

**OHLONE COMMUNITY
COLLEGE DISTRICT**

FREMONT, CALIFORNIA

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION WITH
INDEPENDENT AUDITOR'S REPORT**

YEAR ENDED JUNE 30, 2023

OHLONE COMMUNITY COLLEGE DISTRICT

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OHLONE COMMUNITY COLLEGE DISTRICT

ORGANIZATION YEAR ENDED JUNE 30, 2023

DESCRIPTION OF DISTRICT

The District, a political subdivision of the State of California, was established on July 1, 1966, and is comprised of an area of approximately 534 acres in Fremont and 80 acres in Newark. There were no changes in boundaries during the fiscal year.

The District provides higher education instruction for the first and second years of college education and vocations training at Ohlone Community College District.

BOARD OF TRUSTEES

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Ms. Suzanne Lee Chan	Board Chair	December 2026
Ms. Elisa Martinez	Vice Chair	December 2026
Mr. Greg Bonaccorsi	Trustee	December 2024
Dr. Richard Watters	Trustee	December 2026
Ms. Betty Ho	Trustee	December 2026
Mr. Lance Kwan	Trustee	December 2024
Dr. Rakesh Sharma	Trustee	December 2024
Ayan Taylor	Student Trustee	May 15, 2022 – May 14, 2023

ADMINISTRATION

Charles Sasaki	President / Superintendent
Anthony DiSalvo.	Vice President of Academic Affairs/Deputy Superintendent
Vy Le..	Vice President of HR & Training
Christopher Dela Rosa, D.M.....	Vice President of Administrative and Technology Services
Lizette Bricker	Vice President Student Services

AUXILIARY ORGANIZATIONS IN GOOD STANDING

<u>Auxiliary Name</u>	<u>Establishment Date</u>	<u>Current Master Agreement Date</u>	<u>Auxiliary Director's Name</u>
Ohlone College Foundation	January 8, 1986	September 16, 2022	Binh Q. Nguyen

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

**Board of Trustees
Ohlone Community College District
Fremont, California**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, the discretely presented component unit, and the Ohlone Community College District Futuris Public Entity Investment Trust (OPEB Trust) of the Ohlone Community College District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the discretely presented component unit, and the OPEB Trust of the District as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a

guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as listed in the table of contents, is required by 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 *Contracted District Audit Manual*, issued by the California Community Colleges Chancellor's Office, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the combining statements but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.



**GILBERT CPAs
Sacramento, California**

November 30, 2023

OHLONE COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDING JUNE 30, 2023

The Management's Discussion and Analysis (MD&A) provides an overview of the financial position and activities of the Ohlone Community College District (District). Management prepared the MD&A and should be read in conjunction with the financial statements. The purpose of the basic financial statements is to summarize the financial status of the District as a whole and to present a long-term view of the District's finances.

The District follows the financial reporting standards established by the Governmental Accounting Standards Board (GASB) Statements No. 34 ("Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments") and 35 ("Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities") using the Business Type Activity (BTA) model. The California Community Colleges Chancellor's Office (CCCCO) has adopted the BTA model as the standard for all colleges to use, and these statements are prepared accordingly.

Overview of the Financial Statements

As required by accounting principles, the annual report consists of three primary financial statements that provide information on the District as a whole: The Statement of Net Position; the Statement of Revenues, Expenses, and Change in Net Position; and the Statement of Cash Flows. The information in the following statements includes all funds except the OPEB trust, shown on page 23 of the audit, and the Foundation, which is a separate column.

Under the BTA financial reporting model, a single entity-wide statement is required to report financial activity for all funds of the District. Since the District is made up of many different funds with various purposes, the following information is provided to help understand the financial statements. The supplemental section of the audited financial statements provides a reconciliation of the typical fund type format, with the BTA-type presentation.

State Budget Highlights

The Governor signed the 2022-23 Budget Act into law on June 30, 2022. The "roadmap" for the California Community Colleges includes a set of metrics and goals focused on equity and student success that builds on the *Vision for Success* goals. The key goals and expectations in the roadmap include increased collaboration across segments and sectors to enhance timely transfer, improved completion rates and reduction in excess units, closure of equity gaps, and better alignment of the system with K-12 and workforce needs.

The 2022 Budget Act reflected the state expenditures of over \$300 billion, a 17% increase over the 2021-22 enacted budget. General Fund spending was estimated at \$235 billion, a nearly 20% increase over the 2021-22 enacted budget. The 2022-23 budget for community colleges provided about \$4 billion in Proposition 98 augmentation over the prior year, of which \$1.9 billion (47%) was for ongoing resources and \$2.1 billion (53%) as one-time funding. The Proposition 98 minimum funding guarantee was projected at \$110.4 billion, reflecting an increase of 0.11% (rounded) over the revised 2020-21 funding. California Community Colleges received 10.93% of the total Prop 98 funding.

Major Highlights of 2022-23 State Budget Act Included:

- \$400 million to increase the Student Centered Funding 'Formula's (SCFF) funding rates for the Base, Supplemental, and Success allocations.
- \$200 million to augment the SCFF's Basic Allocation within the Base Funding.

OHLONE COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDING JUNE 30, 2023

- 6.56% Cost of Living Adjustment (COLA) on General Apportionment.
- \$26.7 million ongoing for 0.5% enrollment growth.
- \$650 million in one-time restricted Block Grant.
- \$150 million in one-time funds to support student retention and enrollment strategies.
- \$64 million for cost-of-living adjustments for select categorical programs.
- \$840.7 million one-time to address deferred maintenance & instructional equipment needs.
- \$524 million for the Student Equity and Achievement Program, an increase of 5% over the prior year.

A piece of welcoming news in the State Budget was the inclusion of a minimum funding guarantee for community college districts. Starting in 2025-26, districts will be funded at their SCFF generated amount that year or their "floor" (2024-25 funding amount), whichever is higher, to avoid sharp fiscal declines in 2025-26 and to support a smooth transition to the SCFF by formula over time. A district's 2024-25 funding is the minimum in future years. The funding floor will no longer include adjustments to reflect cumulative COLAs over time, unlike the current hold harmless protection through 2024-25; a district's hold harmless amount would no longer increase.

At Ohlone CCD, our top priorities for fiscal year 2022-23, included restoring enrollment, increasing student retention and success rates, improving completion rates, enhancing timely transfer, and a sharp focus on closing the equity gap in line with the State Budget framework and the Chancellor's Office Vision for Success. Ohlone strived to maintain a balanced budget and avoid structural deficits to ensure the District's fiscal solvency. Despite the budgetary challenges, Ohlone remains accessible to our students and the community we serve to meet their educational and career goals.

Financial highlights

Fiscal year 2022-23 was another good budget year for Ohlone Community College District despite the fiscal challenges posed by the SCFF, declining enrollment trends, and the aftermath of COVID-19 pandemic. While overall state revenues continued to beat expectations in 2022-23, state general allocation revenues for community colleges showed some softening for the first time in many years. According to the apportionment recalculation that the Chancellor Office posted on 09/25/2023, State apportionment funding for community colleges resulted with a 0.9592% deficit factor, which means Ohlone CCD received \$555,437 less apportionment than expected in 2022-23. However, increases in other revenue sources, such as international/non-resident students program, offset the shortage in state apportionment funding. Ohlone's revenue from the International/Non-resident Students Program increased by about 45% in 2022-23 compared to the prior year due to a sharp increase in the non-resident students enrollment. Unrestricted General Fund (Fund 10) ended the fiscal year with a \$415,937 surplus, slightly higher than the budgeted surplus of \$209,222 in the revised 4th quarter budget. Fund 10 also ended the fiscal year with a \$12,489,065 or 18.71% reserves, 0.75% lower than fiscal year 2021-22. The District collected \$67,178,197 in unrestricted general fund revenues, including 6.50% Cost of Living Adjustment (COLA) and about \$3.34 million of hold-harmless funding. Total Unrestricted General Fund (Fund 10) revenues were up about 7.71% compared to the prior year.

Similarly, as indicated earlier, the District's spending in 2022-23 was prudent and conservative. Total unrestricted General Fund (Fund 10) expenditures were \$66,762,261, about .72% higher than projection and 7.60% higher than the prior fiscal year, due to a 5.56% across-the-board pay adjustment and overall higher operating cost, including pension, utilities, and other contract services. Total expenditures also included about \$901,000 General Fund backfill to the District Parking Fund and the Disabled Student Program and Services (DSPS). The State funding received for DSPS, a mandated program, was insufficient to cover the entire program's cost, which triggered a General Fund backfill of \$671,365, slightly lower than

OHLONE COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDING JUNE 30, 2023

the prior fiscal year. The Parking Fund, which used to rely on the student parking fee, has experienced a significant drop in revenue due to the remote instructional environment after the COVID 19 pandemic. In 2022-23, the Parking Fund experienced \$637,086 of deficit spending, which was backfilled by General Unrestricted Fund and the Federal Higher Education Emergency Relief Fund (HEERF).

The employer contribution rates to the CalSTRS and CalPERS Pension Funds increased from 16.92% (STRS) and 22.91% (PERS) in 2021-22 to 19.10% and 25.37% in 2022-23, respectively. The change in rates represents a year-over-year cost increase of about \$1.19 million in all district funds. The District's Unrestricted General Fund (Fund 10) funded the STRS and PERS pension obligations in 2022-23 without tapping into the pension saving fund, which was set aside by the Board of Trustees for this purpose in 2017-18. The sharp increase in the employer contribution rates to the pension funds since 2014-15, without the state's matching fiscal support, has added strain to the District's Unrestricted General Fund resources and continues to cause pressure on the District's annual budget. Despite the fiscal challenges, Ohlone Community College District maintained its sharp focus on student access, retention, and success in Fiscal Year 2022-23.

Implementation of GASB Statement No. 96

The Government Accounting Standard Board (GASB) has issued GASB Statement No. 96, effective fiscal years beginning June 15, 2022, and all reporting periods thereafter. This Statement guides the accounting and financial reporting for subscription-based information technology arrangements (SBITA) for government end users. This Statement defines a SBITA, establishes that it results in a right-to-use subscription assets, provides the capitalization criteria for eligible outlays, and requires note disclosures regarding a SBITA in the annual financial statements. A SBITA is defined as a contract that conveys control of the right to use another 'party's information technology software, alone or in combination with tangible capital assets, as specified in the contract, for a period of time in an exchange or exchange-like transaction.

The GASB statement is designed to provide taxpayers and other stakeholders with information that is useful to their decision-making process regarding governmental entities. Ohlone Community College District is implementing GASB 96 as part of its annual financial statements for fiscal year 2022-23, as required. However, the District did not have any agreements that were applicable to this GASB and therefore, no SBITA liabilities were recorded in fiscal year 2022-23.

General Obligation Bond Measure G

General Obligation Bond Measure G for \$349 million was passed in the fall of 2010. The amount of Series A issuance was \$80 million and was sold in two parts. The first issuance was \$70 million. The second issuance, in the amount of \$10 million, created a Technology Endowment, which was set up under the guidelines designated by IRS regulations. The proceeds from the Technology Endowment (principal plus interest) must be spent on the voter-approved Measure G projects. The \$10 million investment matured in 2021 and generated a total of \$1,655,010.60 in investment income, which provides additional resources for implementing Measure G projects.

Measure G, Series B in the amount of \$75 million, was issued on September 4, 2014, pursuant to a Board resolution adopted on May 14, 2014. In addition, Measure G, Series C in the amount of \$155 million was issued on May 18, 2016, pursuant to Board resolution No. 18/15-16 adopted on February 10, 2016. Measure G, Series D in the amount of \$39 million, was issued on April 11, 2019, pursuant to Board resolution No. 14/18-19 as adopted on February 26, 2019. Series D Bonds were the final installment of the \$349 million Measure G bond program.

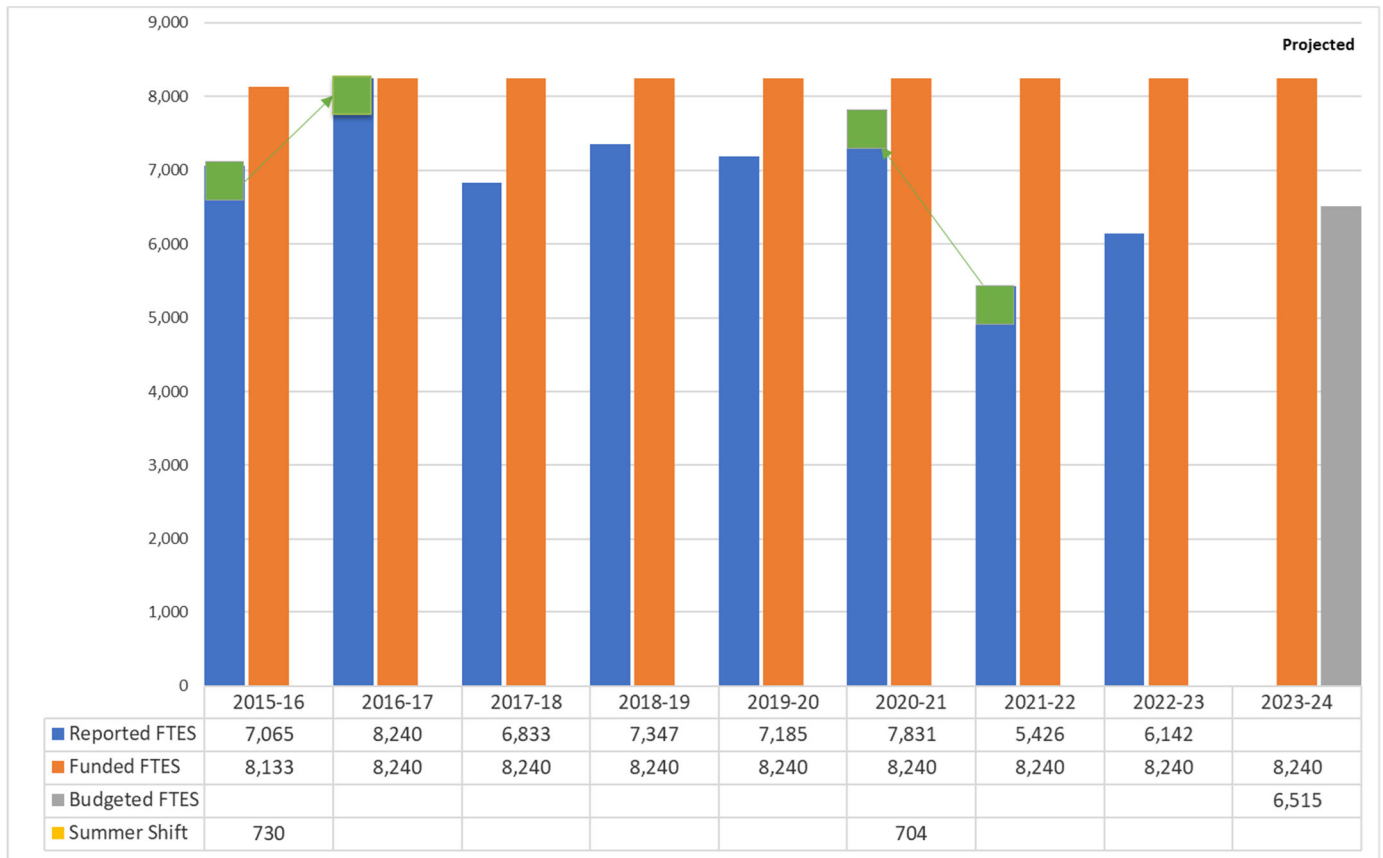
OHLONE COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDING JUNE 30, 2023

In addition, the District took advantage of the lower interest rates over the last ten years. It refinanced existing General Obligation Bonds, which resulted in a combined total savings of \$37.1 million for local taxpayers in the form of lower property tax bills. Measure G funded the construction of the Frank DiMino Academic Core Complex, completed in January 2020. The new buildings provide the students with 188,864 square feet of a modern and innovative learning environment. The District expects to complete the spend-down of the \$349 million Measure G Bond Program by the end of fiscal year 2023-24.

Attendance Highlights

Ohlone CCD's resident student enrollment remained relatively flat at the 2021-22 fiscal year level. The college had budgeted 6,316 of resident full-time equivalent students (FTES) in 2022-23, but actually reported a total of 6,141.93 FTES, which is 2.75% lower than the budgeted FTES and 21.57% below the District's FTES Base of 7,830.82. The good news, however, is that Special Admit FTES, also called dual enrollment, increased by about 75.84% in 2022-23 compared to prior year. Special Admit FTES count is included in the total resident FTES for the year. In addition, Ohlone CCD reported a total of 480.04 non-resident FTES, which reflects a 56.86% increase over prior year non-resident FTES. Although the decline in the overall FTES count is a major concern for the District, it did not negatively impact the District's state apportionment in 2022-2023 due to the hold-harmless provision in the State Budget. The District is actively pursuing plans to grow resident and non-resident student enrollment with a special focus on the low-income students, who are eligible for Student Financial Aid. The graph below describes the District's resident FTES trends for the past few years.



OHLONE COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDING JUNE 30, 2023

Supplemental Allocation

With the Student Centered Funding Formula (SCFF), 30% of State apportionment funding is now allocated to community colleges based on the number of low-income students they serve (20%) and seven student success outcomes (10%). The District had budgeted 4,795 headcounts in the Supplemental Allocation in the fiscal year 2022-23, but ended up the year with projected 4,137 actual headcounts, which is 13.72% below forecast, but 2.22% higher than the 2021-22 fiscal year. The sharp decline in the Supplemental Allocation headcount over the past few years was mainly due to the declining enrollment as well as the District's location in a high-cost region, where most students don't qualify for financial aid. The table below describes the District's Supplemental Allocation headcounts since 2019-20.

