Financial Statements
June 30, 2020

Compton Community College District

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

Board of Trustees
Compton Community College District
Compton, California

Report on the Financial Statements
We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of Compton Community College District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the 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.

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 District'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 District'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.

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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 and the aggregate remaining fund information of the District as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require the management's discussion and analysis on pages 4 through 16, and other required supplementary schedules on pages 76 through 80 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements. The accompanying supplementary information listed in the table of contents, including the Schedule of Expenditures of Federal Awards, as required by the audit requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements.

The Schedule of Expenditures of Federal Awards and the other supplementary information listed in the table of contents are 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and other supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Eide Bailly LLP

Rancho Cucamonga, California
April 15, 2021

Serving the Communities of
Compton, Lynwood, Paramount and Willowbrook, as well as portions of Athens, Bellflower, Carson, Downey, Dominguez, Lakewood, Long Beach, and South Gate

1111 East Artesia Boulevard
Compton, CA 90221-5393
Phone: (310) 900-1600
Fax: (310) 605-1458
www.compton.edu

Introduction

We are pleased to submit the Annual Financial Report of Compton Community College District for the fiscal year ending June 30, 2020. The District is responsible for the accuracy, completeness and fairness of the financial statements presented and all accompanying disclosures. We believe the report and its information are accurate and complete in all material aspects in disclosing the financial position and results of operations of Compton Community College as of June 30, 2020.

College Description

The District was established in 1927 and serves the communities of Compton, Willowbrook, Enterprise, Carson, Lynwood, and Paramount, as well as portions of Athens, Bellflower, Downey, Dominguez, Lakewood, Long Beach and South Gate. Currently, approximately 290 full and part-time faculty teach more than 41 degree programs and 38 certificate programs. Students in our college may complete the freshman and sophomore years of a baccalaureate degree and transfer to upper division study at a university or complete a certificated vocational program and move directly to the work force.

After many successful years, some of which were challenging, in June 2006, the Accrediting Commission for Community and Junior Colleges (ACCJC) announced its decision to revoke Compton College's accreditation. In August 2006, the El Camino Community College District Board of Trustees approved a Memorandum of Understanding to provide educational and related support services to Compton Community College District residents. Through this agreement, the students of Compton Community College District and residents of the surrounding Communities continued to have access to university transfer and career and technical education opportunities, as well as financial aid, basic skills courses and related support services.

The Accrediting Commission for Community and Junior Colleges granted initial accreditation status to Compton College at its June 7, 2017 meeting; the action established Compton College as an accredited college within the El Camino Community College District.

On August 27, 2018, Compton College received notification from the Accrediting Commission for Community and Junior Colleges that its Substantive Change Proposal had been approved. This document outlined the transition of control of Compton College to Compton Community College District.

On August 29, 2018, the California Community Colleges Chancellor issued Executive Order 2018-01 declaring Compton College will operate as an independent college under the authority of the Compton Community College District Board of Trustees effective June 7, 2019, at 11:59 p.m. A Special Board meeting was held at 11:59 p.m. on June 7, 2019, commemorating the moment Compton College began to operate as an independent college and concluded the collaborative partnership between Compton Community College and the El Camino Community College District. Courses are currently offered under the authority of the Compton Community College District, and all students earning degrees or certificates at Compton College will be issued a Compton College diploma.

Use of the Financial Report

The purpose of this management's discussion and analysis (MD&A) is to provide readers with information about the activities, programs, and financial condition of the Compton Community College District (the District) as of June 30, 2020. The reporting consists of three basic financial statements: The Statement of Net Position, Statement of Revenues, Expenses and changes in Net Position, and Statement of Cash Flows and provides information about the District as a whole. This section of the financial report provides discussion and analysis of the District’s performance during the fiscal year ended June 30, 2020. The discussion has been prepared by management and should be read in conjunction with the financial statements and notes which follow this section.

Overview of the Financial Statements

Compton 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 Colleges and Universities. These statements allow for the presentation of financial activity and results of operations which focuses on the District. The entity-wide financial statements present the overall results of operations whereby all the District's activities are consolidated into one total versus the traditional presentation by fund type. The focus of the Statement of Net Position is designed to be similar to the bottom-line results of the District. This statement combines and consolidates current financial resources with capital assets and long-term liabilities. The Statement of Revenues, Expenses, and Changes in Net Position focuses on the costs of the District's operational activities with revenues and expenses categorized as operating and nonoperating, and expenses are reported by natural classification. The Statement of Cash Flows provides an analysis of the sources and uses of cash within the operations of the District.

The California Community College Chancellor's Office has recommended that all State community colleges follow the Business-Type Activity (BTA) model for financial statement reporting purposes.

Financial Highlights

- At the end of fiscal year 2019-20 the District’s Unrestricted General Fund Balance is $15.9 million this amount increased by $3.3 million over fiscal year 2019. The amount is well above the five percent reserve required by the Unrestricted General Fund Board Policy.

- The FTES total compared to the previous year has decreased. The decline in enrollment is attributed to COVID-19 pandemic, the state of California’s economy, and the recent separation from El Camino College District.

- The most recent actuarial report of the District is date October 14, 2019 with a valuation date of June 30, 2019 and a measurement date of June 30, 2019. The District’s total Other Post Employment Benefit (OPEB) is $14.1 million and the Net OPEB liability as of June 30, 2020 is $9.9 million.

Financial Highlights - Liabilities

The District continues to make annual debt service payments on the Line of Credit liability owed to the State of California. This is a liability paid from the Unrestricted Resources of our General Fund.

The State of California strongly recommended that districts plan for significant pension rate increases that are to occur over the next several years. In 2016, the District created a Pension Trust Stabilization Fund for the purpose of funding future employer contributions. During the 2020 fiscal year, $1,000,000 was contributed to the trust.

Similarly, the District also committed to funding its Other Postemployment Benefits Obligation. In 2013, the District created an OPEB Trust. During the 2020 fiscal year, $3,750,000 was contributed to the OPEB Trust.

Further information is included within this report within the MD&A section under Long-term Liabilities including OPEB and Pensions and in the Notes to the Financial Statements.

Financial Highlights - Capital Outlay and Capital Asset Additions

College facilities improvements are essential to the future growth at the College. Bonds financed by property owners of the District, as well as State bonds, are utilized to fund the College's Facilities Master Planning document that was updated this year.

Several construction and modernization projects at the District are in progress. The projects listed below are funded both through State Capital Outlay construction revenues and through the District's voter approved General Obligation Bonds.

- Instructional Building #1
- Instructional Building #2

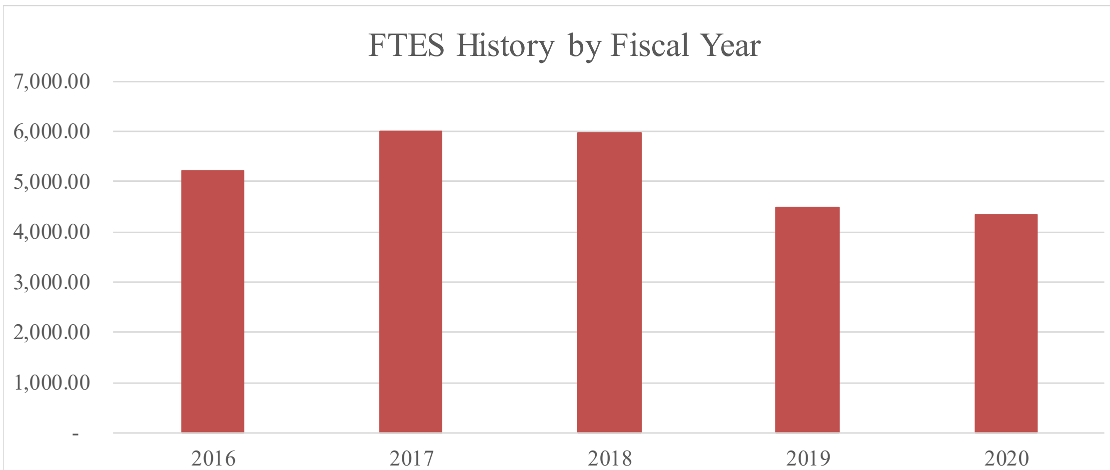
Additionally, the following major projects listed below continue in progress and are funded solely by the District's voter approved General Obligation Bonds.

- Student Services/Administration Building

The Public Safety Building grand opening was held in July of 2019 and a Notice of Completion was submitted and approved on May 16, 2020.

Full-Time Equivalent Students Growth/Declines

Over the past five years, Full-Time Equivalent Students (FTES) fluctuated up and down but averaged approximately 5,200 FTES during that period. It is important to note that the District formally ended its partnership with El Camino Community College District on June 7, 2019. One of the expected outcomes is an initial decline in FTES, and now the COVID-19 pandemic. Management has developed and are implementing an enrollment management plan and expects FTES to rebound over the next five years.



Statement of Net Position

The Statement of Net Position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the District as of the end of the fiscal year, and was prepared using the accrual basis of accounting, which is similar to the accounting basis used by most private-sector organizations. The Statement of Net Position is a point of time financial statement whose purpose is to present to the reader a fiscal snapshot of the District. The Statement of Net Position presents end-of-year data concerning assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

From the data presented, the reader of the Statement of Net Position can determine the assets available to continue operations of the District. The reader is also able to determine how much the District owes vendors and employees. Finally, the Statement of Net Position provides a picture of the net position and its availability for expenditure by the District.

The difference between total assets, deferred outflows of resources, and total liabilities and deferred inflows of resources (net position) is one indicator of the current financial condition of the District. The change in net position is an indicator of whether the overall financial condition has improved or worsened during the year. Assets and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical cost, less accumulated depreciation.

The net position is divided into three major categories. The first category, net investment in capital assets, provides the equity amount in property, plant, and equipment owned by the District. The second category is expendable restricted net position. This net position is available for expenditure by the District but must be spent for purposes as determined by external entities and or donors that have placed time or purpose restrictions on the use of these funds. The final category is unrestricted net position, which represents the remaining net position balance, this can be utilized for any purpose as determined by the governing board who retains the power to place internal restrictions on the unrestricted net position.

Current assets increased by 21.2 percent due mainly to an increase in accounts receivable from the state construction projects for Instructional Building #1 and Instructional Building #2 that are ongoing.

Deferred outflows and inflows of resources increased by approximately 28 percent from the prior year. These are due to GASB Statement No. 68 Accounting and Financial Reporting for Pensions. This is an amendment of GASB Statement No. 27, and recognized inflows and outflows of resources related to pensions in the District-wide financial Statements.

A summary of the Statement of Net Position as of June 30, 2020 and June 30, 2019, is below:

Table 1

	2020	2019	Increase (Decrease)	Percent Change
Assets				
Current assets				
Cash, cash equivalents, and investments	$ 107,943,194	$ 94,576,271	$ 13,366,923	14.1%
Accounts receivable, net	12,866,567	5,012,458	7,854,109	156.7%
Other current assets	446,138	452,140	(6,002)	-1.3%
Total current assets	121,255,899	100,040,869	21,215,030	21.2%
Capital assets, net	159,991,907	152,973,851	7,018,056	4.6%
Total assets	281,247,806	253,014,720	28,233,086	11.2%
Deferred Outflows of Resources				
Deferred charges on refunding	3,609,371	2,818,078	791,293	28.1%
Deferred outflows of resources related to pensions and OPEB	14,753,728	11,993,912	2,759,816	23.0%
Total deferred outflows of resources	18,363,099	14,811,990	3,551,109	24.0%
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	14,475,115	14,535,391	(60,276)	-0.4%
Current portion of long-term liabilities	8,447,025	7,879,429	567,596	7.2%
Total current liabilities	22,922,140	22,414,820	507,320	2.3%
Noncurrent liabilities	214,062,345	186,756,503	27,305,842	14.6%
Total liabilities	236,984,485	209,171,323	27,813,162	13.3%
Deferred Inflows of Resources				
Deferred inflows of resources related to pensions and OPEB	3,722,481	2,896,778	825,703	28.5%
Net Position				
Net investment in capital assets	74,352,490	87,022,437	(12,669,947)	-14.6%
Restricted	26,832,083	13,792,343	13,039,740	94.5%
Unrestricted deficit	(42,280,634)	(45,056,171)	2,775,537	6.2%
Total net position	$ 58,903,939	$ 55,758,609	$ 3,145,330	5.6%

- The Statement of Cash Flows contained within these financial statements provides greater detail regarding the sources and uses of cash and the net decrease in cash during fiscal year 2019-2020. Cash and Investments increased approximately $13.4 million primary due to the issuance of 2020 General Obligation Refunding Bonds, Series A and Series B crossover bonds.

- The majority of the accounts receivable balance is from Federal and State sources for State construction and grant and entitlement programs. Included in accounts receivable is approximately $7.8 million State Bond program reimbursement and approximately $0.5 million net student fee receivable.

- Other current assets are comprised of Prepaid Expenses including approximately $446 thousand prepayment for our new student information system licensing.

- Capital assets had a net increase of approximately $7.0 million. Depreciation expense of approximately $6.7 million was recognized during 2019-2020. The capital asset section of this discussion and analysis provides greater detail.

- Accounts payable are amounts due as of the fiscal year-end for goods and services received as of June 30, 2020. Total accounts payable are approximately $6.9 million; most significant within this account is approximately $2.4 million due to employees for wages and benefits.

- Bonds payable increased significantly. During 2020 approximately $41.2 million of General Obligation Bonds were issued. Repayment is made from property tax collections occurring over the next 30 years. More information on Long-term liabilities can be found in the Notes to the Financial Statements.

Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position present the financial results of the District's operations, as well as its nonoperating activities. The distinction between these two activities involves the concepts of exchange and non-exchange. Operating activities are those in which a direct payment or exchange is made for the receipt of specified goods or services. For example, tuition fees paid by the student are considered an exchange for instructional services. The receipt of State apportionments and property taxes, however, do not include this exchange relationship between the payment and receipt of specified goods or services. These revenues and related expense are classified as nonoperating activities. It is because of the methodology used to categorize between operating and nonoperating combined with the fact that the primary source of funding that supports the District's instructional activities comes from State apportionment and local property taxes, that the results of the District's operations will result in a net operating loss.

The Statement of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2020 and June 30, 2019, is summarized below:

Table 2

	2020	2019	Increase (Decrease)	Percent Change
Operating Revenues				
Tuition and fees (net)	$ 896,055	$ 1,474,561	$ (578,506)	-39.2%
Grants and contracts, noncapital	12,334,337	15,541,744	(3,207,407)	-20.6%
Total operating revenues	13,230,392	17,016,305	(3,785,913)	-22.2%
Total operating expenses	74,881,877	61,144,371	13,737,506	22.5%
Operating Loss	(61,651,485)	(44,128,066)	(17,523,419)	39.7%
Nonoperating revenues (expenses)				
State apportionments, noncapital	32,834,151	30,382,638	2,451,513	8.1%
Local property taxes	15,626,795	14,268,377	1,358,418	9.5%
State taxes and other revenues	1,415,125	1,094,702	320,423	29.3%
Federal and State financial aid grants	10,660,196	1,184,625	9,475,571	799.9%
Net interest expense	(5,101,712)	(4,132,864)	(968,848)	23.4%
Transfer to fiduciary funds	-	(700,000)	700,000	-100.0%
Other nonoperating revenues	1,171,370	511,652	659,718	128.9%
Total Nonoperating Revenues (Expenses)	56,605,925	42,609,130	13,996,795	32.8%
Other Revenues				
State apportionments, capital	8,190,890	2,989,583	5,201,307	174.0%
Change in Net Position	$ 3,145,330	$ 1,470,647	$ 1,674,683	-113.9%

- The primary components of tuition and fees are the $46 per unit enrollment fee that is charged to all students registering for classes and the additional $270 per unit fee that is charged to all nonresident students.
- Personnel costs accounted for 54 percent of operating expenses in fiscal year 2020. Supplies, materials, and other operating expenses accounted for 16 percent of the operating expense in fiscal year 2020. The remaining balance of operating expenses is for financial aid, equipment, maintenance, repairs, and depreciation expense.
- The primary revenue sources of the District's nonoperating revenue are: State apportionment, local property taxes, other State funding, and interest income. The amount of State general apportionment received by the District is dependent upon the number of FTES generated and reported to the State, less amounts received from education protection account (EPA), enrollment fees, local property taxes. Increases in any of these latter three revenue categories leads to a corresponding decrease in State support through apportionment. Compton Community College District is held harmless through the 2025-2026 fiscal year for any decline in FTES.
- State capital apportionments consist of amounts received for capital outlay construction projects.

