16,003,181

See accompanying notes to the basic financial statements.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
TRUST FUND
For the Year Ended June 30, 2021

	OPEB Trust
Additions:	
Net investment income:	
Net change in the fair value of plan investments	$ 1,800,839
Net realized gains and losses on sale of investments	439,818
Interest and dividends	540,939
Total net investment income	2,781,596
Contributions:	
Employer	2,780,916
Employer match	18,581
Plan member	18,581
Total additions	5,599,674
Deductions:	
Benefits paid - employer	2,780,916
Administrative expenses	110,321
Total deductions	2,891,237
Net increase in fiduciary net position	2,708,437
Net position restricted for OPEB, July 1, 2020	13,294,744
Net position restricted for OPEB, June 30, 2021	$ 16,003,181

See accompanying notes to the basic financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: Sierra Joint Community College District (the "District") is a political subdivision of the State of California and provides educational services to the local residents of the surrounding area. While the District is a political subdivision of the State, it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board ("GASB") Codification Section (Cod. Sec) 2100.101. The District is classified as a state instrumentality under Internal Revenue Code Section 115.

The decision to include potential component units in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America (GAAP) and GASB Cod. Sec. 2100.101. The three criteria for requiring a legally separate, tax-exempt organization to be presented as a component unit are the "direct benefit" criterion, the "entitlement/ability to access" criterion, and the "significance" criterion. The District identified the Sierra Community College Financing Corporation (the "Financing Corporation") and the Sierra College Foundation (the "Foundation") as its potential component units.

The Financing Corporation is an organization whose activities to date have been limited to the issuance of Certificates of Participation and entering into lease arrangements with the District as discussed in Note 7. The District and the Financing Corporation have financial and operational relationships which met the reporting entity definition of GASB Cod. Sec. 2100.101 for inclusion of the Financing Corporation as a component unit of the District. Accordingly, the financial activities of the Financing Corporation have been blended with the financial statements of the District. The Financing Corporation had no activity for the year ended June 30, 2021.

The Foundation is a nonprofit, tax-exempt organization dedicated to providing financial benefits generated from fundraising efforts and investment earnings to the District. The funds contributed by the Foundation to the benefit of the District are significant to the District's financial statements. The District applied the criteria for identifying component units in accordance with GASB Cod. Sec. 2100.138 and therefore, the District has classified the Foundation as a component unit that will be discretely presented in the District's financial statements. Copies of the Foundation's annual financial report may be obtained from the District Business Office, 5100 Sierra College Blvd., Rocklin, California 95677.

Basis of Presentation and Accounting: For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB. Under this model, the District's financial statements provide a comprehensive entity-wide perspective of the District's financial position and activities. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when the obligation has been incurred. All significant intra-agency transactions have been eliminated.

Fiduciary funds for which the District acts only as an agent or trust are not included in the business-type activities of the District. These funds are reported in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position at the fund financial statement level.

The Foundation's financial statements are prepared on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recognized when they are incurred in accordance with accounting principles generally accepted in the United States of America. Recognition of contributions is dependent upon whether the contribution is restricted or unrestricted. Net assets are classified on the Statement of Financial Position as net assets without donor restriction or net assets with donor restriction based on the absence or existence of donor-imposed restrictions. The Foundation’s statements were prepared in accordance with the pronouncements of the Financial Accounting Standards Board ("FASB"). As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation’s financial information in the District’s report for these differences.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents: For the purposes of the financial statements, cash equivalents are defined as financial instruments with an original maturity of three months or less. Funds invested in the Placer County Treasury are considered cash equivalents.

Restricted Cash, Cash Equivalents and Investments: Cash that is externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets, is classified as non current assets in the statement of net position.

Fair Value of Investments and Investment Pools: The District records its investment in Placer County Treasury at fair value. Changes in fair value are reported as revenue in the Statement of Revenues, Expenses and Change in Net Position. The fair value of investments, including the Placer County Treasury external investment pool, at June 30, 2021 approximated their carrying value. Foundation investments in debt and equity securities are carried at fair value. Realized gains and losses and unrealized appreciation (depreciation) of those investments are reflected in the Statement of Activities. Fair values of investments in county and State investment pools are determined by the pool sponsor.

Receivables: Receivables consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff, the majority of each residing in the State of California. Receivable also include amounts due from the Federal Government, State and Local Governments, or private sources, in connection with reimbursements of allowable expenditures made pursuant to the District's grants and contracts. The District provides an allowance for doubtful accounts as an estimation of amounts that may not be received. The allowance is based on management's estimates and historical analysis.

Foundation receivables consist of unconditional promises to give. Unconditional promises to give are expected to be collected within one year and are recorded at net realizable value. The Foundation utilizes the allowance method for accounting for uncollectible receivables. No allowance was necessary at June 30, 2021.

Inventory: Inventories are determined on the first-in, first-out (FIFO) method and are stated at the lower of cost or market.

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

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings, 25 years for portable buildings, 20 years for site and building improvements, 5-20 years for equipment and vehicles, and 5 years for technology equipment, such as computers.

Compensated Absences: Compensated absences costs are accrued when earned by employees. Accumulated unpaid employee vacation benefits are recognized at year-end as liabilities of the District.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accumulated Sick Leave: Normal sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expenditure or expense in the period taken since such benefits do not vest nor is payment probable.

Unearned Revenue: Revenue from Federal, State and local special projects and programs is recognized when qualified expenditures have been incurred. Tuition, fees and other support received but not earned are recorded as unearned revenue until earned.

Postemployment Benefits Other Than Pensions (OPEB): For purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Sierra Joint Community College District's Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and interest-earning investment contracts that are reported at cost. There is not a separately issued report of the plan.

Deferred Outflows/Inflows of Resources: In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The District has recognized a deferred loss on refunding reported in the Statement of Net Position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt. Additionally, the District has recognized a deferred outflow of resources related to the recognition of the pension liability and OPEB liability reported in the Statement of Net Position.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time. The District has recognized a deferred inflow of resources related to the recognition of the pension liability and OPEB liability reported which is in the Statement of Net Position.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State Teachers' Retirement Plan (STRP) and Public Employers Retirement Fund B (PERF B) and additions to/deductions from STRP's and PERF B's fiduciary net position have been determined on the same basis as they are reported by STRP and PERF B. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Certain investments are reported at fair value. The following is a summary of pension amounts in aggregate:

	CalSTRS	CalPERS	Total
Deferred outflows of resources	$ 13,014,565	$ 8,904,951	$ 21,919,516
Deferred inflows of resources	$ 3,636,000	$ 156,000	$ 3,792,000
Net pension liability	$ 56,774,000	$ 49,491,000	$ 106,265,000
Pension expense	$ 11,513,918	$ 8,526,942	$ 20,040,860

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Restricted net position: Restricted expendable net position includes resources in which the District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. Nonexpendable restricted net position consist of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. At June 30, 2021, there is no balance of nonexpendable restricted net position.

Unrestricted net position: Unrestricted net position represents resources derived from student tuition and fees, State apportionments, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the District, and may be used at the discretion of the governing board to meet current expenses for any purpose.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the District typically first applies the expense toward restricted resources, then to unrestricted resources. This practice ensures fully utilizing restricted funding each fiscal year.

Net Assets: The Foundation's net assets are classified as follows:

Net assets without donor restriction - Net assets not subject to donor-imposed stipulations.

Net assets with donor restriction - Net assets consisting of cash and other assets received with donor stipulations that limit the use of the donated assets or that are nonexpendable and consist of endowment and similar type funds in which the donor has stipulated as condition of the gift, that the principal be maintained in perpetuity. When a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the Statement of Activities as net assets released from restrictions.

The Foundation's endowment currently consists of 46 individual funds established for the purpose of supporting education at the District. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard prudence prescribed by UPMIFA.

The Foundation follows its adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specific period(s) as well as board-designated funds.

The investment objective is to optimize earnings on all invested funds, while maintaining the preservation of capital. Risk will be minimized by investing in high quality fixed income instruments. To the extent that corporate obligations are purchased, those purchases will be diversified in terms of issuer and industry sector.

<u>State Apportionments</u>: Certain current year apportionments from the State are based on various financial and statistical information of the previous year. Any prior year corrections due to a recalculation will be recorded in the year computed by the State.

<u>Classification of Revenue</u>: The District has classified its revenues as either operating or nonoperating revenues. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenues, as defined by GASB Cod. Sec. Co5.101 including State appropriations, local property taxes, and investment income. Nearly all the District's expenses are from exchange transactions. Revenues and expenses are classified according to the following criteria:

Operating revenues and expenses: Operating revenues and expenses include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of fee waivers and allowances, (2) sales and services of auxiliary enterprises, and (3) most Federal, State and local grants and contracts and Federal appropriations. All expenses are considered operating expenses except for interest expense on capital asset related debt.

Nonoperating revenues and expenses: Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as Pell grants, gifts and contributions, and other revenue sources described in GASB Cod. Sec. C05.101, such as State appropriations and investment income. Interest expense on capital related debt is the only non-operating expense.

<u>Contributions</u>: Contributions are recognized as revenues in the period received. Unconditional promises to give (pledges) are recognized as revenue when the commitment is communicated to the Foundation. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are met. Contributions of assets other than cash are recorded at their estimated fair value at the date of donation. Contributions are considered available for unrestricted use unless specifically restricted by the donor. Event revenues received in advance are unearned and recognized in the period as the events occur.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fee Waivers: Student tuition and fee revenue are reported net of the Board of Governors fee waivers in the Statement of Revenues, Expenses and Change in Net Position. Certain governmental grants, and other federal, state and nongovernmental programs are recorded as operating revenues, while Federal Pell Grants are classified as non-operating revenues in the District's financial statements.

Property Taxes: Secured property taxes attach as an enforceable lien on property as of March 1, and are payable in two installments on December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. The Placer, Nevada, Sacramento, Yuba and El Dorado Counties each bill and collect taxes for the District. Tax revenues are recognized by the District when received.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results may differ from those estimates.

Tax Status of the Foundation: The Foundation is a nonprofit public benefit corporation exempt from federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. The Foundation has been classified as an organization that is not a private foundation and has been designated as a "publicly supported" organization. Contributions to the Foundation are deductible under Section 170(c)(2). The Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Foundation does not expect the total amount of unrecognized total benefits to significantly change in the next 12 months. Interest and penalties on tax assessments are classified as an expense when incurred. For the year ended June 30, 2021, the Foundation did not incur any interest or penalties.

The Foundation would recognize interest and penalties related to unrecognized tax benefits in tax expense. During the year ended June 30, 2021, the Foundation did not recognize any interest or penalties. The Foundation files exempt organization returns in the U.S. Federal and California jurisdictions. The returns remain subject to examination by the U.S. Federal jurisdiction for three years after the return is filed and for four years by the California jurisdiction. There are currently no tax years under examination.

New Accounting Pronouncements: In January 2017, the GASB issued GASB Statement No. 84, *Fiduciary Activities.* The principal objective of this Statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. The provisions in GASB Statement No. 84 are effective for reporting periods beginning after December 15, 2019. Based on the implementation of GASB Statement No. 84, the District restarted its beginning net position for a total of $1,715,010.

In May 2014, the FASB issued (ASU) 2014-09, *Revenue from Contracts with Customers: Topic 606*. This ASU affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards. This ASU will supersede the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry-specific guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendments in this ASU were implemented by the Foundation on a full retrospective basis in the fiscal year ending June 30, 2021. There were no material changes to the recognition or presentation of revenue as a result of the application of ASU 2014-09. As such, no cumulative effect adjustment was recorded upon adoption.

(Continued)

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments at June 30, 2021, consisted of the following:

	District	Foundation	Trust Fund
Pooled Funds:			
Cash in County Treasury	$ 190,355,223	$ -	$ -
Deposits:			
Cash on hand and in banks	1,313,263	1,058,207	23,064
Funds invested by Fiscal Agents	24,326,939	-	-
Investments	-	13,500,225	16,003,181
Total cash, cash equivalents and investments	215,995,425	14,558,432	16,026,245
Less: restricted cash, cash equivalents and investments	34,990,392	-	-
Net cash, cash equivalents and investments	$ 181,005,033	$ 14,558,432	$ 16,026,245

Pooled Funds: In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the interest bearing Placer County Treasurer's Pooled Investment Fund. The District is considered to be an involuntary participant in an external investment pool. The fair value of the District's investment in the pool is reported in the 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).

During the fiscal year ended June 30, 2021, the District earned $548,658 in investment income from its cash in the Placer County Treasury.

Cash and Investments with Fiscal Agents: Cash and investments with Fiscal Agents totaling $24,326,939 represents cash and investments held by third party custodians relating to SFID debt service. These funds are maintained in the interest bearing Placer County Treasurer's Pooled Investment Fund and are carried at fair value. The fair value of the District's investment in the pool is reported in the 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).

Foundation Investments: At June 30, 2021, the Foundation's investments consisted of the following:

Cash and cash equivalents	$ 791,182
Mututal funds	6,720,369
Corporate stocks	3,035,525
Real estate investment trusts	640,667
Bonds - corporate	1,385,284
Investment in Foundation for California Community Colleges Scholarship Endowment (FCCC/Osher)	835,703
Equity security	91,495
Total investments	$ 13,500,225

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Included in total investments at June 30, 2021 is an equity investment in a closely-held company in the amount of $91,495. This investment without readily determinable fair value is carried at cost because of the Foundation's inability to exercise significant influence over the company.