Supplemental Allocation-Headcounts

	2019-20	2020-21	2021-22	2022-23
AB540 Students	85	70	49	58
Pell Grant Recipients	1,482	1,311	1,086	1,202
Promise Grant Recipients	3,449	3,341	2,912	2,877
Total	5,016	4,722	4,047	4,137

Student Success Allocation

Ohlone CCD's student success rate has always been high. Student Success metrics are measured in student headcounts who achieve academic achievements in the below seven categories. As seen in the below table, actual Student Success metric of 4,381 for “**All students**” category increased 3.325% in 2022-23 compared to 4,240 of budgeted headcounts, but decreased 3.629% compared to 2021-22 metrics. Specifically, the number of students, who achieved **Nine or more CTE Units**(1,026 headcount) and **Regional Living Wage** (1,518 headcounts) increased 2.395% and 32.80% respectively compared to prior year. Overall, Ohlone CCD performs very well when it comes to student success. The caveat, however, is that the State will only fund the highest degree or certificate students earn in the same academic year, which limits Ohlone's apportionment funding from this category. The table below describes the District's student success metrics since 2019-20 for all students, Pell students, and Promise students.

OHLONE COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDING JUNE 30, 2023

Student Success Allocation – Headcounts

All Students	2019-20	2020-21	2021-22	2022-23 Est. Actual
Associate Degrees for Transfer	291	395	301	248
Associate Degrees	342	364	374	268
Credit Certificates	207	256	279	46
Transfer Level Math and English	606	703	657	652
Transfer to a Four-Year University	653	530	790	623
Nine or More CTE Units	856	1,025	1,002	1,026
Regional Living Wage	1,176	1,020	1,143	1,518
Total	4,131	4,293	4,546	4,381

Pell Grant Recipient	2019-20	2020-21	2021-22	2022-23 Est. Actual
Associate Degrees for Transfer	121	144	102	87
Associate Degrees	136	126	144	82
Credit Certificates	57	71	92	16
Transfer Level Math and English	148	158	126	140
Transfer to a Four-Year University	177	177	232	163
Nine or More CTE Units	229	274	238	237
Regional Living Wage	133	116	162	183
Total	1,001	1,066	1,096	908

Promise Grant Recipients	2019-20	2020-21	2021-22	2022-23 Est. Actual
Associate Degrees for Transfer	173	231	173	133
Associate Degrees	213	226	233	162
Credit Certificates	83	111	138	23
Transfer Level Math and English	254	317	262	241
Transfer to a Four-Year University	303	259	372	284
Nine or More CTE Units	403	493	448	441
Regional Living Wage	276	247	379	371
Total	1,705	1,884	2,005	1,655

OHLONE COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDING JUNE 30, 2023

Statement of Net Position

The Statement of Net Position includes all assets, deferred outflows of resources, liabilities, and deferred inflow of resources using the accrual basis of accounting, which is similar to the accounting method used by most private sector organizations. The net position can be measured by adding the assets and deferred outflow of resources and subtracting the liabilities and deferred inflow of resources. Net position is the indicator of the financial health of the District. Further detailed breakdown of the Statement of Net Position is provided on page 19 of this report.

	<u>2023</u>	<u>2022</u>	<u>Change</u>
ASSETS:			
Current assets	\$ 70,814,280	\$ 60,884,334	\$ 9,929,946
Non-current assets	<u>480,959,451</u>	<u>491,317,136</u>	<u>(10,357,685)</u>
TOTAL ASSETS	<u>551,773,732</u>	<u>552,201,470</u>	<u>(427,738)</u>
Deferred outflows of resources related to debt refunding	20,554,961	22,022,672	(1,467,711)
Deferred outflow of resources related to OPEB	1,621,090	833,101	787,989
Deferred outflow of resources related to pensions	<u>20,239,107</u>	<u>13,578,370</u>	<u>6,660,737</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>42,415,158</u>	<u>36,434,143</u>	<u>5,981,015</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 594,188,890</u>	<u>\$ 588,635,613</u>	<u>\$ 5,553,277</u>
LIABILITIES:			
Current liabilities	\$ 48,627,635	\$ 36,367,642	\$ 12,259,993
Non-current liabilities	<u>488,019,808</u>	<u>473,273,912</u>	<u>14,745,896</u>
TOTAL LIABILITIES	<u>\$ 536,647,443</u>	<u>\$ 509,641,554</u>	<u>\$ 27,005,889</u>
Deferred Inflow of Resources	\$ 5,332,547	\$ 27,676,689	\$ (22,344,142)
NET POSITION:			
Invested in capital assets, net of related debt	66,294,090	68,336,799	(2,042,709)
Restricted	20,380,668	18,278,692	2,101,976
Unrestricted	<u>(34,465,858)</u>	<u>(35,298,120)</u>	<u>832,262</u>
TOTAL NET POSITION	<u>52,208,900</u>	<u>51,317,371</u>	<u>891,529</u>
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	<u>\$ 594,188,890</u>	<u>\$ 588,635,614</u>	<u>\$ 5,553,276</u>

OHLONE COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDING JUNE 30, 2023

Current Assets

Current Assets include unrestricted and restricted cash and cash equivalents, accounts receivables, short-term investments, and prepaid expenses. Total current assets increased by \$9,929,946 compared to the prior year, mainly due to deferred revenue for various programs received in 2022-23. A few highlights of Current Asset are as follows:

- Cash and cash equivalents are funds held in the County Treasury and include all District funds. Total cash and equivalents increased by about \$9.4 million compared to the prior year primarily due to additional funding received for programs such as Covid-19 Recovery Block Grant, Student Success Completion grant, Deferred Maintenance and Instructional Equipment, and others that were not fully spent this year.
- Restricted cash and cash equivalents consist of amounts relating to Capital Projects and cash in the Bond Interest Redemption Fund (BIRF). The BIRF is where taxes are set aside by the County to repay the bondholders of the District's General Obligation Bonds. Restricted Cash and Equivalent dropped slightly by \$615,209 compared to the prior year, mainly due to lower Measure G Bond Funds balance, as the construction of capital projects is coming to an end.
- Accounts receivable include amounts due from the State, Federal, and local grants and contracts. Total Accounts receivable increased by about \$389,000 in 2022-23 fiscal year, mainly due to the State general apportionment revenue accrual.
- Prepaid expenses are those paid before year-end but related to the next fiscal year. These are primarily prepaid premiums on the workers' compensation policy, employee health benefits premiums, and professional organization dues. Prepaid expenses have increased by \$745,352, mainly due to prepayment of our ERP software license fee.

Non-current Assets

Non-current assets include long-term investments and any restricted cash and cash equivalents, and depreciable and non-depreciable assets. Total Non-current Assets decreased by about \$10.3 million in 2022-23 compared to the prior fiscal year due to lower depreciable and non-depreciable capital assets and lease receivables. The drop in capital assets is primarily attributable to the completion of Measure G General Obligation Bond projects.

Deferred Outflows of Resources

- The District's deferred outflow of resources related to pensions and OPEB obligation increased by \$7.4 million, primarily due to differences between projected and actual earnings on plan investments, changes of assumption, and changes in proportional share.
- The District's deferred outflow of resources related to debt decreased by about \$1.5 million due to amortization.

OHLONE COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDING JUNE 30, 2023

Current Liabilities

Current Liabilities are short-term obligations due within one year, including accounts payable, unearned revenue, interest payable, accrued payroll, and other payables. Total Current liabilities increased by over \$12.2 million compared to the prior year, primarily due to the following:

- Accounts payable decreased by \$357,693 primarily due to fewer outstanding invoices.
- Accrued Payroll increased by \$1.0 million mainly because of benefits expense that were not deducted timely from our bank account
- Unearned revenue, which increased by \$10.3 million in 2022-23, relates to federal, state, and local program funds and Summer and Fall 2022 enrollment fees received but not yet earned as of the end of the fiscal year. Most grant funds are earned when spent.
- Interest payable on June 30, 2023, represents payments due to bondholders. According to the debt services schedule, interest payable is down by \$157,009.
- The long-term liabilities due within one year are primarily related to the Bond Measure A and G funds due to the bondholders in the next fiscal year. The District's Measure A Bond was authorized at \$150 million and Measure G Bond at \$349 million by the District voters. These payments are made from the voter-approved tax assessments from the cities of Fremont, Newark, and Union City. Total long-term liabilities due within one year were up by about \$1.3 million, consistent with the debt services schedule.

Non-current Liabilities

Non-current Liabilities are long-term obligations due in more than one year, which include debt owed related to measure A and G bonds and net pension obligations related to CalSTRS, CalPERS, and OPEB pension plans. Total non-current liabilities dropped by about \$14.7 million in 2022-23 compared to the prior fiscal year, as highlighted below:

- Long-term liability related to Measure A and Measure G General Obligation bonds funds decreased by \$12.8 million, consistent with the debt service schedule.
- The District's Net pension liability related to the STRS and PERS pension plans increased by about \$26.2 million in the 2022-23 fiscal year, primarily due to unfavorable investment returns for the plans and each plan's increased fiduciary net position.
- Net OPEB liability, which represents the unfunded portion of the total liability related to Other Post-Employment Benefits (OPEB), also called retiree health benefits, increased by \$1.2 million mainly due to higher total OPEB liability in the June 30, 2022 Actuarial Report as well as unfavorable investment returns in 2021-22.

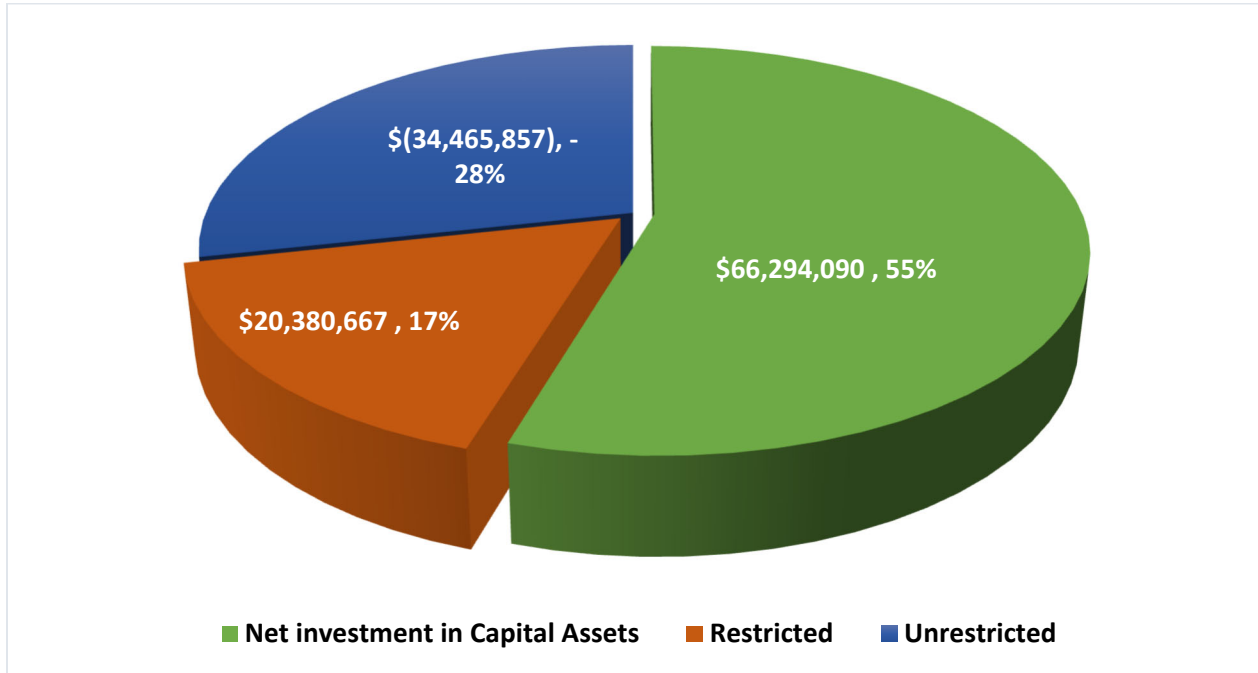
Deferred Inflows of Resources

- This amount decreased by \$22.3 million primarily due to differences between projected and actual earnings on plan investments.

OHLONE COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDING JUNE 30, 2023

Net Position



Net Position: Analysis of the District's Financial Position

The net position is reported in three components: unrestricted, restricted comprised of expendable and nonexpendable, and the net investment in capital assets. Restricted amounts include funds legally restricted, which consist of amounts restricted for capital projects of approximately \$3.3 million, debt service of about \$13.7 million, student activities and other trusts of \$1.3 million, and educational purposes of \$2.1 million. Unrestricted net position is negative (\$34.5) million, which is primarily caused by the net pension liability. This significant liability caused the District to report a negative net position when GASB 68 *Accounting and Financial Reporting for Pensions* implemented in FY2015. These funds may also carry designations from the Board of Trustees for contingencies, stabilization, and other special purposes. The net investment in capital assets is \$66.3 million which represents the net book value of capital assets with the deduction of outstanding debts and any addition of unspent proceeds of debt issued.

OHLONE COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDING JUNE 30, 2023

The Statement of Revenues, Expenses and Change in Net Position

The Statement of Revenues, Expenses, and Change in Net Position presents the operating activity of the District, as well as the non-operating revenues and expenses. State general apportionment funds, while budgeted as operations, are considered non-operating revenues according to generally accepted accounting principles.

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Total operating revenue	\$ 32,599,725	\$ 35,838,187	\$ (3,238,462)
Total operating expenses	<u>106,034,638</u>	<u>101,523,340</u>	<u>4,511,298</u>
Operating loss	<u>(73,434,913)</u>	<u>(65,685,153)</u>	<u>(7,749,760)</u>
Net non-operating revenue (expenses)	<u>60,302,748</u>	<u>56,011,735</u>	<u>4,291,013</u>
Loss before other revenues, expenses, gains or losses	<u>(13,132,165)</u>	<u>(9,673,418)</u>	<u>(3,458,747)</u>
Capital revenues (expenses)	<u>14,023,695</u>	<u>11,253,477</u>	<u>2,770,218</u>
Increase (decrease) in net position	891,530	1,580,059	(688,529)
Net position - beginning of the year	<u>51,317,370</u>	<u>49,737,311</u>	<u>1,580,059</u>
Net position - end of the year	<u>\$ 52,208,900</u>	<u>\$ 51,317,370</u>	<u>\$ 891,530</u>

Changes in operating revenue

Operating revenue includes student enrollment fees, excluding scholarships and fee waivers, and federal, state, and local grants and contracts. Please refer to the schedule on the next page for further details:

- Net tuition and fees comprise enrollment fees and scholarships, including discounts and allowances for fee waivers. The state legislature sets enrollment fees for resident students for all community college districts. The District Board of Trustees sets enrollment fees for non-resident students per the Chancellor's Office guidelines. Net tuition fees increased by about \$1.5 million in 2022-23 due to higher non-resident tuition fees and an increase in non-resident enrollment compared to the prior year.
- Grants and contracts, including Financial Aid, represent restricted programs funded through federal, state, and local sources. Total combined revenues from these programs decreased by about \$4.7 million compared to last year, mainly due to spending down on the HEERF III grant in the prior year.

Changes in non-operating revenues

Non-operating revenue comprises state general apportionment, local property taxes, and other non-operating income/expenses.

- State general apportionment represents total general apportionment earned less student enrollment fees and property taxes. Any changes in property tax and/or student enrollment fee revenues result in a corresponding change in the District's State apportionment revenues. If the property tax and/or student enrollment fees were to decrease, the District's state apportionment revenue would increase

OHLONE COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDING JUNE 30, 2023

by the same amount, and vice-versa. In 2022-23, State General Apportionment and enrollment fee revenues increased by about \$13.5 million, mainly due to a decline in the Educational Protection Account funding, which is backfilled through General Apportionment.

State taxes and other non-operating revenues increased by \$996,925 primarily due to higher local revenues in 2022-23, including facilities rental income and Ohlone Foundation's support of the College's education programs.