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

Table 3

	Salaries and Employee Benefits	Supplies, Materials, Other Expenses and Services	Equipment, Maintenance, and Repairs	Student Financial Aid	Depreciation	Total
Instructional Activities	$ 19,933,759	$ 520,628	$ 76,423	$ -	$ -	$ 20,530,810
Instructional Administrative and Instrucitonal Governance	2,945,286	349,135	12,456	-	-	3,306,877
Instructional Support Services	1,052,446	87,323	2,305	-	-	1,142,074
Admissions and Records	711,611	9,213	364	-	-	721,188
Student Counseling and Guidance	1,312,725	145,133	6,574	-	-	1,464,432
Other Student Services	6,648,395	1,237,576	33,543	-	-	7,919,514
Operation and Maintenance of Plant	1,824,087	2,373,910	9,881	-	-	4,207,878
Planning, Policymaking, and Coordination	687,499	241,704	3	-	-	929,206
General Institutional Support Services	4,416,003	5,495,608	122,746	-	-	10,034,357
Community Services and Economic Development	303,361	261,674	3,894	-	-	568,929
Ancillary Services and Auxiliary Operation	683,628	477,685	-	-	-	1,161,313
Physical Property and Related Acquisitions	-	962,511	2,392,943	-	-	3,355,454
Student Aid	-	-	-	12,800,884	-	12,800,884
Depreciation	-	-	-	-	6,738,961	6,738,961
Total	$ 40,518,800	$ 12,162,100	$ 2,661,132	$ 12,800,884	$ 6,738,961	$ 74,881,877

Statement of Cash Flows

The Statement of Cash Flows provides information about cash receipts and cash payments during the fiscal year. This Statement also assists users assessing the District's ability to generate positive cash flows, meet liabilities as they come due, and the need for external financing. The primary operating expense of the District is the payment of salaries and benefits to faculty, administrators, and classified staff.

The Statement of Cash Flows is divided into five parts. The first part reflects operating cash flows and shows the net cash used by the operating activities of the District. The second part details cash received for nonoperating, non-investing, and non-capital financing purposes. The third part shows cash flows from capital and related financing activities. This part deals with the cash used for the acquisition and construction of capital and related items. The fourth part provides information from investing activities and the amount of interest received. The last section reconciles the net cash used by operating activities to the operating loss reflected on the Statement of Revenues, Expenses, and Changes in Net Position.

The Statement of Cash Flows for the fiscal years ended June 30, 2020 and June 30, 2019, is summarized below:

Table 4

	2020	2019
Cash Provided by (Used in)		
Operating activities	$ (56,441,553)	$ (33,990,188)
Noncapital financing activities	48,978,979	37,426,871
Capital financing activities	19,413,826	46,952,229
Investing activities	(29,495,658)	1,272,502
Net Change in Cash and Cash Equivalents	(17,544,406)	51,661,414
Cash and Cash Equivalents, Beginning of Year	94,576,271	42,914,857
Cash and Cash Equivalents, End of Year	$ 77,031,865	$ 94,576,271

Capital Assets

As of June 30, 2020, the District had approximately $216.9 million in capital assets; less $56.9 million in accumulated depreciation. The capital assets include land, construction in progress, buildings, and furniture and equipment. At June 30, 2020, the District's net capital assets were approximately $160.0 million. The District spent approximately $18.2 million on capital assets during the year, the majority of which relates to bond projects. Depreciation expense totaled approximately $6.7 million during the year.

Projects are recorded as construction in progress until the project is completed at which time the cost of the building and/or improvements will be recorded to the depreciable Building and Improvement category.

Additional information related to capital assets can be found in Note 6 of the financial statements.

Table 5

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Land and construction in progress	$ 16,184,313	$ 13,437,596	$ (4,519,949)	$ 25,101,960
Buildings and improvements	177,650,869	4,519,949	-	182,170,818
Equipment	9,261,010	319,421	-	9,580,431
Total capital assets	203,096,192	18,276,966	(4,519,949)	216,853,209
Accumulated depreciation	(50,122,341)	(6,738,961)	-	(56,861,302)
Net capital assets	$ 152,973,851	$ 11,538,005	$ (4,519,949)	$ 159,991,907

Long-Term Liabilities including OPEB and Pensions

Long-term liabilities consist primarily of general obligation bonds, note payable, aggregate net pension liability, and the aggregate net other postemployment benefits (OPEB) liability. At June 30, 2020, the District had approximately $162.9 million liability outstanding due to the issuance of general obligation bonds.

The District's notes payable decreased from its principal payment reducing the liability due to the State in the amount of approximately $7.8 million outstanding. This note is repaid in annual installments, in accordance with obligation requirements.

As of June 30, 2020, the aggregate net pension liability was approximately $39.7 million versus approximately $39.3 million last year, an increase of approximately $0.4 million, or 1.0 percent. The aggregate net OPEB liability was approximately $10.1 million versus approximately $9.5 million last year, an increase of approximately $0.6 million, or 6.4 percent.

The District is also obligated for compensated absences and claims liabilities to its qualified employees.

Notes 10-13 in the financial statements provides additional information on long-term liabilities.

A summary of long-term liabilities is presented below.

Table 6

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
General obligation bonds	$ 135,244,707	$ 43,689,315	$ (16,057,982)	$ 162,876,040
Note payable	8,773,818	-	(979,429)	7,794,389
Aggregate net OPEB liability	9,455,797	606,192	-	10,061,989
Aggregate net pension liability	39,333,552	387,885	-	39,721,437
Other long-term liabilities	1,828,058	322,853	(95,396)	2,055,515
Total long-term liabilities	$ 194,635,932	$ 45,006,245	$ (17,132,807)	$ 222,509,370
Amount due within one year				$ 8,447,025

Economic Factors That May Affect the Future

In 2020 the California State budget bill signed by Governor Newsom included $202.1 billion which directly impacted California Community Colleges, this included a decrease of $6.8 billion from the previous year due to a projected decrease in the State of California's general fund revenues. The economic condition of the State of California has a direct impact on the Community College District's economic conditions. The majority of the District's funding comes from Federal and State grants, Apportionments, local property taxes and the Education Protection Account, (EPA).

Additionally, student enrollment fees make up a part of the Community College revenues and remains at $46 per unit. Currently the system is in the 3rd year of Student Centered Funding Formula. Assembly Bill 1809 ("AB 1809"), the higher education trailer bill passed as part of the State budget for fiscal year 2018-2019, implemented a new funding mechanism for community college districts referred to as the "Student Centered Funding Formula", (the "SCFF"). The SCFF includes three components: (1) a base allocation (the "Base Allocation") driven primarily by enrollment, (2) a supplemental allocation (the "Supplemental Allocation") based on the number of certain types of low-income students, and (3) a student success allocation (the "Student Success Allocation") calculated using various performance-based metrics.

The SCFF includes several hold-harmless provisions to provide districts greater financial stability in transitioning to the new formula.

Specific to the District, the trailer bill to the Budget provides that the District hold harmless will be for a period through 2025-26. This provision was included to assist the District with the transition from its partnership with El Camino Community College District.

Additionally, the District continues to face increases in pension contributions and other postemployment benefits, which will claim a growing share of the District's Unrestricted General Fund budget.

Other Factors That May Affect the Future

The concern for community colleges is that currently the economic condition of the State is unpredictable and the outlook for cost of living remains high currently and in the near future. This coupled with rising pension costs and decrease in college enrollments provides grave concerns for the colleges.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, students, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Compton Community College District at 1111 East Artesia Boulevard, Compton, California 90221.

Assets	
Cash and cash equivalents	$ 275,159
Investments	107,668,035
Accounts receivable	12,399,349
Student receivables, net	467,218
Prepaid expenses	446,138
Capital assets	
Nondepreciable capital assets	25,101,960
Depreciable capital assets, net of depreciation	134,889,947
Total capital assets	159,991,907
Total assets	281,247,806
Deferred Outflows of Resources	
Deferred charges on refunding	3,609,371
Deferred outflows of resources related to other postemployment benefits (OPEB)	4,952,185
Deferred outflows of resources related to pensions	9,801,543
Total deferred outflows of resources	18,363,099
Liabilities	
Accounts payable	6,865,634
Accrued interest payable	1,805,136
Unearned revenue	5,804,345
Long-term liabilities	
Long-term liabilities other than OPEB and pensions, due within one year	8,447,025
Long-term liabilities other than OPEB and pensions, due in more than one year	164,278,919
Aggregate net OPEB liability	10,061,989
Aggregate net pension liability	39,721,437
Total liabilities	236,984,485
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	7,803
Deferred inflows of resources related to pensions	3,714,678
Total deferred inflows of resources	3,722,481
Net Position	
Net investment in capital assets	74,352,490
Restricted for	
Debt service	16,870,647
Capital projects	7,418,222
Educational programs	1,543,793
Other activities	999,421
Unrestricted deficit	(42,280,634)
Total net position	$ 58,903,939

Operating Revenues	
Student tuition and fees	$ 3,127,009
Less: scholarship discount and allowance	(2,230,954)
Net tuition and fees	896,055
Grants and contracts, noncapital	
Federal	1,653,414
State	9,653,351
Local	1,027,572
Total grants and contracts, noncapital	12,334,337
Total operating revenues	13,230,392
Operating Expenses	
Salaries	26,187,448
Employee benefits	14,331,352
Supplies, materials, and other operating expenses and services	12,162,100
Equipment, maintenance, and repairs	2,661,132
Student financial aid	12,800,884
Depreciation	6,738,961
Total operating expenses	74,881,877
Operating Loss	(61,651,485)
Nonoperating Revenues (Expenses)	
State apportionments, noncapital	32,834,151
Local property taxes, levied for general purposes	4,952,631
Taxes levied for other specific purposes	10,674,164
Federal financial aid grants, noncapital	9,446,719
State financial aid grants, noncapital	1,213,477
State taxes and other revenues	1,415,125
Investment income	1,235,954
Interest expense on capital related debt	(6,496,703)
Investment income on capital asset-related debt	159,037
Other nonoperating revenues	1,171,370
Total nonoperating revenues (expenses)	56,605,925
Loss before other revenues	(5,045,560)
Other Revenues	
State revenues, capital	8,190,890
Change in Net Position	3,145,330
Net Position, Beginning of Year	55,758,609
Net Position, End of Year	$ 58,903,939

Operating Activities	
Tuition and fees	$ 1,335,711
Federal, State, and local grants and contracts, noncapital	11,213,389
Payments to vendors for supplies and services	(15,123,565)
Payments to or on behalf of employees	(41,066,204)
Payments to students for scholarships and grants	(12,800,884)
Net Cash Flows from Operating Activities	(56,441,553)
Noncapital Financing Activities	
State apportionments	31,127,721
Federal and state financial aid grants	10,660,196
Property taxes - nondebt related	4,952,631
State taxes and other apportionments	1,285,158
Other nonoperating receipts	953,273
Net Cash Flows from Noncapital Financing Activities	48,978,979
Capital Financing Activities	
Purchase of capital assets	(13,419,234)
Proceeds from capital debt	41,205,000
State revenue, capital projects	2,731,893
Property taxes - related to capital debt	10,674,164
Principal paid on capital debt	(15,530,000)
Interest paid on capital debt	(6,407,034)
Interest received on capital asset-related debt	159,037
Net Cash Flows from Capital Financing Activities	19,413,826
Investing Activities	
Purchase of investments	(30,911,329)
Interest received from investments	1,415,671
Net Cash Flows from Investing Activities	(29,495,658)
Net Change in Cash and Cash Equivalents	(17,544,406)
Cash and Cash Equivalents, Beginning of Year	94,576,271
Cash and Cash Equivalents, End of Year	$ 77,031,865

Reconciliation of net operating loss to net cash flows from operating activities	
Operating loss	$ (61,651,485)
Adjustments to reconcile operating loss to net cash flows from operating activities	
Depreciation expense	6,738,961
Changes in assets, deferred outflows, liabilities, and deferred inflows	
Receivables, net	(520,335)
Prepaid expenses	6,002
Deferred outflows of resources related to pensions	899,437
Deferred outflows of resources related to OPEB	(3,659,253)
Accounts payable and accrued liabilities	(141,160)
Unearned revenue	(160,957)
Claims liabilities	(95,396)
Compensated absences	322,853
Deferred inflows of resources related to pensions	840,031
Deferred inflows of resources related to OPEB	(14,328)
Aggregate net OPEB liability	606,192
Aggregate net pension liability	387,885
Total adjustments	5,209,932
Net Cash Flows from Operating Activities	$ (56,441,553)
Cash and Cash Equivalents Consist of the Following	
Cash in banks	$ 275,159
Cash in county treasury	76,756,706
Total cash and cash equivalents	$ 77,031,865
Noncash Transactions	
Amortization of deferred charges on refunding	$ 327,612
Amortization of debt premium	$ 527,982
Accretion of interest on capital appreciation bonds	$ 2,484,315

	Retiree OPEB Trust	Other Trust Funds	Agency
Assets			
Cash and cash equivalents	$ -	$ 272,707	$ 78,899
Investments	8,511,008	3,592,381	-
Accounts receivable	-	50,247	-
Total assets	8,511,008	3,915,335	$ 78,899
Liabilities			
Accounts payable	-	26,358	$ -
Due to student groups	-	42,651	78,899
Total liabilities	-	69,009	$ 78,899
Net Position			
Restricted for postemployment benefits other than pensions	8,511,008	-	
Restricted	-	3,469,623	
Unrestricted	-	376,703	
Total net position	$ 8,511,008	$ 3,846,326	

	Retiree OPEB Trust	Other Trust Funds
Additions		
District contributions	$ 4,328,591	$ -
Interest and investment income	613,341	-
Local revenues	-	1,305,661
Total additions	4,941,932	1,305,661
Deductions		
Administrative expenses	44,060	-
Benefit payments	578,591	-
Services and operating expenditures	-	85,156
Total deductions	622,651	85,156
Change in Net Position	4,319,281	1,220,505
Net Position, Beginning of Year	4,191,727	2,625,821
Net Position, End of Year	$ 8,511,008	$ 3,846,326

Note 1 - Organization

Compton Community College District (the District) is located in the city of Compton, Los Angeles County, California. Compton Community College was established in 1927 as a component of the Compton Union High School District. At that time, State law authorized high school and unified school districts to offer education through a junior college accredited program. In 1950, voters approved a bond issue separating the college from the high school district. The District administers operations of one College campus. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61. The District is classified as a Public Educational Institution under Internal Revenue Code Section 115 and is, therefore, exempt from Federal taxes

Financial Reporting Entity

The District has adopted accounting policies to determine whether certain organizations, for which the District is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the District. The three components used to determine the presentation are: providing a "direct benefit", the "environment and ability to access/influence reporting", and the "significance" criterion. As defined by accounting principles generally accepted in the United States of America and established by the Governmental Accounting Standards Board, the financial reporting entity consists of the District. The District has identified no component units.