The Foundation invests in a pooled scholarship endowment fund, FCCC/Osher, managed by the Foundation for California Community Colleges ("FCCC"). The objective of the Foundation’s investment in FCCC/Osher is to grow the Foundation’s investments through the Bernard Osher Foundation pledge to match funds contributed to FCCC/Osher. The investment managers engaged by FCCC are required to follow specific guidelines set forth by FCCC with respect to the various types of allowable investments purchased and held by the pool. Accordingly, the estimated fair value of these investments is based on information provided by external investment managers engaged by FCCC. At June 30, 2021, the Foundation investment in pool consisted of 5% cash and short term investments, 69% fixed income securities, and 26% equity securities.

Trust Investments: The Trust agreement authorizes the use of a broad range of investment choices that have distinctly different risks and return characteristics. In general, investments held in the Trust Fund are for the primary purpose of meeting present and future OPEB liability obligations and may be invested in accordance with California Government Code Sections 53600 through 53622 that, subject to applicable legal requirements, may provide greater latitude to increase purchasing power and capital growth potential if deemed prudent to do so.

The Trust Fund's investment portfolio is invested with the objective of achieving a target net annual rate of return of 5.5% as well as an additional 1% to cover the costs of trust administration. At June 30, 2021, 40% of the Trust's investment value is held in equities, 54% is held in fixed income and 6% in real estate securities.

As stated in the Investment Policy, the Trust will invest predominantly in equities and fixed income securities. The fair value of the Trust's individual investments at June 30, 2021 are as follows:

Mutual funds - equities	$ 6,342,285
Mutual funds - fixed income	8,712,739
Mutual funds - real estate	948,157
	$ 16,003,181

Custodial Credit Risk: The District limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to $250,000 by the Federal Deposit Insurance Corporation ("FDIC") and are collateralized by the respective financial institution. At June 30, 2021, the carrying amount of the District's cash on hand and in banks for the primary governmental entity was $1,313,263 and the bank balance was $1,170,178. The bank balance amount insured was $250,000.

(Continued)

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Cash balances held in banks at the Foundation are also insured up to $250,000 by the FDIC. Cash equivalents held by a broker are insured up to $500,000 by the Securities Investor Protection Corporation ("SIPC"). At June 30, 2021, the carrying amount of the Foundation's cash on hand and in banks and cash equivalents was $1,849,389 and the bank balance was $1,956,936. The bank balance amount insured by the Federal Deposit Insurance Corporation or Securities Investor Protection Corporation was $1,009,939.

The California Government Code requires California banks and savings and loan associations to secure the District's deposits by pledging government securities as collateral. The market value of pledged securities must equal 110 percent of an agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of 150 percent of an agency's total deposits and collateral is considered to be held in the name of the District. All cash held by the financial institutions that is not insured is collateralized.

Credit Risk: Generally, 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. Presented below is the minimum rating required by (where applicable) the California Government Code, the Placer County Treasury Investment Policy based on California Government Code Section 53635, the District's investment policy, or debt agreements, and the actual rating as of year end for each investment type. This table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentrations of credit risk.

Authorized Investment Type	Maximum Maximum Maturity	Maximum Percentage of Portfolio	Investment in One Issuer
Local Agency Bonds or Notes	5 years	None	None
U.S. Treasury Obligations	5 years	None	100%
U.S. Agency Securities	5 years	None	75%
Bankers Acceptance	180 days	40%	30%
Commercial Paper	270 days	40%	40%
Negotiable Certificates of Deposit	5 years	30%	30%
Collateralized Certificates of Deposit	N/A	None	20%
Repurchase Agreements	1 year	25%	20%
Corporate Notes	5 years	30%	30%
Local Agency Investment Funds (LAIF)	N/A	40MM	40MM
CDARS Certificates of Deposit	N/A	30%	30%

The District's Trust investment policy requires all fixed income investments to be of investment grade quality or higher at purchase; that is, at the time of purchases, rated no lower than "BBB" by Standard and Poor's. At June 30, 2021, the Trust investments consisted of open and closed-end mutual funds, therefore there are no credit ratings to disclose.

(Continued)

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investments Authorized by Debt Agreements: Investment 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 or the District's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Placer County Investment Pool	Five years	None	None

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. As of year end, the maximum average maturity of the investments contained in the County investment pool is five years.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the maturity date of each investment:

Investment Type	Weighted Average Maturity (in Years)
Placer County Investment Pool	1.76

The District's OPEB Trust (the "Trust") investments consisted of open and closed-end mutual funds, therefore, there are no significant interest rate risk related to the investments held, as there are no maturities related to the mutual funds held.

Concentration of Credit Risk: The District's investment policy places limits on the amount it may invest in any one issuer. At June 30, 2021, the District had no concentration of credit risk.

The District's Trust investment policy requires that not more than 5 percent of the Trust assets be invested in any single equity security or debt security. However, the limitation does not apply to the percentage of Trust assets invested in a single diversified mutual fund, nor does the limitation apply to obligations of the U.S. Government and its agencies or U.S. agency mortgage-backed pass-through securities. At June 30, 2021, the Trust investment had no holdings that exceeded 5% of the Trust assets.

(Continued)

NOTE 3 - FAIR VALUE MEASUREMENTS - INVESTMENTS

The following presents information about the Trust's and Foundation's assets and liabilities measured at fair value on a recurring basis as of June 30, 2021, and indicates the fair value hierarchy of the valuation techniques utilized by the Foundation to determine such fair value based on the hierarchy:

Level 1 - Quoted market prices or identical instruments traded in active exchange markets. Level 1 investments include mutual funds, corporate stocks, and real estate investment trusts.

Level 2 - Significant other observable inputs such as quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable or can be corroborated by observable market data. Level 2 investments include corporate bonds and U.S. Treasury notes.

Level 3 - Significant unobservable inputs that reflect a reporting entity's own assumptions about the methods that market participants would use in pricing an asset or liability. Level 3 investments include the investment in FCCC/Osher.

Valuation Approach: The District's mutual fund investments are generally classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices or broker or dealer quotations.

There were no changes in the valuation techniques used during the year ended June 30, 2021. There were no transfers of assets between the fair value levels for the year ended June 30, 2021.

The Trust is required or permitted to record the following assets at fair value on a recurring basis:

Description	Level 1	Level 2	Level 3	Total
Investment securities:				
Mutual fund - equities	$ 6,342,285	$ -	$ -	$ 6,342,285
Mutual fund - fixed income	8,712,739	-	-	8,712,739
Mutual fund - real estate	948,157	-	-	948,157
Total investment securities	$ 16,003,181	$ -	$ -	$ 16,003,181

The Foundation is required or permitted to record the following assets at fair value on a recurring basis:

Description	Level 1	Level 2	Level 3	Total
Investment securities:				
Cash and cash equivalents	$ 791,182	$ -	$ -	$ 791,182
Mutual funds - equities	4,239,029	-	-	4,239,029
Mutual funds - fixed income	2,481,340	-	-	2,481,340
Corporate stocks	3,035,525	-	-	3,035,525
Real estate investment trusts	640,667	-	-	640,667
Bonds - corporate	-	1,385,284	-	1,385,284
Investment in FCCC/Osher	-	-	835,703	835,703
Total investment securities	$ 11,187,743	$ 1,385,284	$ 835,703	$ 13,408,730
Investments held at cost				91,495
Total investments	$ 11,187,743	$ 1,385,284	$ 835,703	$ 13,500,225

(Continued)

NOTE 3 - FAIR VALUE MEASUREMENTS - FOUNDATION INVESTMENTS (Continued)

Included in total investments at June 30, 2021 is an equity investment in a closely-held company in the amount of $91,495. This investment without readily determinable fair value is carried at cost because of the Foundation's inability to exercise significant influence over the company.

The fair value of the funds held by FCCC is based upon the Foundation’s proportionate share of the FCCC/Osher pooled investment portfolio (Level 3 inputs). Foundation management reviews the valuations and returns in comparison to industry benchmarks and other information provided by FCCC, but there is currently no visibility provided by FCCC to the specific listing of underlying investment holdings.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

There were no changes in the valuation techniques used during the year ended June 30, 2021. There were no transfers of assets between the fair value levels for the year ended June 30, 2021.

The Foundation had no non-recurring assets and no liabilities at June 30, 2021, which were required to be disclosed using the fair value hierarchy.

NOTE 4 - RECEIVABLES

Receivables at June 30, 2021 are summarized as follows:

	District	Foundation
Federal	$ 1,913,187	$ -
State	7,792,002	-
Local and other	1,416,237	42,016
	11,121,426	42,016
Less allowance for doubtful accounts	(974,521)	-
	$ 10,146,905	$ 42,016

NOTE 5 - CAPITAL ASSETS

Capital asset activity consists of the following:

	Balance July 1, 2020	Additions	Deductions	Transfers	Balance June 30, 2021
Non-depreciable:					
Land	$ 8,595,603	$ -	$ -	$ -	$ 8,595,603
Construction in progress	28,382,279	45,928,832	(55,064)	(4,088,625)	70,167,422
Depreciable:					
Buildings	130,855,159	544,110	-	553,278	131,952,547
Building & site improvements	56,021,071	2,466,137	-	3,207,368	61,694,576
Machinery and equipment	17,770,355	954,672	(8,000)	327,979	19,045,006
Total	241,624,467	49,893,751	(63,064)	-	291,455,154
Less accumulated depreciation:					
Buildings	41,576,310	2,608,815	-	-	44,185,125
Building & site improvements	33,631,550	2,359,249	-	-	35,990,799
Machinery and equipment	12,411,923	1,101,380	(8,000)	-	13,505,303
Total	87,619,783	6,069,444	(8,000)	-	93,681,227
Capital assets, net	$ 154,004,684	$ 43,824,307	$ (55,064)	$ -	$ 197,773,927

NOTE 6 - UNEARNED REVENUE

Unearned revenue for the District consisted of the following:

Unearned tuition and other student fees	$ 2,560,167
Unearned local revenue	2,148,057
Unearned Federal and State revenue	19,000,824
Total unearned revenue	$ 23,709,048

NOTE 7 - LONG-TERM LIABILITIES

General Obligation Bonds: On June 21, 2007, the District issued Measure G, Series B SFID No. 1 bonds to fund the acquisition, construction and development of a new campus. Capital appreciation bonds of $4,535,973 bear interest at rates ranging from 4.96% to 5.01%. Interest on such capital appreciation bonds is compounded semiannually each year. The capital appreciation bonds mature June 1, 2032 and are payable only at maturity. In 2015, the District issued refunding bonds which defeased serial bonds of the Series B SFID No. 1 General Obligation Bonds. The remaining balance of the defeased bonds at June 30, 2021 is $4,535,973.

Accreted interest on the capital appreciation bonds was $4,365,230 at June 30, 2021.

(Continued)

NOTE 7 - LONG-TERM LIABILITIES (Continued)

The following is a schedule of the future payments for the Series B SFID No. 1 General Obligation Bonds:

Year Ending June 30,	Principal	Interest	Total
2022	$ -	$ -	$ -
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027-2031	2,585,344	5,004,656	7,590,000
2032	1,950,629	4,609,371	6,560,000
Subtotal	4,535,973	9,614,027	14,150,000
Plus: Unamortized premium	128,856	-	128,856
Total	$ 4,664,829	$ 9,614,027	$ 14,278,856

On June 21, 2007, the District issued Measure G, Series B SFID No. 2 bonds to fund the acquisition, construction and development of a new campus. Serial Bonds of $4,260,000 matured August 1, 2012. Capital appreciation bonds of $22,136,517 bear interest at rates ranging from 4.15% to 6.32%. Bonds maturing August 1, 2013 to August 1, 2031 are payable only at maturity on August 1 of each year. Final capital appreciation bonds mature June 1, 2032 and are payable only at maturity. Interest on such capital appreciation bonds is compounded semiannually each year.

Accreted interest on the capital appreciation bonds was $12,949,504 at June 30, 2021.

The following is a schedule of the future payments for the Series B SFID No. 2 General Obligation Bonds:

Year Ending June 30,	Principal	Interest	Total
2022	$ 1,034,859	$ 1,000,141	$ 2,035,000
2023	1,034,283	1,105,717	2,140,000
2024	1,029,175	1,215,825	2,245,000
2025	1,027,332	1,332,668	2,360,000
2026	1,022,670	1,452,330	2,475,000
2027-2031	5,676,299	10,548,701	16,225,000
2032	2,806,347	8,123,654	10,930,001
Subtotal	13,630,965	24,779,036	38,410,001
Plus: Unamortized premium	206,375	-	206,375
Total	$ 13,837,340	$ 24,779,036	$ 38,616,376

(Continued)

NOTE 7 - LONG-TERM LIABILITIES (Continued)

During the year ended June 30 2013, the Financing Corporation issued $16,820,000 of 2013 General Obligation Refunding Bonds, Series A, with an effective interest rate of 2.37%, maturing August 1, 2029. Proceeds were used to advance refund a portion of the outstanding 2004 Series A SFID No. 1 General Obligation Bonds and to pay the costs of issuing the Series A Refunding Bonds. The Series A Refunding Bonds are general obligations of the District payable solely from *ad valorem taxes* upon all property within the Sierra Joint Community College District School Facilities Improvement District No. 1. During the year ended June 30, 2021, 2013 Series A Refunding Bonds totaling $10,080,000 were refunded through the issuance of 2021 General Obligation Refunding Bonds. For financial reporting purposes, the debt has been considered defeased and therefore removed from the District's financial statements. The remaining 2013 Series A Refunding Bonds mature through August 1, 2023.