Changes in capital revenues

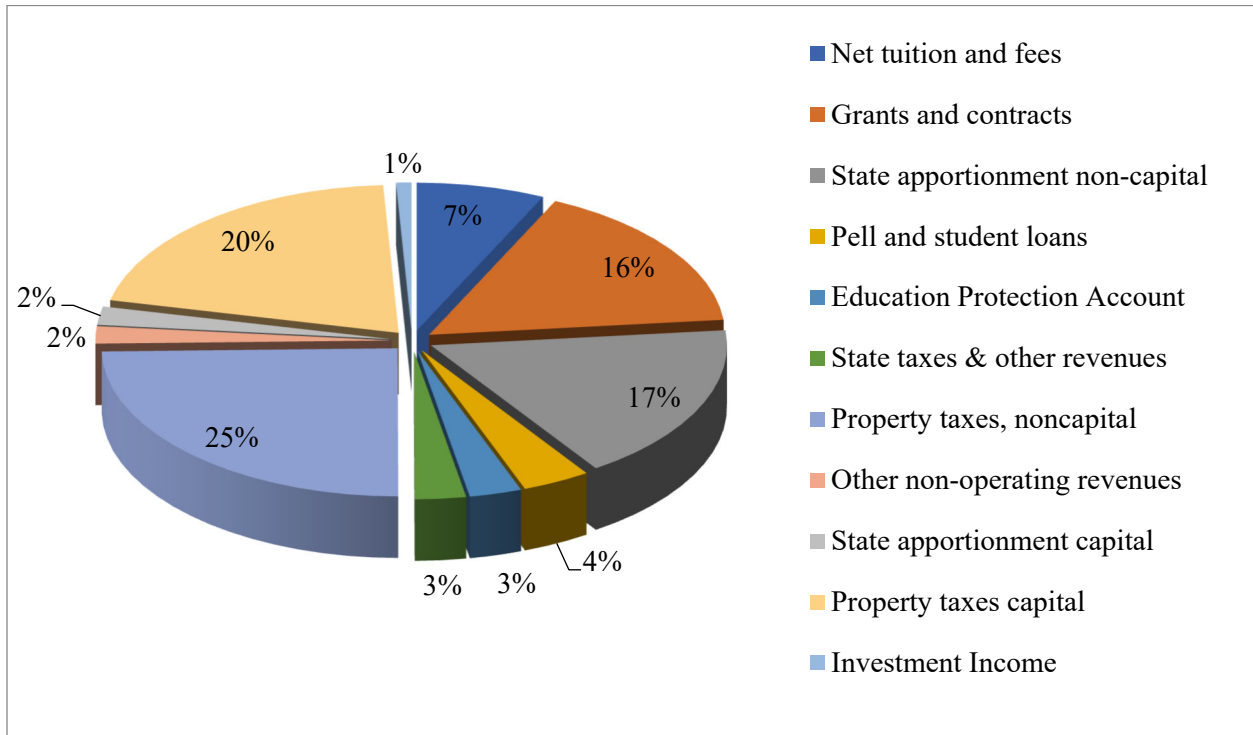
- Property taxes, capital, increased by \$999,992 due to an increase in property tax collections for bond debt service.
- Investment income, capital and non-capital increased by \$635,844 due to overall higher interest rate offered by County Treasury.
- State apportionment, Capital, increased by \$1.4 million because the District received significantly more funding for Deferred Maintenance and Instructional Equipment in 2022-23 compared to prior year.

Total Revenues for the Year Ended	2023	2022	Change
Net tuition and fees	\$ 8,444,415	\$ 6,986,509	\$ 1,457,906
Grants and contracts	19,675,905	25,262,136	(5,586,231)
State apportionment noncapital	20,714,809	8,684,046	12,030,763
Pell and student loans	4,479,402	3,589,542	889,860
Education Protection Account	3,433,601	15,201,304	(11,767,703)
State taxes & other revenues	3,348,973	2,352,048	996,925
Property taxes, noncapital	29,706,962	27,063,084	2,643,878
Other non-operating revenues	2,272,147	2,459,692	(187,545)
State apportionment, capital	2,409,312	951,789	1,457,523
Property taxes, capital	24,791,599	23,791,608	999,991
Investment Income	1,010,582	374,738	635,844
	<u>\$ 120,287,707</u>	<u>\$ 116,716,496</u>	<u>\$ 3,571,211</u>

OHLONE COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDING JUNE 30, 2023

Revenue



Changes in Operating Expenses

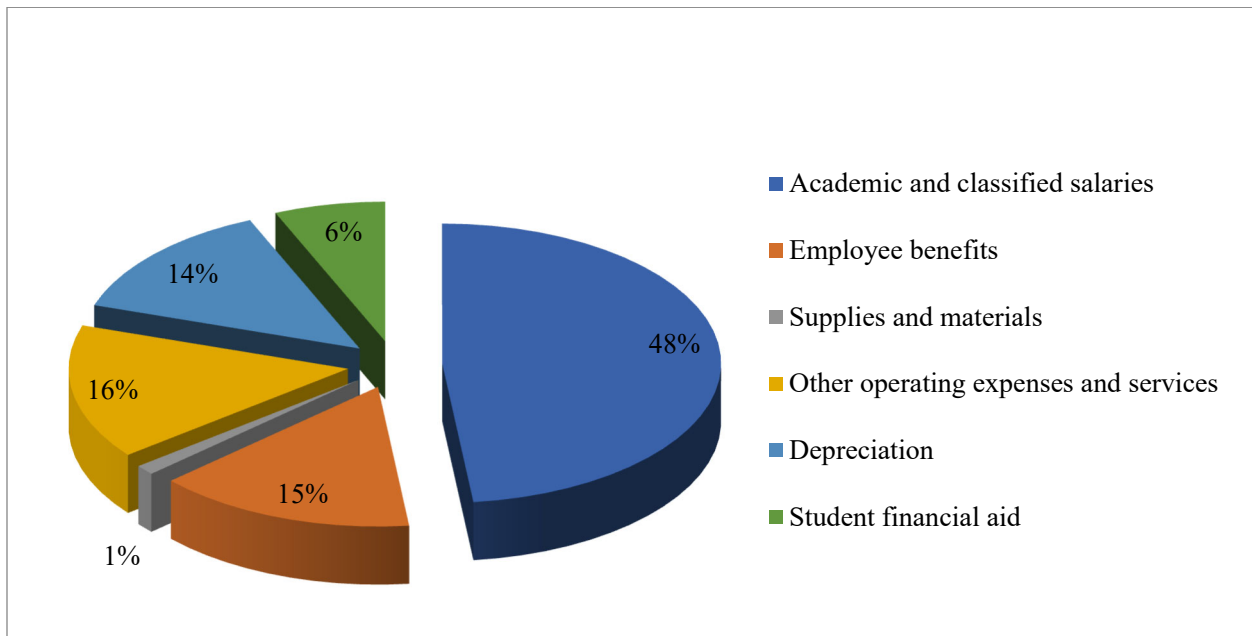
- Academic and classified payroll increased by \$853,472, due to step, column, as well as 5.56% across-the-board pay adjustment as a result of negotiated settlements with all bargaining units.
- Employee benefits represent Health and Welfare as well as pension benefits. Total employee benefits increased by about \$5.2 million, primarily due to pension benefit adjustment related to GASB 68 for Net pension liability.
- Other operating expenses were up by about \$2.07 million due to high inflation, which caused a significant increase in other operating costs, including utilities, supplies, and contracted services.
- Financial aid to students decreased by \$3.9 million, mainly because the District distributed the bulk of the Federal stimulus or HEERF III funding to students in 2020-21 and 2021-22, while a small balance was distributed in 2022-23.
- Depreciation expenses increased by about \$552,501 in 2022-23 due to the capitalization of additional completed projects funded by the Measure G bond.

OHLONE COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDING JUNE 30, 2023

Total Operating Expenditures for the Year Ended	2023	2022	Change
Academic and classified salaries	\$ 51,151,610	\$ 50,298,138	\$ 853,472
Employee benefits	15,963,264	10,754,552	5,208,712
Supplies and Materials	1,219,015	1,408,063	(189,048)
Other Operating Expenses and Services	16,557,084	14,481,361	2,075,723
Depreciation	14,362,407	13,809,906	552,501
Student Financial Aid	6,826,105	10,785,128	(3,959,023)
	<u>\$ 106,034,638</u>	<u>\$ 101,537,148</u>	<u>\$ 4,497,490</u>

Expenses



Financial Aid

For the year ended June 30, 2023, and 2022, student financial aid were disbursed from the following sources:

	2023	2022	Change
Federal	\$ 4,941,463	\$ 8,805,829	\$ (3,864,366)
State	1,666,763	1,602,244	64,520
Local	445,951	432,244	13,706
	<u>\$ 7,054,177</u>	<u>\$ 10,840,317</u>	<u>\$ (3,786,140)</u>

The Federal financial aid programs included Pell, SEOG, Direct Student Loans, Federal Work Study programs, and HEERF funds. The State programs included Student Success Completion and the Cal Grant Programs.

OHLONE COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDING JUNE 30, 2023

Economic Outlook and Factors Affecting Next Year's Budget

The budget for the California Community Colleges continues to be shaped by the multi-year "Roadmap for the Future," introduced in the fiscal year 2022-23, intended to advance equity, student success, and the system's ability to prepare students for California's future. The roadmap is part of the Administration's agenda to help the State reach a goal of having 70% of working-age Californians possess a degree or other higher education credentials by 2030.

On July 10, 2023, Governor Newsom signed the 2022-23 Budget Act, AB 102, into law. The 2023-24 Budget reflects total State expenditures of about \$310 billion, a slightly less than one percent increase over the 2022-23 enacted budget.

The enacted budget reflects a significant revenue shortfall, and the state budget deficit is now estimated at \$31.5 billion. This is nearly \$10 billion lower than the Governor's initial January proposal estimates. The effects of this shortfall trickle down to the Ohlone Community College District (CCD) and take the form of funding delays and reductions from prior year budgets, internal funding shifts, and borrowing. Despite our best planning, in FY 2022-2023, community college districts throughout the state saw their state apportionment allocations reduced by 0.88% -- for Ohlone CCD, this amounted to an unplanned reduction of approximately \$500,000.

Despite the state revenue shortfall, investment in education continues to be one of the Governor's top priorities. The budget includes \$108.3 billion in Proposition 98 minimum funding guaranteed to K-12 and community colleges. This increase in Proposition 98 funding includes an 8.33% Cost of Living Adjustment (COLA) on General apportionment funding and several categorical programs, as well as 0.5% of student enrollment growth. Community college districts are expected to receive the traditional 10.93% Proposition 98 funding. Additionally, we are grateful that the enacted State budget continues to fund several much-needed categorical programs at a flat level, including much-needed funds for Strong Workforce, Student Equity and Achievement, full-time faculty hiring, and California Community College Promise (AB 19) programs. Not surprisingly, however, these allocations also necessitated a reduction and reappropriation of other funds, otherwise already allocated to community colleges for Deferred Maintenance/Instructional Equipment and Student Retention and Enrollment Strategies by more than half a billion dollars. Like many other districts, Ohlone CCD had already spent or earmarked most of these funds, thus causing another set of unanticipated – and now unfunded, expenses for the institution.

Looking to the future, the state budget extends the District's revenue protections in a modified form by establishing the FY 2024-25 funding level as its new minimum funding floor starting in FY 2025-26. Districts like ours will be funded at the SCFF-generated amount or the minimum funding floor, whichever is higher. Unfortunately, our District is placed at a severe SCFF-caused disadvantage due to relatively low Pell and other financial need-related student enrollments. Increasing access for these students is an ethical commitment that we make to ensuring access and one that establishes a significantly stronger fiscal future for the institution.

Watching the State's budget shift dramatically from a \$49 billion surplus in FY 2022-23 to a \$31.5 billion projected deficit in FY 2023-24 points to most economists to acknowledge an ongoing softening of the economy. Ohlone CCD continues the complicated work to avoid structural deficit, prepare for a further economic downturn, and ensure fiscal solvency. We must maintain a balanced budget and sufficient financial reserves to weather future storms through a combination of growing enrollment and non-apportionment revenues to continue to serve the communities of Fremont, Newark, and Union City.

OHLONE COMMUNITY COLLEGE DISTRICT

STATEMENT OF NET POSITION JUNE 30, 2023

	Primary Institution	Foundation
ASSETS		
Current assets:		
Cash and equivalents	\$ 43,520,996	\$ 554,795
Restricted cash and equivalents	21,837,279	
Accounts receivable, net	4,309,144	53,600
Lease receivable	71,215	
Due from Foundation	87,585	
Prepaid expenses and other assets	988,062	
Total current assets	70,814,281	608,395
Noncurrent assets:		
Restricted cash and equivalents	8,308,671	
Investments		5,634,703
Lease receivable	183,246	
Charitable remainder trust assets		627,351
Nondepreciable capital assets	41,114,764	
Depreciable capital assets, net	431,352,770	
Total noncurrent assets	480,959,451	6,262,054
TOTAL ASSETS	551,773,732	6,870,449
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred amount on debt refunding	20,554,961	
Deferred outflows of resources related to OPEB	1,621,090	
Deferred outflows of resources related to pensions	20,239,107	
TOTAL DEFERRED OUTFLOWS OF RESOURCES	42,415,158	
LIABILITIES		
Current liabilities:		
Accounts payable	3,499,301	14,450
Due to District		87,585
Accrued payroll and benefits	4,200,377	
Unearned revenue	21,803,584	
Interest payable	5,638,993	
Long-term liabilities due within one year	13,485,380	224,005
Total current liabilities	48,627,635	326,040
Noncurrent liabilities:		
Long-term liabilities due in more than one year	418,296,300	247,678
Net pension liability	68,467,644	
Net OPEB liability	1,255,864	
Total noncurrent liabilities	488,019,808	247,678
TOTAL LIABILITIES	536,647,443	573,718
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows of resources related to OPEB	416,926	
Deferred inflows of resources related to pensions	4,668,120	
Deferred inflows of resources related to leased assets	247,501	
TOTAL DEFERRED INFLOWS OF RESOURCES	5,332,547	
NET POSITION:		
Net investment in capital assets	66,294,090	
Restricted for:		
Nonexpendable-Scholarships and Programs		2,260,500
Financial aid	102,754	
Capital projects	3,312,007	
Debt service	13,724,678	
Educational purposes	1,955,657	
Student activities and other trusts	1,285,572	
Restricted by donors		4,010,486
Unrestricted (deficit)	(34,465,858)	25,745
TOTAL NET POSITION	\$ 52,208,900	\$ 6,296,731

The accompanying notes are an integral part of these financial statements.

OHLONE COMMUNITY COLLEGE DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION YEAR ENDED JUNE 30, 2023

	Primary Institution	Foundation
OPERATING REVENUES:		
Tuition and fees (gross)	\$ 10,765,598	
Less: Scholarship discounts and allowances	(2,321,183)	
Net tuition and fees	8,444,415	
Grants, contracts, and donations, noncapital:		
Federal	7,426,886	
State	16,630,484	
Local	97,940	
Contributions and special event revenue		\$ 616,919
TOTAL OPERATING REVENUES	32,599,725	616,919
OPERATING EXPENSES:		
Academic salaries	29,456,293	
Classified salaries	21,695,317	
Employee benefits	15,963,264	
Supplies and materials	1,219,015	
Depreciation and amortization	14,362,407	
Other operating expenses and services	16,512,237	850,930
Other payments to students	445,951	149,785
Financial aid expenses	6,380,154	
TOTAL OPERATING EXPENSES	106,034,638	1,000,715
OPERATING LOSS	(73,434,913)	(383,796)
NON-OPERATING REVENUES (EXPENSES):		
State apportionments, noncapital	20,714,809	
Education protection account	3,433,601	
Local property taxes	29,706,962	
State taxes and other revenues	3,348,973	
Investment income - noncapital	836,875	386,061
Other non-operating income (expenses)	2,261,528	43,652
TOTAL NON-OPERATING REVENUES	60,302,748	429,713
INCOME (LOSS) BEFORE CAPITAL ACTIVITY	(13,132,165)	45,917
CAPITAL ACTIVITY:		
State apportionments, capital	2,409,312	
Local property taxes and revenues, capital	24,791,599	
Loss on disposal	(34,230)	
Investment income - capital	173,707	
Interest expense on capital asset-related debt	(13,316,693)	
INCREASE IN NET POSITION	891,530	45,917
NET POSITION -- BEGINNING OF YEAR	51,317,370	6,250,814
NET POSITION -- END OF YEAR	\$ 52,208,900	\$ 6,296,731

The accompanying notes are an integral part of these financial statements.

OHLONE COMMUNITY COLLEGE DISTRICT

STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2023

	Primary Institution
CASH FLOWS FROM OPERATING ACTIVITIES:	
Tuition and fees	\$ 6,685,285
Federal grants and contracts	8,702,320
State grants and contracts	27,759,715
Local grants and contracts	401,873
Payments to suppliers	(18,459,794)
Payments to/on behalf of employees	(68,190,739)
Payments to/on behalf of students	(7,010,702)
Net cash used by operating activities	<u>(50,112,042)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
State apportionments and receipts	19,690,682
Education protection account receipts	3,433,601
Local property tax receipts	29,706,962
State taxes and other revenues	3,348,973
Other receipts	2,261,528
Net cash provided by noncapital financing activities	<u>58,441,746</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
State apportionments for capital purposes	2,409,312
Purchases of capital assets	(3,857,255)
Principal paid on capital debt	(9,720,000)
Principal paid on lease liability	(74,744)
Interest paid on capital debt	(13,721,745)
Local property taxes and other revenues for capital purposes	24,791,599
Net cash used by capital and related financing activities	<u>(172,833)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investment income	<u>1,010,582</u>
Net cash provided by investing activities	<u>1,010,582</u>
NET INCREASE IN CASH AND EQUIVALENTS	9,167,453
CASH AND EQUIVALENTS -- BEGINNING OF YEAR	<u>64,499,493</u>
CASH AND EQUIVALENTS -- END OF YEAR	<u>\$ 73,666,946</u>

The accompanying notes are an integral part of these financial statements.