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

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting - Measurement Focus and Financial Statement Presentation

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB Statements No. 34 and No. 35 as amended by GASB Statements No. 37, No. 38, No. 39, and No. 61. This presentation provides a comprehensive government-wide perspective of the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, activities, and cash flows and replaces the fund group perspective previously required. Fiduciary activities, with the exception of the Student Financial Aid Fund, are excluded from the basic financial statements. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. The significant accounting policies followed by the District in preparing these financial statements are in accordance with accounting principles generally accepted in the United States of America as prescribed by GASB. Additionally, the District's policies comply with the California Community Colleges Chancellor's Office *Budget and Accounting Manual*. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All material intra-agency and intra-fund transactions have been eliminated.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. The District considers revenues to be available if they are collected within one year after year-end, except for property taxes, which are considered available if collected within 60 days. For the District, operating revenues consist primarily of student fees and non-capital federal, state, and local grants and contracts.

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

Operating expenses are costs incurred to provide instructional services including support costs, auxiliary services, and depreciation of capital assets. All other expenses not meeting this definition are reported as nonoperating. Expenses are recorded on the accrual basis as they are incurred, when goods are received, or services are rendered.

The financial statements are presented in accordance with the reporting model as prescribed in GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments,* and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities,* as amended by GASB Statements No. 37, No. 38, No. 39, and No. 61. The business-type activities model followed by the District requires the following components of the District's financial statements:

- Management's Discussion and Analysis
- Basic Financial Statements for the District as a whole including:
- Statement of Net Position - Primary Government
- Statement of Revenues, Expenses, and Changes in Net Position - Primary Government
- Statement of Cash Flows - Primary Government
- Financial Statements for the Fiduciary Funds including:
- Statement of Fiduciary Net Position
- Statement of Changes in Fiduciary Net Position
- Notes to the Financial Statements

Cash and Cash Equivalents

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

Investments

Investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost.

Accounts Receivable

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students. The District provides for an allowance for uncollectable accounts as an estimation of amounts that may not be received. This allowance is based upon management's estimates and analysis. The allowance was estimated at $784,436 for the year ended June 30, 2020.

Prepaid Expenses

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

Capital Assets and Depreciation

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

Depreciation of capital assets is computed and recorded utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 25 to 50 years; improvements, 10 to 20 years; equipment, 5 to 10 years; vehicles, 5 to 10 years.

Accrued Liabilities and Long-Term Liabilities

All payables, accrued liabilities, and long-term liabilities are reported in the government-wide financial statements.

Compensated Absences

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

Sick leave is accumulated without limit for each employee based upon negotiated contracts. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, retirement credit for unused sick leave is applicable to all classified members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Retirement credit for unused sick leave is applicable to all academic employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full time.

Debt Premiums

Debt premiums are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

Deferred Outflows/Inflows of Resources

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

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

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Unearned Revenue

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

Noncurrent Liabilities

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

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position related to net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report $26,832,083 of restricted net position and the fiduciary funds financial statements report $11,980,631 of restricted net position.

Operating Revenues and Expenses

Classification of Revenues - The District has classified its revenues as either operating or nonoperating. Certain significant revenue streams relied upon for operation are classified as nonoperating as defined by GASB Statements No. 34 and No. 35. Classifications are as follows:

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

- **Nonoperating revenues** - Nonoperating revenues include activities that have the characteristics of nonexchange transactions such as State apportionments, property taxes, investment income, gifts and contributions, and other revenue sources defined in GASB Statements No. 34 and No. 35.

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

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

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

State Apportionments

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

Property Taxes

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

The voters of the District passed General Obligation Bond measures in November 2002 and 2014 for the acquisition, construction, and remodeling of certain District property. As a result of the passage of the Bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are assessed, billed, and collected as noted above and remitted to the District when collected.

Scholarships, Discounts, and Allowances

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

Federal Financial Assistance Programs

The District participates in federally funded Pell Grants, Direct Loans, Federal Supplemental Educational Opportunity Grants (FSEOG), and Federal Work-Study programs, as well as other programs funded by the Federal government. Financial aid to students is either reported as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to students in the form of reduced tuition. These programs are audited in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.*

Estimates

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

Interfund Activity

Interfund transfers and interfund receivables and payables are eliminated during the consolidation process in the Primary Government and Fiduciary Funds' financial statements, respectively.

Change in Accounting Principles

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, Certain Asset Retirement Liabilities
- Statement No. 84, Fiduciary Activities
- Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- Statement No. 90, Majority Equity Interests
- Statement No. 91, Conduit Debt Liabilities
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, Replacement of Interbank Offered Rates
- Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)
- Implementation Guide No. 2018-1, Implementation Guidance Update—2018
- Implementation Guide No. 2019-1, Implementation Guidance Update—2019
- Implementation Guide No. 2019-2, *Fiduciary Activities*

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87*, Leases*
- Implementation Guide No. 2019-3*, Leases*

The provisions of this Statement have been implemented as of June 30, 2020, with the exception of Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* and Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The District has already implemented these standards as of June 30, 2020.

New Accounting Pronouncements

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all State and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for the reporting periods beginning after December 15, 2019. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for the reporting periods beginning after June 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In August 2018, the GASB issued Statement 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 60*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. The effects of this change on the District's financial statements have not yet been determined.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Liabilities*. The primary objectives of this Statement are to provide a single method of reporting conduit debt liabilities by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt liabilities, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt liabilities; and improving required note disclosures.

A conduit debt obligation is defined as a debt instrument having all of the following characteristics:

- There are at least three parties involved: (1) an issuer, (2) a third-party obligor, and (3) a debt holder or a debt trustee.
- The issuer and the third-party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

All conduit debt liabilities involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt liabilities. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt liabilities or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.
- If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.
- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer, at the inception of the arrangement, should recognize the entire capital asset and a deferred inflow of resources. The deferred inflow of resources should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This Statement requires issuers to disclose general information about their conduit debt liabilities, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt liabilities and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt liabilities also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for the reporting periods beginning after December 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

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

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

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective as follows:

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

Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

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

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

As a result of the implementation of GASB Statemen No. 95, the removal of LIBOR as an appropriate benchmark interest rate (paragraph 11b) is effective for reporting periods ending after December 31, 2021. Paragraph 13 and 14 related to lease modifications is effective for reporting periods beginning after June 15, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.

The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The effects of this change on the District's financial statements have not yet been determined.

Note 3 - Deposits and Investments

Policies and Practices

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

Investment in County Treasury

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

The pool is managed by the Los Angeles County Treasurer and is not registered as an investment company with the Securities Exchange Commission. Oversight of the pool is the responsibility of the County Treasury Oversight Committee. California Government Code statutes and the County Treasury Oversight Committee set forth the various investment policies that the Treasurer follows.

As provided by the Government Code, the cash balances of substantially all funds are pooled and invested by the County Treasurer for the purpose of increasing interest earnings through investment activities. Interest earned on pooled investments is deposited to the participating funds based upon the funds' average daily deposit balance during the allocation period.

General Authorizations

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

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

Authorized Under Debt Agreements

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

Summary of Deposits and Investments

Deposits and investments as of June 30, 2020, consist of the following:

Primary government	$ 107,943,194
Fiduciary funds	12,454,995
Total deposits and investments	$ 120,398,189
Cash on hand and in banks	351,765
Cash in revolving	275,000
Investments	119,771,424
Total deposits and investments	$ 120,398,189

Interest Rate Risk

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

Specific Identification

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

Investment Type	Reported Value	Weighted Average Days to Maturity
Los Angeles County Investment Pool	$ 76,879,464	590
U.S Treasury Notes	30,911,329	1,079
Mutual Funds	11,980,631	No maturity
Total	$ 119,771,424	

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the Los Angeles County Investment Pool and mutual funds are not required to be rated, nor have they been rated as of June 30, 2020. The U.S. Treasury Notes reflected an Aaa rating by Moody's Rating Service as of June 30, 2020.

Custodial Credit Risk

Deposits
This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2020, the District's bank balance of approximately $1.2 million was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

Investments
This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. As of June 30, 2020, the District's investment balance of approximately $42.9 million was exposed to custodial credit risk because it was uninsured, unregistered and held by the brokerage firm which is also the counterparty for these securities. The District's investment policy limits the amount of securities that can be held by counterparties to no more than 10% of total investments in one issuer for commercial paper, mutual funds and money market mutual funds and 30% for Banker's Acceptance.

Note 4 - Fair Value Measurements

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

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

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

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

The District's fair value measurements are as follows at June 30, 2020:

Investment Type	Fair Value	Level 1 Inputs
U.S Treasury Notes	$ 30,911,329	$ 30,911,329
Mutual Funds	11,980,631	11,980,631
Total	$ 42,891,960	$ 42,891,960

All assets have been valued using a market approach, with quoted market prices.

Note 5 - Accounts Receivable

Accounts receivable at June 30, 2020, consisted of the following:

	Primary	Fiduciary Funds
Federal Government		
Categorical aid	$ 1,540,246	$ -
State Government		
Apportionment	1,706,430	-
Categorical aid	159,525	-
State construction projects	7,832,816	-
Other State	231,967	-
Local Sources		
Interest	203,168	366
Other local sources	725,197	49,881
Total	$ 12,399,349	$ 50,247

Student receivables	$ 1,251,654
Less: Allowance for bad debt	(784,436)
Student receivables, net	$ 467,218

Note 6 - Capital Assets

Capital asset activity for the District for the fiscal year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Capital Assets Not Being Depreciated				
Land	$ 2,324,000	$ -	$ -	$ 2,324,000
Construction in progress	13,860,313	13,437,596	4,519,949	22,777,960
Total capital assets not being depreciated	16,184,313	13,437,596	4,519,949	25,101,960
Capital Assets Being Depreciated				
Buildings and improvements	100,380,612	4,519,949	-	104,900,561
Site improvements	77,270,257	-	-	77,270,257
Furniture and equipment	9,261,010	319,421	-	9,580,431
Total capital assets being depreciated	186,911,879	4,839,370	-	191,751,249
Total capital assets	203,096,192	18,276,966	4,519,949	216,853,209
Less Accumulated Depreciation				
Buildings and improvements	(24,367,218)	(2,086,419)	-	(26,453,637)
Site improvements	(18,114,692)	(4,220,870)	-	(22,335,562)
Furniture and equipment	(7,640,431)	(431,672)	-	(8,072,103)
Total accumulated depreciation	(50,122,341)	(6,738,961)	-	(56,861,302)
Net capital assets	$ 152,973,851	$ 11,538,005	$ 4,519,949	$ 159,991,907

Depreciation expense for the year was $6,738,961.

Note 7 - Accounts Payable

Accounts payable at June 30, 2020, consisted of the following:

	Primary Government	Fiduciary Funds
Accrued payroll	$ 2,370,310	$ -
Federal categorical	45,790	-
State categorical	35,696	-
Construction	2,725,723	-
Vendor payables	1,688,115	26,358
Total	$ 6,865,634	$ 26,358

Note 8 - Unearned Revenue

Unearned revenue at June 30, 2020, consisted of the following:

	Primary Government
Federal financial assistance	$ 815,679
State categorical aid	3,894,158
Other State	124,706
Student fees	495,144
Other local	474,658
Total	$ 5,804,345

Note 9 - Interfund Transactions

Interfund Receivables and Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund activity within the primary government and fiduciary funds has been eliminated in the consolidation process of the basic financial statements. Balances owing between the primary government and the fiduciary funds are not eliminated in the consolidation process. At June 30, 2020, there were no balances due between the primary government and the fiduciary funds.

Interfund Operating Transfers

Operating transfers between funds of the District are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use restricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Operating transfers within the funds of the District have been eliminated in the consolidation process. Transfers between the primary government and the fiduciary funds are not eliminated in the consolidation process. During the 2019-2020 fiscal year, there were no transfers between the primary government and the fiduciary funds.

Note 10 - Long-Term Liabilities other than OPEB and Pensions

Summary

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

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Due in One Year
Bonds and Notes Payable					
Election 2002 Measure CC					
General obligation bonds	$ 91,494,188	$ 43,689,315	$ (11,030,000)	$ 124,153,503	$ 3,290,000
Bond premium	4,058,029	-	(457,706)	3,600,323	-
Election 2014 Measure C					
General obligation bonds	38,000,000	-	(4,500,000)	33,500,000	4,155,000
Bond premium	1,692,490	-	(70,276)	1,622,214	-
Note payable	8,773,818	-	(979,429)	7,794,389	1,002,025
Total bonds and notes payable	144,018,525	43,689,315	(17,037,411)	170,670,429	8,447,025
Other Liabilities					
Compensated absences	1,073,287	322,853	-	1,396,140	-
Claims liability	754,771	-	(95,396)	659,375	-
Total other liabilities	1,828,058	322,853	(95,396)	2,055,515	-
Total long-term liabilities	$ 145,846,583	$ 44,012,168	$ (17,132,807)	$ 172,725,944	$ 8,447,025

Description of Long-Term Liabilities

The general obligation bonds are paid from property tax collections and are accounted for by the Los Angeles County Treasurer in the Bond Interest and Redemption Fund. The note payable is an advance apportionment appropriated by the State. Repayment is made from the unrestricted resources of the General Fund. Compensated absences are paid from the resources of the fund from which the employee liability was created. The claims liability is paid from resources generated by the charging of workers' compensation benefit expenditures in each fund that incurs payroll expenditures.

Bonded Debt

Election 2002 General Obligation Bonds - Measure CC

General obligation bonds were approved by a local election in November 2002 under Proposition 39. The funds are designated to repair and renovate academic classrooms and job training facilities; upgrade safety security systems, electrical capacity, computer technology, energy efficiency, and leaky roofs; relieve student overcrowding; and repair, renovate, construct, acquire and equip classrooms, facilities and sites. The total amount approved by the voters was $100,000,000. Interest rates on the bonds range from 1.00 percent to 6.75 percent. At June 30, 2020, $99,996,761 had been issued and $124,153,503 was outstanding with a premium balance of $3,600,323.

Election 2014 General Obligation Bonds - Measure C

General obligation bonds were approved by a local election in November 2014 under Proposition 39. The total amount approved by the voters was $100,000,000. The funds are designated to be used to update aging classrooms and buildings; repair deteriorating gas and sewer lines, electrical wiring and leaky roofs; improve classroom technology and handicapped accessibility; upgrade campus safety and repair, construct, and acquire facilities and equipment. Interest rates on the bonds range from 4.00 percent to 5.00 percent. At June 30, 2020, $38,000,000 had been issued and $33,500,000 was outstanding with a premium balance of $1,622,214.

2012 General Obligation Refunding Bonds

On October 4, 2012, the District issued 2012 General Obligation Refunding Bonds in the amount of $14,470,000 with interest rates ranging from 2.00 percent to 5.00 percent, depending on the maturity of the related bonds. The Bonds were issued at a premium of $1,677,513 to advance refund and defease a portion of the District's 2002 General Obligation Series 2004A Bonds maturing on and after July 1, 2028, and to pay all legal, financial, and contingent costs in connection with the issuance of the Bonds. The Refunding Bonds defeased $14,510,000 of the old debt with a final maturity date of July 1, 2023. The Bonds are payable semiannually on January 1 and July 1 of each year.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $1,447,380. This difference, reported in the accompanying financial statements as a deferred charge on refunding, is being charged to operations through the year 2023 using the straight-line method. The outstanding principal balance of these Bonds at June 30, 2020, was $8,010,000 with a premium balance of $347,072.