The following is a schedule of the future payments for the Series A Refunding Bonds:

Year Ending June 30,	Principal	Interest	Total
2022	$ 900,000	$ 103,800	$ 1,003,800
2023	1,015,000	65,500	1,080,500
2024	1,130,000	22,600	1,152,600
Subtotal	3,045,000	191,900	3,236,900
Plus: Unamortized premium	386,767	-	386,767
Total	$ 3,431,767	$ 191,900	$ 3,623,667

During the year ended June 30, 2013, the Financing Corporation issued $13,555,000 of 2013 General Obligation Refunding Bonds, Series B, with an effective interest rate of 2.40%, maturing August 1, 2029. Proceeds were used to advance refund a portion of the outstanding 2004 Series A SFID No. 2 General Obligation Bonds and to pay the costs of issuing the Series B Refunding Bonds. The Series B Refunding Bonds are general obligations of the District payable solely from *ad valorem taxes* within the Sierra Joint Community College District School Facilities Improvement District No. 2. During the year ended June 30, 2021, 2013 Series B Refunding Bonds totaling $8,120,000 were refunded through the issuance of 2021 General Obligation Refunding Bonds. For financial reporting purposes, the debt has been considered defeased and therefore removed from the District's financial statements. The remaining 2013 Series B Refunding Bonds mature thorough August 1, 2023.

(Continued)

NOTE 7 - LONG-TERM LIABILITIES (Continued)

The following is a schedule of the future payments for the Series B Refunding Bonds:

Year Ending June 30,	Principal	Interest	Total
2022	$ 720,000	$ 83,000	$ 803,000
2023	810,000	52,400	862,400
2024	905,000	18,100	923,100
Subtotal	2,435,000	153,500	2,588,500
Plus: Unamortized premium	286,189	-	286,189
Total	$ 2,721,189	$ 153,500	$ 2,874,689

During the year ended June 30, 2015, the District issued $7,585,000 of 2015 General Obligation Refunding Bonds. The current interest bonds bear interest at rates of 3.00% to 5.00%, maturing August 1, 2026. Proceeds were used to advance refund a portion of the outstanding 2004 Series B SFID No. 1 General Obligation Bonds and to pay the costs of issuing the 2015 Refunding Bonds. For financial reporting purposes, the refunded debt has been considered defeased and therefore removed from the District's financial statements.

The following is a schedule of the future payments for the 2015 Refunding Bonds:

Year Ending June 30,	Principal	Interest	Total
2022	$ 720,000	$ 257,850	$ 977,850
2023	805,000	227,350	1,032,350
2024	895,000	188,875	1,083,875
2025	995,000	141,625	1,136,625
2026	1,105,000	89,125	1,194,125
2027	1,230,000	30,750	1,260,750
Subtotal	5,750,000	935,575	6,685,575
Plus: Unamortized premium	743,957	-	743,957
Total	$ 6,493,957	$ 935,575	$ 7,429,532

During the year ended June 30, 2019, the District issued $80,000,000 of 2018 General Obligation Bonds, Series A. The current interest bonds bear interest at rates of 3.59% to 4.00%, maturing August 1, 2053. Proceeds are to be used to finance the acquisition, construction, modernization and equipping of District sites and facilities.

(Continued)

NOTE 7 - LONG-TERM LIABILITIES (Continued)

The following is a schedule of the future payments for the 2018 GO Bonds, Series A:

Year Ending June 30,	Principal	Interest	Total
2022	$ 9,060,000	$ 2,641,600	$ 11,701,600
2023	-	2,460,400	2,460,400
2024	-	2,460,400	2,460,400
2025	-	2,460,400	2,460,400
2026	-	2,460,400	2,460,400
2027-2031	-	12,302,000	12,302,000
2032-2036	4,400,000	11,975,600	16,375,600
2037-2041	8,790,000	10,608,400	19,398,400
2042-2046	13,465,000	8,402,500	21,867,500
2047-2051	19,525,000	5,128,300	24,653,300
2052-2054	15,330,000	946,400	16,276,400
Subtotal	70,570,000	61,846,400	132,416,400
Plus: Unamortized premium	2,857,077	-	2,857,077
Total	$ 73,427,077	$ 61,846,400	$ 135,273,477

On February 18, 2021, the District issued $97,000,000 of 2018 General Obligation Bonds, Series B. The current bonds bear interest at rates of 2.00% to 4.00%, maturing August 1, 2053. The Series B Bonds are being issued to finance the acquisition, construction, modernization and equipping of District sites and facilities within the Improvement District No. 4, and pay the costs of issuing the Series B Bonds.

The following is a schedule of the future payments for the 2018 GO Bonds, Series B:

Year Ending June 30,	Principal	Interest	Total
2022	$ -	$ 2,297,621	$ 2,297,621
2023	10,485,000	2,411,494	12,896,494
2024	9,540,000	2,063,419	11,603,419
2025	795,000	1,856,719	2,651,719
2026	980,000	1,821,219	2,801,219
2027-2031	7,690,000	8,318,094	16,008,094
2032-2036	8,945,000	6,648,519	15,593,519
2037-2041	11,245,000	5,501,897	16,746,897
2042-2046	14,725,000	4,208,594	18,933,594
2047-2051	18,895,000	2,496,172	21,391,172
2052-2054	13,700,000	445,719	14,145,719
Subtotal	97,000,000	38,069,465	135,069,465
Plus: Unamortized premium	4,552,916	-	4,552,916
Total	$ 101,552,916	$ 38,069,465	$ 139,622,381

NOTE 7 - LONG-TERM LIABILITIES (Continued)

On February 18, 2021, the District issued $11,450,000 of 2021 General Obligation Refunding Bonds, Series A. The current bonds bear interest at rates of 0.149% to 1.445%, maturing August 1, 2029. Proceeds are being issued by the District to advance refund a portion of the District's outstanding 2013 General Obligation Refunding Bonds, Series A, and pay the costs of issuing the Series A Refunding Bonds. For financial reporting purposes, the refunded debt has been considered defeased and removed from the District's financial statements.

The following is a schedule of the future payments for the 2021 Refunding Bonds, Series A:

Year Ending June 30,	Principal	Interest	Total
2022	$ 205,000	$ 95,176	$ 300,176
2023	260,000	106,041	366,041
2024	260,000	105,511	365,511
2025	1,520,000	102,599	1,622,599
2026	1,615,000	94,752	1,709,752
2027-2030	7,590,000	205,814	7,795,814
Subtotal	11,450,000	709,893	12,159,893
Plus: Unamortized premium	-	-	-
Total	$ 11,450,000	$ 709,893	$ 12,159,893

Calculation of Difference in Cash Flow Requirements and Economic Gain

Cash Flow Difference	
Old debt service cash flows	$ 13,258,750
New debt service cash flows	12,159,893
	$ 1,098,857

Economic Gain: The economic gain or difference between the present value of the old debt service requirements and the present value of the new debt servicer requirements, discounted at the effective interest rate, is $1,012,819.

On February 18, 2021, the District issued $9,195,000 of 2021 General Obligation Refunding Bonds, Series B. The current bonds bear interest at rates of 0.149% to 1.485%, maturing August 1, 2029. Proceeds are being issued by the District to advance refund a portion of the District's outstanding 2013 General Obligation Refunding Bonds, Series B, and pay the costs of issuing the Series B Refunding Bonds. For financial reporting purposes, the refunded debt has been considered defeased and removed from the District's financial statements.

(Continued)

NOTE 7 - LONG-TERM LIABILITIES (Continued)

The following is a schedule of the future payments for the 2021 Refunding Bonds, Series B:

Year Ending June 30,	Principal	Interest	Total
2022	$ 160,000	$ 77,377	$ 237,377
2023	205,000	86,219	291,219
2024	205,000	85,801	290,801
2025	1,220,000	83,407	1,303,407
2026	1,290,000	77,068	1,367,068
2027-2030	6,115,000	168,889	6,283,889
Subtotal	9,195,000	578,761	9,773,761
Plus: Unamortized premium	-	-	-
Total	$ 9,195,000	$ 578,761	$ 9,773,761

Calculation of Difference in Cash Flow Requirements and Economic Gain

Cash Flow Difference	
Old debt service cash flows	$ 10,536,600
New debt service cash flows	9,773,762
	$ 762,838

Economic Gain: The economic gain or difference between the present value of the old debt service requirements and the present value of the new debt servicer requirements, discounted at the effective interest rate, is $703,425.

Certificates of Participation: During 2012, the Financing Corporation issued $11,962,000 of Certificates of Participation (COPs) with an average interest rate of 2.29%. Proceeds were used to advance refund outstanding 1998, 2004 and 2007 COPs. The net proceeds related to the advance refunding issuance and fund balances from prior issuances totaling $12,889,141 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments and the 1998, 2004 and 2007 COPs were defeased. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. The remaining balance of the defeased bonds at June 30, 2021 is $1,566,000.

Following is a schedule of the future payments for the 2012 Certificates of Participation:

Year Ending June 30,	Principal	Interest	Total
2022	$ 377,000	$ 37,402	$ 414,402
2023	387,000	27,762	414,762
2024	396,000	17,869	413,869
2025	406,000	5,156	411,156
Total	$ 1,566,000	$ 88,189	$ 1,654,189

(Continued)

NOTE 7 - LONG-TERM LIABILITIES (Continued)

Capitalized Lease Obligations: The District leases equipment under agreements which provide for title to pass upon expiration of the lease period. Future minimum lease payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	$ 175,496	$ 30,000	$ 205,496
2023	179,498	25,998	205,496
2024	183,590	21,906	205,496
2025	187,776	17,720	205,496
2026	192,057	13,439	205,496
2027-2029	397,352	13,640	410,992
Total	$ 1,315,769	$ 122,703	$ 1,438,472

At June 30, 2021, the District had capital assets acquired under capital leases with an original cost of $2,836,666 and $921,917 in accumulated depreciation.

Changes in Long-Term Debt: A schedule of changes in long-term debt for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021	Amounts Due Within One Year
Debt					
General Obligation Bonds	$ 130,718,563	$ 117,645,000	$ 30,751,625	$ 217,611,938	$ 12,799,859
Accreted interest	16,469,061	1,744,048	898,375	17,314,734	713,988
Unamortized Bond Premium	7,402,668	4,780,562	3,021,093	9,162,137	580,862
Other long-term liabilities					
Certificates of Participation	2,660,000	-	1,094,000	1,566,000	377,000
Capitalized leases obligations	1,487,354	-	171,584	1,315,770	175,496
Compensated absences	2,178,394	283,938	-	2,462,332	2,462,332
Net pension liability	98,886,000	7,379,000	-	106,265,000	-
OPEB Liability	30,987,145	-	87,860	30,899,285	-
	$ 290,789,185	$ 131,832,548	$ 36,024,537	$ 386,597,196	$ 17,109,537

NOTE 8 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLANS

General Information about the State Teachers' Retirement Plan

Plan Description: Teaching-certificated employees of the District are provided with pensions through the State Teachers' Retirement Plan (STRP) - a cost-sharing multiple-employer defined benefit pension plan administered by the California State Teachers' Retirement System (CalSTRS). The Teachers' Retirement Law (California Education Code Section 22000 et seq.), as enacted and amended by the California Legislature, established this plan and CalSTRS as the administrator. The benefit terms of the plans may be amended through legislation. CalSTRS issues a publicly available financial report that can be obtained at http://www.calstrs.com/comprehensive-annual-financial-report.

(Continued)

NOTE 8 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLANS (Continued)

Benefits Provided: The STRP Defined Benefit Program has two benefit formulas:

- CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS.
- CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS.

The Defined Benefit (DB) Program provides retirement benefits based on members' final compensation, age and years of service credit. In addition, the retirement program provides benefits to members upon disability and to survivors/beneficiaries upon the death of eligible members. There are several differences between the two benefit formulas which are noted below.

CalSTRS 2% at 60

CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor, known as the career factor. The maximum benefit with the career factor, up to the 2.4 percent maximum.

CalSTRS calculates retirement benefits based on a one-year final compensation for members who retired on or after January 1, 2001, with 25 or more years of credited service, or for classroom teachers with less than 25 years of credited service if the employer elected to pay the additional benefit cost prior to January 1, 2014. One-year final compensation means a member’s highest average annual compensation earnable for 12 consecutive months calculated by taking the creditable compensation that a member could earn in a school year while employed on a fulltime basis, for a position in which the person worked. For members with less than 25 years of credited service, final compensation is the highest average annual compensation earnable for any three consecutive years of credited service.

CalSTRS 2% at 62

CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

All CalSTRS 2% at 62 members have their final compensation based on their highest average annual compensation earnable for three consecutive years of credited service.

Contributions: Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial cost method.

In June 2019, California Senate Bill 90 (SB 90) was signed into law and appropriated approximately $2.2 billion in fiscal year 2018-19 from the state’s General Fund as contributions to CalSTRS on behalf of employers. The bill required portions of the contribution to supplant the amounts remitted by employers such that the amounts remitted will be 1.03 and 0.70 percentage points less than the statutorily required amounts due for fiscal years 2020-21 and 2020-21, respectively. The remaining portion of the contribution, approximately $1.6 billion, was allocated to reduce the employers’ share of the unfunded actuarial obligation of the DB Program.

(Continued)

NOTE 8 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLANS (Continued)

Also, SB 90 appropriated future supplemental state contributions to reduce the state's portion of the unfunded actuarial obligation of the DB Program in fiscal years 2019-20 through 2022-23. These contributions are funded from future excess General Fund revenues, pursuant to the requirements of California Proposition 2, Rainy-Day Budget Stabilization Fund Act which passed in 2014. Accordingly, the contribution amounts are subject to change each year. For fiscal year 2019-20, CalSTRS received $1.1 billion of supplemental state contributions pursuant to SB 90.