OHLONE COMMUNITY COLLEGE DISTRICT

STATEMENT OF CASH FLOWS (Continued) YEAR ENDED JUNE 30, 2023

	Primary Institution
Reconciliation to Statement of Net Position:	
Cash and equivalents	\$ 43,520,996
Restricted cash and equivalents	<u>30,145,950</u>
Total cash and equivalents	<u>\$ 73,666,946</u>
RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating loss	\$ (73,434,913)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation/amortization expense	14,362,407
Changes in:	
Accounts receivable	775,817
Lease receivable	(71,215)
Prepaid expenses	(745,352)
Deferred outflows of resources related to pensions	(6,660,738)
Deferred outflows of resources related to OPEB	(787,989)
Accounts payable	(34,509)
Accrued payroll and benefits	(202,497)
Unearned revenue	10,314,086
Compensated absences	236,776
Net pension liability	26,246,018
Net OPEB liability	2,234,209
Deferred inflows of resources related to pensions	(21,791,250)
Deferred inflows of resources related to OPEB	(481,165)
Deferred inflows of resources related to leased assets	<u>(71,727)</u>
Net cash used by operating activities	<u>\$ (50,112,042)</u>
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:	
Amortization of premium on capital debt	\$ 1,715,753
Amortization of deferred amount of refunding	\$ 1,467,711

OHLONE COMMUNITY COLLEGE DISTRICT

STATEMENT OF NET POSITION FIDUCIARY FUND JUNE 30, 2023

	<u>OPEB Trust</u>
ASSETS:	
Cash and equivalents	\$ 13,812
Investments:	
Open-ended mutual funds:	
Fixed income	3,003,586
Domestic equity	1,696,126
International equity	511,157
Real estate	360,860
Total investments	<u>5,571,729</u>
TOTAL ASSETS	<u>5,585,541</u>
LIABILITIES:	
Payables:	
Due to broker for investments purchased	<u>13,812</u>
NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS	<u>\$ 5,571,729</u>

OHLONE COMMUNITY COLLEGE DISTRICT

STATEMENT OF CHANGES IN NET POSITION FIDUCIARY FUND JUNE 30, 2023

	<u>OPEB Trust</u>
ADDITIONS	
Employer contributions	\$ 244,167
Investment income:	
Net increase in fair value of investments	131,060
Interest and dividends	227,398
Less investment expense	<u>(50,275)</u>
Total investment income	<u>308,183</u>
Total additions	<u>552,350</u>
DEDUCTIONS	
Benefit payments	<u>244,167</u>
NET INCREASE IN NET POSITION	<u>308,183</u>
NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS	
Beginning of Year	<u>5,263,546</u>
End of Year	<u>\$ 5,571,729</u>

OHLONE COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

1. ORGANIZATION AND NATURE OF ACTIVITIES

Definition of the Reporting Entity – The Ohlone Community College District (the District) is the level of government primarily accountable for activities related to public education. The governing authority consists of elected officials who, together, constitute the Board of Trustees.

The District has reviewed criteria to determine whether other entities with activities that benefit the District should be included within its financial reporting entity. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles (GAAP) and Governmental Accounting Standards Board (GASB). The District, based on its evaluation of these criteria, identified the Ohlone College Foundation (the Foundation) as a component unit.

Discretely Presented Component Unit – The Ohlone College Foundation (Foundation) was established as a legally separate non-profit entity to support the District and its students through fundraising activities. In addition, the Foundation develops and maintains student scholarships and trust accounts for the District students. Furthermore, the funds contributed by the Foundation to the District and its students are significant to the District’s financial statements. Therefore, the District has classified the Foundation as a component unit that will be discretely presented in the District’s annual financial statements. The separately audited financial statements of the Foundation may be obtained from the District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board and *Audits of State and Local Governmental Units*, issued by the American Institute of Certified Public Accountants (AICPA).

Basis of Accounting – For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities. Accordingly, the District’s financial statements have been presented using the economic resources measurement focus and accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recognized when an obligation has been incurred. All significant interfund transactions have been eliminated.

The budgetary and financial accounts of the District are recorded and maintained in accordance with the Chancellor’s Office of the California Community Colleges’ *Budget and Accounting Manual*.

In addition to the District’s business-type activities, the District maintains a fiduciary fund. This fund accounts for assets held by the District in a trustee capacity or as an agent on behalf of others. Fiduciary funds are accounted for using the economic resources measurement focus. The District reports the following fiduciary fund:

Ohlone Community College District Futuris Public Entity Investment Trust (OPEB Trust). The OPEB Trust is used for the purpose of investments and disbursements of funds irrevocably designated by the District to fund future retiree health benefits.

OHLONE COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Budgets and Budgetary Accounting – By State law, the District's governing board must approve a tentative budget no later than July 1st and adopt a final budget no later than September 15th of each year. A hearing must be conducted for public comments prior to adoption.

The budget is revised during the year to incorporate categorical funds which are awarded during the year and miscellaneous changes to the spending plans. Revisions to the budget are approved by the District's governing board.

Estimates Used in Financial Reporting – In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Investments – Investments are reported at fair value.

Restricted Cash, Cash Equivalents and Investments – Restricted cash, cash equivalents and investments are those amounts externally restricted as to use pursuant to the requirements of the District's grants, contracts, and debt service requirements.

The District's cash and investments are restricted for the following purposes:

Associated Student Body	\$ 1,041,526
Financial Aid Checking	554,026
CalGrant Account	49,410
Agency Funds	221,451
Debt Service, sinking fund and capital assets	<u>28,279,537</u>
Total restricted cash:	<u>\$ 30,145,950</u>

Accounts Receivable – Accounts receivable consists of amounts due from federal, state and local governments, or private sources, in connection with reimbursement of allowable expenses based on a contract or agreement between the District and the funding source. Additionally, accounts receivable consists of tuition and fee charges to students. Accounts receivable is reported net of the allowance for uncollectible accounts. At June 30, 2023, the allowance for uncollectible accounts was \$1,069,188.

Prepaid Expenses – Prepaid expenses consist of operating expenses for which payment is due in advance and are expensed when the benefit is received.

Capital Assets – Capital assets are recorded at cost at the date of acquisition. Donated capital assets are recorded at their estimated fair value at the date of donation. For equipment, the District's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life of greater than one year. Buildings, as well as renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized.

OHLONE COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend the asset's life is recorded in operating expense in the year in which the expense was incurred. Depreciation on all assets is provided on a straight-line basis over the following estimated useful lives:

Asset Class	Years
Improvement of Sites	10
Buildings	50
Equipment and Vehicles	8
Technology	3

Leases – The District recognizes leases with an initial, individual value of \$100,000 or more and when the lease terms include a noncancellable period of more than one year.

Lessee: The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) at the commencement of a lease and initially measures them at the present value of payments expected to be made during the lease term. The lease liability is reduced by the principal portion of lease payments made and the lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Lessor: The District recognizes a lease receivable and a deferred inflow of resources at the commencement of a lease and initially measures them at the present value of payments expected to be received during the lease term. The lease receivable is reduced by the principal portion of lease payments received and the deferred inflow of resource is recognized as revenue over the life of the lease term.

The District estimates its incremental borrowing rate as the discount rate for expected lease payments or receipts and the noncancellable period for its leases. Additionally, the District monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease liability and lease receivable if certain changes occur that are expected to significantly affect their lease liability or receivable.

Lease assets are reported with depreciable capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Unearned Revenue – Unearned revenues include amounts received for tuition and fees prior to the end of the fiscal year, but related to the subsequent accounting period. Unearned revenues also include amounts received from grants, contracts, and certain categorical programs that have not yet been earned.

Compensated Absences – Employee vacation pay is accrued at year-end for financial statement purposes based on vacation time accrued and current pay rates. The liability and expense incurred are recorded at year-end as compensated absences in the statement of net position and as a component of employee benefits. It is the District's policy to record sick leave in the period taken, since the employee's right to sick leave payment does not vest upon termination.

Deferred Outflows/Deferred Inflows of Resources – In addition to assets and liabilities, the statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of resources that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until that time. Conversely, deferred inflows of resources represent an acquisition of resources that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

OHLONE COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

The District's deferred amount on debt refunding, resulting from the difference in the carrying value and reacquisition price of the refunded debt, is reported as deferred outflows of resources and is amortized over the shorter of the life of the refunded debt or refunding bond.

The District's deferred inflow of resources from leases is a result of lease receivables that are applicable to future reporting periods.

Contributions made to the District's pension and OPEB plan(s) after the measurement date but before the fiscal year-end are recorded as a deferred outflows of resources and will reduce the net pension liability and total OPEB liability in the next fiscal year.

Additional factors involved in the calculation of the District's pension and OPEB expenses and liabilities include the differences between expected and actual experience, changes in assumptions, differences between projected and actual investment earnings, changes in proportion, and differences between the District's contributions and proportionate share of contributions. These factors are recorded as deferred outflows and inflows of resources and are amortized over various periods. See Note 8 for further details related to these pension deferred outflows and inflows. See Note 9 for further details related to these OPEB deferred outflows and inflows.

Pensions – Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the State Teachers' Retirement Plan (the CalSTRS Plan), and classified employees are members of the Schools Pool (the CalPERS Plan), collectively referred to as the Plans. For purposes of measuring the net pension liability, pension expense, and deferred outflows/inflows of resources related to pensions, information about the fiduciary net position of the District's portions of the Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB) – For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB Trust and additions to/deductions from OPEB Trust's fiduciary net position have been determined on the same basis as they are reported in the OPEB Trust financial statements. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

- Net investment in capital assets – This represents the District's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.
- Restricted net position – Restricted net position includes resources that the District is legally or contractually obligated to spend in accordance with restrictions imposed either through enabling legislation adopted by the District or by external third parties such as creditors, grantors, or laws or regulations of other governments.
- Unrestricted net position (deficit) – Unrestricted net position (deficit) represents resources derived from student tuition and fees, state apportionments, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the

OHLONE COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

educational and general operations of the District, and may be used at the discretion of the governing board to meet current expenses for any purpose. Unrestricted net position includes amounts internally designated for District obligations.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

Classification of Revenues – The District has classified its revenues as either operating or non-operating revenues according to the following criteria:

- **Operating revenues:** Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances; (2) sales and services of auxiliary enterprises; (3) most Federal, State, and local grants and contracts and Federal appropriations.
- **Non-operating revenues:** Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as non-operating revenues by GASB, such as State appropriations and investment income.

Scholarship Discounts and Allowances and Financial Aid – Student tuition and fee revenues are reported net of scholarship discounts and allowances in the statement of revenues, expenses, and changes in net position. The District offers the California Community Colleges Promise grants to qualified students and these tuition waivers are reported as scholarship discounts and allowances. Grants, such as Federal, State, or non-governmental programs, are recorded as operating or non-operating revenues in the District's financial statements.

Property Taxes – Secured property taxes attach as an enforceable lien on property as of January 1, and are payable in two installments on November 1 and February 1. Unsecured property taxes are payable in one installment on or before August 31. The County bills and collects the taxes for the District. Tax revenues are recognized by the District when received.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

The District's cash, cash equivalents and investments as of June 30, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position of the Primary Government:	
Cash and equivalents	\$ 43,520,996
Restricted cash and equivalents - current	11,055,000
Restricted cash and equivalents - noncurrent	19,090,950
Statement of Net Position OPEB Trust:	
Restricted cash and equivalents	13,812
Restricted investments	<u>5,571,729</u>
Total cash, cash equivalents and investments	<u>\$ 79,252,487</u>

OHLONE COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Cash, cash equivalents and investments as of June 30, 2023, consist of the following:

Cash and equivalents:	
Cash and equivalents in County Treasury	\$ 66,168,243
Deposits with financial institutions	7,509,394
Cash on hand	3,121
Investments:	
Open-ended mutual funds	<u>5,571,729</u>
Total cash, cash equivalents and investments	<u>\$ 79,252,487</u>

Cash in County Treasury

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Alameda County Treasury (County Treasury). The County Treasury pools these funds with those of other districts in the county and invests the cash. The share of each fund in the pooled cash account is separately accounted for and interest earned is apportioned quarterly to funds that are legally required to receive interest based on the relationship of a fund's daily balance to the total of pooled cash and investments.

Participants' equity in the County Treasury investment pool is determined by the dollar amount of the participant deposits, adjusted for withdrawals and distributed income. This method differs from the fair value method used to value investments and these financial statements in that unrealized gains or losses are not distributed to pool participants.

The County Treasury is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et. seq., and is restricted by Government Code Section 53635, pursuant to Section 53601. The funds maintained by the Treasury are either secured by federal depository insurance or are collateralized.

Investments Authorized by the District's Investment Policy

The table below identifies the investment types authorized for the entity by the District's investment policy. This table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations – CA and Others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
Bankers' Acceptance	180 days	40%	30%
Commercial Paper (pooled and non-pooled)	270 days	25% or 40%	10%
Negotiable Certificates of Deposits	5 years	30%	None
Non-negotiable Certificates of Deposits	5 years	None	None

OHLONE COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Placement Service Deposits	5 years	50%	None
Placement Service Certificates of Deposit	5 years	50%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements and Securities			
Lending Agreements	92 days	20%	None
Medium-Term Notes	5 years	30%	None
Mutual Funds & Money Market Mutual Funds	N/A	20%	10%
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-through and Asset Backed Securities	5 years	20%	None
Joint Powers Authority Pool	N/A	None	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Funds (LAIF)	N/A	None	None
Voluntary Investment Program Fund	N/A	None	None
Supranational Obligations	5 years	30%	None
Public Bank Obligations	5 years	None	None

Investments Authorized by 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.

Investments Authorized by Futuris Public Entity Investment Trust

For investment related disclosures of the OPEB Trust presented on the OPEB Trust's Statement of Net Position, refer to separate audit report issued by the District.

Derivative Investments

The District did not directly enter into any derivative investments. Information regarding the amount invested in derivatives by the County Treasury was not available.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2023, the weighted average maturity of the investments contained in the County Treasury is approximately 473 days.

The schedule of maturities of investments at June 30, 2023 is as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (in Years)</u>			
		<u>< 1</u>	<u>1-5</u>	<u>6-10</u>	<u>11-15</u>
Open-ended mutual Funds:					
Fixed Income	\$ 3,003,586	\$	\$	\$ 1,802,226	\$ 1,201,360

OHLONE COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County Treasury investment pool and open-ended mutual funds do not have a rating provided by a nationally recognized statistical rating organization.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Education Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits that are made by a state or local governmental unit by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amounts deposited by the public agencies.

As of June 30, 2023, the District deposits held with financial institutions in excess of depository insurance limits held in accounts collateralized by securities held by the pledging financial institution were \$4,608,551.

Fair Value Measurement

The framework for measuring fair value provides a fair value hierarchy that categorizes the inputs to valuation techniques used to measure fair value into three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs. Open-ended Mutual funds are classified as Level 1 of the fair value hierarchy because they are valued using quoted prices in active markets for identical assets. The County Treasury pooled investments are subject to the fair value requirement; however, they are not subject to the fair value hierarchy. None of the District's other restricted cash and equivalents or investments are subject to the hierarchy levels.

4. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30, 2023:

Statement of Net Position of the Primary Government:

Federal grants and contracts	\$ 1,126,146
State grants, contracts and general apportionment	1,374,355
Local grants, contracts and students	2,965,416
Allowance for uncollectible accounts	<u>(1,069,188)</u>
Total	<u>\$ 4,396,729</u>

OHLONE COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions	Transfers	Deletions	Balance June 30, 2023
Capital assets, not being depreciated:					
Land	\$ 36,116,441				\$ 36,116,441
Construction in progress	48,870,276	\$ 2,177,862	\$(46,049,815)		4,998,323
Total capital assets, not being depreciated	84,986,717	2,177,862	(46,049,815)		41,114,764
Capital assets, being depreciated/ amortized:					
Improvement of sites	51,719,420				51,719,420
Buildings	421,525,419		29,730,690		451,256,109
Right-to-use leased equipment	344,640				344,640
Furniture and equipment	55,367,793	1,529,799	16,319,125	\$ (89,454)	73,127,263
Total capital assets, being depreciated/amortized	528,957,272	1,529,799	46,049,815	(89,454)	576,447,432
Less accumulated depreciation/amortization for:					
Improvement of sites	(14,132,561)	(3,397,426)			(17,529,987)
Buildings	(81,283,139)	(8,841,386)			(90,124,525)
Right-to-use leased equipment	(76,587)	(76,587)			(153,174)
Furniture and equipment	(35,324,101)	(2,047,008)		84,133	(37,286,976)
Total accumulated depreciation/amortization	(130,816,388)	(14,362,407)		84,133	(145,094,662)
Total capital assets, being depreciated/amortized, net	398,140,884	(12,832,608)	46,049,815	(5,321)	431,352,770
Total capital assets, net	\$ 483,127,601	\$(10,654,746)	\$	\$ (5,321)	\$ 472,467,534

OHLONE COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

6. LEASES

Lease receivables

During previous fiscal years, the District entered into two lease agreements to lease portions of its Land, to telecommunications companies for the use of constructing communications equipment. The District is a lessor under these lease agreements and the lease terms are five years and ten years with monthly payments of \$3,961 and \$2,500, respectively. The District recognized \$69,218 in lease revenue and \$8,319 in interest revenue during the fiscal year ended June 30, 2023 related to these leases. As of June 30, 2023, the District's lease receivable was \$254,461 and deferred inflow of resources associated with these leases was \$247,501, which will be recognized as revenue over the lease terms. The future minimum principal and interest lease receipts as of June 30, 2023, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 71,215	\$ 6,322	\$ 77,537
2025	73,270	4,267	77,537
2026	35,344	2,579	37,923
2027	28,241	1,759	30,000
2028	29,056	944	30,000
2029	17,335	165	17,500
Totals	<u>\$ 254,461</u>	<u>\$ 16,036</u>	<u>\$ 270,497</u>

Lease liability

The District has a five-year lease agreement as lessee for the right-to-use copier equipment. As of June 30, 2023, the value of the lease liability was \$196,432. The District is required to make monthly principal and interest payments of \$6,752. For purposes of discounting future payments on the lease, the District used a discount rate of 2.85%. The right-to-use asset as of the year ended June 30, 2023 was \$191,466 and is being amortized over the remaining term of the lease. The future minimum principal and interest lease payments as of June 30, 2023, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 76,901	\$ 4,596	\$ 81,497
2025	79,120	2,377	81,497
2026	40,411	336	40,747
Totals	<u>\$ 196,432</u>	<u>\$ 7,309</u>	<u>\$ 203,741</u>

OHLONE COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

7. LONG-TERM OBLIGATIONS

Election 2002 General Obligation Bonds Outstanding (Measure A)

In August 2005, the District issued Election 2002 General Obligation Bonds, Series B in the amount of \$110,000,000, which consisted of \$99,335,000 Serial Bonds (2002 Serial Issue) and \$10,665,000 Capital Appreciation Bonds (2002 CAB Issue) with interest rates ranging from 3.00% to 5.00%. As of June 30, 2023, the 2002 CAB Issue principal balance was paid in full. In September 2012, the District issued the 2012 General Obligation Refunding Bonds (2012 Refunding Issue) in the amount of \$94,070,000, with interest rates ranging from 1.50% to 5.00%, to advance refund the 2002 Serial Issue. In September 2019, the District issued the 2019 General Obligation Refunding Bonds (2019 Refunding Issue) to advance refund a portion of the 2012 Refunding Issue. During the fiscal year ended June 30, 2023, the 2012 Refunding Issue was paid off.