2014 General Obligation Refunding Bonds

On March 18, 2014, the District issued 2014 General Obligation Refunding Bonds in the amount of $17,010,000 with interest rates ranging from 1.00 percent to 5.00 percent, depending on the maturity of the related bonds. The Bonds were issued at a premium of $1,802,271 to advance refund and defease a portion of the District's 2002 General Obligation Series 2004A Bonds maturing on and after July 1, 2028, and to pay all legal, financial, and contingent costs in connection with the issuance of the Bonds. The Refunding Bonds defeased $18,030,000 of the old debt with a final maturity date of July 1, 2028. The Bonds are payable semiannually on January 1 and July 1 of each year.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $450,434. This difference, reported in the accompanying financial statements as a deferred charge on refunding, is being charged to operations through the year 2028 using the straight-line method. The outstanding principal balance of these Bonds at June 30, 2020, was $16,245,000 with a premium balance of $952,143.

2015 General Obligation Refunding Bonds

On October 6, 2015, the District issued 2015 General Obligation Refunding Bonds in the amount of $13,100,000 with interest rates ranging from 2.00 percent to 5.00 percent, depending on the maturity of the related bonds. The Bonds were issued at a premium of $1,841,849 to advance refund and defease a portion of the District's 2002 General Obligation Series 2009B Bonds maturing on and after August 1, 2020, and to pay all legal, financial, and contingent costs in connection with the issuance of the Bonds. The Refunding Bonds defeased $12,005,000 of the old debt with a final maturity date of August 1, 2034. The Bonds are payable semiannually on January 1 and July 1 of each year.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $2,606,682. This difference, reported in the accompanying financial statements as a deferred charge on refunding, is being charged to operations through the year 2035 using the straight-line method. The outstanding principal balance of these Bonds at June 30, 2020, was $12,330,000 with a premium balance of 1,383,433.

2020 General Obligation Refunding Bonds

On May 21, 2020, the District issued 2020 General Obligation Refunding Series A and Series B Crossover Bonds in the amount of $41,205,000 with interest rates ranging from 2.004 percent to 3.533 percent, depending on the maturity of the related bonds. The Series 2020A Refunding Bonds were to advance refund and defease a portion of the District's 2002 General Obligation Series 2002C, Series 2002D, Series 2012C.and Series 2013D Bonds, and and to pay all legal, financial, and contingent costs in connection with the issuance of the Bonds. The Series 2020B Refunding Crossover Bonds will be redeemed to refund a portion of the District’s 2002 General Obligation Series 2013D Bonds at the Crossover date of August 1, 2023; therefore the refunding is not considered a current refunding. The Refunding Bonds defeased $12,005,000 of the old debt with a final maturity date of August 1, 2038. The Bonds are payable semiannually on February 1 and August 1 of each year, commencing August 1, 2020.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $4,128,469. This difference, reported in the accompanying financial statements as a deferred charge on refunding, is being charged to operations through the year 2040 using the straight-line method. The outstanding principal balance of these Bonds at June 30, 2020, was $41,205,000.

The outstanding general obligation bonded debt was as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2019	Issued	Accreted Interest Addition	Redeemed	Bonds Outstanding June 30, 2020
08/27/09	08/01/19	3.00-6.75%	$ 15,000,000	$ 320,000	$ -	$ -	$ (320,000)	$ -
03/22/12	08/01/37	2.59-6.65%	15,001,122	17,802,202	-	674,918	(7,480,000)	10,997,120
10/4/2012	07/01/23	2.00-5.00%	14,470,000	9,545,000	-	-	(1,535,000)	8,010,000
11/13/2013	08/01/38	2.52-6.62%	16,554,972	22,453,758	-	1,419,150	(1,425,000)	22,447,908
03/18/14	07/01/28	1.00-5.00%	17,010,000	16,360,000	-	-	(115,000)	16,245,000
10/6/2015	08/01/34	2.00-5.00%	13,100,000	12,485,000	-	-	(155,000)	12,330,000
10/17/2018	08/01/40	4.00-5.00%	12,440,677	12,528,228	-	390,247	-	12,918,475
10/17/2018	08/01/43	4.00-5.00%	38,000,000	38,000,000	-	-	(4,500,000)	33,500,000
5/21/2020	08/01/39	2.004-3.533%	9,895,000	-	9,895,000	-	-	9,895,000
5/21/2020	08/01/38	2.509-3.463%	31,310,000	-	31,310,000	-	-	31,310,000
			$ 182,781,771	$ 129,494,188	$ 41,205,000	$ 2,484,315	$ (15,530,000)	$ 157,653,503

The Election 2002 Series 2012C bonds mature through fiscal year 2038 as follows:

Fiscal Year	Principal (including accreted interest to date)	Accreted Interest	Current Interest to Maturity	Total
2021	$ 258,713	$ 6,287	$ 26,600	$ 291,600
2022	320,000	-	21,000	341,000
2023	385,000	-	7,700	392,700
2024	374,000	81,000	-	455,000
2025	401,684	118,316	-	520,000
2026-2030	2,550,945	1,644,055	-	4,195,000
2031-2035	5,322,599	7,277,401	-	12,600,000
2036-2038	1,384,179	2,670,821	-	4,055,000
Total	$ 10,997,120	$ 11,797,880	$ 55,300	$ 22,850,300

The 2012 Refunding Bonds mature through fiscal year 2024 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2021	$ 1,710,000	$ 357,750	$ 2,067,750
2022	1,895,000	267,625	2,162,625
2023	2,095,000	167,875	2,262,875
2024	2,310,000	57,750	2,367,750
Total	$ 8,010,000	$ 851,000	$ 8,861,000

The Election 2002 Series 2013D bonds mature through fiscal year 2039 as follows:

Fiscal Year	Principal (including accreted interest to date)	Accreted Interest	Total
2021	$ 67,796	$ 2,204	$ 70,000
2022	86,309	8,691	95,000
2023	102,265	17,735	120,000
2024	119,912	30,088	150,000
2025	71,238	23,762	95,000
2026-2030	3,832,199	2,832,801	6,665,000
2031-2035	9,104,101	11,330,899	20,435,000
2036-2039	9,064,088	19,515,912	28,580,000
Total	$ 22,447,908	$ 33,762,092	$ 56,210,000

The 2014 Refunding Bonds mature through fiscal year 2029 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2021	$ 130,000	$ 800,800	$ 930,800
2022	140,000	796,700	936,700
2023	155,000	790,800	945,800
2024	165,000	785,225	950,225
2025	2,600,000	717,750	3,317,750
2026-2029	13,055,000	1,375,875	14,430,875
Total	$ 16,245,000	$ 5,267,150	$ 21,512,150

The 2015 Refunding Bonds mature through fiscal year 2035 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2021	$ 495,000	$ 582,850	$ 1,077,850
2022	535,000	559,575	1,094,575
2023	585,000	531,575	1,116,575
2024	640,000	500,950	1,140,950
2025	690,000	467,700	1,157,700
2026-2030	4,385,000	1,763,575	6,148,575
2031-2035	5,000,000	625,000	5,625,000
Total	$ 12,330,000	$ 5,031,225	$ 17,361,225

The Election 2002 Series 2018E bonds mature through fiscal year 2041 as follows:

Fiscal Year	Principal (including accreted interest to date)	Accreted Interest	Current Interest to Maturity	Total
2021	$ 470,000	$ -	$ 204,350	$ 674,350
2022	305,000	-	188,850	493,850
2023	300,000	-	176,750	476,750
2024	325,000	-	162,625	487,625
2025	550,000	-	140,750	690,750
2026-2030	1,020,000	-	471,250	1,491,250
2031-2035	1,799,650	260,350	144,750	2,204,750
2036-2040	3,945,189	5,984,811	-	9,930,000
2041	4,203,636	6,956,364	-	11,160,000
Total	$ 12,918,475	$ 13,201,525	$ 1,489,325	$ 27,609,325

The Election 2014 Series 2018A bonds mature through fiscal year 2044 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2021	$ 4,155,000	$ 1,412,350	$ 5,567,350
2022	70,000	1,327,850	1,397,850
2023	125,000	1,323,950	1,448,950
2024	190,000	1,316,700	1,506,700
2025	260,000	1,305,450	1,565,450
2026-2030	2,560,000	6,221,000	8,781,000
2031-2035	5,380,000	5,249,500	10,629,500
2036-2040	9,440,000	3,437,425	12,877,425
2041-2044	11,320,000	952,000	12,272,000
Total	$ 33,500,000	$ 22,546,225	$ 56,046,225

The 2020 Refunding Bonds Series A mature through fiscal year 2040 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2021	$ 150,000	$ 232,326	$ 382,326
2022	75,000	332,957	407,957
2023	75,000	331,453	406,453
2024	80,000	329,900	409,900
2025	80,000	328,297	408,297
2026-2030	470,000	1,611,216	2,081,216
2031-2035	515,000	1,537,672	2,052,672
2036-2040	8,450,000	720,379	9,170,379
Total	$ 9,895,000	$ 5,424,200	$ 15,319,200

The 2020 Refunding Bonds Series B mature through fiscal year 2039 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2021	$ -	$ 703,122	$ 703,122
2022	-	1,012,494	1,012,494
2023	-	1,012,494	1,012,494
2024	-	1,012,494	1,012,494
2025	-	1,012,494	1,012,494
2026-2030	1,560,000	5,042,901	6,602,901
2031-2035	9,895,000	4,228,912	14,123,912
2036-2039	19,855,000	1,572,031	21,427,031
Total	$ 31,310,000	$ 15,596,942	$ 46,906,942

Note Payable

Assembly Bill 318 appropriated $30 million to the Board of Governors of the California Community Colleges as an emergency apportionment to finance, among other things, activities described in Article 5 of Chapter 5, Part 46 of the Education Code. The balance available to the District is $12,103,200. The financing does not constitute a borrowing, but is instead an advance apportionment subject to repayment with interest. During the 2015-2016 year, the District was able to negotiate and obtain a refinancing of a lower interest rate associated with this advance. The interest rate paid by the District prior to this refinance ranged 1.377 percent to 5.214 percent. After the refinancing, the interest rate on the remaining balance is 2.307 percent, resulting in a savings of $966,000 in interest payments for the District. At June 30, 2020, the District had received $17,896,800 with $7,749,389 outstanding.

Fiscal Year	Principal	Current Interest to Maturity	Total
2021	$ 1,002,025	$ 179,817	$ 1,181,842
2022	1,025,141	156,700	1,181,841
2023	1,048,791	133,050	1,181,841
2024	1,072,987	108,854	1,181,841
2025	1,097,741	84,100	1,181,841
2026-2029	2,547,704	121,011	2,668,715
Total	$ 7,794,389	$ 783,532	$ 8,577,921

Compensated Absences

At June 30, 2020, the liability for compensated absences was $1,396,140.

Claims Liability

At June 30, 2020, the liability for claims liability was $659,375. See Note 12 for additional information.

Note 11 - Aggregate Net Other Postemployment Benefits (OPEB) Liability

For the fiscal year ended June 30, 2020, the District reported an aggregate net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Aggregate Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 9,912,054	$ 4,952,185	$ 7,803	$ (3,050,433)
Medicare Premium Payment (MPP) Program	149,935	-	-	(16,956)
Total	$ 10,061,989	$ 4,952,185	$ 7,803	$ (3,067,389)

The details of each plan are as follows:

District Plan

Plan Administration

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

Management of the plan is vested in the District management. Management of the trustee assets is vested with the Compton Community College District Retirement Board of Authority.

Plan Membership

At June 30, 2019, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefit payments	70
Active Plan members	156
	226

Compton Community College District Futuris Trust

Compton Community College District Futuris Trust (the Trust) is an irrevocable governmental trust pursuant to Section 115 of the IRC for the purpose of funding certain postemployment benefits other than pensions. The Trust is administered by the Compton Community College District Retirement Board of Authority as directed by the investment alternative choice selected by the District. The District retains the responsibility to oversee the management of the Trust, including the requirement that investments and assets held within the Trust continually adhere to the requirements of the California Government Code Section 53600.5 which specifies that the trustee's primary role is to preserve capital, to maintain investment liquidity, and to protect investment yield. As such, the District acts as the fiduciary of the Trust. The financial activity of the Trust has been discretely presented. Separate financial statements are not prepared for the Trust.

Benefits Provided

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

Contributions

The contribution requirements of Plan members and the District are established and may be amended by the District and the District's bargaining units. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by management and the District's governing board. For the measurement date of June 30, 2019, the District contributed $1,292,932 to the Plan, of which $542,932 was used for current premiums, and $750,000 was transferred to the District's OPEB irrevocable trust.

Investment

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the governing board by a majority vote of its members. It is the policy of the District to pursue an investment strategy that reduces risks through the prudent diversification for the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, expect for liquidity purposes, and aims to refrain from dramatically shifting asset class allocation over short time spans. The following was the governing board's adopted asset allocation policy as of June 30, 2019:

Asset Class	Target Allocation
Domestic equity	22%
Fixed income	55%
International equity	19%
Real estate	4%

Rate of Return

For the year ended June 30, 2019, the annual money-weighed rate of return on investments, net of investment expense, was 4.77 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the District

The District's net OPEB liability of $9,912,054 was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The components of the net OPEB liability of the District at June 30, 2019, were as follows:

Total OPEB liability	$ 14,103,781
Plan fiduciary net position	4,191,727
District's net OPEB liability	$ 9,912,054
Plan fiduciary net position as a percentage of the total OPEB liability	30%

Actuarial Assumptions

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

Inflation	2.75	percent
Salary increases	2.75	percent
Investment rate of return	5.85	percent
Healthcare cost trend rates	4.00	percent

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

Mortality rates were based on the 2009 CalSTRS Mortality Table for certificated employees and the 2014 CalPERS Active Mortality for Miscellaneous Employees Table for classified employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actual experience study as of June 30, 2019.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2019, (see the discussion of the Plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	7.5%
Fixed income	4.5%
International equity	7.5%
Real estate	7.5%

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2019 is 5.85 percent. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2018	$ 12,568,820	$ 3,279,914	$ 9,288,906
Service cost	523,763	-	523,763
Interest	795,329	-	795,329
Differences between projected and actual earnings on OPEB plan investments	-	(35,555)	35,555
Differences between expected and actual experience	(9,805)	-	(9,805)
Contributions - employer	-	1,292,932	(1,292,932)
Net investment income	-	229,255	(229,255)
Changes of assumptions	768,607	-	768,607
Benefit payments	(542,933)	(542,933)	-
Administrative expense	-	(31,886)	31,886
Net change in total OPEB liability	1,534,961	911,813	623,148
Balance at June 30, 2019	$ 14,103,781	$ 4,191,727	$ 9,912,054

Changes of economic assumptions reflect a change in the discount rate from 6.30 percent to 5.85 percent since the previous valuation. There were no changes in benefit terms since the previous valuation.

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

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

Discount Rate	Net OPEB Liability
1% decrease (4.85%)	$ 11,880,882
Current discount rate (5.85%)	9,912,054
1% increase (6.85%)	8,287,777

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

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

Healthcare Cost Trend Rates	Net OPEB Liability
1% decrease (3.0%)	$ 8,277,327
Current healthcare cost trend rate (4.0%)	9,912,054
1% increase (5.0%)	11,836,442

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 4,328,591	$ -
Differences between expected and actual experience	-	7,803
Changes of assumptions	611,748	-
Net difference between projected and actual earnings on OPEB plan investments	11,846	-
Total	$ 4,952,185	$ 7,803

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

Amounts reported as deferred outflows/(inflows) of resources related to the differences between expected and actual experience, projected and actual earnings on OPEB plan investments, and changes of assumptions will be amortized over the expected average remaining service life (EARSL) of all members that are provided benefits as of the beginning of the measurement period. The EARSL for the measurement period is five-years and amounts will be recognized as OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	$ 156,435
2022	156,435
2023	156,435
2024	146,486
	$ 615,791

Medicare Premium Payment (MPP) Program

Plan Description

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

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2018 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

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

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

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

Net OPEB Liability and OPEB Expense

At June 30, 2020, the District reported a liability of $149,935 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating entities, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2019 and June 30, 2018, was 0.0403 percent and 0.0436 percent, respectively, resulting in a net decrease in the proportionate share of 0.0033 percent.