California Assembly Bill 84, Chapter 16, Statutes of 2020, (AB 84) was signed into law in June 2020 and revised certain provisions of Teachers' Retirement Law enacted by SB 90. Specifically, AB 84 repurposed the aforementioned $1.6 billion contribution originally intended to reduce employers' long-term liabilities, to further supplant employer contributions through fiscal year 2021–22. Pursuant to AB 84, employers will remit contributions to CalSTRS based on a rate that is 2.95 percent less than the statutory rate for fiscal year 2020–21 and 2.18 percent less than the rate set by the board for fiscal year 2021–22. Any remaining amounts must be allocated to reduce the employers' share of the unfunded actuarial obligation of the DB Program. The rate reduction for fiscal year 2019-20 under SB 90 was not changed by AB 84. The employer contribution rates set in statute and the board's authority to adjust those rates starting in fiscal year 2021-22 under the CalSTRS Funding Plan were not changed by the passage of SB 90 or AB 84 .

In addition, the board's rate-setting authority for the state contribution rate was suspended for fiscal year 2020–21 by AB 84. Although the board exercised its authority in May 2020 to increase the state contribution rate by 0.50 percent effective July 1, 2020, the rate increase did not go into effect. Instead, the state rate remained at the 2019–20 level of 7.828 percent.

A summary of statutory contribution rates and other sources of contributions to the DB Program pursuant to the CalSTRS Funding Plan, SB 90 and AB 84, are as follows:

Members - Under CalSTRS 2% at 60, the member contribution rate was 10.25 percent of applicable member earnings for fiscal year 2020-2021.

Under CalSTRS 2% at 62, members contribute 50 percent of the normal cost of their retirement plan, which resulted in a contribution rate of 10.205 percent of applicable member earnings for fiscal year 2020-2021. According to current law, the contribution rate for CalSTRS 2% at 62 members is adjusted if the normal cost increases or decreases by more than 1percent since the last timethe member contribution rate was set. Based on the June 30, 2019, valuation adopted by the board in May 2020, the increase in normal cost was less than 1percent.Therefore, the contribution rate for CalSTRS 2% at 62 members did not change effective July 1, 2020.

Employers – 16.15 percent of applicable member earnings. This rate reflects the original employer contribution rate of 19.10 percent resulting from the CalSTRS Funding Plan, and subsequently reduced for the 2.95 percentage points to be paid on behalf of employers pursuant to SB 90 and AB 84.

The CalSTRS Funding Plan, which was enacted in June 2014 with the passage of California Assembly Bill (AB) 1469, required that employer contributions will increase from 8.25 percent to a total of 19.1 percent of applicable member earnings phased in over seven years starting in 2014. The legislation gave the CalSTRS board limited authority to adjust employer contribution rates from July 1, 2021 through June 2046 in order to eliminate the remaining unfunded actuarial obligation related to service credited to members prior to July 1, 2014. The CalSTRS board cannot adjust the rate by more than 1 percent in a fiscal year, and the total contribution rate in addition to the 8.25 percent cannot exceed 12 percent.

(Continued)

NOTE 8 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLANS (Continued)

The CalSTRS employer contribution rates effective for fiscal year 2020-2021 through fiscal year 2046-47 are summarized in the table below:

Effective Date	Pre-AB 1469 Rate	Increase Per Funding Plan	SB 90 and AB 84 Impact[1]	Total
July 1, 2020	8.250%	10.850%	(2.950%)	16.150%
July 1, 2021	8.250%	2	(2.180%)	2
July 1, 2022 to June 30, 2046	8.250%	2	N/A	2
July 1, 2046	8.250%	Increase from AB 1469 rate ends in 2046-47		

(1) Pursuant to AB 84, the fiscal year 2018-19 state contribution of approximately $2.2 billion made in advance on behalf of employers will be used to pay the contributions required by employers for the 2019-20, 2020-21 and 2021-22 fiscal years, such that employers will remit 1.030%, 2.950% and 2.180% less, respectively, than is required by the CalSTRS Funding Plan.

(2) The CalSTRS Funding Plan authorizes the board to adjust the employer contribution rate up or down by up to 1%each year, but no higher than 20.250% total and no lower than 8.250%.

The District contributed $5,882,565 to the plan for the fiscal year ended June 30, 2021.

State – 10.328 percent of the members' calculated based on creditable compensation from two fiscal years prior.

The state's base contribution to the DB Program is calculated based on creditable compensation from two fiscal years prior. As a result of the CalSTRS Funding Plan, the state is required to make additional contributions to pay down the unfunded liabilities associated with the benefit structure that was in place in 1990 prior to certain enhancements in benefits and reductions in contributions. The additional state appropriation required to fully fund the benefits in effect as of 1990 by 2046 is specified in subdivision (b) of Education Code section 22955.1. The increased contributions end as of fiscal year 2045–46. Pursuant to AB 84, the state contribution rate remained at 5.811% for fiscal year 2020-21.

NOTE 8 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLANS (Continued)

The CalSTRS state contribution rates effective for fiscal year 2020-21 and beyond are summarized in the table below.

Effective Date	Base Rate	AB 1469 Increase For 1990 Benefit Structure	SBMA Funding(1)	Total
July 01, 2020	2.017%	5.811%	2.50%	10.328%(2)
July 01, 2021	2.017%	5.811% (3)	2.50%	10.328%(2)
July 01, 2022 to June 30, 2046	2.017%	(4)	2.50%	(4)
July 01, 2046	2.017%	(5)	2.50%	(5)

(1) The SBMA contribution rate excludes the $72 million that is reduced from the required contribution in accordance with Education Code section 22954. .
(2) This rate does not include the impacts of supplemental state contributions pursuant to SB 90.
(3) In May 2020, the board exercised its limited authority to increase the state contribution rate by 0.5% of the creditable compensation effective July 1, 2020. However, pursuant to AB 84, the state suspended the board's rate-setting authority for state contributions for fiscal year 2020–21, thereby negating the board's rate increase of 0.5%.
(4) The board has limited authority to adjust the state contribution rate annually through June 2046 in order to eliminate the remaining unfunded actuarial obligation associated with the 1990 benefit structure. The board cannot increase the rate by more than 0.5% in a fiscal year, and if there is no unfunded actuarial obligation, the contribution rate imposed to pay for the 1990 benefit structure would be reduced to 0%.The board has limited authority to adjust state contribution rates annually through June 2046 in order to eliminate the remaining unfunded actuarial obligation associated with the 1990 benefit structure. The board cannot increase the rate by more than 0.50% in a fiscal year, and if there is no unfunded actuarial obligation, the contribution rate imposed to pay for the 1990 benefit structure would be reduced to zero percent.
(5) From July 1, 2046, and thereafter, the rates in effect prior to July 1, 2014, are reinstated, if necessary, to address any remaining 1990 unfunded actuarial obligation.

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

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

District's proportionate share of the net pension liability	$ 56,774,000
State's proportionate share of the net pension liability associated with the District	31,026,000
Total	$ 87,800,000

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school Districts and the State. At June 30, 2020, the District's proportion was 0.059 percent, which was no change from its proportion measured as of June 30, 2019.

(Continued)

NOTE 8 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLANS (Continued)

For the year ended June 30, 2021, the District recognized pension expense of $11,513,918 and revenue of $7,617,380 for support provided by the State. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 100,000	$ 1,601,000
Changes of assumptions	5,536,000	-
Net differences between projected and actual earnings on investments	1,349,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	147,000	2,035,000
Contributions made subsequent to measurement date	5,882,565	-
Total	$ 13,014,565	$ 3,636,000

$5,882,565 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2022	$ (226,767)
2023	$ 1,405,233
2024	$ 2,034,734
2025	$ 486,067
2026	$ (233,433)
2027	$ 30,166

Differences between expected and actual experience, changes in assumptions and changes in proportion and differences between District contributions and proportionate share of contributions are amortized over a closed period equal to the average remaining service life of plan members, which is 7 years as of the June 30, 2020 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

(Continued)

NOTE 8 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLANS (Continued)

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

Valuation Date	June 30, 2019
Experience Study	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%
Post-retirement Benefit Increases	2.00% simple for DB, maintain 85% Purchasing power level for DB, not applicable for DBS/CBB

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

Mortality: 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 percent 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 investment staff and investment consultants as inputs to the process.

(Continued)

NOTE 8 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLANS (Continued)

The actuarial investment rate of return assumption was adopted by the CalSTRS board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS consulting actuary reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term* Expected Real Rate of Return
Public Equity	42%	4.8%
Real Estate Assets	15	3.6
Private Equity	13	6.3
Fixed Income	12	1.3
Risk Mitigating Strategies	10	1.8
Inflation Sensitive	6	3.3
Cash / Liquidity	2	(0.4)

* 20-year geometric average

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District’s proportionate share of the net pension liability	$ 85,777,000	$ 56,774,000	$ 32,827,000

Pension Plan Fiduciary Net Position: Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalSTRS financial report.

NOTE 9 - NET PENSION LIABILITY - PUBLIC EMPLOYER’S RETIREMENT FUND B

General Information about the Public Employer’s Retirement Fund B

Plan Description: The schools cost-sharing multiple-employer defined benefit pension plan Public Employer’s Retirement Fund B (PERF B) is administered by the California Public Employees’ Retirement System (CalPERS). Plan membership consists of non-teaching and non-certified employees of public schools (K-12), community college districts, offices of education, charter and private schools (elective) in the State of California.

(Continued)

NOTE 9 - NET PENSION LIABILITY - PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

The Plan was established to provide retirement, death and disability benefits to non-teaching and non-certified employees in schools. The benefit provisions for Plan employees are established by statute. CalPERS issues a publicly available financial report that can be obtained at

https://www.calpers.ca.gov/docs/forms-publications/cafr- 2020.pdf.

Benefits Provided: The benefits for the defined benefit plans are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years (10 years for State Second Tier members) of credited service.

Contributions: The benefits for the defined benefit pension plans are funded by contributions from members and employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer's benefit formulas. Employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Employer contributions, including lump sum contributions made when district's first join the PERF B, are credited with a market value adjustment in determining contribution rates.

The required contribution rates of most active plan members are based on a percentage of salary in excess of a base compensation amount ranging from zero dollars to $863 monthly.

Required contribution rates for active plan members and employers as a percentage of payroll for the year ended June 30, 2021 were as follows:

Members - The member contribution rate was 7.0 percent of applicable member earnings for fiscal year 2020-21.

Employers - The employer contribution rate was 20.70 percent of applicable member earnings.

The District contributed $4,670,951 to the plan for the fiscal year ended June 30, 2021.

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

At June 30, 2021, the District reported a liability of $49,491,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school Districts. At June 30, 2020, the District's proportion was 0.161 percent, which was no change from its proportion measured as of June 30, 2019.

(Continued)

NOTE 9 - NET PENSION LIABILITY - PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

For the year ended June 30, 2021, the District recognized pension expense of $8,562,942. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 2,455,000	$ -
Changes of assumptions	181,000	-
Net differences between projected and actual earnings on investments	1,030,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	568,000	156,000
Contributions made subsequent to measurement date	4,670,951	-
Total	$ 8,904,951	$ 156,000

$4,670,951 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2022	$ 1,355,583
2023	$ 1,277,583
2024	$ 970,584
2025	$ 474,250

Differences between expected and actual experience, changes in assumptions and changes in proportion and differences between District contributions and proportionate share of contributions are amortized over a closed period equal to the average remaining service life of plan members, which is 4 years as of the June 30, 2020 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

(Continued)

NOTE 9 - NET PENSION LIABILITY - PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

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

Valuation Date	June 30, 2019
Experience Study	June 30, 1997 through June 30, 2015
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.15%
Consumer Price Inflation	2.50%
Wage Growth	Varies by entry age and service
Post-retirement Benefit Increases	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies 2.50% thereafter

The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries 90% of scale MP 2016. For more details on this table, please refer to the 2017 experience study report.

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found at CalPERS' website.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Long-Term* Assumed Asset Asset Class	Allocation	Expected Real Rate of Return Years 1-10 (1)	Expected Real Rate of Return Years 11+(2)
Global Equity	50%	4.80%	5.98%
Fixed Income	28	1.00	2.62
Inflation Assets	-	0.77	1.81
Private Equity	8	6.30	7.23
Real Estate	13	3.75	4.93
Liquidity	1	-	(0.92)

* 10-year geometric average
(1) An expected inflation rate of 2.00% used for this period
(2) An expected inflation rate of 2.92% used for this period

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

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.

(Continued)

NOTE 9 - NET PENSION LIABILITY - PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

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 and forecasted information for all the funds' asset classes, expected compound (geometric) returns were calculated over the short term (first 10 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 .

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.15 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15 percent) or 1-percentage-point higher (8.15 percent) than the current rate:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
District's proportionate share of the net pension liability	$ 71,152,000	$ 49,491,000	$ 15,383,000

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS

Plan Description: The District provides lifetime post-employment healthcare benefits (OPEB) under the Sierra Joint Community College District Futuris Substantive Plan for certain groups of employees who retire from the District. The benefits provide retired employees and eligible dependents with health insurance coverage. When the retiree is eligible for Medicare, the District provides insurance coverage supplemental to Medicare. Eligible requirements and benefits may vary according to hire date. The District provides the OPEB benefits through a single employer defined benefit OPEB plan that is administered by Benefit Trust Company. OPEB provisions are established and amended per contractual agreement with employee groups. The plan does not issue separate financial statements. The following is a description of the current retiree benefit plan:

Academic Employees

- Employees hired before November 27, 1984 receive 100% paid benefits upon retirement from the District.
- Employees hired after November 27, 1984, but before July 2, 1988, must have completed five years of service to receive 100% paid benefits.
- Employees hired after July 1, 1988, but before July 2, 1994, must have completed twelve years of service to receive 100% paid benefits.
- Employees hired after July 1, 1994 may purchase benefits at their own expense.