In August 2010, the District issued the 2010 General Obligation Refunding Bonds in the amount of \$23,680,000, with interest rates ranging from 2.00% to 4.50%, to advance refund a portion of the District's outstanding Fremont-Newark Community College District Election of 2002 General Obligation Bonds, Series A. In September 2019, the District issued the 2019 General Obligation Refunding Bonds (2019 Refunding Issue) to advance refund a portion of the 2010 General Obligation Refunding Bonds. During the fiscal year ended June 30, 2021, the 2010 General Obligation Refunding Bonds were paid off.

In September 2019, the District issued the 2019 General Obligation Refunding Bonds (2019 Refunding Issue) in the amount of \$97,670,000, with interest rates ranging from 1.70% to 2.44%. The 2019 Refunding Bonds were issued to refund portions of the District's outstanding 2010 General Obligation Refunding Bonds and 2012 General Obligation Refunding Bonds. Payments are due semiannually on August 1 and February 1. Final maturity is on August 1, 2030. As of June 30, 2023, the principal balance outstanding was \$89,315,000.

Election 2010 General Obligation Bonds Outstanding (Measure G)

In October 2011, the District issued Election of 2010 General Obligation Bonds, Series A-1 General Obligation Bonds (2011 Series A-1) in the amount of \$10,000,000, with interest rates ranging from 2.00% to 5.00%. During the fiscal year ended June 30, 2022 the 2011 Series A-1 were paid off.

In September 2014, the District issued Election of 2010 General Obligation Bonds, Series B General Obligation Bonds in the amount of \$74,995,430, with interest rates ranging from 1.00% to 4.91%. In May 2021, the District issued 2021 General Obligation Refunding Bonds to advance refund the 2010 Series B General Obligation Bonds.

In May 2016, the District issued Election of 2010 General Obligation Bonds, Series C General Obligation Bonds in the amount of \$155,000,000, with interest rates ranging from 2.00% and 5.00%. As of June 30, 2023, the principal balance outstanding was \$142,605,000.

OHLONE COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

In August 2016, the District issued 2016 General Obligation Refunding Bonds (2016 Refunding Issue) in the amount of \$68,495,000, with interest rates ranging from 2.00% to 5.00%, to advance refund the 2011 Series A and partially advance refund the 2011 Issue Series A-1. The District defeased the bonds by placing proceeds of the 2016 Refunding Issue in an irrevocable escrow account to provide for future debt service; accordingly, the assets and liabilities for the defeased bonds are not included in the Statement of Net Position. The Escrow Agent will pay the debt services requirements of the defeased bonds on each scheduled payment date through and including August 1, 2021 and will redeem the defeased bonds, at a redemption price equal to 100% of par, on August 1, 2021, which is the first optional redemption date. As of June 30, 2023, the 2017 Issue principal balance outstanding was \$66,930,000.

In April 2019, the District issued 2010 General Obligation Bonds, Series D General Obligation Bonds in the amount of \$39,000,000, with interest rates ranging from 3.00% to 5.00%. As of June 30, 2023, the principal balance outstanding was \$34,930,000.

In May 2021, the District issued 2021 General Obligation Refunding Bonds (2021 Refunding Issue) in the amount of \$70,035,000, with interest rates ranging from 0.213% to 2.936%, to advance refund the 2014 Series B General Obligation Bonds. The District defeased the bonds by placing proceeds of the 2021 Refunding Issue in an irrevocable escrow account to provide for future debt service. The Escrow Agent will pay the debt services requirements of the defeased bonds on each scheduled payment date through and including August 1, 2024, and will redeem the defeased bonds, at a redemption price equal to 100% of par, on August 1, 2024, which is the first optional redemption date. As of June 30, 2023, the principal balance outstanding was \$69,495,000.

The annual requirements to amortize the general obligation bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 11,055,000	\$ 13,407,518	\$ 24,462,518
2025	12,275,000	13,133,168	25,408,168
2026	13,565,000	12,797,235	26,362,235
2027	14,975,000	12,389,903	27,364,903
2028	16,630,000	11,922,258	28,552,258
2029-2033	77,315,000	51,724,896	129,039,896
2034-2038	66,445,000	40,755,482	107,200,482
2039-2043	104,305,000	25,731,904	130,036,904
2044-2046	86,710,000	5,027,728	91,737,728
Totals	<u>\$ 403,275,000</u>	<u>\$ 186,890,092</u>	<u>\$ 590,165,092</u>

OHLONE COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

A schedule of changes in long-term obligations for the year ended June 30, 2023 is shown below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General obligation bonds	\$ 412,995,000		\$ 9,720,000	\$ 403,275,000	\$ 11,055,000
Premium on bonds	27,264,403		1,715,753	25,548,650	1,715,753
Lease liability	271,176		74,744	196,432	76,901
Compensated absences	<u>2,524,822</u>	<u>\$ 236,776</u>		<u>2,761,598</u>	<u>637,726</u>
Totals	<u>\$ 443,055,401</u>	<u>\$ 236,776</u>	<u>\$ 11,510,497</u>	<u>\$ 431,781,680</u>	<u>\$ 13,485,380</u>

8. RETIREMENT PLANS

California State Teachers' Retirement System (CalSTRS)

Plan Description

The District participates in the State Teachers' Retirement Plan (the CalSTRS Plan), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. CalSTRS acts as a common investment and administrative agent for participating public entities within the State of California. CalSTRS issues a publicly available financial report that includes financial statements and required supplementary information for this plan. This report is available online at www.calstrs.com.

Benefits Provided

The benefits for the CalSTRS Plan are established by contract, in accordance with the provisions of the State Teachers' Retirement Law. Benefits are based on members' years of service, age, final compensation, and a benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. The California Public Employees' Pension Reform Act of 2013 (PEPRA) made significant changes to the benefit structure that primarily affect members first hired to perform CalSTRS creditable activities on or after January 1, 2013. As a result of PEPRA, the CalSTRS Plan has two benefit structures: 1) CalSTRS 2% at 60 – Members first hired on or before December 31, 2012, to perform CalSTRS creditable activities, and 2) CalSTRS 2% at 62 – Members first hired on or after January 1, 2013, to perform CalSTRS creditable activities. The 2 percent, also known as the age factor, refers to the percentage of final compensation received as a retirement benefit for each year of service credit. To be eligible for 2% service retirement, members hired prior to January 1, 2013, must be at least age 60 with a minimum of five years of CalSTRS-credited service, while members hired after January 1, 2013, must be at least age 62 with five years of service.

Contributions

Assembly Bill 1469 (AB 1469), signed into law as a part of the State of California's (the State) 2014-15 budget, increases contributions to the CalSTRS Plan from members, employers, and the State over the next seven years, effective July 1, 2014. School employer contributions will increase from 8.25% to a total of 19.10% of covered payroll over the seven-year period. The District's required contribution rate for the year ended June 30, 2023, was 19.10% of annual pay. District contributions to the CalSTRS Plan were \$3,950,891 for the year ended June 30, 2023.

OHLONE COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

The State contributes a percentage of the annual earnings of all members of the CalSTRS Plan. AB 1469 increases the State's contribution attributable to the benefits in effect in 1990, but does not change the base rate of 2.017%. In accordance with AB 1469, the portion of the state appropriation under Education Code Sections 22955(b) that is in addition to the base rate has been replaced by section 22955.1(b) in order to fully fund the benefits in effect as of 1990 by 2046. The additional state contribution increased from 1.437% in 2014-15 to 6.311% in 2021-22 and was effective for 2022-23. The increased contributions end as of fiscal year end June 30, 2046. The State contribution rate for the period ended June 30, 2022, was 10.828% of the District's 2014-15 creditable CalSTRS compensation.

Actuarial Assumptions

The total pension liability for the CalSTRS Plan was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to the measurement date of June 30, 2022. The financial reporting actuarial valuation used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%
Investment Rate of Return ⁽¹⁾	7.10%
Mortality	CalSTRS' Membership Data
Post-Retirement Benefit Increase	2% simple for DB (Annually) Maintain 85% purchasing power Level for DB Not applicable for DBS /CBB

⁽¹⁾ Net of investment expenses, but gross of administrative expenses.

Discount Rate

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

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

OHLONE COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

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, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term * Expected Real Rate of Return</u>
Public Equity	42.00%	4.80%
Fixed Income	12.00%	1.30%
Real Estate	15.00%	3.60%
Private Equity	13.00%	6.30%
Risk Mitigating Strategies	10.00%	1.80%
Inflation Sensitive	6.00%	3.30%
Cash / Liquidity	2.00%	-0.40%
Total	<u>100.00%</u>	

*20-year geometric average

California Public Employees' Retirement System (CalPERS)

Plan Description

The District participates in the Schools Pool (the CalPERS Plan), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. CalPERS issues a publicly available financial report that includes financial statements and required supplementary information for this plan. This report is available online at www.calpers.ca.gov.

Benefits Provided

The benefits for the CalPERS Plan are established by contract, in accordance with the provisions of the California Public Employees' Retirement Law (PERL). The benefits are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. PEPR made significant changes to the benefit structure that primarily affect members first hired to perform CalPERS creditable activities on or after January 1, 2013. As a result of PEPR, the CalPERS Plan has two benefit structures: 1) CalPERS 2% at 55 – Members first hired on or before December 31, 2012, to perform CalPERS creditable activities, and 2) CalPERS 2% at 62 – Members first hired on or after January 1, 2013, to perform CalPERS creditable activities. To be eligible for service retirement, members hired prior to January 1, 2013, must be at least age 50 with a minimum of five years of CalPERS-credited service, while members hired after January 1, 2013, must be at least age 52 with a minimum of five years of CalPERS-credited service.

Contributions

Section 20814(c) of the PERL requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Contribution rates for the CalPERS Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The CalPERS Plan's actuarially determined rate is the estimated amount

OHLONE COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

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's required contribution rate for the year ended June 30, 2023, was 25.37% of annual pay. District contributions to the CalPERS Plan were \$5,240,023 for the year ended June 30, 2023.

Actuarial Assumptions

For the measurement period ended June 30, 2022 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2021 total pension liability. The June 30, 2022 total pension liability amounts were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases ⁽¹⁾	Varies
Investment Rate of Return	6.90%
Mortality ⁽²⁾	CalPERS' Membership Data
Post-Retirement Benefit Increase ⁽³⁾	Up to 2.30%

⁽¹⁾ Varies by entry age and service

⁽²⁾ The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

⁽³⁾ 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

Change in Assumptions

Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

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NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

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 (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the 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 table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class	New Strategic Allocation	Real Return Years 1 – 10^(a, b)
Global Equity – cap-weighted	30.00%	4.45%
Global Equity – non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)
Total	100.00%	

^(a) An expected inflation of 2.30% was used for this period.

^(b) Figures are based on the 2021-22 Asset Liability Management Study.

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

As of June 30, 2023, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for the State's pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability:	
CalSTRS Plan	\$ 24,320,100
CalPERS Plan	44,147,544
Total District net pension liability	68,467,644
State's proportionate share of CalSTRS net pension liability associated with the District	12,245,253
Total	\$ 80,712,897

OHLONE COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

The District's net pension liability is measured as the proportionate share of each Plan's net pension liability. The net pension liabilities of the Plans are measured as of June 30, 2022, and calculated by reducing the total pension liability of each Plan by the respective Plan's fiduciary net position. The District's proportion of each Plan's net pension liability was based on the ratio of the District's actual employer contributions in the measurement period to the total actual employer and State contributions received by the respective Plan in the measurement period. The District's proportionate share of the net pension liability as of June 30, 2022, was 0.035% and 0.128% for the CalSTRS and CalPERS Plans, respectively, which was an decrease of 0.0040% and a increase 0.0079%, respectively, from its proportion measured as of June 30, 2022 for CalSTRS and CalPERS Plans, respectively.

For the measurement period ended June 30, 2022, the District recognized pension expense of \$7,972,749 and revenue of \$987,804 for support provided by the State. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 219,471	\$ (2,921,947)
Changes in assumptions	4,471,884	
Changes in proportion	1,133,683	(427,396)
Change in proportionate share of contributions	10,531	(129,477)
Net differences between projected and actual investment earnings of pension plan investments	5,212,624	(1,189,300)
District contributions subsequent to measurement date	9,190,914	
Total	\$ 20,239,107	\$ (4,668,120)

The \$9,190,914 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2024	\$ 2,099,341
2025	788,968
2026	(511,531)
2027	4,766,576
2028	(225,974)
Thereafter	(537,307)

OHLONE COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

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

The following presents the District's proportionate share of the net pension liability of the Plans as of the measurement date, calculated using the discount rate, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	<u>Discount Rate -1% (6.10%)</u>	<u>Current Discount Rate (7.10%)</u>	<u>Discount Rate +1% (8.10%)</u>
District's proportionate share of the CalSTRS Plan's net pension liability	\$ 41,304,550	\$ 24,320,100	\$ 10,217,900
	<u>Discount Rate -1% (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>Discount Rate +1% (7.90%)</u>
District's proportionate share of the CalPERS Plan's net pension liability	\$ 63,773,363	\$ 44,147,544	\$ 27,927,526

Defined Contribution Plan

The District offers part-time employees a defined contribution retirement plan. The Cash Balance Benefit Program (the Cash Balance Plan) is for employees of California's public schools and is sponsored by CalSTRS. Eligibility is determined by CalSTRS and retirement benefits are based on an amount equal to the balance of the participant's account, including interest earned on contributions, payable as either a lump-sum distribution or an annuity for balances over \$3,500. Participants have an immediate vested right to their benefits and no annual maintenance fees are allocated to the Cash Balance Plan.

The Cash Balance Plan requires contributions from the eligible members and from the District. Currently, the faculty members' and the District's required contributions are 4% of gross salary. During the fiscal year ended June 30, 2023, employees and the District each contributed \$210,277 to the Cash Balance Plan.

9. OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan Description

In addition to the pension benefits described in Note 8, the District provides other postemployment health, dental, and vision care benefits for eligible retired employees and their dependents through a single-employer defined benefit healthcare plan (the Plan). The District, through its authorized Retirement Board of Authority (RBOA), established the Futuris Public Entity Investment Trust (OPEB Trust). The RBOA was established to manage, direct and control the OPEB Trust. The RBOA appointed the Benefit Trust Company (BTC) to serve as the Discretionary Trustee and OPEB Trust Custodian. The OPEB Trust is used for the purposes of investment and disbursement of funds irrevocably designated by the District to fund future other post-employment benefits (OPEB).

OHLONE COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

OPEB Trust Financial Report

Detailed information about the OPEB Plan's fiduciary net position is available in a separately issued OPEB Trust financial report, which may be obtained by contacting the District.

Benefits Provided

The District's benefits provided to retirees are based on Government Code sections collectively known as Public Employees' Medical & Hospital Care Act (PHMHCA), which vary among different collective bargaining agreements. The following is a description of the current retiree benefit plan.

	<u>Certificated</u>	<u>CSEA</u>	<u>Management</u>	<u>SEIU</u>
Benefit types provided	Medical only	Medical only	Medical only	Medical only
Duration of benefits	To age 65	To age 65	To age 65	To age 65
Required service	10 years	10 years*	10 years*	10 years*
Minimum age	55	55	55	55
Dependent coverage	No	No	No	No
District contribution percentage	100% to a max of \$450 per month	100%**	100%**	100%**
District cap	Active cap	Active cap	Active cap	Active cap

*17 years if hired after 1/1/15

** max monthly \$950 if hired after 1/1/18

Employees Covered

As of June 30, 2022, the following inactive and active employees were covered by the benefit terms under the OPEB Plan:

Inactive employees receiving benefits	17
Inactive employees entitled to but not receiving benefits	0
Participating active employees	<u>306</u>
Total	<u><u>323</u></u>

Contributions

The District provides benefits on a pay-as-you-go basis, and also makes contributions to the OPEB Trust based on an actuarially determined contribution (ADC) as part of its annual budget planning process to fully fund the benefit over a reasonable period of time through an amortization of the net (unfunded) OPEB liability. The contribution requirements of plan members and the District are established and may be amended by the Board and by contractual agreement with employee groups. The District's plan members are not required to contribute to the plan.