For the year ended June 30, 2020, the District recognized OPEB expense of $(16,956).

Actuarial Methods and Assumptions

The June 30, 2019 total OPEB liability was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2018, and rolling forward the total OPEB liability to June 30, 2019, using the assumptions listed in the following table:

Measurement Date	June 30, 2019	June 30, 2018
Valuation Date	June 30, 2018	June 30, 2017
Experience Study	July 1, 2010 through June 30, 2015	July 1, 2010 through June 30, 2015
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.50%	3.87%
Medicare Part A Premium Cost Trend Rate	3.70%	3.70%
Medicare Part B Premium Cost Trend Rate	4.10%	4.10%

For the valuation as of June 30, 2018, 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-2016) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 380 or an average of 0.23 percent of the potentially eligible population (165,422).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2019, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2019, is 3.50 percent. As the MPP Program is funded on a pay-as-you-go basis as previously noted, the OPEB Plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 3.50 percent, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2019, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate decreased 0.37 percent from 3.87 percent as of June 30, 2018.

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

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

Discount Rate	Net OPEB Liability
1% decrease (2.50%)	$ 163,614
Current discount rate (3.50%)	149,935
1% increase (4.50%)	137,359

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

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

Medicare Costs Trend Rates	Net OPEB Liability
1% decrease (2.7% Part A and 3.1% Part B)	$ 140,534
Current Medicare costs trend rates (3.7% Part A and 4.1% Part B)	149,935
1% increase (4.7% Part A and 5.1% Part B)	168,714

Note 12 - Risk Management

Property and Liability Insurance Coverages

The District is exposed to various risks of loss related to torts and liability; theft of, damage to and destruction of assets; errors and omissions and injuries to employees. The District obtains coverage for these risks as a member of a joint powers authority. The District has coverage up to $50,000,000 for liability and tort risks. This coverage is subject to a $50,000 self-insured retention. The District carries replacement coverage on its buildings and furniture and equipment with limits of $250,250,000 (total pool value) with a $50,000 self-insurance retention. A property and equipment audit performed by the Joint Powers Authority is used to identify the aforementioned exposures. However, claims against the property coverage would use current replacement value to respond to a covered event.

Joint Powers Authority Risk Pools

During fiscal year ended June 30, 2020, the District contracted with the Statewide Association of Community Colleges (SWACC) Joint Powers Authority for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2019-2020, the District participated in the Protected Insurance Program for Schools (PIPS) Joint Powers Authority (JPA), an insurance purchasing pool. The intent of the JPA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the JPA. The workers' compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in the JPA. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall saving. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the JPA. Participation in the JPA is limited to K-12 and community college districts that can meet the JPA's selection criteria.

Insurance Program / Company Name	Type of Coverage	Limits
Protected Insurance Program for Schools (PIPS) Joint Powers Authority	Workers' Compensation	$ 155,000,000
Statewide Association of Community Colleges (SWACC)	General Liability	$ 50,000,000
Statewide Association of Community Colleges (SWACC)	Property	$ 250,250,000

Claims Liability

The District records an estimated liability for workers' compensation claims against the District. Prior to July 1, 2014, the District was self-insured for workers' compensation for the first $500,000 of each claim. Effective July 1, 2014, the District contracted with the Protected Insurance Program for Schools and Community Colleges Joint Powers Authority (PIPS) for workers' compensation, which is administered by Keenen & Associates. The claims liability balance at June 30, 2020, is based on the ultimate cost of the reported claims including future claim adjustment expense and an estimate for claims incurred, but not reported, based on historical experience. The amount of the liability is based on Bay Actuarial Consultants report of the claims data evaluated as of June 30, 2020. The projected liability for unpaid losses reported in the Statement of Net Position is $659,375 and was calculated using the undiscounted expected confidence level. Changes in the reported liability are shown in the following table:

	Workers' Compensation
Liability Balance, July 1, 2018	$ 815,091
Claims payments	(60,320)
Liability Balance, June 30, 2019	754,771
Claims payments	(95,396)
Liability Balance, June 30, 2020	$ 659,375
Assets Available to Pay Claims at June 30, 2020	$ 1,657,081

Note 13 - Employee Retirement Systems

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

For the fiscal year ended June 30, 2020, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Aggregate Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 20,555,654	$ 5,173,254	$ 3,435,246	$ 2,238,930
CalPERS	19,165,783	4,628,289	279,432	3,470,056
Total	$ 39,721,437	$ 9,801,543	$ 3,714,678	$ 5,708,986

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2018, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

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

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

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

The STRP provisions and benefits in effect at June 30, 2020, are summarized as follows:

	STRP Defined Benefit Program	
Hire date	On or before December 31, 2012	On or after January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	17.10%	17.10%
Required State contribution rate	10.328%	10.328%

Contributions

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2020, are presented above, and the District's total contributions were $2,392,388.

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

At June 30, 2020, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including State share	
District's proportionate share of net pension liability	$ 20,555,654
State's proportionate share of net pension liability associated with the District	11,214,481
Total	$ 31,770,135

The net pension liability was measured as of June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2019 and June 30, 2018, was 0.0228 percent and 0.0243 percent, respectively, resulting in a net decrease in the proportionate share of 0.0015 percent.

For the year ended June 30, 2020, the District recognized pension expense of $2,238,930. In addition, the District recognized pension expense and revenue of $1,670,078 for support provided by the State. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 2,392,388	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	129,133	2,064,201
Differences between projected and actual earnings on pension plan investments	-	791,810
Differences between expected and actual experience in the measurement of the total pension liability	51,892	579,235
Changes of assumptions	2,599,841	-
Total	$ 5,173,254	$ 3,435,246

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	$ (79,867)
2022	(628,603)
2023	(130,508)
2024	47,168
Total	$ (791,810)

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	$ 96,077
2022	96,078
2023	233,939
2024	230,120
2025	(311,817)
Thereafter	(206,967)
Total	$ 137,430

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2018, and rolling forward the total pension liability to June 30, 2019. The financial reporting actuarial valuation as of June 30, 2018, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Experience study	July 1, 2010 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance-PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in February 2017 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2019, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	4.80%
Fixed income	12%	1.30%
Real estate	13%	3.60%
Private equity	13%	6.30%
Risk mitigating strategies	9%	1.80%
Inflation sensitive	4%	3.30%
Cash/liquidity	2%	-0.40%

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 30,609,070
Current discount rate (7.10%)	20,555,654
1% increase (8.10%)	12,219,457

California Public Employees' Retirement System (CalPERS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2018, annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/forms-publications.

Benefits Provided

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

The CalPERS provisions and benefits in effect at June 30, 2020, are summarized as follows:

	School Employer Pool (CalPERS)	
Hire date	On or before December 31, 2012	On or after January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	19.721%	19.721%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2020, are presented above, and the total District contributions were $1,974,866.

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

As of June 30, 2020, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $19,165,783. The net pension liability was measured as of June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2019 and June 30, 2018, was 0.0658 percent and 0.0638 percent, respectively, resulting in a net increase in the proportionate share of 0.0020 percent.

For the year ended June 30, 2020, the District recognized pension expense of $3,470,056. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 1,974,866	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	348,867	101,665
Differences between projected and actual earnings on pension plan investments	-	177,767
Differences between expected and actual experience in the measurement of the total pension liability	1,392,205	-
Changes of assumptions	912,351	-
Total	$ 4,628,289	$ 279,432

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	$ 175,475
2022	(350,506)
2023	(53,116)
2024	50,380
Total	$ (177,767)

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	$ 1,478,721
2022	702,450
2023	336,897
2024	33,690
Total	$ 2,551,758

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2018, and rolling forward the total pension liability to June 30, 2019. The financial reporting actuarial valuation as of June 30, 2018, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

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

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

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

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.15%)	$ 27,626,216
Current discount rate (7.15%)	19,165,783
1% increase (8.15%)	12,147,270

CalSTRS/CalPERS Irrevocable Trust

During the 2016 fiscal year, the District established an irrevocable trust with Benefit Trust Company, through Keenan & Associates, for the purpose of funding future employer contributions associated with the CalSTRS and CalPERS pension plans. District contribution rates for these plans are expected to rise significantly through the 2021 fiscal year. Funds deposited into this trust are not considered "plan assets" for GASB Statement No. 68 reporting and, therefore, are not netted against the net pension liability shown on the Statement of Net Position. Instead, the activity within this trust is recorded as a fiduciary fund of the District as of June 30, 2020. For the 2020 fiscal year, the District contributed $1,000,000 into this trust. As of June 30, 2020, the balance of the trust was $3,469,623.

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS for the fiscal year ended June 30, 2020, which amounted to $1,171,388 (10.328 percent) of salaries subject to CalSTRS. Contributions are no longer appropriated in the annual *Budget Act* for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. No contributions were made for CalPERS for the year ended June 30, 2020. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Senate Bill 90 (Chapter 33, Statutes of 2019), which was signed by the Governor on June 27, 2019, appropriated an additional 2019–2020 contribution on-behalf of school employers of $1.1 billion for CalSTRS. A proportionate share of these contributions has been recorded in these financial statements.

Note 14 - Participation in Public Entity Risk Pools and Joint Powers Authorities

The District is a member of the Statewide Association of Community Colleges (SWACC) and the Protected Insurance Program for Schools and Community Colleges (PIPS) Joint Powers Authority. The District pays annual premiums for its property liability and excess workers' compensation coverage. The relationship between the District and each Joint Powers Authority (JPA) is such that they are not component units of the District for financial reporting purposes.

The District is a member of the Intelecom JPA. Intelecom provides for the design, development, and distribution of educational media materials. Intelecom is governed by a council comprised of a member of each of the participatory districts.

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

The District's share of year-end assets, liabilities, or fund equity has not been calculated.

During the year ended June 30, 2020, the District made premium and claim payments of $349,962 and $597,373 to SWACC and PIPS, respectively.

Note 15 - Commitments and Contingencies

Grants

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2020.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2020.

Line of Credit

As mentioned above in Note 10, the District was appropriated $30 million from Assembly Bill 318 through the Board of Governors of the California Community Colleges. As of June 30, 2020, the District has a balance available to them of $12,103,200. While these funds are available to the District, the District currently has no plans to further drawdown funding from this appropriation.

Construction Commitments

The District is currently in the midst of various construction projects funded primarily through the General Obligation Bonds as well as State approved construction grants.

Project	Remaining Construction Commitment	Estimated Completion
Instructional Building #1	$ 10,666,618	FY 2021
Instructional Building #2	19,580,367	FY 2022
Student Services Building	21,039,759	FY 2022
Vocational Technology Renovation	10,779,493	FY 2022
Administration Building Renovation	5,217,999	FY 2023
	$ 67,284,236	

Note 16 - Subsequent Events

Subsequent to year end, the District has been negatively impacted by the effects of the world-wide coronavirus pandemic. The District is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the issuance date of these financial statements, the full impact to the District's financial position is not known beyond increased cash flow monitoring due to state apportionment deferrals.

Required Supplementary Information
June 30, 2020

Compton Community College District

	2020	2019	2018
Total OPEB liability			
Service cost	$ 523,763	$ 571,280	$ 608,696
Interest	795,329	740,494	687,184
Differences between expected and actual experience	(9,805)	-	-
Changes of assumptions	768,607	-	-
Benefit payments	(542,933)	(422,378)	(453,237)
Net changes in total OPEB liability	1,534,961	889,396	842,643
Total OPEB liability - beginning	12,568,820	11,679,424	10,836,781
Total OPEB liability - ending (a)	$ 14,103,781	$ 12,568,820	$ 11,679,424
Plan fiduciary net position			
Contributions - employer	$ 1,292,932	$ 672,378	$ 1,203,237
Net investment income	229,255	186,175	295,644
Differences between projected and actual earnings on OPEB plan investmets	(35,555)	27,664	-
Benefit payments	(542,933)	(422,378)	(453,237)
Administrative expense	(31,886)	(28,168)	(22,667)
Net change in plan fiduciary net position	911,813	435,671	1,022,977
Plan fiduciary net position - beginning	3,279,914	2,844,243	1,821,266
Plan fiduciary net position - ending (b)	$ 4,191,727	$ 3,279,914	$ 2,844,243
District's net OPEB liability - ending (a) - (b)	$ 9,912,054	$ 9,288,906	$ 8,835,181
Plan fiduciary net position as a percentage of the total OPEB liability	29.72%	26.10%	24.35%
Covered-employee payroll	$ 24,004,599	$ 22,908,120	$ 22,192,701
District's net OPEB liability as a percentage of covered-employee payroll	41.29%	40.55%	39.81%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017

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

	2020	2019	2018
Annual money-weighted rate of return, net of investment expense	4.77%	7.38%	12.23%

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

	2020	2019	2018
Year ended June 30,			
District's proportion of the net OPEB liability	0.0403%	0.0436%	0.0456%
District's proportionate share of the net OPEB liability	$ 149,935	$ 166,891	$ 191,880
District's covered payroll	N/A[1]	N/A[1]	N/A[1]
District's proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A[1]	N/A[1]	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	-0.81%	-0.40%	0.01%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017

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

	2020	2019	2018	2017	2016	2015
CalSTRS						
District's proportion of the net pension liability	0.0228%	0.0243%	0.0252%	0.0263%	0.0259%	0.0268%
District's proportionate share of the net pension liability	$ 20,555,654	$ 22,325,730	$ 23,297,882	$ 21,272,244	$ 17,432,301	$ 15,664,559
State's proportionate share of the net pension liability associated with the District	11,214,481	12,782,525	13,782,830	12,109,909	9,219,766	9,458,937
Total	$ 31,770,135	$ 35,108,255	$ 37,080,712	$ 33,382,153	$ 26,652,067	$ 25,123,496
District's covered payroll	$ 13,653,071	$ 13,827,554	$ 13,597,782	$ 13,665,051	$ 12,752,399	$ 11,939,418
District's proportionate share of the net pension liability as a percentage of its covered payroll	150.56%	161.46%	171.34%	155.67%	136.70%	131.20%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%	77%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS						
District's proportion of the net pension liability	0.0658%	0.0638%	0.0641%	0.0659%	0.0618%	0.0629%
District's proportionate share of the net pension liability	$ 19,165,783	$ 17,007,822	$ 15,293,531	$ 13,018,832	$ 9,114,629	$ 7,143,796
District's covered payroll	$ 9,255,049	$ 8,365,147	$ 8,169,859	$ 8,205,368	$ 6,862,365	$ 6,605,812
District's proportionate share of the net pension liability as a percentage of its covered payroll	207.08%	203.32%	187.19%	158.66%	132.82%	108.14%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	79%	83%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

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

	2020	2019	2018	2017	2016	2015
CalSTRS						
Contractually required contribution	$ 2,392,388	$ 2,222,720	$ 1,995,316	$ 1,710,601	$ 1,466,260	$ 1,132,413
Contributions in relation to the contractually required contribution	2,392,388	2,222,720	1,995,316	1,710,601	1,466,260	1,132,413
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 13,990,573	$ 13,653,071	$ 13,827,554	$ 13,597,782	$ 13,665,051	$ 12,752,399
Contributions as a percentage of covered payroll	17.10%	16.28%	14.43%	12.58%	10.73%	8.88%
CalPERS						
Contractually required contribution	$ 1,974,866	$ 1,671,647	$ 1,299,191	$ 1,134,630	$ 972,090	$ 807,769
Contributions in relation to the contractually required contribution	1,974,866	1,671,647	1,299,191	1,134,630	972,090	807,769
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 10,014,026	$ 9,255,049	$ 8,365,147	$ 8,169,859	$ 8,205,368	$ 6,862,365
Contributions as a percentage of covered payroll	19.721%	18.062%	15.531%	13.888%	11.847%	11.771%

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

Note 1 - Purpose of Schedules

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

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

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

- *Changes of Assumptions* – The discount rate was changed from 6.30 percent to 5.85 percent since the previous valuation.