(Continued)

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Classified Employees

- Employees hired before December 10, 1985 receive 100% paid benefits upon retirement from the District.
- Employees hired after December 10, 1985, but before July 2, 1986, must have completed five years of service to receive 100% paid benefits.
- Employees hired after July 1, 1986, but before July 2, 1994, must have completed 15 years of service to receive 100% paid benefits.
- Employees hired after July 1, 1994 may purchase benefits at their own expense.

During the year ended June 30, 2008 the District signed an irrevocable trust (the Trust) agreement. The District appointed a Board of Authority with authority to make decisions on behalf of the District with respect to the *Futuris Public Entity Investment Trust Program*. Benefit Trust Company was appointed as the custodian and trustee to administer the *Futuris Public Entity Investment Trust*

The Board of Authority is comprised of the following six positions: Vice President, Administrative Services, Director, Human Resources, Vice President of Student Services, 1 Federation of United School Employees Member, 1 Sierra College Faculty Association Member, 1 Sierra College Management Association Member and 1 retiree.

Employees covered by benefit term: The following is a table of plan participants at June 30, 2021:

	Number of Participants
Inactive employees/dependents receiving benefits	295
Inactive employees/dependents entitled to but not yet receiving benefits	-
Active employees	15
	310

Contributions: The contribution requirements of plan members and the District are established and may be amended by the Board of Authority and by contractual agreement with employee groups. The District's plan members contribute 1% of base pay to the plan with a matching 1% from the employer. For the year ended June 30, 2021, employer contributions consist of $2,795,262 paid from the General Fund. Additionally, the trustee may amend or modify the benefits if the contributions to the trust and reserves of the trust are insufficient to maintain the benefits of participants and dependents.

OPEB Plan Investments: The plan discount rate of 4.5 percent was determined using the following asset allocation and assumed rate of return:

Asset Class	Percentage of Portfolio	Rate of Return*
Equities	40%	2.6%
Fixed income	54%	1.6%
Alternatives	6%	0.4%

* Geometric average

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Rolling periods of time for all asset classes in combination we used to appropriately reflect correlation between asset classes. This means that the average returns for any asset class do not necessarily reflect the averages over time individually, but reflect the return for the asset class for the portfolio average. Additionally, the historic 30 year real rates of return for each asset class along with the assumed long-term inflation assumption was used to set the discount rate. The investment return was offset by assumed investment expenses of 25 basis points. It was further assumed that contributions to the plan would be sufficient to fully fund the obligation over a period not to exceed 30 years.

Money-weighted rate of return on OPEB plan investments	20.98%

The money-weighted rate of return expresses investment performance, net of OPEB plan investment expenses, adjusted for the changing amounts actually invested.

Actuarial Assumptions: The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Valuation date	July 1, 2021
Measurement date	June 30, 2021
Census data	The census was provided by the District as of July 1, 2021
Actuarial cost method	Entry age normal
Amortization methods	Flat dollar amount allocation with 18 year closed amortization
Inflation rate	2.75%
Investment rate of return	4.50%
Discount rate	4.50%; assuming contributions would be sufficient to fully fund the obligation over a period not to exceed 30 years.
Health care cost trend rate	4.50%
Payroll increase	2.75%
Participation rates	100% for certificated and classified employees.
Mortality	For certificated employees the 2020 CalSTRS mortality tables were used. For classified employees the 2017 CalPERS active mortality for miscellaneous employees were used.
Spouse prevalence	To the extent not provided and when needed to calculate benefit liabilities, 80% of retirees assumed to be married at retirement. After retirement, the percentage married is adjusted to reflect mortality.

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Spouse ages	To the extent spouse dates of birth are not provided and when needed to calculate benefit liabilities, female spouse assumed to be three years younger than male.
Turnover	For certificated employees the 2020 CalSTRS termination rates were used.
	For classified employees the 2017 CalPERS termination rates for school employees were used.
Service requirement	For certificated employees 100% at 15 years of service.
	For classified employees 100% at 15 years of service.
	For management 100% at 12 years of service.
Retirement rates	For certificated employees the 2020 CalSTRS retirement rates were used.
	For classified employees the 2017 CalPERS retirement rates for school employees were used.

Changes in the Net OPEB Liability:

	Total OPEB Liability (a)	Total Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance, June 30, 2020	$ 44,281,889	$ 13,294,744	$ 30,987,145
Changes for the year:			
Service cost	87,460	-	87,460
Interest	2,247,880	-	2,247,880
Plan member contributions	-	22,815	(22,815)
Employer contributions	-	2,795,262	(2,795,262)
Expected interest income	-	2,781,597	(2,781,597)
Investment gains	-	-	-
Administrative expense	-	(110,321)	110,321
Estimated benefit payments	(3,145,426)	(2,780,916)	(364,510)
Change in assumptions	6,487,721	-	6,487,721
Experience Gains/Losses	(3,057,058)	-	(3,057,058)
Net change	2,620,577	2,708,437	(87,860)
Balance, June 30, 2021	$ 46,902,466	$ 16,003,181	$ 30,899,285

During the 2020-21 measurement period, the financial reporting discount rate for the District's OPEB Plan was lowered from 6.0 percent to 5.75 percent.

Fiduciary Net Position as a % of the Total OPEB Liability, at June 30, 2021: 34.12%

(Continued)

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the Net Pension Liability to Assumptions: The following presents the net OPEB liability calculated using the discount rate of 4.5 percent. The schedule also shows what the net OPEB liability would be if it were calculated using a discount rate that is 1 percent lower (3.5 percent) and 1 percent higher (5.5):

	Discount Rate 1% Lower (3.5%)	Valuation Discount Rate (4.5%)	Discount Rate 1% Higher (5.5%)
Net OPEB liability	$ 35,957,132	$ 30,899,285	$ 26,624,523

The following table presents the net OPEB liability calculated using the heath care cost trend rate of 4.5 percent. The schedule also shows what the net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percent lower (3.5 percent) and 1 percent higher (5.5 percent):

	Health Care Trend Rate 1% Lower (3.5%)	Valuation Health Care Trend Rate (4.5%)	Health Care Trend Rate 1% Higher (5.5%)
Net OPEB liability	$ 26,931,711	$ 30,899,285	$ 35,509,162

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2021, the District recognized OPEB expense of $4,636,616. At June 30, 2021, the District reported deferred outflows or resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings of OPEB plan investments	$ -	$ 1,664,321

Amounts reported as deferred outflows of resources related to the net difference between projected and actual earnings of OPEB plan investments will be amortized over five years and recognized in OPEB expense as follows:

2022	$ 402,852
2023	421,131
2024	423,861
2025	416,477
	$ 1,664,321

(Continued)

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Differences between expected and actual experience and changes in assumptions are amortized over the average remaining service life of plan members, which is one year as of the June 30, 2021 measurement date. At June 30, 2021, the District recognized an increase to the net OPEB liability in the amount of $6,487,721 related to changes in assumptions and a decrease to the net OPEB liability in the amount of $3,057,058 related to differences between expected and actual experience.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Contingent Liabilities: The District is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the District.

The District has received Federal and State funds for specific purposes that are subject to review or audit by the grantor agencies. Although such audits could result in expenditure disallowances under terms of the grants, it is management's opinion that any required reimbursements or future revenue offsets subsequently determined will not have a material effect on the District's financial statements.

Operating Leases: Future minimum rental payments under all noncancelable operating leases with initial or remaining lease terms in excess of one year as of June 30, 2021, are as follows:

Year Ending June 30,	
2022	$ 504,699
2023	124,073
2024	99,892
2025	19,242
2026	1,700
	$ 749,606

At June 30, 2021, the District's operating lease expenses totaled $824,342.

Construction Commitments: As of June 30, 2021, the District had approximately $22,801,000 in outstanding commitments on construction contracts.

(Continued)

NOTE 12 - JOINT POWERS AGREEMENTS

Sierra Joint Community College District participates in Joint Power Agreements ("JPAs"), with Alliance of Schools for Cooperative Insurance Programs ("ASCIP") for property, liability and workers' compensation insurance, Self-Insured Schools of California (SISC III) for health and welfare benefits and Schools Excess Liability Fund ("SELF") for excess liability insurance for the operation of common risk management and insurance programs. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years. There have been no significant reductions in insurance coverage from coverage in the prior year. The relationship between the District and the JPAs is such that the JPAs are not component units of the District for financial reporting purposes.

The JPAs are governed by boards consisting of representatives from member district. The boards control the operations of the JPAs, including the selection of management and approval of operating budgets, independent of any influence by the member district beyond their representation on the governing board. The District pays a premium commensurate with the level of coverage requested.

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

Condensed financial information of the JPAs for the most recent year available is as follows:

	ASCIP June 30 2020	SISC III September 30, 2020	SELF June 30, 2020
Total assets	$ 536,100,250	$ 894,318,838	$ 174,621,313
Deferred outflows of resources	$ 1,382,261	$ -	$ 312,483
Total liabilities	$ 313,032,321	$ 210,116,678	$ 141,193,559
Deferred inflows of resources	$ 84,477	$ -	$ 64,325
Net position	$ 224,365,713	$ 684,202,160	$ 33,675,912
Total revenues	$ 294,192,490	$ 2,639,716,772	$ 77,945,029
Total expenses	$ 271,188,222	$ 2,482,489,489	$ 64,133,389
Change in net position	$ 23,004,268	$ 157,227,283	$ 13,811,640

(Continued)

NOTE 13 - OPERATING EXPENSES

The following schedule details the functional classifications of the District's operating expenses reported in the statement of revenues, expenses and changes in net position for the year ended June 30, 2021.

Functional Classifications	Salaries	Employee Benefits	Supplies Materials and Other Operating Expenses and Services	Student Aid	Utilities	Depreciation	Total
Instruction	$ 35,274,481	$ 13,213,148	$ 2,108,901	$ -	$ -	$ -	$ 50,596,530
Academic support	4,956,719	1,925,064	971,167	-	-	-	7,852,950
Student services	12,046,842	4,623,514	1,519,773	-	-	-	18,190,129
Operations and maintenance of plant	2,149,811	1,018,196	1,272,163	-	2,380,822	-	6,820,992
Institution support	9,359,397	16,478,072	6,488,874	-	-	-	32,326,343
Community services & economic development	722,060	318,254	1,402,583	-	-	-	2,442,897
Ancillary services & auxiliary operations	1,564,791	584,664	1,373,461	-	-	-	3,522,916
Physical property and related acquisitions	555,760	229,446	(950,652)	-	-	6,069,444	5,903,998
Long-term debt and other financing	-	-	179,970	-	-	-	179,970
Student aid	-	-	-	32,716,942	-	-	32,716,942
	$ 66,629,861	$ 38,390,358	$ 14,366,240	$ 32,716,942	$ 2,380,822	$ 6,069,444	$ 160,553,667

(Continued)

NOTE 14 - DONATED FROM COLLEGE DISTRICT

The Foundation's Statement of Activities included an amount Donated from College District totaling $277,670 for the year ended June 30, 2021. This consisted of accounting and management support, comprehensive insurance, office space, and other miscellaneous internal services as provided by the District.

The valuation of such services and facilities is determined based upon various factors including employee salaries and benefits, office rent, and certain other operating expenses.

NOTE 15 - ENDOWMENT NET ASSETS - FOUNDATION

Changes in endowment net assets for the fiscal year ended June 30, 2021, consisted of the following:

	Net Assets Without Donor Restriction	Net Assets With Donor Restriction	Total
Endowment net assets, beginning of year	$ 1,169,813	$ 6,206,333	$ 7,376,146
Change in fair value of investment and investment income	240,919	1,385,193	1,626,112
Contributions	-	908,975	908,975
Other transfers	-	182,255	182,255
Appropriation of endowment assets for expenditure	(13,028)	(214,755)	(227,783)
Endowment net assets, end of year	$ 1,397,704	$ 8,468,001	$ 9,865,705

Endowment net asset composition by type of fund for the fiscal year ended June 30, 2021, consisted of the following:

	Net Assets Without Donor Restriction	Net Assets With Donor Restriction	Total
Donor-restricted endowment funds	$ -	$ 8,468,001	$ 8,468,001
Board-designated endowment funds	1,397,704	-	1,397,704
Total	$ 1,397,704	$ 8,468,001	$ 9,865,705

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. There were zero individual endowment funds with such deficiency as of June 30, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY
For the Year Ended June 30, 2021

Last 10 Fiscal Years

	2017	2018	2019	2020	2021
Total OPEB liability					
Service Cost	$ 171,433	$ 176,146	$ 164,087	$ 91,218	$ 87,460
Interest	2,734,468	2,730,149	2,489,550	2,345,725	2,247,880
Benefit payments (estimated in FY20)	(2,893,674)	(3,055,708)	(3,096,245)	(3,339,120)	(3,145,426)
Change in assumptions	-	3,787,175	850,956	985,955	6,487,721
Experience Gains/Losses	-	(451,989)	(2,830,654)	(7,436)	(3,057,058)
Net change in total OPEB liability	12,227	3,185,773	(2,422,306)	76,342	2,620,577
Total OPEB liability, beginning of year	43,429,853	43,442,080	46,627,853	44,205,547	44,281,889
Total OPEB liability, end of year (a)	$ 43,442,080	$ 46,627,853	$ 44,205,547	$ 44,281,889	$ 46,902,466
Plan fiduciary net position					
Plan member contributions	34,991	31,878	25,583	22,176	22,815
Employer contributions	2,985,545	3,087,586	3,124,975	2,987,950	2,795,262
Expected interest income	352,275	435,690	648,655	732,407	2,781,597
Investment gains	702,882	212,168	-	-	-
Administrative expense	(88,860)	(94,651)	(95,706)	(99,783)	(110,321)
Benefits payment	(2,950,555)	(3,055,708)	(3,096,245)	(2,965,774)	(2,780,916)
Change in plan fiduciary net position	1,036,278	616,963	607,262	676,976	2,708,437
Fiduciary trust net position, beginning of year	10,357,265	11,393,543	12,010,506	12,617,768	13,294,744
Fiduciary trust net position, end of year (b)	$ 11,393,543	$ 12,010,506	$ 12,617,768	$ 13,294,744	$ 16,003,181
Net OPEB liability, ending (a) - (b)	$ 32,048,537	$ 34,617,347	$ 31,587,779	$ 30,987,145	$ 30,899,285
Covered-employee payroll	$ 3,865,671	$ 3,187,814	$ 2,638,169	$ 2,358,441	$ 1,574,904
Plan fiduciary net position as a percentage of the of the total OPEB liability	26%	26%	29%	30%	34%
Net OPEB liability as a percentage of covered-employee payroll	829%	1086%	1197%	1314%	1962%

This is a 10 year schedule, however the information in this schedule is not required to be presented retrospectively.

SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN OF OPEB PLAN INVESTMENTS
For the Year Ended June 30, 2021

Last 10 Fiscal Years

	2017	2018	2019	2020	2021
Money-weighted rate of return on OPEB plan investments	6.50%	5.50%	5.50%	5.82%	20.98%

This is a 10 year schedule, however the information in this schedule is not required to be presented retrospectively.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2021

State Teacher's Retirement Plan
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021
District's proportion of the net pension's liability	0.066%	0.067%	0.065%	0.060%	0.059%	0.058%	0.059%
District's proportionate share of the net pension liability	$ 39,292,000	$ 44,841,000	$ 52,561,000	$ 55,412,000	$ 54,511,000	$ 52,729,000	$ 56,774,000
State's proportionate share of the net pension liability associated with the District	23,726,000	23,716,000	29,925,000	32,782,000	31,210,000	28,767,000	31,026,000
Total net pension liability	$ 63,018,000	$ 68,557,000	$ 82,486,000	$ 88,194,000	$ 85,721,000	$ 81,496,000	$ 87,800,000
District's covered payroll	$ 29,948,000	$ 30,914,000	$ 32,387,000	$ 33,520,000	$ 33,906,000	$ 33,933,000	$ 35,136,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	131.20%	145.05%	162.29%	165.31%	160.77%	168.03%	161.58%
Plan fiduciary net position as a percentage of the total pension liability	76.52%	74.02%	70.04%	69.46%	70.99%	72.56%	71.82%

The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

All years prior to 2015 are not available.

(Continued)

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2021

Public Employers Retirement Fund B
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021
District's proportion of the net pension liability	0.171%	0.165%	0.165%	0.161%	0.159%	0.158%	0.161%
District's proportionate share of the net pension liability	$ 19,391,000	$ 24,389,000	$ 32,575,000	$ 38,545,000	$ 42,272,000	$ 46,157,000	$ 49,491,000
District's covered payroll	$ 17,930,000	$ 18,318,000	$ 19,788,000	$ 20,590,000	$ 20,997,000	$ 21,937,000	$ 23,310,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	108.15%	133.14%	164.62%	187.20%	201.32%	210.42%	212.32%
Plan fiduciary net position as a percentage of the total pension liability	83.38%	79.43%	73.89%	71.87%	70.85%	70.05%	70.00%

The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

All years prior to 2015 are not available.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the Year Ended June 30, 2021

State Teachers' Retirement Plan
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	$ 2,745,182	$ 3,475,108	$ 4,216,794	$ 4,892,621	$ 5,534,068	$ 6,370,228	$ 5,882,565
Contributions in relation to the contractually required contribution	(2,745,182)	(3,475,108)	(4,216,794)	(4,892,621)	(5,534,068)	(6,370,228)	(5,882,565)
District's covered payroll	$ 30,914,000	$ 32,387,000	$ 33,520,000	$ 33,906,000	$ 33,993,000	$ 35,136,000	$ 30,799,000
Contributions as a percentage of covered payroll	8.88%	10.73%	12.58%	14.43%	16.28%	18.13%	16.15%

All years prior to 2015 are not available.

* This rate reflects the original employer contribution rate of 19.10 percent under AB 1469, reduced for the 2.95 percentage points to be paid on behalf of employers pursuant to SB90.

(Continued)

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the Year Ended June 30, 2021

Public Employers Retirement Fund B
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	$ 2,156,206	$ 2,344,237	$ 2,859,575	$ 3,260,974	$ 3,962,220	$ 4,596,942	$ 4,670,951
Contributions in relation to the contractually required contribution	(2,156,206)	(2,344,237)	(2,859,575)	(3,260,974)	(3,962,220)	(4,596,942)	(4,670,951)
District's covered payroll	$ 18,318,000	$ 19,788,000	$ 20,590,000	$ 20,997,000	$ 21,937,000	$ 23,310,000	$ 22,565,000
Contributions as a percentage of covered payroll	11.77%	11.85%	13.89%	15.53%	18.06%	19.72%	20.70%

All years prior to 2015 are not available.

NOTE 1 - PURPOSE OF SCHEDULE

A - Schedule of Changes in Net Other Postemployment Benefits (OPEB) liability: The Schedule of Changes in Net OPEB liability is presented to illustrate the elements of the District's Net OPEB liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

B - Schedule of Money-Weighted Rate of Return of OPEB Plan Investments: The Schedule of Money-Weighted Rate of Return of OPEB Plan Investments presents the weighted average rate of return for the District's OPEB Plan investments.

C - Schedule of the District's Proportionate Share of the Net Pension Liability: The Schedule of the District's Proportionate Share of the Net Pension Liability is presented to illustrate the elements of the District's Net Pension Liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

D - Schedule of the District's Contributions: The Schedule of the District's Contributions is presented to illustrate the District's required contributions relating to the pensions. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

E - Changes of Benefit Terms: There are no changes in benefit terms reported in the Required Supplementary Information.

F - Changes of Assumptions: The discount rate used to calculate the District's OPEB liability was 6.50, 5.50, 5.50, 5.25, and 4.50 percent in the June 30, 2017, 2018, 2019, 2020, and 2021 actuarial reports, respectively.

The discount rate for Public Employer's Retirement Fund B (PERF B) was 7.50, 7.65, 7.65, 7.15, 7.15, 7.15 and 7.15 percent in the June 30, 2013, 2014, 2015, 2016, 2017, 2018, and 2019 actuarial reports, respectively.

The following are the assumptions for State Teachers' Retirement Plan:

	Measurement Period					
Assumption	As of June 30, 2020	As of June 30, 2019	As of June 30, 2018	As of June 30, 2017	As of June 30, 2016	As of June 30, 2015
Consumer price inflation	2.75%	2.75%	2.75%	2.75%	3.00%	3.00%
Investment rate of return	7.10%	7.10%	7.10%	7.10%	7.60%	7.60%
Wage growth	3.50%	3.50%	3.50%	3.50%	3.75%	3.75%

SUPPLEMENTARY INFORMATION

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
COMBINING STATEMENT OF NET POSITION BY FUND
(Unaudited)
June 30, 2021

	General	Bond Interest & Redemption Fund	SFID #1 Bond Interest & Redemption	SFID #2 Bond Interest & Redemption	SFID #4 Bond Interest & Redemption	SFID #4 Capital Projects Fund
ASSETS						
Current assets:						
Cash and cash equivalents	$ 43,538,492	$ -	$ 5,850,646	$ 3,354,504	$ 15,121,789	$ 109,780,081
Receivables, net	8,834,098	-	903	528	2,290	32,561
Inventory	50,539	-	-	-	-	-
Prepaid expenses	676,781	-	-	-	-	-
Total current assets	53,099,910	-	5,851,549	3,355,032	15,124,079	109,812,642
Noncurrent assets:						
Restricted cash, cash equivalents and investments	-	-	-	-	-	-
Notes Receivable, Net	12,000	-	-	-	-	-
Non-depreciable capital assets	-	-	-	-	-	-
Depreciable capital assets, net	-	-	-	-	-	-
Total noncurrent assets	12,000	-	-	-	-	-
Total assets	53,111,910	-	5,851,549	3,355,032	15,124,079	109,812,642
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows of resources - loss on refunding	-	-	-	-	-	-
Deferred outflows of resources - OPEB	-	-	-	-	-	-
Deferred outflows of resources - pensions	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	$ 53,111,910	$ -	$ 5,851,549	$ 3,355,032	$ 15,124,079	$ 109,812,642
LIABILITIES						
Current liabilities:						
Accounts payable	$ 2,184,806	$ -	$ -	$ -	$ -	$ 1,776,650
Unearned revenue	21,917,470	-	-	-	-	-
Accrued payroll	2,631,282	-	-	-	-	-
Compensated absences payable	-	-	-	-	-	-
Long-term debt - current portion	-	-	-	-	-	-
Accrued interest on debt	-	-	-	-	-	-
Total current liabilities	26,733,558	-	-	-	-	1,776,650
Noncurrent liabilities:						
Accreted interest on bonds	-	-	-	-	-	-
Long-term debt - noncurrent portion	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-	-
Total liabilities	26,733,558	-	-	-	-	1,776,650
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows of resources - OPEB	-	-	-	-	-	-
Deferred inflows of resources - pensions	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
NET POSITION						
Net investment in capital assets	-	-	-	-	-	-
Restricted for:						
Scholarships and loans	-	-	-	-	-	-
Capital projects	-	-	-	-	-	108,035,992
Debt service	-	-	5,851,549	3,355,032	15,124,079	-
Students	-	-	-	-	-	-
Unrestricted	26,378,352	-	-	-	-	-
Total net position	26,378,352	-	5,851,549	3,355,032	15,124,079	108,035,992
Total liabilities, deferred inflows of resources and net position	$ 53,111,910	$ -	$ 5,851,549	$ 3,355,032	$ 15,124,079	$ 109,812,642

(Continued)

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
COMBINING STATEMENT OF NET POSITION BY FUND
(Unaudited)
June 30, 2021

	Capital Projects	Financial Aid	Student Funds	Dormitory	Totals	Reconciling Adjustments/ Eliminations	Statement of Net Position
ASSETS							
Current assets:							
Cash and cash equivalents	$ 32,672,903	$ 1,682,489	$ 2,151,414	$ 1,208,107	$ 215,360,425	$ (34,355,392)	$ 181,005,033
Receivables, net	1,249,441	6,286	13,882	6,916	10,146,905	-	10,146,905
Inventory	-	-	-	-	50,539	-	50,539
Prepaid expenses	-	-	-	-	676,781	-	676,781
Total current assets	33,922,344	1,688,775	2,165,296	1,215,023	226,234,650	(34,355,392)	191,879,258
Noncurrent assets:							
Restricted cash, cash equivalents and investments	635,000	-	-	-	635,000	34,355,392	34,990,392
Notes Receivable, Net	-	-	-	-	12,000	-	12,000
Non-depreciable capital assets	-	-	-	-	-	78,763,025	78,763,025
Depreciable capital assets, net	-	-	-	-	-	119,010,902	119,010,902
Total noncurrent assets	635,000	-	-	-	647,000	232,129,319	232,776,319
Total assets	34,557,344	1,688,775	2,165,296	1,215,023	226,881,650	197,773,927	424,655,577
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows of resources - loss on refunding	-	-	-	-	-	820,761	820,761
Deferred outflows of resources - OPEB	-	-	-	-	-	-	-
Deferred outflows of resources - pensions	-	-	-	-	-	21,919,516	21,919,516
Total deferred outflows of resources	-	-	-	-	-	22,740,277	22,740,277
Total assets and deferred outflows of resources	$ 34,557,344	$ 1,688,775	$ 2,165,296	$ 1,215,023	$ 226,881,650	$ 220,514,204	$ 447,395,854
LIABILITIES							
Current liabilities:							
Accounts payable	$ 327,690	$ -	$ 50,048	$ 3,182	$ 4,342,376	$ 690,456	$ 5,032,832
Unearned revenue	14,450	1,686,019	91,109	-	23,709,048	-	23,709,048
Accrued payroll	-	-	-	-	2,631,282	-	2,631,282
Compensated absences payable	-	-	-	-	-	2,462,332	2,462,332
Long-term debt - current portion	-	-	-	-	-	14,501,756	14,501,756
Accrued interest on debt	-	-	-	-	-	2,729,812	2,729,812
Total current liabilities	342,140	1,686,019	141,157	3,182	30,682,706	20,384,356	51,067,062
Noncurrent liabilities:							
Accreted interest on bonds	-	-	-	-	-	16,600,746	16,600,746
Long-term debt - noncurrent portion	-	-	-	-	-	353,032,362	353,032,362
Total noncurrent liabilities	-	-	-	-	-	369,633,108	369,633,108
Total liabilities	342,140	1,686,019	141,157	3,182	30,682,706	390,017,464	420,700,170
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows of resources - OPEB	-	-	-	-	-	1,664,321	1,664,321
Deferred inflows of resources - pensions	-	-	-	-	-	3,792,000	3,792,000
Total deferred inflows of resources	-	-	-	-	-	5,456,321	5,456,321
NET POSITION							
Net investment in capital assets	-	-	-	-	-	78,718,924	78,718,924
Restricted for:							
Scholarships and loans	-	2,756	-	-	2,756	-	2,756
Capital projects	34,215,204	-	-	-	142,251,196	-	142,251,196
Debt service	-	-	-	-	24,330,660	-	24,330,660
Students	-	-	2,024,139	-	2,024,139	-	2,024,139
Unrestricted	-	-	-	1,211,841	27,590,193	(253,678,505)	(226,088,312)
Total net position	34,215,204	2,756	2,024,139	1,211,841	196,198,944	(174,959,581)	21,239,363
Total liabilities, deferred inflows of resources and net position	$ 34,557,344	$ 1,688,775	$ 2,165,296	$ 1,215,023	$ 226,881,650	$ 220,514,204	$ 447,395,854