OHLONE COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the June 30, 2021 valuation, based on the following actuarial methods and assumptions:

Actuarial Cost Method		Entry-Age Normal
Actuarial Assumptions:		
Discount Rate		6.00%
Inflation		2.75%
Salary Increases		2.75%
Investment Rate of Return		6.00%
	SOA PUB-2010 General Total Dataset Headcount Weighted Mortality Table fully generational using Scale Mp-2020	
Mortality – General		
	SOA PUB-2010 Teachers Total Dataset Headcount Weighted Mortality Table fully generational using Scale Mp-2020	
Mortality – Teachers		
	SOA PUB-2010 General Total Dataset Headcount Weighted Mortality Table fully generational using Scale Mp-2020	
Mortality – Surviving Spouses		
Health Care Cost Trend Rates		6.25% HMO/PPO decreasing to 4.50% HMO/PPO

Changes in Assumptions

In measurement period ending June 30, 2022, there were no changes in assumptions.

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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	28.00%	7.80%
International Equity	7.00%	6.70%
Emerging Market Stock	59.00%	3.50%
U.S. Bond	6.00%	6.70%
Total	<u>100.00%</u>	

OHLONE COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Discount Rate

The discount rate used to measure the total OPEB liability was 6.00%. The projection of cash flows used to determine the discount rate assumed that the District funding policy is to fund the normal cost (current accrual for benefits being earned) plus an amortization of the unfunded accrued liability or net OPEB liability over 20 years (on a level dollar basis). Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term assumed investment rate of return was applied to a period of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

The changes in the Net OPEB liability for the OPEB Plan are as follows:

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability (TOL) (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability (a)-(b)</u>
Balance at June 30, 2022 (Measurement date June 30, 2021)	\$ 6,464,170	\$ 6,430,890	\$ 33,280
Changes recognized for the measurement period:			
Service cost	293,553		293,553
Interest on TOL	393,956		393,956
Changes in assumptions			
Differences between expected and actual experience	(243,000)		(243,000)
Contributions—employer		422,549	(422,549)
Investment gains/losses		(1,142,859)	1,142,859
Benefit payments	(389,269)	(389,269)	
Administrative expense		(57,765)	57,765
Net changes	<u>55,240</u>	<u>(1,167,344)</u>	<u>1,222,584</u>
Balance at June 30, 2023 (Measurement date June 30, 2022)	<u>\$ 6,519,410</u>	<u>\$ 5,263,546</u>	<u>\$ 1,255,864</u>

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

The following presents the net OPEB liability of the District, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	<u>Discount Rate -1% (5.00%)</u>	<u>Current Discount Rate (6.00%)</u>	<u>Discount Rate +1% (7.00%)</u>
Net OPEB liability	\$ 1,580,889	\$ 1,255,864	\$ 734,647

OHLONE COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Sensitivity of the District's Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the District, as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	Healthcare Cost Trend Rates -1% (5.25% decreasing to 3.50%)	Healthcare Cost Trend Rates (6.25% decreasing to 4.50%)	Healthcare Cost Trend Rates +1% (7.25% decreasing to 5.50%)
Net OPEB liability	\$ 564,345	\$ 1,255,864	\$ 1,807,898

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

Net differences between projected and actual earnings on OPEB Trust investments	5 years
All other amounts	Expected average remaining service lives (EARSL) of plan participants

OPEB Expense and Deferred Outflows/Inflows Related to OPEB

For the year ended June 30, 2023, the District recognized OPEB expense of \$466,464. At June 30, 2023, 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	\$ 513,024	
Changes in assumptions	343,204	
Differences between expected and actual experience		\$ (416,926)
Net difference between projected and actual earnings on OPEB plan investments	764,862	
Total	\$ 1,621,090	\$ (416,926)

OHLONE COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

The \$513,024 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2022 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ended June 30,</u>		
2024	\$	127,625
2025		123,110
2026		156,544
2027		312,088
2028		6,489
Thereafter		(34,716)

10. JOINT POWERS AUTHORITIES AGREEMENTS

The District participates in two Joint Powers Authorities (JPAs), Bay Area Community College Districts (BACCD) and Protected Insurance Program for Schools Joint Powers Authority (P.I.P.S.). The JPAs were created to provide services and other items necessary and appropriate for the establishment, operation, and maintenance of a self-insurance system for property, liability, and worker's compensation claims for public educational agencies, which are parties thereto. The relationships between the District and the JPAs are such that the JPAs are not component units of the District for financial reporting purposes.

BACCD arranges property and liability insurance coverage and P.I.P.S. arranges worker's compensation insurance coverage for its members. The JPAs are governed by boards consisting of a representative from each member district. The board controls the operations of the JPAs including selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on boards. Each member pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPAs.

The latest condensed financial information for the JPAs are as follows:

	<u>June 30, 2022 BACCD</u>	<u>June 30, 2022 P.I.P.S.</u>
Total Assets	\$ 7,311,453	\$ 229,417,398
Total Liabilities	<u>(3,281,191)</u>	<u>(169,617,184)</u>
Net Position	<u>\$ 4,030,262</u>	<u>\$ 59,800,214</u>
Total Revenues	\$ 4,383,828	\$ 312,161,655
Total Expenses	<u>(5,997,534)</u>	<u>(314,385,725)</u>
Net Increase (Decrease) in Net Position	<u>\$ (1,613,706)</u>	<u>\$ (2,224,070)</u>

OHLONE COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

11. COMMITMENTS AND CONTINGENCIES

State and Federal Allowances, Awards, and Grants

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursement will not be material.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

OHLONE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS YEAR ENDED JUNE 30, 2023 LAST 10 YEARS*

	Fiscal Year					
	2023	2022	2021	2020	2019	2018
	Measurement date 2022	Measurement date 2021	Measurement date 2020	Measurement date 2019	Measurement date 2018	Measurement date 2017
TOTAL OPEB LIABILITY						
Service cost	\$ 293,553	\$ 302,838	\$ 270,914	\$ 345,267	\$ 325,724	\$ 317,006
Interest	393,956	249,182	355,336	373,212	342,511	320,718
Changes in benefit terms				(306,670)		
Differences between expected and actual experience	(243,000)	(83,678)		(446,606)		
Changes of assumptions		372,111		232,235		
Benefit payments	(389,269)	(440,175)	(427,407)	(414,651)	(263,262)	(303,199)
NET CHANGE IN TOTAL OPEB LIABILITY	55,240	400,278	198,843	(217,213)	404,973	334,525
TOTAL OPEB LIABILITY, Beginning	6,464,170	6,063,892	5,865,049	6,082,262	5,677,289	5,342,764
TOTAL OPEB LIABILITY, Ending (a)	6,519,410	6,464,170	6,063,892	5,865,049	6,082,262	5,677,289
PLAN FIDUCIARY NET POSITION						
Contributions—employer	422,549	590,803	553,680	489,626	384,527	651,525
Net investment income	(1,142,859)	1,094,961	283,525	253,939	242,652	348,287
Benefit payments	(389,269)	(440,175)	(427,407)	(414,651)	(263,262)	(303,199)
Administrative expense	(57,765)	(54,544)	(47,496)	(44,290)	(43,090)	
NET CHANGE IN PLAN FIDUCIARY NET POSITION	(1,167,344)	1,191,045	362,302	284,624	320,827	696,613
PLAN FIDUCIARY NET POSITION, Beginning	6,430,890	5,239,845	4,877,543	4,592,919	4,272,092	3,575,479
PLAN FIDUCIARY NET POSITION, Ending (b)	5,263,546	6,430,890	5,239,845	4,877,543	4,592,919	4,272,092
DISTRICT'S NET OPEB LIABILITY, Ending (a) - (b)	\$ 1,255,864	\$ 33,280	\$ 824,047	\$ 987,506	\$ 1,489,343	\$ 1,405,197
Plan fiduciary net position as a percentage of the total OPEB liability	80.74%	99.49%	86.41%	83.16%	75.51%	75.25%
Covered-employee payroll	\$ 30,080,937	\$ 29,275,851	\$ 30,927,313	\$ 30,026,517	\$ 29,342,136	\$ 28,550,884
District's net OPEB liability as a percentage of covered-employee payroll	4.17%	0.11%	2.66%	3.29%	5.08%	4.92%

Notes to Schedule:

Benefits: There were no changes to benefit terms for the years ended June 2017, 2018, 2020, 2021, and 2022. During the year ended June 30, 2019, the benefit terms reflected two changes: 1) the elimination of the post-65 liability as the District no longer participates in CalPERS Health and is no longer subject to PEMHCA; and 2) the inclusion of the implicit subsidy for CSEA and SEIU employees.

Assumptions: There were no changes in assumptions during the years ended June 30, 2022, 2021, 2020, 2018 and 2017. During the year ended June 30, 2019, the salary increases assumption changed from 2.75% to 3.00%.

* Fiscal year 2018 was the 1st year of implementation, therefore only six years are shown.

OHLONE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS

YEAR ENDED JUNE 30, 2023

LAST 10 YEARS*

	Fiscal Year				
	2023	2022	2021	2020	2019
Actuarially determined contribution	\$ 432,529	\$ 329,311	\$ 440,175	\$ 403,057	\$ 394,813
Contributions in relation to the actuarially determined contribution	<u>513,024</u>	<u>398,032</u>	<u>534,947</u>	<u>553,680</u>	<u>489,626</u>
Contribution deficiency (excess)	<u>\$ (80,495)</u>	<u>\$ (68,721)</u>	<u>\$ (94,772)</u>	<u>\$ (150,623)</u>	<u>\$ (94,813)</u>
Covered-employee payroll	\$ 35,622,070	\$ 30,080,937	\$ 29,275,851	\$ 30,927,313	\$ 30,026,517
Contributions as a percentage of covered-employee payroll	1.44%	1.32%	1.83%	1.79%	1.63%

Notes to Schedule:

* Fiscal year 2019 is the first year the District's contributions were based on actuarial determined contributions.

OHLONE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY YEAR ENDED JUNE 30, 2023 LAST 10 YEARS*

	CalSTRS Plan								
	Fiscal Year								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
	Measurement date 2022	Measurement date 2021	Measurement date 2020	Measurement date 2019	Measurement date 2018	Measurement date 2017	Measurement date 2016	Measurement date 2015	Measurement date 2014
District's proportion of the net pension liability	0.035%	0.039%	0.035%	0.037%	0.038%	0.034%	0.032%	0.040%	0.034%
District's proportionate share of the net pension liability	\$ 24,320,100	\$ 17,748,120	\$ 33,918,150	\$ 33,416,920	\$ 34,924,660	\$ 31,443,200	\$ 25,881,920	\$ 26,929,599	\$ 19,868,580
State's proportionate share of the net pension liability associated with the District	<u>12,245,253</u>	<u>8,841,345</u>	<u>17,547,721</u>	<u>18,143,294</u>	<u>19,952,828</u>	<u>18,594,067</u>	<u>14,961,744</u>	<u>14,117,331</u>	<u>15,692,586</u>
Total	<u>\$ 36,565,353</u>	<u>\$ 26,589,465</u>	<u>\$ 51,465,871</u>	<u>\$ 51,560,214</u>	<u>\$ 54,877,488</u>	<u>\$ 50,037,267</u>	<u>\$ 40,843,664</u>	<u>\$ 41,046,930</u>	<u>\$ 35,561,166</u>
District's covered-employee payroll	\$ 20,617,481	\$ 20,005,176	\$ 19,044,722	\$ 19,823,730	\$ 19,419,763	\$ 18,424,504	\$ 16,669,295	\$ 15,912,727	\$ 15,219,155
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	118%	89%	178%	169%	180%	171%	155%	169%	131%
Plan fiduciary net position as a percentage of the total pension liability	81%	87%	72%	73%	71%	69%	70%	74%	77%

Notes to Schedule:

Change of benefit terms – For the measurement date ended June 30, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014, there were no changes to the benefit terms.

Changes in assumptions – For the measurement date ended June 30, 2022, 2021, 2020, 2019, 2018, 2016, 2015 and 2014, there were no changes in assumptions. For the measurement date ended June 30, 2017, the consumer price inflation changed from 3.00% to 2.75%, investment rate of return changed from 7.60% to 7.10% and wage growth changed from 3.75% to 3.50%.

* Fiscal year 2015 was the 1st year of implementation, therefore only nine years are shown.

OHLONE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY YEAR ENDED JUNE 30, 2023 LAST 10 YEARS*

	CalPERS Plan								
	Fiscal Year								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
	Measurement date 2022	Measurement date 2021	Measurement date 2020	Measurement date 2019	Measurement date 2018	Measurement date 2017	Measurement date 2016	Measurement date 2015	Measurement date 2014
District's proportion of the net pension liability	0.1283%	0.1204%	0.1215%	0.1263%	0.1269%	0.1293%	0.1340%	0.1391%	0.1386%
District's proportionate share of the net pension liability	\$ 44,147,544	\$ 24,473,506	\$ 37,269,812	\$ 36,805,401	\$ 33,822,204	\$ 30,872,097	\$ 26,465,083	\$ 20,503,477	\$ 15,734,475
District's covered-employee payroll	\$ 19,804,398	\$ 17,437,549	\$ 17,600,714	\$ 17,573,636	\$ 16,810,092	\$ 16,573,023	\$ 16,061,460	\$ 15,388,831	\$ 14,626,655
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	223%	140%	212%	209%	201%	186%	165%	133%	108%
Plan fiduciary net position as a percentage of the total pension liability	70%	81%	70%	70%	71%	72%	74%	79%	83%

Notes to Schedule:

Change of benefit terms – For the measurement date ended June 30, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014, there were no changes to the benefit terms.

Changes in assumptions – For the measurement date ended June 30, 2015, the discount rate changed from 7.50% (net of administrative expenses in 2014) to 7.65% to correct an adjustment which previously reduced the discount rate for administrative expenses. For the measurement dates ended June 30, 2021, 2020, 2019, 2016 and 2014, there were no changes in assumptions. For the measurement date ended June 30, 2017, the discount rate changed from 7.65% to 7.15%. For the measurement date ended June 30, 2018, the demographic assumptions and inflation rates were changed. The inflation rate was lowered from 2.75% to 2.50%. For the measurement date ended June 30, 2022, the discount rate was reduced from 7.15% to 6.90%.

* Fiscal year 2015 was the 1st year of implementation, therefore only nine years are shown.

OHLONE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
YEAR ENDED JUNE 30, 2023
LAST 10 YEARS*

	CalSTRS Plan								
	Fiscal Year								
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 3,950,891	\$ 3,492,346	\$ 3,234,592	\$ 3,243,522	\$ 3,211,992	\$ 2,795,301	\$ 2,304,620	\$ 1,783,950	\$ 2,712,205
Contributions in relation to the contractually required contributions	<u>(3,950,891)</u>	<u>(3,492,346)</u>	<u>(3,234,592)</u>	<u>(3,243,522)</u>	<u>(3,211,992)</u>	<u>(2,795,301)</u>	<u>(2,304,620)</u>	<u>(1,783,950)</u>	<u>(2,712,205)</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered-employee payroll	\$ 20,720,120	\$ 20,617,481	\$ 20,005,176	\$ 19,044,722	\$ 19,823,730	\$ 19,419,763	\$ 18,424,504	\$ 16,669,294	\$ 15,912,727
Contributions as a percentage of covered-employee payroll	19.07%	16.94%	16.17%	17.03%	16.20%	14.39%	12.51%	10.70%	17.04%

* Fiscal year 2015 was the 1st year of implementation, therefore only nine years are shown.

OHLONE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
YEAR ENDED JUNE 30, 2023
LAST 10 YEARS*

	CalPERS Plan								
	Fiscal Year								
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 5,240,023	\$ 4,511,610	\$ 3,583,828	\$ 3,453,811	\$ 3,161,576	\$ 2,601,991	\$ 2,292,421	\$ 1,902,778	\$ 2,877,394
Contributions in relation to the contractually required contributions	<u>(5,240,023)</u>	<u>(4,511,610)</u>	<u>(3,583,828)</u>	<u>(3,453,811)</u>	<u>(3,161,576)</u>	<u>(2,601,991)</u>	<u>(2,292,421)</u>	<u>(1,902,778)</u>	<u>(2,877,394)</u>
Contribution deficiency (excess)	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>
District's covered-employee payroll	\$ 20,788,276	\$ 19,804,398	\$ 17,437,549	\$ 17,600,714	\$ 17,573,636	\$ 16,810,092	\$ 16,573,023	\$ 16,061,462	\$ 15,388,833
Contributions as a percentage of covered-employee payroll	25.21%	22.78%	20.55%	19.62%	17.99%	15.48%	13.83%	11.85%	18.70%

* Fiscal year 2015 was the 1st year of implementation, therefore only nine years are shown.

SUPPLEMENTARY INFORMATION SECTION

OHLONE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Program Expenditures
U.S. Department of Education:			
Student Financial Assistance Programs Cluster:			
Pell Grant Program	84.063	N/A	\$ 4,050,268
Supplemental Educational Opportunity Grant Program	84.007	N/A	167,889
Federal Work-Study Program	84.033	N/A	82,122
Direct Student Loan Program	84.628	N/A	<u>429,134</u>
Subtotal Student Financial Assistance Programs Cluster			<u>4,729,413</u>
Passed Through Gallaudet University:			
Gallaudet University	84.910A	N/A	<u>196,188</u>
Passed Through California Community College Chancellor's Office:			
Career and Technical Education - Title II-C	84.048	00-021-23	<u>186,782</u>
Education Stabilization Fund:			
COVID-19 Higher Education Emergency Relief Fund (HEERF) - Student Portion III	84.425E	N/A	179,444
COVID-19 Higher Education Emergency Relief Fund (HEERF) - Institutional Portion III	84.425F	N/A	<u>819,128</u>
Subtotal Education Stabilization Fund			<u>998,572</u>
Total U.S. Department of Education			<u>6,110,955</u>
National Science Foundation			
Smart Advanced Manufacturing Education in the Silicon Valley	47.076	N/A	<u>91,056</u>
U.S. Department of Health and Human Services:			
Passed Through CCCCCO:			
Temporary Assistance to Needy Families (TANF)/477 Cluster	93.558	N/A	<u>27,922</u>
Total U.S. Department of Health and Human Services			<u>27,922</u>
U.S. Department of Labor			
Passed Through Alameda County Workforce:			
WIOA Adult Program	17.258	22800	426,378
WIOA Dislocated Workers	17.278	22800	561,353
WIOA Youth	17.279	22478	<u>180,938</u>
Subtotal for Passed Through Alameda County Workforce/WIOA Cluster			<u>1,168,669</u>
Total U.S. Department of Labor			<u>1,168,669</u>
Total Expenditures of Federal Awards			<u>\$ 7,398,602</u>

See the accompanying notes to supplemental information.