Schedule of OPEB Investment Returns

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

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

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

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

- *Changes in Assumptions* - The plan rate of investment return assumption was changed from 3.87 percent to 3.50 percent since the previous valuation.

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

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

- *Changes in Benefit Terms* - There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.

- *Changes in Assumptions* - There were no changes in economic assumptions since the previous valuations for both CalSTRS and CalPERS.

Schedule of District Contributions for Pensions

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

Supplementary Information
June 30, 2020

Compton Community College District

Compton Community College District (the District) is located in the city of Compton, Los Angeles County, California. Compton Community College was established in 1927 as a component of the Compton Union High School District. At that time, State law authorized high school and unified school districts to offer education through a junior college accredited program. In 1950, voters approved a bond issue separating the college from the high school district. The District administers operations of one College campus.

BOARD OF TRUSTEES

MEMBER	POSITION	TERM EXPIRES
Ms. Sonia Lopez	President	December 2020
Dr. Sharoni Little	Vice President	December 2022
Ms. Barbara J. Calhoun	Clerk	December 2020
Mr. Andres Ramos	Member	December 2022
Dr. Deborah Sims LeBlanc	Member	December 2022
Mr. Willie Lee	Student Trustee	May 2020

ADMINISTRATION

Dr. Keith Curry	President/Chief Executive Officer
Ms. Sherri Berger	Vice President, Academic Affairs
Mr. Stephen Kubui	Vice President, Administrative Services
Ms. Elizabeth Martinez	Vice President, Student Services
Ms. Rachelle Sasser	Vice President, Human Resources

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Entity Identifying Number	Total Program Expenditures
U.S. Department of Education			
Student Financial Assistance Cluster			
Federal Pell Grant Program	84.063		$ 9,593,110
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		248,930
Federal Work-Study Program	84.033		175,621
Federal Direct Student Loans	84.268		493,559
Subtotal Student Financial Assistance Cluster			10,511,220
TRIO Cluster			
Upward Bound Math and Science	84.047M		274,770
Subtotal TRIO Cluster			274,770
COVID-19: CARES Act Higher Education Emergency Relief Funds, Student Aid Portion	84.425E		643,252
COVID-19: CARES Act Higher Education Emergency Relief Funds, Institutional Portion	84.425F		5,483
Subtotal			648,735
Passed through California Community Colleges Chancellor's Office			
Career and Technical Education Act (CTEA), Title I, Part C	84.048A	19-C01-011	165,751
Total U.S. Department of Education			11,600,476
U.S. Department of Agriculture			
Passed through California Department of Education (CDE)			
Child and Adult Care Food Program	10.558	04055-CACFP 19-CC-IC	24,454
National Science Foundation			
Research and Development Cluster			
Passed through the American Association of Community Colleges			
Mentorlinks	47.076	[1]	4,543
Subtotal Research and Development Cluster			4,543
U.S. Department of Health and Human Services			
Passed through California Community College Chancellor's Office			
Temporary Assistance for Needy Families (TANF)	93.558	[1]	84,693
Passed through Los Angeles County Department of Public Social Services			
Temporary Assistance for Needy Families (TANF)	93.558	[1]	100,250
Subtotal			184,943
Passed through California Community College Chancellor's Office			
Foster and Kinship Care Education (FKCE)	93.658	[1]	40,925
Passed through Foundation for California Community Colleges			
Youth Empowerment Strategies for Success - Independent Living Program	93.674	00002481	47,678
Child Care Development Fund (CCDF) Cluster			
Passed through California Department of Education (CDE)			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	13609	57,169
Child Care and Development Block Grant - Centers Based	93.575	15136	26,280
Passed through Yosemite Community College District			
Child Development Training Consortium	93.575	19-20-4159	1,976
Subtotal CCDF Cluster			85,425
Total U.S. Department of Health and Human Services			358,971
Total Federal Program Expenditures			$ 11,988,444

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

Program	Program Revenues: Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue	Total Revenue	Program Expenditures
Access to Print & Electronic Information	$ 10,546	$ -	$ -	$ -	$ 10,546	$ 10,546
Adult Education Consortium	886,252	123	-	355,850	530,525	530,442
Board of Financial Assistance Program (SFAA)	271,763	4,982	-	13,211	263,534	263,184
Cal Grant (B&C)	741,051	13,456	35,696	-	718,811	718,811
California Promise Grant	263,138	-	-	155,298	107,840	107,840
California State Preschool Program	242,623	-	-	-	242,623	242,623
CalWORKs	508,990	-	-	64,964	444,026	444,024
Campus Safety Program	15,995	-	-	-	15,995	-
Certified Nursing Assistant	80,000	9,642	-	9,642	80,000	80,000
Child and Adult Food Program	1,264	-	-	-	1,264	1,264
Child Development General Child Care	223,343	-	-	-	223,343	223,343
Classified Professional Development	10,061	-	-	6,218	3,843	3,843
Cooperative Agencies Resources for Education	522,494	15,720	-	98,173	440,041	440,041
Deaf & Hard of Hearing	24,463	-	-	-	24,463	24,463
Disabled Students Program Services	356,978	-	-	66,948	290,030	290,030
Equal Employment Opportunity	109,000	-	-	62,214	46,786	46,286
Extended Opportunity Program and Services	1,117,848	-	-	118,958	998,890	998,861
Financial Aid Technology Grant	181,238	2,000	-	124,610	58,628	58,628
Foster Kinship Care Education	59,093	-	-	-	59,093	59,093
Guided Pathways	598,584	-	-	274,580	324,004	324,004
Hunger-Free Campus Support	64,269	-	-	32,531	31,738	31,738
Instructional Equipment	142,533	-	-	1,001	141,532	141,532
Lottery-Prop 20	417,231	119,295	-	-	536,526	536,526
Mental Health Services Grant	45,445	-	-	45,445	-	-
Nursing Education	54,817	32,258	-	-	87,075	87,075
Special Trustee	212,558	250	-	103,215	109,593	109,593
Strong Workforce	1,811,893	-	-	1,529,220	282,673	282,673
Student Equity Achievement	3,017,968	81,094	-	808,580	2,290,482	2,290,482
Student Success Completion	449,157	-	-	-	449,157	449,157
Veterans Education Outreach	27,017	-	-	23,500	3,517	3,517
Total State Programs	$ 12,467,612	$ 278,820	$ 35,696	$ 3,894,158	$ 8,816,578	$ 8,799,619

See Note to Supplementary Information

	*Revised Reported Data	Audit Adjustments	Audited Data
CATEGORIES			
A. Summer Intersession (Summer 2019 only)			
1. Noncredit	1.37	-	1.37
2. Credit	466.32	-	466.32
B. Summer Intersession (Summer 2020 - Prior to July 1, 2020)			
1. Noncredit	-	-	-
2. Credit	-	-	-
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	2,670.67	-	2,670.67
(b) Daily Census Contact Hours	446.50	-	446.50
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	11.15	-	11.15
(b) Credit	150.11	-	150.11
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Procedure Courses	411.61	-	411.61
(b) Daily Census Procedure Courses	169.03	-	169.03
(c) Noncredit Independent Study/ Distance Education Courses	-	-	-
D. Total FTES	4,326.76	-	4,326.76
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. In-Service Training Courses (FTES)	-	-	-
F. Basic Skills Courses and Immigrant Education			
1. Noncredit	3.44	-	3.44
2. Credit	44.36	-	44.36

*Annual report revised as of November 2, 2020.

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Academic Salaries							
Instructional Salaries							
Contract or Regular	1100	$ 6,580,427	$ -	$ 6,580,427	$ 6,580,427	$ -	$ 6,580,427
Other	1300	3,606,374	-	3,606,374	3,674,697	-	3,674,697
Total Instructional Salaries		10,186,801	-	10,186,801	10,255,124	-	10,255,124
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	3,129,828	-	3,129,828
Other	1400	-	-	-	307,175	-	307,175
Total Noninstructional Salaries		-	-	-	3,437,003	-	3,437,003
Total Academic Salaries		10,186,801	-	10,186,801	13,692,127	-	13,692,127
Classified Salaries							
Noninstructional Salaries							
Regular Status	2100	-	-	-	5,621,866	-	5,621,866
Other	2300	-	-	-	644,775	-	644,775
Total Noninstructional Salaries		-	-	-	6,266,641	-	6,266,641
Instructional Aides							
Regular Status	2200	520,074	-	520,074	683,785	-	683,785
Other	2400	163,076	-	163,076	163,076	-	163,076
Total Instructional Aides		683,150	-	683,150	846,861	-	846,861
Total Classified Salaries		683,150	-	683,150	7,113,502	-	7,113,502
Employee Benefits	3000	9,420,715	-	9,420,715	14,313,736	-	14,313,736
Supplies and Material	4000	-	-	-	635,300	-	635,300
Other Operating Expenses	5000	336,852	-	336,852	4,472,251	-	4,472,251
Equipment Replacement	6420	-	-	-	34,566	-	34,566
Total Expenditures Prior to Exclusions		20,627,518	-	20,627,518	40,261,482	-	40,261,482

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Exclusions							
Activities to Exclude							
Instructional Staff - Retirees' Benefits and Retirement Incentives	5900	$ 300,996	$ -	$ 300,996	$ 542,988	$ -	$ 542,988
Student Health Services Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	-	-	-
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	6740	-	-	-	257,242	-	257,242
Objects to Exclude							
Rents and Leases	5060	-	-	-	174,486	-	174,486
Lottery Expenditures							
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	782,646	-	782,646
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines, and Periodicals	4200	-	-	-	-	-	-
Instructional Supplies and Materials	4300	-	-	-	-	-	-
Noninstructional Supplies and Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	-	-	-

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Other Operating Expenses and Services	5000	$ -	$ -	$ -	$ -	$ -	$ -
Capital Outlay	6000						
Library Books	6300	-	-	-	14,222	-	14,222
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	28,187	-	28,187
Equipment - Replacement	6420	-	-	-	34,566	-	34,566
Total Equipment		-	-	-	62,753	-	62,753
Total Capital Outlay		-	-	-	76,975	-	76,975
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		300,996	-	300,996	1,834,337	-	1,834,337
Total for ECS 84362, 50 Percent Law		$ 20,326,522	$ -	$ 20,326,522	$ 38,427,145	$ -	$ 38,427,145
Percent of CEE (Instructional Salary Cost/Total CEE)		52.90%		52.90%	100.00%		100.00%
50% of Current Expense of Education					$ 19,213,573		$ 19,213,573

Summarized below are the fund balance reconciliations between the Annual Financial and Budget Report (CCFS-311) and the audited financial statements for the year ended June 30, 2020:

	Unrestricted General Fund	Restricted General Fund*
June 30, 2020, Annual Financial and Budget Report (CCFS-311)		
Reported Fund Balance	$ 17,156,401	$ 3,563,370
Change in:		
Prepaid expenses	-	446,138
Accounts receivable	-	(306,284)
Student receivable	(735,021)	-
Unearned revenues	(495,144)	-
June 30, 2020, Audited Fund Balance	$ 15,926,236	$ 3,703,224

*On the CCFS-311, the District includes their restricted general fund, the line of credit special reserve fund, and the Compton recovery fund under the Restricted General Fund.

Activity Classification	**Object Code**			**Unrestricted**	
EPA Revenue:	8630				$ 4,459,902
Activity Classification	**Activity Code**	**Salaries and Benefits (Obj 1000-3000)**	**Operating Expense (Obj 4000-5000)**	**Capital Outlay (Obj 6000)**	**Total**
Instructional Activities	0100-5900	$ 4,459,902	$ -	$ -	$ 4,459,902
Total Expenditures for EPA		$ 4,459,902	$ -	$ -	$ 4,459,902
Revenues Less Expenditures					$ -

Amounts reported for governmental activities in the statement of net position are different because:		
Total Fund Balance and Retained Earnings		
General funds	$ 19,629,460	
Special revenue funds	13,696	
Capital project funds	46,932,779	
Debt service funds	9,836,080	
Internal service funds	997,706	
Student financial aid fund	(394,505)	
Total fund balance and retained earnings - all district funds		$ 77,015,216
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	216,853,209	
Accumulated depreciation is	(56,861,302)	
Total capital assets		159,991,907
The District has refunded debt liabilities with crossover bonds. These investments are held in an escrow account to pay liabilities remaining on the books until the crossover date.		30,911,329
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term liabilities is recognized when it is incurred.		(1,805,136)
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the District's funds. Deferred outflows of resources at year-end consist of:		
Deferred charges on refundings	3,609,371	
Deferred outflows of resources related to OPEB	4,952,185	
Deferred outflows of resources related to pensions	9,801,543	
Total deferred outflows of resources		18,363,099

Deferred inflows of resources represent an acquisition of net position in a future period and is not reported in the District's funds. Deferred inflows of resources at year-end consist of:		
Deferred inflows of resources related to OPEB	$ (7,803)	
Deferred inflows of resources related to pensions	(3,714,678)	
Total deferred inflows of resources		$ (3,722,481)
Aggregate net OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.		(10,061,989)
Aggregate net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		(39,721,437)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Long-term liabilities at year-end consist of:		
Bonds payable	(145,612,434)	
Bond premium	(5,222,537)	
Notes payable	(7,794,389)	
Compensated absences	(1,396,140)	
In addition, the District issued 'capital appreciation' general obligation bonds. The accretion of interest on those bonds to date is:	(12,041,069)	
Total long-term liabilities		(172,066,569)
Total net position		$ 58,903,939

Note 1 - Purpose of Schedules

District Organization

This schedule provides information about the District's governing board members and administration members as of June 30, 2020.

Schedule of Federal Awards

Basis of Presentation
The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2020. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (Part 200), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

Summary of Significant Accounting Policies
Expenditures reported in the schedule are reported on the modified accrual basis of accounting. No federal financial assistance has been provided to a subrecipient. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

SEFA Reconciliation
The following schedule provides reconciliation between revenues reported on the Statement of Revenues, Expenses, and Changes in Net Position - Primary Government and the related expenditures reported on the Schedule of Expenditures of Federal Awards.

Description	CFDA Number	Amount
Total Federal Revenues from the Statement of Revenues, Expenses, and Changes in Net Position - Primary Government:		$ 11,100,133
Federal Pell Grant Program	84.063	888,880
Upward Bound Math and Science	84.047M	(569)
Total Expendiutres of Federal Awards		$ 11,988,444

Schedule of Expenditures of State Awards

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

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

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

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

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

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 Form CCFS-311 to the District's internal fund financial statements.

Proposition 30 Education Protection Account (EPA) Expenditure Report

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

Reconciliation of Government Funds to the Statement of Net Position

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

Independent Auditor's Reports
June 30, 2020

Compton Community College District

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

Board of Trustees
Compton Community College District
Compton, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate remaining fund information of Compton Community College District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated April 15, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a material weakness.