See accompanying note to supplemental information.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION BY FUND
(Unaudited)
Year Ended June 30, 2021

	General	Bond Interest & Redemption Fund	SFID #1 Bond Interest & Redemption	SFID #2 Bond Interest & Redemption	SFID #4 Bond Interest & Redemption	SFID #4 Capital Projects Fund
Operating revenues:						
Tuition and fees	$ 17,866,642	$ -	$ -	$ -	$ -	$ -
Less: fee waivers and allowance	(7,980,473)	-	-	-	-	-
Net tuition and fees	9,886,169	-	-	-	-	-
Grants and contracts, non-capital:						
Federal	6,473,663	-	-	-	-	-
State	20,541,129	-	-	-	-	-
Local	830,928	-	-	-	-	-
Auxiliary enterprise sales and charges	167,079	-	-	-	-	-
Total operating revenues	37,898,968	-	-	-	-	-
Operating expenses:						
Salaries	66,074,545	-	-	-	-	101,023
Employee benefits	27,228,364	-	-	-	-	52,437
Supplies, materials and other operating expenses and services	19,043,090	-	-	-	275,000	42,878,219
Student financial aid and scholarships	5,924,553	-	-	-	-	-
Utilities	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Total operating expenses	118,270,552	-	-	-	275,000	43,031,679
Operating (loss) income	(80,371,584)	-	-	-	(275,000)	(43,031,679)
Non-operating revenues (expenses):						
State apportionment, non-capital	1,355,322	-	-	-	-	-
Local property taxes	88,374,195	-	60,194	-	292,469	-
Federal grants and contracts, non-capital	-	-	-	-	-	-
State taxes and other revenues	7,012,260	-	1,974	-	83,094	-
Pell grants	-	-	-	-	-	-
Investment income - non-capital	148,913	-	16,899	6,430	21,956	231,973
Investment income - capital	-	-	-	-	-	-
Interest expense	-	(88,296)	(926,850)	(1,397,175)	(3,011,400)	-
Other non-operating revenues	290,781	-	-	-	4,716,062	96,725,000
Proceeds from debt	-	-	-	-	-	-
Debt reduction	-	(1,265,584)	(1,440,000)	(1,681,625)	(9,430,000)	-
Interfund transfers out	(12,181,733)	-	-	-	-	(43,031,679)
Interfund transfers in	1,391,993	1,353,880	-	-	-	43,031,679
Total non-operating revenues (expenses)	86,391,731	-	(2,287,783)	(3,072,370)	(7,327,819)	96,956,973
Income (loss) before capital revenues	6,020,147	-	(2,287,783)	(3,072,370)	(7,602,819)	53,925,294
Capital revenues:						
Grants and gifts	-	-	-	-	-	-
Local property taxes and other revenues	36,507	-	3,188,130	3,194,025	11,489,390	-
Total capital revenues	36,507	-	3,188,130	3,194,025	11,489,390	-
Change in net position	6,056,654	-	900,347	121,655	3,886,571	53,925,294
Net position, July 1, 2020	20,321,698	-	4,951,202	3,233,377	11,237,508	54,110,698
Cumulative effect of GASB No. 84 implementation	-	-	-	-	-	-
Net position, beginning of year, as restated	20,321,698	-	4,951,202	3,233,377	11,237,508	54,110,698
Net position, June 30, 2021	$ 26,378,352	$ -	$ 5,851,549	$ 3,355,032	$ 15,124,079	$ 108,035,992

(Continued)

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION BY FUND
(Unaudited)
Year Ended June 30, 2021

	Capital Projects	Financial Aid	Student Funds	Dormitory	Totals	Statement of Revenues, Expenses and Adjustments/ Eliminations	Change in Net Position
Operating revenues:							
Tuition and fees	$ (15,287)	$ -	$ -	$ (4,984)	$ 17,846,371	$ -	$ 17,846,371
Less: fee waivers and allowance	-	-	-	-	(7,980,473)	-	(7,980,473)
Net tuition and fees	(15,287)	-	-	(4,984)	9,865,898	-	9,865,898
Grants and contracts, non-capital:							
Federal	-	7,570,255	-	-	14,043,918	(8,935,516)	5,108,402
State	1,795,003	1,876,886	-	-	24,213,018	-	24,213,018
Local	1,932,763	253,319	497,351	-	3,514,361	-	3,514,361
Auxiliary enterprise sales and charges	-	-	-	22	167,101	-	167,101
Total operating revenues	3,712,479	9,700,460	497,351	(4,962)	51,804,296	(8,935,516)	42,868,780
Operating expenses:							
Salaries	26,854	-	48,740	94,761	66,345,923	283,938	66,629,861
Employee benefits	13,939	-	16,007	45,342	27,356,089	11,034,269	38,390,358
Supplies, materials and other operating expenses and services	4,052,715	-	123,475	33,280	66,405,779	(52,039,539)	14,366,240
Student financial aid and scholarships	-	26,792,389	-	-	32,716,942	-	32,716,942
Utilities	-	-	-	-	-	2,380,822	2,380,822
Depreciation	-	-	-	-	-	6,069,444	6,069,444
Total operating expenses	4,093,508	26,792,389	188,222	173,383	192,824,733	(32,271,066)	160,553,667
Operating (loss) income	(381,029)	(17,091,929)	309,129	(178,345)	(141,020,437)	23,335,550	(117,684,887)
Non-operating revenues (expenses):							
State apportionment, non-capital	-	-	-	-	1,355,322	-	1,355,322
Local property taxes	-	-	-	-	88,726,858	-	88,726,858
Federal grants and contracts, non-capital	-	-	-	-	-	8,935,516	8,935,516
State taxes and other revenues	-	-	-	-	7,097,328	4,110,690	11,208,018
Pell grants	-	16,603,270	-	-	16,603,270	-	16,603,270
Investment income - non-capital	109,987	-	-	4,673	540,831	(114,660)	426,171
Investment income - capital	-	-	-	-	-	114,660	114,660
Interest expense	-	-	-	-	(5,423,721)	(1,417,161)	(6,840,882)
Other non-operating revenues	-	-	-	-	101,731,843	(101,441,062)	290,781
Proceeds from debt	-	-	-	-	-	-	-
Debt reduction	-	-	-	-	(13,817,209)	13,817,209	-
Interfund transfers out	(17,074,800)	-	(36,900)	-	(72,325,112)	72,288,212	(36,900)
Interfund transfers in	25,770,970	488,659	36,900	251,031	72,325,112	(72,288,212)	36,900
Total non-operating revenues (expenses)	8,806,157	17,091,929	-	255,704	196,814,522	(75,994,808)	120,819,714
Income (loss) before capital revenues	8,425,128	-	309,129	77,359	55,794,085	(52,659,258)	3,134,827
Capital revenues:							
Grants and gifts	15,000	-	-	-	15,000	-	15,000
Local property taxes and other revenues	98,847	-	-	-	18,006,899	-	18,006,899
Total capital revenues	113,847	-	-	-	18,021,899	-	18,021,899
Change in net position	8,538,975	-	309,129	77,359	73,815,984	(52,659,258)	21,156,726
Net position, July 1, 2020	25,676,229	2,756	-	1,134,482	120,667,950	(122,274,536)	(1,632,373)
Cumulative effect of GASB No. 84 implementation	-	-	1,715,010	-	1,715,010	-	1,715,010
Net position, beginning of year, as restated	25,676,229	2,756	1,715,010	1,134,482	122,382,960	(122,300,323)	82,637
Net position, June 30, 2021	$ 34,215,204	$ 2,756	$ 2,024,139	$ 1,211,841	$ 196,198,944	$ (174,959,581)	$ 21,239,363

See accompanying note to supplemental information.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Contract Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Direct Programs:			
Student Financial Aid Cluster:			
Pell Grant Program	84.063	P063P181180	$ 16,603,270
Administrative Allowance	84.063	P063Q181180	89,799
Federal Direct Student Loans	84.268	P268K191180	2,556,539
College Work Study Program	84.033	P033A180600	141,995
SEOG	84.007	P007A180600	666,207
Subtotal Student Financial Aid Cluster			20,057,810
Education Stabilization Fund:			
COVID-19 HEERF I Institutional Portion	84.425F		3,221,241
COVID-19 HEERF I Student Portion	84.425E		888,191
COVID-19 HEERF II Institutional Portion	84.425F		1,096,871
COVID-19 HEERF II Student Portion	84.425E		3,725,908
COVID-19 HEERF III Institutional Portion	84.425F		3,305
Subtotal Education Stabilization Fund			8,935,516
TRIO Cluster	84.042	P042A100546	200,053
Career Technical Education Program:			
Title I - Part C - Basic Grant VTEA	84.048	19-C01-058	554,930
Subtotal Career Technical Education Program			554,930
Total U.S. Department of Education			29,748,309
U.S. Department of Treasury			
Passed through California Community College Chancellor's Office:			
COVID-19 CARES Act Coronavirus Relief Fund	21.019		633,177
Total U.S. Department of Treasury			633,177

(Continued)

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Contract Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Passed through El Dorado and Nevada Counties:			
Forest Reserve - Forest Service Schools and Roads Cluster	10.665	-	20,237
Total U.S. Department of Agriculture			20,237
U.S. Department of Veterans Affairs			
Direct Program:			
Veterans Reserve Funds	64.115	-	8,064
U.S. Department of Health and Human Services			
Passed through California Department of Education:			
Foster Parent Training	93.658	1262100	133,505
Passed through California Community College Chancellor's Office:			
Temporary Assistance for Needy Families - TANF Cluster	93.558	-	30,684
Total U.S. Department of Health and Human Services			164,189
U.S. Department of Commerce			
Direct Program:			
California Manufacturing Technology Consulting	11.611	-	63,294
U.S Department of Defense			
Direct Program:			
CASCADE II - GO BIZ Solano County	16.617	-	9,917
Total Federal Programs			$ 30,647,187

See accompanying note to supplemental information.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF STATE FINANCIAL AWARDS
For the Year Ended June 30, 2021

	Program Revenues				Total
	Cash Received	Accounts Receivable	Unearned Income/ Accounts Payable	Total	Total Program Expenditures
AB540 Dreamer Funding	128,094	-	6,453	121,641	121,641
Adult Education Block Grant	$ 93,725	$ 2,538	$ 48,811	$ 47,452	$ 47,452
BFAP	547,501	-	-	547,501	547,501
CA College Promise AB19	1,854,333	-	162,832	1,691,501	1,691,501
CA Early Childhood Mentor	644	-	644	-	-
CA Textbook Affordability Act	9,323	-	1,293	8,030	8,030
Cal Grant A	3,000	-	-	3,000	3,000
Cal Grant B	2,027,782	-	228,466	1,799,316	1,799,316
Cal Grant C	67,890	-	-	67,890	67,890
CALFRESH Outreach SB85	40,427	-	40,427	-	-
CalWORKS	466,464	-	186,708	279,756	279,756
Campus Safety & Sexual Assault	12,044	2,598	8,895	5,747	5,747
CARE	202,620	-	9,177	193,443	193,443
Classified Professional Development	50,561	-	50,561	-	-
Completion Grant	2,487,878	-	753,747	1,734,131	1,734,131
COVID 19 Response Block Grant COAS	777,232	-	536,807	240,425	240,425
Critical Care Specialized Nursing	14,336	-	14,870	(534)	(534)
Dream Resource Liason Support	59,490	-	59,490	-	-
DSN Adv Mfg 19COAS	44,769	-	-	44,769	44,769
DSN Adv Mfg 20COAS	200,000	-	58,949	141,051	141,051
DSPS (includes DHH and ATP)	1,524,095	-	559,189	964,906	964,906
Early Action Emergency Fin Aid	1,186,867	-	1,180,007	6,860	6,860
EOPS	1,186,861	-	20,179	1,166,682	1,166,682
Equal Employment Opportunity	82,855	-	57,144	25,711	25,711
Family Child Care Homes	10,347	(10,347)	-	-	-
Family Child Care Homes - Reserve	1,272	-	-	1,272	1,272
Financial Aid Technology	121,578	-	31,421	90,157	90,157
Global Trade 2021	200,000	-	70,417	129,583	129,583
Guided Pathway	873,908	-	248,657	625,251	625,251

(Continued)

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF STATE FINANCIAL AWARDS
For the Year Ended June 30, 2021