OHLONE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF STATE FINANCIAL ASSISTANCE YEAR ENDED JUNE 30, 2023

Program Title	Entitlements		Program Revenues			Program Expenditures
	Current Year	Unearned Revenue and Cash Received	Accounts Receivable	Unearned/Payables	Total	
Instructional Equipment (On-going)	\$ 1,075,460	\$ 5,053,902		\$ 4,659,499	\$ 394,403	\$ 394,403
CAEP (Formally AEBG) 21/22		53,460			53,460	53,460
CAEP (Formally AEBG) 22/23	86,918	86,918		28,032	58,886	58,886
Guided Pathways	257,443	257,443		217,777	39,666	39,666
Zero Textbook cost Program	20,000	20,000		17,422	2,578	2,578
Zero Textbook cost Program - one time	180,000	180,000		180,000		
DII LSP		7,679		6,400	1,279	1,279
Student Equity Achievement 21/22		629,492			629,492	629,492
Student Equity Achievement 22/23	2,715,571	2,715,571		543,407	2,172,164	2,172,164
Disabled Student Program and Services	1,999,246	1,999,246			1,999,246	1,999,246
Extended Opportunity Program & Services 21/22		168,772			168,772	168,772
Extended Opportunity Program & Services 22/23	702,928	702,928		317,258	385,670	385,670
Mental Health Services 19/20		14,592			14,592	14,592
Mental Health Support	219,414	373,209		47,946	325,263	325,263
Student Financial Aid Administration (BFAP)	324,535	324,535			324,535	324,535
Enroll Fee Admin (2%) BOGG	57,121	57,121			57,121	57,121
Financial Aid Technology Grant	50,094	57,151		6,311	50,840	50,840
Veteran Resource Center	44,123	130,000		65,070	64,930	64,930
Transfer & Articulation		932		932		
Basic Needs Centers	271,856	472,716		273,694	199,022	199,022
Basic Needs Services	222,200	440,230		371,738	68,492	68,492
Retention and Enrollment Outreach (SB 85)	391,694	986,354		287,299	699,055	699,055
Cal Fresh Outreach (SB 85)		3,458			3,458	3,458
LGBTQ+		82,357		81,451	906	906
Rising Scholars	382,500	57,375		43,358	14,017	14,017
Nextup	108,336	108,600		105,124	3,476	3,476
Undocumented Resources Liaisons 21/22		68,546		13,525	55,021	55,021
Undocumented Resources Liaisons 22/23	88,730	88,730		78,729	10,001	10,001
Cooperative Agency Resource Education 21/22		29,713		6,839	22,874	22,874
Cooperative Agency Resource Education 22/23	116,417	116,417		106,398	10,019	10,019
Calworks 20/21		8,430		3,611	4,819	4,819
Calworks 21/22		76,720		12,761	63,959	63,959
Calworks 22/23	132,372	132,372		108,305	24,067	24,067
Hunger Free Campus		1,391			1,391	1,391
Classified Staff Development		291		291		
Culturally competent		50,435		50,435		
Equal Employment Opportunity	138,888	151,042		7,990	143,052	143,052
EEO Best practices		137,840		92,655	45,185	45,185
System-Wide Tech & Data Security	50,000	50,000		32,000	18,000	18,000
Local System-Wide Tech & Data Security	300,000	300,000		276,000	24,000	24,000
Covid-19 Response Block Grant	3,905,053	3,905,053		2,868,161	1,036,892	1,036,892
Nursing Education 20/21		12,052		12,052		
Nursing Education 21/22		6,782		6,782		
Nursing Education 22/23	109,267	109,267		6,910	102,357	102,357
Strong Workforce Program 20/21		14,791			14,791	14,791
Strong Workforce Program 21/22		885,997		71,049	814,948	814,948
Strong Workforce Program 22/23	922,456	922,456		922,456		
Student Housing	580,000	580,000		8,574	571,426	571,426
California College Promise 21/22		620,173			620,173	620,173
California College Promise 22/23	647,169	722,226		286,405	435,821	435,821

OHLONE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF STATE FINANCIAL ASSISTANCE (continued) YEAR ENDED JUNE 30, 2023

Program Title	Entitlements	Program Revenues			Total	Program Expenditures
	Current Year	Unearned Revenue and Cash Received	Accounts Receivable	Unearned/Payables		
Strong Workforce Program 20/21		128,069			128,069	128,069
Strong Workforce Program 21/22		144,419	\$ 234,894		379,313	379,313
Strong Workforce Program 22/23	482,351	144,705		144,705		
MESA	530,136		14,133		14,133	14,133
On-Behalf Payment_fund 21 (Revenue)		114,111			114,111	
On-Behalf Payment_fund 21 (Expense)						114,111
HHREC - Mental Health Advocacy Training	25,000	16,706			16,706	16,706
HHREC - Mental Health Navigator Training	75,000	43,601			43,601	43,601
Health Center - Mini grant		281		17	264	264
Mental Health Equity Scholarship		46			46	46
Student Health Center (PHI)	23,959	28,158		3	28,155	28,155
Health Center - TRDRP		18,292		2,101	16,191	16,191
OSHPD Wet Grant - ACBH Scholarship Program	100,000	89,858			89,858	89,858
ICT - DSN		1,816		1,816		
CAI (CA Apprenticeship Initiative)	100	53,271	35,397		88,668	88,668
IEPI 18/19				8079	(8,079)	
IEPI 20/21		5,439		5,439		
CENIC		2,864		2,864		
Child Development Consortium		138		138		
LAEP	925,341	925,341		896,143	29,198	29,198
La Familia CalWorks		4,572		4,572		
Reginal Equity & Recovery Partnership	29,847	29,847		29,847		
Asian American, Native Hawaiian		150,697		150,697		
Fund 41 - Deferred Maintenance (FY 17-18)		4,436			4,436	4,436
Fund 41 - Deferred Maintenance (FY 19-20)		1,289		1,098	191	191
Fund 41 - Deferred Maintenance (FY 21-22)		1,539,895		163,565	1,376,330	1,376,330
Fund 41 - Deferred Maintenance (FY 22-23)	1,890,760	3,660,113		2,631,758	1,028,355	1,028,355
Cal Grant	552,588	522,992	29,596		552,588	552,588
SSCG-Student Success Completion Grant	2,382,122	2,382,122		1,516,253	865,869	865,869
California College Promise	245,232	245,232			245,232	245,232
Stupski Emergency Student Grant	574		574		574	574
Chafee grant	2,500		2,500		2,500	2,500
Emergency Financial Assistance	586,258	586,258		586,258		
Total	\$ 23,951,559	\$ 34,819,334	\$ 317,094	\$ 18,370,001	\$ 16,766,428	\$ 16,774,506

OHLONE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT ANNUAL (ACTUAL) ATTENDANCE YEAR ENDED JUNE 30, 2023

STATE GENERAL APPORTIONMENT

The Full-Time Equivalent Students (FTES) eligibility for 2022-23 State apportionment reported to the State of California as of June 30, 2023, is summarized below:

<u>Categories</u>	<u>Reported Data *</u>	<u>Audit Adjustments</u>	<u>Revised Data</u>
A. Summer Intersession (Summer 2022 Only)			
1. Noncredit	14.08	0.00	14.08
2. Credit	827.79	0.00	827.79
B. Summer Intersession (Summer 2023 - Prior to July 1, 2023)			
1. Noncredit	0.00	0.00	0.00
2. Credit	37.40	0.00	37.40
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses:			
(a) Weekly Census Contact Hours	1,678.79	0.00	1,678.79
(b) Daily Census Contact Hours	184.40	0.00	184.40
2. Actual Hours of Attendance Courses:			
(a) Noncredit	82.18	0.00	82.18
(b) Credit	617.24	0.00	617.24
3. Alternative Attendance Accounting Procedure Courses:			
(a) Weekly Census Procedure Courses	1,853.03	0.00	1,853.03
(b) Daily Census Procedure Courses	838.94	0.00	838.94
(c) Noncredit Independent Study	8.08	0.00	8.08
D. Total Full-Time Equivalent Students	6,141.93	0.00	6,141.93
<u>Supplemental Information</u>			
E. In-service Training Courses (FTES)	373.82	0.00	373.82
F. Basic Skills Courses and Immigrant Education (FTES)			
(a) Noncredit	79.56	0.00	79.56
(b) Credit	29.00	0.00	29.00
<u>CCFS 320 Addendum</u>			
CDCP Noncredit FTES	94.04	0.00	94.04
Centers FTES			
(a) Noncredit	3.84	0.00	3.84
(b) Credit	2,077.55	0.00	2,077.55

* FTES reported in the Recal Apportionment Attendance Report (CCFS-320) by the District on November 1, 2023.

OHLONE COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF ECS 84362 (50 PERCENT LAW) CALCULATION YEAR ENDED JUNE 30, 2023

	Object/TOP Codes	Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6110			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
ACADEMIC SALARIES							
Instructional Salaries:							
Contract or Regular	1100	\$ 11,586,903		\$ 11,586,903	\$ 11,586,903		\$ 11,586,903
Other	1300	9,181,752		9,181,752	9,181,752		9,181,752
Total Instructional Salaries		<u>20,768,655</u>		<u>20,768,655</u>	<u>20,768,655</u>		<u>20,768,655</u>
Non-Instructional Salaries:							
Contract or Regular	1200				5,039,551		5,039,551
Other	1400				406,577		406,577
Total Non-Instructional Salaries					<u>5,446,128</u>		<u>5,446,128</u>
Total Academic Salaries		<u>20,768,655</u>		<u>20,768,655</u>	<u>26,214,783</u>		<u>26,214,783</u>
CLASSIFIED SALARIES							
Non-Instructional Salaries:							
Regular Status	2100				10,882,160		10,882,160
Other	2300				803,270		803,270
Total Non-Instructional Salaries					<u>11,685,430</u>		<u>11,685,430</u>
Instructional Aides:							
Regular Status	2200	1,430,878		1,430,878	1,430,878		1,430,878
Other	2400	291,606		291,606	291,606		291,606
Total Instructional Aides		<u>1,722,484</u>		<u>1,722,484</u>	<u>1,722,484</u>		<u>1,722,484</u>
Total Classified Salaries		<u>1,722,484</u>		<u>1,722,484</u>	<u>13,407,914</u>		<u>13,407,914</u>
Employee Benefits	3000	7,298,487		7,298,487	14,978,138		14,978,138
Supplies and Materials	4000				461,571		461,571
Other Operating Expenses	5000	1,350,739		1,350,739	8,677,547		8,677,547
Equipment Replacement	6420						
TOTAL EXPENDITURES PRIOR TO EXCLUSIONS		<u>31,140,365</u>		<u>31,140,365</u>	<u>63,739,953</u>		<u>63,739,953</u>

OHLONE COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF ECS 84362 (50 PERCENT LAW) CALCULATION YEAR ENDED JUNE 30, 2023

	Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6110			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799			
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
EXCLUSIONS							
Activities to Exclude:							
Instructional Staff-Retirees' Benefits and Retirement Incentives	5900	40,000		40,000	30,000		30,000
Student Health Services Above Amount Collected	6441						
Student Transportation	6491				54,000		54,000
Noninstructional Staff-Retirees' Benefits and Retirement Incentives	6740						
Objects to Exclude:							
Rents and Leases	5060						
Lottery Expenditures:							
Academic Salaries	1000						
Classified Salaries	2000						
Employee Benefits	3000						
Supplies and Materials:							
Software	4100						
Books, Magazines, & Periodicals	4200				7,596		7,596
Instructional Supplies & Materials	4300						
Noninstructional Supplies & Materials	4400				333,900		333,900
Total Supplies and Materials					341,496		341,496
Other Operating Expenses and Services	5000				1,574,868		1,574,868
Capital Outlay:							
Library Books	6300						
Equipment:							
Equipment - Additional	6410				242,812		242,812
Equipment - Replacement	6420						
Total Equipment					242,812		242,812
Total Capital Outlay					242,812		242,812
Other Outgo	7000						
TOTAL EXCLUSIONS		<u>40,000</u>		<u>40,000</u>	<u>2,243,176</u>		<u>2,243,176</u>
Total for ECS 84362, 50% Law		<u>\$ 31,100,365</u>	<u>\$</u>	<u>\$ 31,100,365</u>	<u>\$ 61,496,777</u>	<u>\$</u>	<u>\$ 61,496,777</u>
Percent of CEE (Instructional Salary Cost / Total CEE)		50.57%		50.57%	100%		100%
50% of Current Expense of Education					\$ 30,748,388		\$ 30,748,388

OHLONE COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF EDUCATION PROTECTION ACCOUNT EXPENDITURES TO DISTRICT ACCOUNTING RECORDS YEAR ENDED JUNE 30, 2023

Education Protection Act (EPA) Expenditure Report

Activity Classification	Activity Code				Unrestricted
EPA Proceeds:	8630				\$ 3,433,601
Activity Classification	Activity Code	Salaries and Benefits (1000-3000)	Operating Expenses (4000-5000)	Capital Outlay (6000)	Total
Instructional Activities	0100-5900		\$ 3,433,601	_____	\$ 3,433,601
Total Expenditures for EPA*		\$ _____	\$ 3,433,601	\$ _____	3,433,601
Revenues less Expenditures					\$ _____

*Total Expenditures for EPA may not include Administrator Salaries and Benefits or other administrative costs.

OHLONE COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS TO NET POSITION YEAR ENDED JUNE 30, 2023

Fund Balance:

General Fund	\$ 17,100,420
Bond Interest and Redemption Fund	15,798,257
Capital Outlay Projects Fund	3,312,007
Revenue Bond Construction Fund	548,794
Other Internal Services Fund	5,352,261
Associated Students Trust Fund	574,148
Student Representation Fund	(5,869)
Financial Aid Trust Fund	102,754
Scholarship & Loan Trust Fund	279,590
Other Trust Funds	<u>437,703</u>
Budget Report (CCFS-311)	43,500,065

Net Audit Adjustments:

No adjustments were made to the District's Funds	
Total Fund Balance	<u>43,500,065</u>

Reconciliation to Net Position:

Fair market value adjustment	(7,398,171)
Capital assets, net	472,467,534
Lease receivable	254,461
Deferred amount on refunding	20,554,961
Deferred outflows of resources related to OPEB	1,621,090
Deferred outflows of resources related to pensions	20,239,107
Interest received on endowment account	9,140,121
Interest payable	(5,638,993)
Long-term debt not reported in fund based statements	(497,198,728)
Deferred inflows of resources related to OPEB	(416,926)
Deferred inflows of resources related to pensions	(4,668,120)
Deferred inflows of resources related to lease assets	<u>(247,501)</u>
Total Net Position	<u>\$ 52,208,900</u>

OHLONE COMMUNITY COLLEGE DISTRICT

NOTES TO SUPPLEMENTARY INFORMATION YEAR ENDED JUNE 30, 2023

1. PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards

The audit of the District for the year ended June 30, 2023, was conducted in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), which requires disclosure of the financial activities of all federally funded programs. To comply with Uniform Guidance, the Schedule of Expenditures of Federal Awards was prepared by the District.

- General – The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the District. The District reporting entity is defined in Note 1 to the District’s basic financial statements.
- Basis of Accounting – The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 2 to the District’s basic financial statements.
- Indirect Cost Rate – The District elected to use the 10% de minimis indirect cost rate.
- Subrecipients – The District did not provide federal awards to subrecipients during the year ended June 30, 2023.

Schedule of State Financial Assistance

The California Community Colleges Chancellor’s Office requires disclosure of the financial activities of all state funded programs. To comply with this requirement, the Schedule of State Financial Assistance is presented.

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

Full-time equivalent students (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 on which apportionments of State funds are made to community college districts. This schedule provides information regarding the attendance of students based on various methods of accumulating attendance data.

Reconciliation of the ECS 84362 (50 Percent Law) Calculation

The Reconciliation of ECS 84362 (50 Percent Law) Calculation form shows the annual reported data from the CCFS-311 and any audit adjustments.

Reconciliation of Education Protection Account Expenditures to District Accounting Records

This reconciliation of Education Protection Account Expenditures shows the annual general apportionment and the expenditures the District applied toward the apportionment.

OHLONE COMMUNITY COLLEGE DISTRICT

NOTES TO SUPPLEMENTARY INFORMATION YEAR ENDED JUNE 30, 2023

Reconciliation of Governmental Funds to Statement of Net Position

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

OTHER INDEPENDENT AUDITOR'S REPORTS

**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
Ohlone Community College District
Fremont, California**

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

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



**GILBERT CPAs
Sacramento, California**

November 30, 2023

INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

**Board of Trustees
Ohlone Community College District
Fremont, California**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Ohlone Community College District’s (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2023. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

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

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

internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

A handwritten signature in black ink that reads "Gilbert CPAs". The signature is written in a cursive, flowing style.