10681 Foothill Blvd., Ste. 300 | Rancho Cucamonga, CA 91730-3831 | T 909.466.4410 | F 909.466.4431 | EOE

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

Compton Community College District's Response to Finding
The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

Eide Bailly LLP

Rancho Cucamonga, California
April 15, 2021

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

Board of Trustees
Compton Community College District
Compton, California

Report on Compliance for Each Major Federal Program
We have audited Compton Community College District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for each of the 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 the 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 qualified and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the District's compliance.

Basis for Qualified Opinion on Student Financial Assistance Cluster (CFDA 84.007, 84.033, 84.063, 84.268)

As described in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding CFDA 84.007, 84.033, 84.063, and 84.268 Student Financial Assistance Cluster as described in finding numbers 2020-002 for Cash Management, 2020-003, 2020-004 and 2020-005 for Special Tests and Provisions, and 2020-006 for Reporting. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

Qualified Opinion on Student Financial Assistance Cluster (CFDA 84.007, 84.033, 84.063, 84.268)

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Student Financial Assistance Cluster for the year ended June 30, 2020.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the 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 other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as items 2020-002 through 2020-006. Our opinion on each major federal program, other than the Student Financial Assistance Cluster (CFDA 84.007, 84.033, 84.063, and 84.268), is not modified with respect to this matter.

The District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the 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 the 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 the 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 the District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2020-004 and 2020-005 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2020-002, 2020-003 and 2020-006 to be significant deficiencies.

The District's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and corrective action plan. The District's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

Eide Bailly LLP

Rancho Cucamonga, California
April 15, 2021

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on State Compliance

Board of Trustees
Compton Community College District
Compton, California

Report on State Compliance
We have audited Compton Community College District's (the District) compliance with the types of compliance requirements described in the 2019-2020 California Community Colleges Chancellor's Office *Contracted District Audit Manual* applicable to the state laws and regulations listed in the table below for the year ended June 30, 2020.

Management's Responsibility
Management is responsible for compliance with the state laws and regulations, as identified in the table below.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance of each of the District's State programs based on our audit of the types of compliance requirements referred in the table below. We conducted our audit 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 standards and procedures identified in the 2019-2020 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements listed in the table below has occurred. An audit includes examining, on a test basis, evidence about the 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 state compliance. However, our audit does not provide a legal determination of the District's compliance.

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

Section 411	SCFF Data Management Control Environment
Section 421	Salaries of Classroom Instructors (50 Percent Law)
Section 423	Apportionment for Activities Funded From Other Sources
Section 424	Student Centered Funding Formula Base Allocation: FTES
Section 425	Residency Determination for Credit Courses
Section 426	Students Actively Enrolled
Section 427	Dual Enrollment (CCAP and Non-CCAP)
Section 430	Scheduled Maintenance Program
Section 431	Gann Limit Calculation
Section 435	Open Enrollment
Section 439	Proposition 39 Clean Energy Fund
Section 444	Apprenticeship Related and Supplemental Instruction (RSI) Funds
Section 475	Disabled Student Programs and Services (DSPS)
Section 479	To Be Arranged Hours (TBA)
Section 490	Proposition 1D and 51 State Bond Funded Projects
Section 491	Education Protection Account Funds

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

The District reports no attendance for classes with To Be Arranged Hours (TBA); therefore, the compliance tests within this section were not applicable.

Unmodified Opinion
In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the state programs noted in the table above that were audited for the year ended June 30, 2020.

The purpose of the report on state compliance is solely to describe the results of our testing based on the requirements of the 2019-2020 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Accordingly, this report is not suited for any other purpose.

Eide Bailly LLP

Rancho Cucamonga, California
April 15, 2021

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

Internal control over major Federal programs:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	Yes
Type of auditor's report issued on compliance for major Federal programs:	Qualified

Unmodified for all major programs except for the following program which was qualified:

Name of Federal Program or Cluster	CFDA Number
Student Financial Assistance Cluster	84.007, 84.033, 84.063, 84.268

Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance:	Yes

Identification of major Federal programs:

Name of Federal Program or Cluster	CFDA Number
Student Financial Assistance Cluster	84.007, 84.033, 84.063, 84.268
COVID-19: CARES Act Higher Education Emergency Relief Funds, Student Aid Portion	84.425E
COVID-19: CARES Act Higher Education Emergency Relief Funds, Institutional Portion	84.425F

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

STATE AWARDS

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

The following finding represents a material weaknesses related to the financial statements that is required to be reported in accordance with *Government Auditing Standards*.

2020-001 Financial Reporting

Criteria or Specific Requirement
The accounting system used to record the financial affairs of any community college district shall be in accordance with the definitions, instructions, and procedures published in the California Community Colleges *Budget and Accounting Manual* (BAM). Colleges are also required to present their financial statements in accordance with generally accepted accounting principles (GAAP).

Condition
Material Weakness - Adjustments and reclassifications were identified during the audit in order to conform to the BAM and GAAP during the District's year-end closing process. Corrections were made to the various accounts included below, but not limited to:

- Enrollment fee revenues were recorded on a cash basis during the year and were not adjusted to the modified accrual basis during the closing process. Adjustments were necessary for student receivables, unearned enrollment fee liabilities, and enrollment fee revenues. Adjustments were required for all three accounts.
- The capital asset records of the District, reflective of 2019-20 activity, was not provided to the auditors until March 2021. Several initial reports provided were materially incorrect within the Construction in Progress account.
- The accounts receivable balance required adjustment due to accrued amounts subsequently being received by the District, however the accruals were not cleared out of the receivable account and instead were recorded as revenue for a second time for these transactions.
- The Student Financial Aid Fund had a negative fund balance as well as a negative Cash in County balance at June 30, 2020, representing an encroachment on the General Fund of the District.
- In prior years, the District had recorded their annual payment with Ellucian as a prepaid expense, as the contract term extended over two fiscal years. In 2019-2020, the entire payment amount was recognized in the current year representing an overstatement of expenditures and an inconsistency in expense recognition.

Questioned Costs
No questioned costs were associated with this finding.

Context
The District maintains individual funds with asset and liability balances subject to the reconciliation process. The net impact to the individual funds is included on page 90 of this report.

Effect
Material adjustments to the general ledger were proposed as a result of the audit procedures. These adjustments were accepted by management to ensure the financial statements were presented in accordance with generally accepted accounting principles.

Cause
The oversight and monitoring of controls over the individual asset and liability accounts during the closing process were not effective in preventing or detecting errors.

Repeat Finding: No.

Recommendation
The District should develop a closing procedure calendar at year-end to ensure that all information is prepared, reviewed, and reconciled prior to the closing of the general ledger. A regular and timely reconciliation of all accounts should be performed with any inconsistencies reconciled and adjusted prior to year-end. Cash and ending fund balances should be monitored for negative balances.

Views of Responsible Officials and Corrective Action Plan
The District currently has a process for closing the books at the end of the fiscal year to ensure all information is prepared, reviewed, and reconciled prior to the closing of the general ledger. Due to senior management turnover in critical areas during the 2019-2020 year, the District was not able to completely implement our processes. The District has since hired a Vice President of Administrative Services, and Director of Accounting to ensure the process is fully adhered to.

The following findings represent significant deficiencies, material weaknesses, and/or instances of noncompliance including questioned costs that are required to be reported by the Uniform Guidance.

2020-002 Cash Management

Program Name: COVID-19: CARES Act Higher Education Emergency Relief Funds, Student Aid Portion; Student Financial Assistance Cluster
CFDA Number: 84.425E; 84.007, 84.033, 84.063, and 84.268
Federal Agency: U.S. Department of Education
Pass-Through Entity: Direct Funded

Criteria or Specific Requirement
Uniform Guidance, 2 CFR 200.305: Federal Payment

(b) For non-Federal entities other than states, payments methods must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the non-Federal entity whether the payment is made by electronic funds transfer, or issuance or redemption of checks, warrants, or payment by other means. See also §200.302(b)(6). Except as noted elsewhere in this part, Federal agencies must require recipients to use only OMB-approved, governmentwide information collection requests to request payment.

(1) Advance payments to a non-Federal entity must be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the non-Federal entity in carrying out the purpose of the approved program or project. The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements by the non-Federal entity for direct program or project costs and the proportionate share of any allowable indirect costs. The non-Federal entity must make timely payment to contractors in accordance with the contract provisions.

Condition
Significant Deficiency and Noncompliance – The District drew down the entire allocation of $1,269,203 in funds available for the Higher Education Emergency Relief Funds - Student Aid Portion program on May 26, 2020. However, at June 30, 2020, the District had only spent $643,252 of these federal funds. The District did not minimize the time between receipt and disbursement of these funds requested, and as a result, held excess cash of $625,951 at June 30, 2020.

For Federal Work Study and FSEOG programs of the Student Financial Assistance Cluster, the District drew down their entire award allocation for the 2019-2020 year on September 19, 2019. Neither program disbursed the amount drawn down or returned the funds within the required three days.

Questioned Costs
The questioned costs has not been identified at this time, however, the District needs to determine the interest earned on the excess cash and return those funds to the U.S. Department of Education.

Context
The District expended $643,252 and $10,511,220 for HEERF and Student Financial Aid Cluster, respectively.

Effect
The District is not in compliance with federal cash management requirements.

Cause
The District did not minimize the time between receipt and disbursement of the funds requested, and as a result, held excess cash at June 30, 2020.

Repeat Finding: No

Recommendation
It is recommended that the District implement review process for all cash draw downs to ensure only funds needed for immediate disbursement are requested.

Views of Responsible Officials and Corrective Action Plan
The District inadvertently drew down funds prior to incurring expenses for the Student Financial Assistance Cluster. In addition, the District drew down funds prior to incurring expenses for the CARES Act Higher Education Emergency Relief Funds, Student Aid Portion. Compton College has since recruited and trained staff to review and monitor the process before funds are drawn down after they are spent. Interest due will be repaid to the Department of Education.

2020-003 Special Tests and Provisions – Return to Title IV

Program Name: Student Financial Assistance Cluster
CFDA Number: 84.033, 84.007, 84.063, and 84.268
Federal Agency: U.S. Department of Education
Pass-Through Entity: Direct Funded

Criteria or Specific Requirement
The institution must return the lesser of (1) the total amount of unearned Title IV assistance to be returned or (2) an amount equal to the total institutional charges incurred by the student for the payment period or period of enrollment multiplied by the percentage of Title IV grant or loan assistance that has not been earned by the student. If, for a non-term program an institution chooses to calculate the treatment of Title IV assistance on a payment period basis, but the institution charges for a period that is longer than the payment period, "total institutional charges incurred by the student for the payment period" is the greater of (1) the prorated amount of institutional charges for the longer period, or (2) the amount of Title IV assistance retained for institutional charges as of the student's withdrawal date (34 CFR 668.22(g)).

Condition
Significant Deficiency and Noncompliance – There was no evidence that the District's portion of the Return to Title IV was returned.

Questioned Costs
Questioned costs are funds not returned to the Department of Education of $155.

Context
The District performed 220 Return to Title IV calculations during the 2019-2020 fiscal year. There was one instance out of the 40 tested where the District was unable to provide evidence that Title IV funds were returned to the Department of Education.

Effect
Without proper monitoring of Title IV returns, the District is at risk of noncompliance with the above referenced criteria.

Cause
The District internal controls did not operate effectively to ensure the college submitted all required return of Title IV funds.

Repeat Finding: No

Recommendation
It is recommended the District should establish effective controls to ensure the return of Title IV funds are properly calculated and returned.

Views of Responsible Officials and Corrective Action Plan
The District is in the process of updating the policy to improve its internal controls and ensure funds are returned on a timely basis.

2020-004 Special Tests and Provisions – Enrollment Reporting

Program Name: Student Financial Assistance Cluster
CFDA Number: 84.033, 84.007, 84.063, and 84.268
Federal Agency: U.S. Department of Education
Pass-Through Entity: Direct Funded

Criteria or Specific Requirement
OMB Compliance Supplement, OMB No. 1845-0035 – Institutions are required to report enrollment information under the Pell grant and the Direct and Federal family Education Loan (FFEL) loan programs via the National Student Loan Data System (NSLDS).

Institutions must review, update, and verify student enrollment statuses, program information, and effective dates that appear on the Enrollment Reporting Roster file or on the Enrollment Maintenance page of the NSLDS Professional Access (NSLDSFAP) website which the financial aid administrator can access for the auditor. The data on the institution's Enrollment Reporting Roster, or Enrollment Maintenance page, is what NSLDS has as the most recently certified enrollment information. There are two categories of enrollment information; "Campus Level" and "Program Level," both of which need to be reported accurately and have separate record types. The NSLDS Enrollment Reporting Guide provides the requirements and guidance for reporting enrollment details using the NSLDS Enrollment Reporting Process.

Condition
Material Weakness and Noncompliance – During testing over the NSLDS reporting requirements, it was noted that the college did not report any student information to NSLDS in the 2019-2020 fiscal year. The SCHER1 Report indicated that there were no submissions in the 2019-2020 fiscal year. The first submission appears to be on July 6, 2020. After further testing of specific students, the following were noted:

- Student withdrawal effective dates per the college's system does not match the withdrawal date reported to NSLDS for 48 of 60 students tested.
- The student's enrollment status per the college's system does not match the status reported to NSLDS for 19 of 60 students tested.
- Since the first reporting date was not until July, 6, 2020, the timeliness of reporting enrollment status was outside of the required 60 days on all 60 students tested.
- The students' program in the college's system does not match the students' program reported to NSLDS for three of 60 students tested. For two of these students, no enrollment records were reported to NSLDS.
- The students' program enrollment effective date in the college's system does not match the students' program enrollment effective date reported to NSLDS for six of 60 students tested.
- one of 60 students tested was noted to have an undeclared major, but received Title IV funds in the 2019-2020 fiscal year.

Questioned Costs
There were $840 in questioned costs for aid disbursements associated with the undeclared major student identified in the condition.

Context
The District disbursed financial aid to approximately 3,765 students in the 2019-2020 fiscal year that required student enrollment and program enrollment reporting to NSLDS.

Effect
The District is not in compliance with the Federal requirements described in the OMB Compliance Supplement.

Cause
The District appeared to have been unaware of requirement to update the Enrollment Reporting Rosters provided by NSLDS on a monthly basis.

Repeat Finding: No

Recommendation
The District should implement a process to review, update, and verify student enrollment statuses, program information, and effective dates that appear on the Enrollment Reporting Roster file or on the Enrollment Maintenance page of the NSLDS Professional Access (NSLDSFAP) website.

Views of Responsible Officials and Corrective Action Plan
The District is assessing its controls to implement a process that reviews, updates, and verifies information on students and program requirements. We have partnered with the Clearinghouse and set this file submission to be sent automatically on a schedule.

2020-005 Special Tests and Provisions – Borrower Data and Reconciliation (Direct Loan)

Program Name: Student Financial Assistance Cluster
CFDA Number: 84.033, 84.007, 84.063, and 84.268
Federal Agency: U.S. Department of Education
Pass-Through Entity: Direct Funded

Criteria or Specific Requirement
According to 34 CFR 685.300(b)(5), the school must promise to comply with applicable regulations and must agree to reconcile institutional records with Direct Loan funds received from the Secretary and Direct Loan disbursement records submitted to and accepted by the Secretary, on a monthly basis as required by 34 CFR 685.300 (b)(5).

Condition
Material Weakness and Noncompliance – During our review of the Direct Loans, it was noted that the District was unable to provide documentation to show that they were reconciling the institutional Direct Loan records with the School Account Statement (SAS) data file received by Common Origination and Disbursement (COD) on a monthly basis.

Questioned Costs
There are no questioned costs associated with this finding.