	Program Revenues				
	Cash Received	Accounts Receivable	Unearned Income/ Accounts Payable	Total	Total Program Expenditures
Hunger Free Campus	$ 95,702		$ 5,600	$ 90,102	$ 90,102
IEPI Conservation Corp	168,882	95,138	-	264,020	264,020
IEPI Innovation and Effective	200,000	-	13,771	186,229	186,229
Innovation in Higher Education	1,179,877	-	1,179,877	-	-
Invention and Innovation	40,000	-	22,865	17,135	17,135
Mental Health Support	76,829	-	16,345	60,484	60,484
NextUp (CAFYES)	756,492	-	43,760	712,732	712,732
Nursing Enrollment Growth	78,971	-	14,231	64,740	64,740
Puente Project	3,523	-	925	2,598	2,598
Retention Enrollment Outreach	220,141	-	220,141	-	-
SJCCD CCC Maker Fellow Award	64,855	-	26,122	38,733	38,733
Strong Workforce Dev	1,131,304	-	-	1,131,304	1,131,304
Strong Workforce Local 20-21	1,922,399	-	1,900,547	21,852	21,852
Strong Workforce Local Prog	1,894,980	-	364,951	1,530,029	1,530,029
Strong Workforce Professionals	7,630	-	-	7,630	7,630
Strong Workforce Regional	570,193	-	-	570,193	570,193
Strong Workforce Regional 19-20	1,011,300	-	741,917	269,383	269,383
Student Equity & Achievment (SEA)	2,064,726	4,868,738	2,352,499	4,580,965	4,580,965
SW Regional PIC Accelerated Workforce	-	1,842	-	1,842	1,842
SW Regional PIC Allied Health	27,320	-	2,021	25,299	25,299
SWI Regional Marketing	40,000	-	-	40,000	40,000
TANF	25,219	5,330	-	30,549	30,549
Veteran Resource Center	341,721	-	238,931	102,790	102,790
Veterans Grant	72,950	19,790	-	92,740	92,740

See accompanying note to supplemental information.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
SCHEDULE OF WORKLOAD MEASURES FOR
STATE GENERAL APPORTIONMENT
Annual Attendance as of June 30, 2021

Categories	Reported Data	Audit Adjustments	Revised Data
A. Summer Intersession (Summer 2020 only)			
1. Noncredit	2	-	2
2. Credit	1,688	-	1,688
B. Summer Intersession (Summer 2021 - Prior to July 1, 2021)			
1. Noncredit	-	-	-
2. Credit	8	-	8
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
a. Weekly Census Contact Hours	28	-	28
b. Daily Census Contact Hours	7	-	7
2. Actual Hours of Attendance Procedure Courses			
a. Noncredit	32	-	32
b. Credit	185	-	185
3. Alternative Attendance Accounting Procedure Courses			
a. Weekly Census Contact Hours	9,487	-	9,487
b. Daily Census Contact Hours	1,455	-	1,455
c. Noncredit Independent Study/Distance Education Courses	64	-	64
D. Total FTES	12,955	-	12,955
Supplementary Information:			
E. In-Service Training Courses (FTES)	-	-	-
F. Basic Skills Courses and Immigrant Education			
a. Noncredit	66	-	66
b. Credit	25	-	25
CCFS 320 Addendum			
CDCP	63	-	63
Centers FTES			
a. Noncredit	-	-	-
b. Credit	95	-	95

See accompanying note to supplemental information.

There were no adjustments proposed to any funds of the District.

See accompanying note to supplemental information.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2021

Total fund balances - business-type activity funds		$ 196,198,944
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used for governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. However, capital assets, net of accumulated depreciation are added to total net assets.		197,773,927
Losses on refundings of debt are categorized as deferred outflows and are amortized over the shortened life of the refunded or refunding of the debt.		820,761
In government funds,deferred outflows and inflows of resources relating to OPEB and pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported:		
Deferred outflows of resources relating to OPEB	-	
Deferred outflows of resources relating to pensions	21,919,516	
Deferred inflows of resources relating to OPEB	(1,664,321)	
Deferred inflows of resources relating to pensions	(3,792,000)	
		16,463,195
Unmatured interest on long-term liabilities is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred.		(2,729,812)
Traffic mitigation fees are not recognized until the period in which they are paid. In the government-wide statement of activities, they are recognized in the period that they are incurred.		(690,456)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at June 30, 2021 consisted of:		
General Obligation Bonds	(217,611,938)	
Accreted interest	(17,314,734)	
Bond premiums	(9,162,137)	
Certificates of participation	(1,566,000)	
Capitalized lease obligations	(1,315,770)	
Compensated absences	(2,462,332)	
Net pension liability	(106,265,000)	
OPEB liability	(30,899,285)	
		(386,597,196)
Total net position - business-type activities		$ 21,239,363

See accompanying note to supplemental information.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF ECS 84362 (50 PERCENT LAW) CALCULATION
For the Year Ended June 30, 2021

		Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6110			Activity (ECSB) 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	$ 16,211,332	$ -	$ 16,211,332	$ 16,211,332	$ -	$ 16,211,332
Other	1300	13,354,779	-	13,354,779	13,764,602	-	13,764,602
Total instructional salaries		29,566,111	-	29,566,111	29,975,934	-	29,975,934
Non-instructional salaries:							
Contract or regular	1200	-	-	-	6,686,445	-	6,686,445
Other	1400	-	-	-	1,810,625	-	1,810,625
Total non-instructional salaries		-	-	-	8,497,070	-	8,497,070
Total academic salaries		29,566,111	-	29,566,111	38,473,004	-	38,473,004
Classified Salaries							
Non-instructional salaries:							
Regular status	2100	-	-	-	13,645,770	-	13,645,770
Other	2300	-	-	-	1,469,480	-	1,469,480
Total non-instructional salaries		-	-	-	15,115,250	-	15,115,250
Instructional aides:							
Regular status	2200	1,917,024	-	1,917,024	1,917,024	-	1,917,024
Other	2400	155,646	-	155,646	155,646	-	155,646
Total instructional aides		2,072,670	-	2,072,670	2,072,670	-	2,072,670
Total classified salaries		2,072,670	-	2,072,670	17,187,920	-	17,187,920
Employee benefits	3000	12,423,374	-	12,423,374	23,591,563	-	23,591,563
Supplies and materials	4000	-	-	-	769,437	-	769,437
Other operating expenses	5000	291,000	-	291,000	8,493,998	-	8,493,998
Equipment replacement	6420	-	-	-	-	-	-
Total expenditures prior to exclusions		$ 44,353,155	$ -	$ 44,353,155	$ 88,515,922	$ -	$ 88,515,922

(Continued)

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF ECS 84362 (50 PERCENT LAW) CALCULATION
For the Year Ended June 30, 2021

		Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6110			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Exclusions							
Activities to exclude:							
Instructional staff-retirees' benefits and retirement incentives	5900	$ 1,304,219	$ -	$ 1,304,219	$ 1,304,219	$ -	$ 1,304,219
Student health services above amount collected	6441	-	-	-	-	-	-
Student transportation	6491	-	-	-	-	-	-
Noninstructional staff-retirees' benefits and retirement incentives	6740	-	-	-	1,476,696	-	1,476,696
Objects to exclude:							
Rents and leases	5060	-	-	-	668,279	-	668,279
Lottery expenditures		-	-	-	-	-	-
Academic salaries	1000	-	-	-	-	-	-
Classified salaries	2000	-	-	-	-	-	-
Employee benefits	3000	-	-	-	-	-	-
Supplies and materials:	4000						
Software	4100	-	-	-	1,875	-	1,875
Books, magazines and periodicals	4200	-	-	-	16,905	-	16,905
Instructional supplies and materials	4300	-	-	-	147,975	-	147,975
Noninstructional supplies and materials	4400	-	-	-	133,537	-	133,537
Total supplies and materials		-	-	-	300,292	-	300,292
Other operating expenses and services	5000	-	-	-	1,878,566	-	1,878,566
Capital outlay	6000	-	-	-	-	-	-
Library books	6300	-	-	-	-	-	-
Equipment:							
Equipment - additional	6410	-	-	-	-	-	-
Equipment - replacement	6420	-	-	-	-	-	-
Total equipment		-	-	-	-	-	-
Total capital outlay		-	-	-	-	-	-
Other outgo	7000	-	-	-	-	-	-
Total exclusions		1,304,219	-	1,304,219	5,628,052	-	5,628,052
Total for ECS 84362, 50% Law		$ 43,048,936	$ -	$ 43,048,936	$ 82,887,870	$ -	$ 82,887,870
Percent of CEE (Instructional salary cost / Total CEE)		51.94%	-	51.94%	100.00%	-	100.00%
50% of current expense of education		$ -	$ -	$ -	$ 41,443,935	$ -	$ 41,443,935

See accompanying note to supplemental information.

EPA Proceeds: $ 1,383,119

Activity Classification	Activity Code (0100-5900)	Salaries and Benefits (1000-3000)	Operating Expenses (4000-5000)	Capital Outlay (6000)	Total
Instructional Activities	$ -	$ 1,383,119	$ -	$ -	$ 1,383,119

NOTE 1 - PURPOSE OF SCHEDULES

A - Combining Statement of Net Position by Fund and Statement of Revenues, Expenses and Change in Net Position by Fund: These statements report the financial position and operational results of the individual funds of the District and the reconciling adjusting entries under GASB Cod. Sec. C05.101.

B - Schedule of Expenditure of Federal Awards: The Schedule of Expenditure of Federal Awards includes the federal award activity of Sierra Joint Community College District, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. 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. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

C - Schedule of State Financial Awards: The accompanying Schedule of State Financial Awards includes State grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented to comply with reporting requirements of the California Community College Chancellor's Office.

D - Schedule of Workload Measures for State General Apportionment: Full-time equivalent students 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 on which apportionments of State funds are made to community college districts. This schedule provides information regarding the attendance of students based on various methods of accumulating attendance data.

E - Reconciliation of Annual Financial and Budget Report (CCFS-311) with Audited Financial Statements: This schedule provides the information necessary to reconcile the fund balance of all funds reported on the CCFS-311 to the audited financial statements.

F - Reconciliation of Governmental funds to the Statement of Net Position: This schedule provides the information necessary to reconcile the fund balances to the audited financial statements.

G - Reconciliation of ECS 84362 (50 Percent Law) Calculation: This schedule provides the information necessary to reconcile the 50 Percent Law Calculation reported on the CCFS-311 to the audited data.

H - Prop 55 EPA Expenditure Report: This schedule provides information about the District's EPA proceeds and summarizes how the EPA proceeds were spent.

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT
ON STATE COMPLIANCE REQUIREMENTS

Board of Trustees
Sierra Joint Community College District
Rocklin, California

Report on Compliance with State Laws and Regulations

We have audited the compliance of Sierra Joint Community College District with the types of compliance requirements described in Section 400 of the *California State Chancellor's Office's California Community College Contracted District Audit Manual (CDAM)* that are applicable to community colleges in the State of California for the year ended June 30, 2021:

SCFF Data Management Control Environment
SCFF Supplemental Allocation Metrics
SCFF Success Allocation Metrics
Salaries of Classroom Instructors (50 Percent Law)
Apportionment for Activities Funded From Other Sources
Student Centered Funding Formula Base Allocations: FTES
Residency Determination for Credit Courses
Students Actively Enrolled
Dual Enrollment (CCAP and Non-CCAP)
Scheduled Maintenance Program
Gann Limit Calculation
Open Enrollment
Apprenticeship Related and Supplemental Instruction (RSI) Funds
Disabled Student Programs and Services (DSPS)
To Be Arranged Hours (TBA)
Proposition 1D and 51 State Bond Funded Projects
Education Protection Account Funds
COVID-19 Response Block Grant Expenditures

Management's Responsibility

Management is responsible for compliance with the requirements of state laws and regulations.

Auditor's Responsibility

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

(Continued)

We believe that our audit provides a reasonable basis for our opinion on compliance with state laws and regulations. However, our audit does not provide legal determination of Sierra Joint Community College District's compliance with those requirements.

Opinion with State Laws and Regulations

In our opinion, Sierra Joint Community College District complied, in all material respects, with the compliance requirements referred to above that are applicable to the state laws and regulations for the year ended June 30, 2021.

Purpose of this Report

This report is intended solely to describe the scope of our testing of compliance and the results of that testing based on requirements of the *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Sacramento, California
December 7, 2021

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
Sierra Joint Community College District
Rocklin, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, the discretely presented component unit and the fiduciary activities of Sierra Joint Community College District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Sierra Joint Community College District's basic financial statements, and have issued our report thereon dated December 7, 2021. The financial statements of Sierra College Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Sierra College Foundation.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Sierra Joint Community College 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 Sierra Joint Community College District's internal control. Accordingly, we do not express an opinion on the effectiveness of Sierra Joint Community College District's internal control.

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

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

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sierra Joint Community College 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Sacramento, California
December 7, 2021

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Board of Trustees
Sierra Joint Community College District
Rocklin, California

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Sierra Joint Community College District's compliance.

Opinion on Each Major Federal Program

In our opinion, Sierra Joint Community College District complied, in all material respects, with the types of 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, 2021.

(Continued)

Report on Internal Control Over Compliance

Management of Sierra Joint Community College District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Sierra Joint Community College District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Sierra Joint Community College District's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Sacramento, California
December 7, 2021

FINDINGS AND RECOMMENDATIONS

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	____ Yes	X No
Significant deficiency(ies) identified not considered to be material weakness(es)?	____ Yes	X None reported
Noncompliance material to financial statements noted?	____ Yes	X No

FEDERAL AWARDS

Internal control over major programs:		
Material weakness(es) identified?	____ Yes	X No
Significant deficiency(ies) identified not considered to be material weakness(es)?	____ Yes	X 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 2 CFR 200.516(a)?	____ Yes	X No

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.425E, 84.425F	COVID-19: CARES - Higher Education Emergency Relief Fund (HEERF)
21.019	COVID-19: CARES - Coronavirus Relief Fund (CRF)

Dollar threshold used to distinguish between Type A and Type B programs:	$ 919,416	
Auditee qualified as low-risk auditee?	X Yes	____ No

STATE AWARDS

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

(Continued)

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

(Continued)

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

(Continued)

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

No matters were reported.