Context
The District disbursed approximately $493,559 in Direct Loan funds during the 2019-2020 fiscal year.

Effect
The District is out of compliance with 34 CFR 685.300(b(5.

Cause
The District has not implemented policies and procedures to verify that the institutional Direct Loan records are being reconciled to the SAS data files on a monthly basis.

Repeat Finding: No

Recommendation
It is recommended that the District develop and implement policies and procedures to ensure that the institutional Direct Loan records are being reconciled with the School Account Statement (SAS data file received by Common Origination and Disbursement (COD on a monthly basis.

Views of Responsible Officials and Corrective Action Plan
The District is reviewing the current processes and procedures in place and will be taking the necessary steps to address this recommendation, including monthly reconciliation with our Student Enterprise Resource Planning (ERP) system.

2020-006 Reporting

Program Name: Student Financial Assistance Cluster
CFDA Number: 84.033, 84.007, 84.063, and 84.268
Federal Agency: U.S. Department of Education
Pass-Through Entity: Direct Funded

Criteria or Specific Requirement
Common Origination and Disbursement (COD) System (OMB No. 1845-0039) – All schools receiving Pell grants submit Pell payment data to the Department of Education through the COD System.

Institutions submit Pell origination records and disbursement records to the COD. Origination records can be sent well in advance of any disbursements, as early as the school chooses to submit them for any student the school reasonably believes will be eligible for a payment. The disbursement record reports the actual disbursement date and the amount of the disbursement. ED processes origination and/or disbursement records and returns acknowledgments to the school. Institutions must report student payment data within 15 calendar days after the school makes a payment, or becomes aware of the need to make an adjustment to previously reported student payment data or expected student payment data. Schools may do this by reporting once every 15 calendar days, bi-weekly or weekly, or may set up their own system to ensure that changes are reported in a timely manner.

Condition
Significant Deficiency and Noncompliance – The process dates reported in the COD files were more than 15 calendar days after the disbursement dates reported in the COD files in the District's financial records for the Fall and Spring semesters. Four students of the 40 students tested had transactions processed in excess of 15 days. Reporting days ranged from 29 to 197 days after disbursement.

Questioned Costs
There are no questioned costs associated with this finding.

Context
The District processed and reported approximately $9,593,110 in Pell grants during the year.

Effect
The District is not in compliance with the Federal requirements described in the OMB Compliance Supplement.

Cause
The District does not have a process in place to ensure timely reporting to COD.

Repeat Finding: No

Recommendation
It is recommended the District should establish effective controls and processes to ensure that reporting of student disbursement records is timely.

Views of Responsible Officials and Corrective Action Plan
The District is reviewing the current controls and processes in place and will be implementing changes to ensure reports are submitted in a timely manner. A responsible Financial Aid Department Staff member has been assigned to run the disbursement process which includes sending and receiving the Pell Origination File.

None reported.

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

Financial Statement Findings

None reported.

Federal Awards Findings

None reported.

State Awards Findings

2019-001 Section 475 - Disabled Student Programs and Services (DSPS)

Criteria or Specific Requirement
California Code of Regulations (CCR) Title 5, *Education Code* Section 56062 outlines the criteria which students must meet in order to be counted as students with disabilities who are receiving services or instruction funded through the DSPS program.

California Code of Regulations (CCR) Title 5, *Education Code* Section 56022 requires each college to generate an Academic Accommodation Plan (AAP) and maintain a record of the interactive process between each DSPS student and a DSPS certificated staff member regarding the academic adjustments, auxiliary aids, services and/or instruction necessary to provide the student equal access to the educational process, given the educational limitations resulting from the student's disabilities. In addition, when a student is enrolled in educational assistance classes the AAP shall define measurable progress toward the goals of each class.

Condition
Seven of twenty-five students selected for testing were counted as receiving service contacts, however no evidence of these contacts was provided. In addition, there was no evidence provided to support that the seven students were enrolled at the college for the 2018-2019 fiscal year.

Questioned Costs
To be determined by the State Chancellor's Office and the DSPS program.

Context
The District served a total of 471 students during the 2018-2019 year. Based on the calculated error rate, 132 students claimed are at risk of not receiving service contacts.

Effect
By not following program reporting guidelines, the special funding for the DSPS program could be jeopardized.

Cause
The DSPS department lacked the appropriate procedures to ensure compliance with Title 5 requirements.

Recommendation
The District should implement a control procedure for monitoring and reporting compliance issues related to this program to ensure that compliance requirements are met.

Current Status
Implemented.

Unaudited Supplementary Information
June 30, 2020

Compton Community College District

	General Unrestricted	Line of Credit General Unrestricted	General Restricted	Compton Recovery Fund	Child Development
Assets					
Cash and cash equivalents	$ 25,000	$ -	$ 159	$ -	$ -
Investments	16,282,731	1,170,220	6,164,445	1,174,555	60,515
Accounts receivable	2,048,477	3,486	1,333,937	4,553	-
Student receivables, net	467,218	-	-	-	-
Due from other funds	-	-	-	-	-
Prepaid expenditures	-	-	446,138	-	-
Total assets	$ 18,823,426	$ 1,173,706	$ 7,944,679	$ 1,179,108	$ 60,515
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ 2,402,046	$ -	$ 1,091,685	$ 193,383	$ 46,819
Due to other funds	-	-	-	-	-
Unearned revenue	495,144	-	5,309,201	-	-
Total liabilities	2,897,190	-	6,400,886	193,383	46,819
Fund Balances					
Nonspendable	25,000	-	446,138	-	-
Restricted	-	-	1,097,655	985,725	13,696
Undesignated	15,901,236	1,173,706	-	-	-
Total fund balances	15,926,236	1,173,706	1,543,793	985,725	13,696
Total liabilities and fund balanes	$ 18,823,426	$ 1,173,706	$ 7,944,679	$ 1,179,108	$ 60,515

	Bond Interest and Redemption	Capital Outlay Projects	Revenue Bond Construction	Total Governmental Fund (Memorandum Only)
Assets				
Cash and cash equivalents	$ -	$ -	$ -	$ 25,159
Investments	9,836,080	167,720	41,519,415	76,375,681
Accounts receivable	-	7,833,667	137,700	11,361,820
Student receivables, net	-	-	-	467,218
Due from other funds	-	-	511,000	511,000
Prepaid expenditures	-	-	-	446,138
Total assets	$ 9,836,080	$ 8,001,387	$ 42,168,115	$ 89,187,016
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ -	$ 72,165	$ 2,653,558	$ 6,459,656
Due to other funds	-	511,000	-	511,000
Unearned revenue	-	-	-	5,804,345
Total liabilities	-	583,165	2,653,558	12,775,001
Fund Balances				
Nonspendable	-	-	-	471,138
Restricted	9,836,080	7,418,222	39,514,557	58,865,935
Undesignated	-	-	-	17,074,942
Total fund balances	9,836,080	7,418,222	39,514,557	76,412,015
Total liabilities and fund balances	$ 9,836,080	$ 8,001,387	$ 42,168,115	$ 89,187,016

	General Unrestricted	Line of Credit General Unrestricted	General Restricted	Compton Recovery Fund Restricted	Child Development
Revenues					
Federal revenues	$ -	$ -	$ 1,543,535	$ -	$ 109,879
State revenues	35,496,217	-	7,738,233	-	491,296
Local revenues	7,383,241	19,662	869,514	47,353	22,238
Total revenues	42,879,458	19,662	10,151,282	47,353	623,413
Expenditures					
Academic salaries	13,692,128	-	1,643,318	-	-
Classified salaries	7,137,840	-	2,523,317	338,742	494,620
Employee benefits	14,317,627	-	1,466,019	155,618	214,438
Books and supplies	672,178	-	600,707	-	26,891
Services and operating expenditures	4,503,716	-	1,642,463	2,150,608	828
Capital outlay	191,638	-	757,372	414,446	-
Debt service - principal	979,429	-	-	-	-
Debt service - interest and other	202,412	-	-	-	-
Total expenditures	41,696,968	-	8,633,196	3,059,414	736,777
Excess (Deficiency) of Revenues Over expenditures	1,182,490	19,662	1,518,086	(3,012,061)	(113,364)
Other Financing Sources (Uses)					
Operating transfers in	2,500,000	-	-	-	100,000
Operating transfers out	(276,514)	-	-	-	-
Other sources - proceeds from issuance of bonds	-	-	-	-	-
Other uses	(76,562)	-	(1,168,204)	-	(5,902)
Total other financing sources (uses)	2,146,924	-	(1,168,204)	-	94,098
Net Change in Fund Balances	3,329,414	19,662	349,882	(3,012,061)	(19,266)
Fund Balances, Beginning of Year	12,596,822	1,154,044	1,193,911	3,997,786	32,962
Fund Balances, End of Year	$ 15,926,236	$ 1,173,706	$ 1,543,793	$ 985,725	$ 13,696

	Bond Interest and Redemption	Capital Outlay Projects	Revenue Bond Construction	Total Governmental Fund (Memorandum Only)
Revenues				
Federal revenues	$ -	$ -	$ -	$ 1,653,414
State revenues	71,123	8,190,890	-	51,987,759
Local revenues	10,833,226	5,603	844,783	20,025,620
Total revenues	10,904,349	8,196,493	844,783	73,666,793
Expenditures				
Academic salaries	-	-	-	15,335,446
Classified salaries	-	-	-	10,494,519
Employee benefits	-	-	-	16,153,702
Books and supplies	-	-	-	1,299,776
Services and operating expenditures	146,095	8,221	776,644	9,228,575
Capital outlay	-	1,309,014	13,454,513	16,126,983
Debt service - principal	6,900,000	-	-	7,879,429
Debt service - interest and other	4,106,288	-	-	4,308,700
Total expenditures	11,152,383	1,317,235	14,231,157	80,827,130
Excess (Deficiency) of Revenues Over expenditures	(248,034)	6,879,258	(13,386,374)	(7,160,337)
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	2,600,000
Operating transfers out	-	-	-	(276,514)
Other sources - proceeds from issuance of bonds	9,895,000	-	-	9,895,000
Other uses	(9,748,905)	-	-	(10,999,573)
Total other financing sources (uses)	146,095	-	-	1,218,913
Net Change in Fund Balances	(101,939)	6,879,258	(13,386,374)	(5,941,424)
Fund Balances, Beginning of Year	9,938,019	538,964	52,900,931	82,353,439
Fund Balances, End of Year	$ 9,836,080	$ 7,418,222	$ 39,514,557	$ 76,412,015

	Internal Service Fund
Assets	
Cash and cash equivalents	$ 250,000
Investments	1,438,471
Accounts receivable	2,933
Total assets	$ 1,691,404
Liabilities and Fund Equity	
Liabilities	
Accounts payable	$ 34,323
Claim liabilities	659,375
Total liabilities	693,698
Fund Equity	
Retained Earnings	997,706
Total liabilities and retained earnings	$ 1,691,404

	Internal Service Fund
Operating Revenues	
Contracted services	$ 995,806
Other local income	44,667
Total operating revenues	1,040,473
Operating Expenses	
Academic salaries	15,732
Classified salaries	18,898
Employee benefits	7,734
Books and supplies	36,289
Services and other operating expenditures	1,198,789
Capital outlay	291,166
Total operating expenses	1,568,608
Operating Loss	(528,135)
Nonoperating Revenues (Expenses)	
Interest income	6,420
Operating transfers in	176,514
Operating transfers out	(2,500,000)
Total nonoperating revenues (expenses)	(2,317,066)
Net Loss	(2,845,201)
Retained Earnings, Beginning of Year	3,842,907
Retained Earnings, End of Year	$ 997,706

	Internal Service Fund
Operating Activities	
Cash received from user charges	$ 1,055,694
Cash payments to vendors	(1,601,732)
Cash payments to or on behalf of employees	(42,364)
Net Cash Flows from Operating Activities	(588,402)
Noncapital Financing Activities	
Transfers from other funds	176,514
Transfers to other funds	(2,500,000)
Net Cash Flows from Noncapital Financing Activities	(2,323,486)
Investing Activities	
Interest on investments	6,420
Net Change in Cash and Cash Equivalents	(2,905,468)
Cash and Cash Equivalents - Beginning	4,593,939
Cash and Cash Equivalents - Ending	$ 1,688,471
Reconciliation of Operating Loss to Net Cash Flows from Operating Activities	
Operating loss	$ (528,135)
Changes in assets and liabilities	
Receivables	15,221
Accrued liabilities	(75,488)
Net Cash Flows from Operating Activities	$ (588,402)
Cash and Cash Equivalents Consist of the Following	
Cash in banks	$ 250,000
Cash in county treasury	1,438,471
Total Cash and Cash Equivalents	$ 1,688,471

	Associated Students Trust	Student Representation Fee	Student Financial Aid	GASB Statement No. 74 OPEB Trust	Pension Stabilization Trust	Scholarship and Loan	Scholarship Agency	Total
Assets								
Cash and cash equivalents	$ 272,707	$ -	$ -	$ -	$ -	$ -	$ 78,899	$ 351,606
Investments	-	39,936	(1,057,446)	8,511,008	3,469,623	82,822	-	11,045,943
Accounts receivable	49,881	119	1,034,596	-	-	247	-	1,084,843
Total assets	$ 322,588	$ 40,055	$ (22,850)	$ 8,511,008	$ 3,469,623	$ 83,069	$ 78,899	$ 12,482,392
Liabilities and Fund Balances								
Liabilities								
Accounts payable	$ -	$ -	$ 371,655	$ -	$ -	$ 26,358	$ -	$ 398,013
Due to student groups	26,528	-	-	-	-	16,123	78,899	121,550
Total liabilities	26,528	-	371,655	-	-	42,481	$ 78,899	519,563
Fund Balances								
Restricted	-	-	(394,505)	8,511,008	3,469,623	-		11,586,126
Unreserved								
Undesignated	296,060	40,055	-	-	-	40,588		376,703
Total fund balances	296,060	40,055	(394,505)	8,511,008	3,469,623	40,588		11,962,829
Total liabilities and Fund balances	$ 322,588	$ 40,055	$ (22,850)	$ 8,511,008	$ 3,469,623	$ 83,069		$ 12,482,392

See Note to Unaudited Supplementary Information

	Associated Students Trust	Student Representation Fee	Student Financial Aid	GASB Statement No. 74 OPEB Trust	Pension Stabilization Trust	Scholarship and Loan	Total
Revenues							
Federal revenues	$ -	$ -	$ 9,446,719	$ -	$ -	$ -	$ 9,446,719
State revenues	-	-	1,213,477	-	-	-	1,213,477
Local revenues	66,309	742	40,076	4,363,341	1,237,218	1,392	5,709,078
Total revenues	66,309	742	10,700,272	4,363,341	1,237,218	1,392	16,369,274
Expenditures							
Services and operating expenditures	68,388	9,441	-	44,060	7,327	-	129,216
Excess (Deficiency) Revenues over Expenditures	(2,079)	(8,699)	10,700,272	4,319,281	1,229,891	1,392	16,240,058
Other Financing Uses							
Other uses - student aid	-	-	(11,550,216)	-	-	-	(11,550,216)
Net Change in Fund Balances	(2,079)	(8,699)	(849,944)	4,319,281	1,229,891	1,392	4,689,842
Fund Balances, Beginning of Year	298,139	48,754	455,439	4,191,727	2,239,732	39,196	7,272,987
Fund Balances, End of Year	$ 296,060	$ 40,055	$ (394,505)	$ 8,511,008	$ 3,469,623	$ 40,588	$ 11,962,829

See Note to Unaudited Supplementary Information

Note 1 - Purpose of Schedules

Fund Financial Statements

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

Proprietary fund activities are reported on the full accrual basis of accounting.