**GILBERT CPAs
Sacramento, California**

November 30, 2023

INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH APPLICABLE REQUIREMENTS IN ACCORDANCE WITH THE CONTRACTED DISTRICT AUDIT MANUAL

**Board of Trustees
Ohlone Community College District
Fremont, California**

Report on Compliance with Applicable Requirements

Opinion on State Compliance

We have audited the Ohlone Community College District’s (the District) compliance with the types of compliance requirements identified as subject to audit in Section 400, State Compliance Requirements, of the *Contracted District Audit Manual*, issued by the California Community Colleges Chancellor's Office identified in the schedule below for the year ended June 30, 2023.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above for the fiscal year ended June 30, 2023.

Basis for Opinion on State Compliance

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 Section 400, State Compliance Requirements, of the *Contracted District Audit Manual*, issued by the California Community Colleges Chancellor's Office. Our responsibilities under those standards and the Contracted District Audit Manual are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Contracted District Audit Manual, we:

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

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

In connection with the requirements referred to above, we have selected and tested transactions and records to determine the District's compliance with the applicable programs identified below:

- SCFF Data Management Control Environment
- SCFF Supplemental Allocation Metrics
- SCFF Success Allocation Metrics
- Salaries of Classroom Instructors (50 Percent Law)
- Apportionment for Activities Funded from Other Sources
- Student Centered Funding Formula Base Allocation: FTES
- Residency Determination for Credit Courses
- Students Actively Enrolled
- Dual Enrollment (CCAP)
- Scheduled Maintenance Program
- Gann Limit Calculation
- Apprenticeship Related and Supplemental Instruction (RSI) Funds
- Disabled Student Programs and Services (DSPS)
- Proposition 1D and 51 State Bond Funded Projects

- Education Protection Account Funds
- Student Representation Fee
- State Fiscal Recovery Fund
- COVID-19 Response Block Grant Expenditures

Gilbert CPAs

**GILBERT CPAs
Sacramento, California**

November 30, 2023

FINDINGS AND RECOMMENDATIONS SECTION

OHLONE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____	Yes		_____	X	No
Significant deficiency(ies) identified?	_____	Yes		_____	X	None Reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	_____	Yes		_____	X	No
Significant deficiency(ies) identified?	_____	Yes		_____	X	None Reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs

<u>Assistance listing Numbers</u>	<u>Name of Federal Programs or Cluster</u>
84.425F, 84.425E	COVID-19 Higher Education Emergency Relief Fund (HEERF)
84.063, 84.007, 84.033, 84.628	Student Financial Assistance Program Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? _____ X Yes _____ No

State Awards

Internal control over state programs:

Material weakness(es) identified?	_____	Yes		_____	X	No
Significant deficiency(ies) identified?	_____	Yes		_____	X	None Reported

Any audit findings disclosed that are required to be disclosed in accordance with Contracted District Audit Manual? _____ Yes X No

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

OHLONE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no financial statement findings reported.

SECTION III – STATE COMPLIANCE

There were no state compliance findings reported.

SECTION IV - FEDERAL COMPLIANCE

There were no federal compliance findings reported.

OHLONE COMMUNITY COLLEGE DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
YEAR ENDED JUNE 30, 2023

There were no findings reported in the prior year.

OTHER INFORMATION (UNAUDITED)

OHLONE COMMUNITY COLLEGE DISTRICT

COMBINING STATEMENTS OF FUND BALANCE/NET POSITION BY FUND JUNE 30, 2023 (UNAUDITED)

	Fund 10-18	Fund 20	Fund 21	Fund 25	Fund 26	Fund 41	Fund 43	Fund 35
	Unrestricted General Fund	Categorical Programs Restricted General Fund	Grants Restricted General Fund	Parking fund Restricted General Fund	Health Services Restricted General Fund	Capital Projects Fund	Measure G Bond Construction Fund	Bond Interest and Redemption Fund
Assets:								
Current assets:								
Cash and cash equivalents	\$ 23,213,065	\$ 11,671,317	\$ 2,475,948	\$ 270,518	\$ 425,900	\$ 6,480,217	\$ (9,307,233)	\$ 19,363,671
Restricted Cash and Cash Equivalents								
Receivables, net	2,622,293	182,341	1,186,438	1,219				
Lease receivable								
Due from other funds								
Prepaid expenses/expenditures	398,518	524,578	48,509					
Total current assets	<u>26,233,876</u>	<u>12,378,236</u>	<u>3,710,895</u>	<u>271,737</u>	<u>425,900</u>	<u>6,480,217</u>	<u>(9,307,233)</u>	<u>19,363,671</u>
Noncurrent assets:								
Restricted cash and equivalents								
Long term Investments							10,000,000	
Lease receivable								
Depreciable capital assets, net								
Nondepreciable capital assets								
Total noncurrent assets							<u>10,000,000</u>	
Total assets	<u>26,233,876</u>	<u>12,378,236</u>	<u>3,710,895</u>	<u>271,737</u>	<u>425,900</u>	<u>6,480,217</u>	<u>692,767</u>	<u>19,363,671</u>
Deferred outflows of resources:								
Deferred amount on refunding								(3,565,414)
Deferred outflows of resources related to pensions								
Deferred outflows of resources related to OPEB								
Total deferred outflows of resources								<u>(3,565,414)</u>
Liabilities:								
Current liabilities:								
Accounts payable	2,561,096	511						
Accrued payroll	4,138,545							
Unearned Revenue	2,770,910	12,376,167	1,569,362		161,537	367,367	2,800,843	143,973
Interest payable								
Due to other funds	1,701,051							
Long-term liabilities, current portion	529,217							
Total current liabilities	<u>11,700,819</u>	<u>12,376,678</u>	<u>1,569,362</u>		<u>161,537</u>	<u>3,168,210</u>	<u>143,973</u>	
Noncurrent liabilities:								
Compensated absences	111,828							
Net pension Liability								
Net OPEB liability								
Long-term liabilities, noncurrent portion								
Total noncurrent liabilities	<u>111,828</u>							
Total liabilities	<u>11,812,647</u>	<u>12,376,678</u>	<u>1,569,362</u>		<u>161,537</u>	<u>3,168,210</u>	<u>143,973</u>	
Deferred inflows of resources:								
Deferred inflows of resources related to pensions								
Deferred inflows of resources related to OPEB								
Deferred inflows of resources related to Lease assets								
Total deferred inflows of resources								
Fund balance/net position:								
Net investment in capital assets								
Restricted for:								
Scholarships								
Financial Aid								
Capital projects						3,312,007		
Debt service								
Student Activities and other trusts								
Educational programs			1,955,657					
Unrestricted	14,421,229	1,558	185,876	271,737	264,363		548,794	15,798,257
Total fund balance/net position	<u>\$ 14,421,229</u>	<u>\$ 1,558</u>	<u>\$ 2,141,533</u>	<u>\$ 271,737</u>	<u>\$ 264,363</u>	<u>\$ 3,312,007</u>	<u>\$ 548,794</u>	<u>\$ 15,798,257</u>

OHLONE COMMUNITY COLLEGE DISTRICT

COMBINING STATEMENTS OF FUND BALANCE/NET POSITION BY FUND (Continued) JUNE 30, 2023 (UNAUDITED)

	Fund 69	Fund 71	Fund 72	Fund 79	Fund 81	Fund 74			
	Internal Services Fund	ASOC General fund Trust Funds	Student Representation Fund	Other Trust and agency Funds	Scholarship and student clubs Other Trust Funds	Student Financial Aid Fund	Totals	Reconciling Adjustments/ Eliminations	Statement of Net Position
Assets:									
Current assets:									
Cash and cash equivalents	\$ 5,458,283	\$ 395,527	\$ 6,902	\$ 542,923	\$ 103,077	\$ 603,436	\$ 61,703,551	\$(18,182,555)	\$ 43,520,996
Restricted Cash and Cash Equivalents							21,837,279		21,837,279
Receivables, net		10,241			196,800	197,392	4,396,724	5	4,396,729
Lease receivable								71,215	71,215
Due from other funds						1,701,051	1,701,051	(1,701,051)	
Prepaid expenses/expenditures	3,912					12,544	988,061	1	988,062
Total current assets	5,462,195	405,768	6,902	542,923	299,877	2,514,423	68,789,387	2,024,894	70,814,281
Noncurrent assets:									
Restricted cash and equivalents								8,308,671	8,308,671
Long term Investments		221,451					10,221,451	(10,221,451)	
Lease receivable								183,246	183,246
Depreciable capital assets, net								431,352,770	431,352,770
Nondepreciable capital assets								41,114,764	41,114,764
Total noncurrent assets		221,451					10,221,451	470,738,000	480,959,451
Total assets	5,462,195	627,219	6,902	542,923	299,877	2,514,423	79,010,838	472,762,894	551,773,732
Deferred outflows of resources:									
Deferred amount on refunding							(3,565,414)	24,120,375	20,554,961
Deferred outflows of resources related to pensions								20,239,107	20,239,107
Deferred outflows of resources related to OPEB								1,621,090	1,621,090
Total deferred outflows of resources							(3,565,414)	45,980,572	42,415,158
Liabilities:									
Current liabilities:									
Accounts payable							2,561,607	937,694	3,499,301
Accrued payroll	9,934	35,718	7,869	105,220	20,287	309,158	5,138,071	(937,694)	4,200,377
Unearned Revenue		17,353	4,902			2,102,511	21,803,585	(1)	21,803,584
Interest payable								5,638,993	5,638,993
Due to other funds							1,701,051	(1,701,051)	
Long-term liabilities, current portion							529,217	12,956,163	13,485,380
Total current liabilities	9,934	53,071	12,771	105,220	20,287	2,411,669	31,733,531	16,894,104	48,627,635
Noncurrent liabilities:									
Compensated absences							111,828	(111,828)	
Net pension Liability								68,467,644	68,467,644
Net OPEB liability	100,000						100,000	1,155,864	1,255,864
Long-term liabilities, noncurrent portion								418,296,300	418,296,300
Total noncurrent liabilities	100,000						211,828	487,807,980	488,019,808
Total liabilities	109,934	53,071	12,771	105,220	20,287	2,411,669	31,945,359	504,702,084	536,647,443
Deferred inflows of resources:									
Deferred inflows of resources related to pensions								4,668,120	4,668,120
Deferred inflows of resources related to OPEB								416,926	416,926
Deferred inflows of resources related to Lease assets								247,501	247,501
Total deferred inflows of resources								5,332,547	5,332,547
Fund balance/net position:									
Net investment in capital assets								66,294,090	66,294,090
Restricted for:									
Scholarships									
Financial Aid						102,754	102,754		102,754
Capital projects							3,312,007		3,312,007
Debt service								13,724,678	13,724,678
Student Activities and other trusts		574,148	(5,869)	437,703	279,590		1,285,572		1,285,572
Educational programs							1,955,657		1,955,657
Unrestricted	5,352,261						36,844,075	(71,309,933)	(34,465,858)
Total fund balance/net position	\$ 5,352,261	\$ 574,148	\$ (5,869)	\$ 437,703	\$ 279,590	\$ 102,754	\$ 43,500,065	\$ 8,708,835	\$ 52,208,900

OHLONE COMMUNITY COLLEGE DISTRICT

COMBINING STATEMENTS OF REVENUES, EXPENDITURES/EXPENSES, AND CHANGES IN FUND BALANCE/NET POSITION BY FUND JUNE 30, 2023 (UNAUDITED)

	Fund 10-18	Fund 20	Fund 21	Fund 25	Fund 26	Fund 41	Fund 43	Fund 35
	Unrestricted General Fund	Categorical Programs Restricted General Fund	Grants Restricted General Fund	Parking fund Restricted General Fund	Health Services Restricted General Fund	Capital Projects Fund	Measure G Bond Construction Fund	Bond Interest and Redemption Fund
Operating revenues:								
Tuition and fees	\$ 10,281,906			\$ 148,984	\$ 335,194			
Less: Scholarship discounts and allowance	(2,321,183)							
Net tuition and fees	7,960,723			148,984	335,194			
Grants and contracts, noncapital:								
Federal		\$ 210,345	\$ 2,275,078					
State	3,471,733	11,750,118	948,051					
Local	4,999		32,195					
Total operating revenues	<u>11,437,455</u>	<u>11,960,463</u>	<u>3,255,324</u>	<u>148,984</u>	<u>335,194</u>			
Operating expenditures/expenses:								
Salaries	42,411,345	6,467,238	1,300,881	550,917	36,312		\$ 283,631	
Employee benefits	15,780,469	2,094,148	617,878	214,903	20,582		133,564	
Supplies, materials, and other	841,740	810,348	473,677	10,415	539	\$ 467,947	718,064	
Operating expenses and services	9,411,358	2,464,916	1,278,278	22,557	263,530	2,297,103	2,033,547	\$ 4,685
Student aid		128,172	8,500					
Depreciation and amortization								
Total operating expenditures/expenses	<u>68,444,912</u>	<u>11,964,822</u>	<u>3,679,214</u>	<u>798,792</u>	<u>320,963</u>	<u>2,765,050</u>	<u>3,168,806</u>	<u>4,685</u>
Loss from operations	<u>(57,007,457)</u>	<u>(4,359)</u>	<u>(423,890)</u>	<u>(649,808)</u>	<u>14,231</u>	<u>(2,765,050)</u>	<u>(3,168,806)</u>	<u>(4,685)</u>
Non-operating revenues (expenditures/expenses):								
State apportionment, noncapital	20,714,809							
Education protection account	3,433,601							
Local property taxes, noncapital	29,706,962							
State taxes and other revenues	2,292,742		960,049					\$ 96,183
Interest income, noncapital	483,526							247,524
Other non-operating revenues (expenditures/expenses)	1,235,254		338,965	12,722		174,728		(3,781)
Interfund transfers out	(594,700)		(448,477)					
Interfund transfers in	40,991	4,359		637,086				
Total non-operating revenues (expenditures/expenses)	<u>57,313,185</u>	<u>4,359</u>	<u>850,537</u>	<u>649,808</u>	<u>14,231</u>	<u>174,728</u>	<u>(3,168,806)</u>	<u>339,926</u>
Gain (loss) before capital activity	<u>305,728</u>	<u>—</u>	<u>426,647</u>	<u>—</u>	<u>14,231</u>	<u>(2,590,322)</u>	<u>(3,168,806)</u>	<u>335,241</u>
Capital activity:								
State apportionment, capital						2,409,312		
Local property taxes and other revenues, capital						9,879		24,781,721
Interest income, capital						95,888	495	(9,720,000)
Debt reduction								
Loss on disposal								
Interest expense on capital asset related debt								(13,721,744)
Total capital activity						<u>2,515,079</u>	<u>495</u>	<u>1,339,977</u>
Change in fund balance/net position	<u>305,728</u>	<u>—</u>	<u>426,647</u>	<u>—</u>	<u>14,231</u>	<u>(75,243)</u>	<u>(3,168,311)</u>	<u>1,675,218</u>
Fund balance/net position, beginning of year	<u>14,115,501</u>	<u>1,558</u>	<u>1,714,886</u>	<u>271,737</u>	<u>250,132</u>	<u>3,387,250</u>	<u>3,717,105</u>	<u>14,123,039</u>
Fund balance/net position, end of year	<u>\$ 14,421,229</u>	<u>\$ 1,558</u>	<u>\$ 2,141,533</u>	<u>\$ 271,737</u>	<u>\$ 264,363</u>	<u>\$ 3,312,007</u>	<u>\$ 548,794</u>	<u>\$ 15,798,257</u>

OHLONE COMMUNITY COLLEGE DISTRICT

COMBINING STATEMENTS OF REVENUES, EXPENDITURES/EXPENSES, AND CHANGES IN FUND BALANCE/NET POSITION BY FUND (Continued) JUNE 30, 2023 (UNAUDITED)

	Fund 69	Fund 71	Fund 72	Fund 79	Fund 81	Fund 74			
	Internal Services Fund	ASOC General fund Trust Funds	Student Representation Fund	Other Trust and agency Funds	Scholarship and student clubs Other Trust Funds	Student Financial Aid Fund	Totals	Reconciling Adjustments/ Eliminations	Statement of Revenues, Expenses and Changes in Net Position
Operating revenues:									
Tuition and fees							\$ 10,766,084	\$ (486)	\$ 10,765,598
Less: Scholarship discounts and allowance							(2,321,183)		(2,321,183)
Net tuition and fees							8,444,901	(486)	8,444,415
Grants and contracts, noncapital:									
Federal						\$ 4,941,463	7,426,886		7,426,886
State						1,666,189	17,836,091	(1,205,607)	16,630,484
Local		\$ 52,303	\$ 7,869			574	97,940		97,940
Total operating revenues		52,303	7,869			6,608,226	33,805,818	(1,206,093)	32,599,725
Operating expenditures/expenses:									
Salaries		18,664		\$ 500		82,122	51,151,610		51,151,610
Employee benefits	\$ 344,167	212		47			19,205,970	(3,242,706)	15,963,264
Supplies, materials, and other		28,756	14,177	230,297	\$ 4,551	145,990	3,746,501	(2,527,486)	1,219,015
Operating expenses and services				27,235		7,617	17,810,826	(1,298,589)	16,512,237
Student aid		7,163				336,346	6,380,154	(34,230)	6,826,105
Depreciation and amortization								14,362,407	14,362,407
Total operating expenditures/expenses	344,167	54,795	14,177	258,079	340,897	6,615,883	98,775,242	7,259,396	106,034,638
Loss from operations	(344,167)	(2,492)	(6,308)	(258,079)	(340,897)	(7,657)	(64,969,424)	(8,465,489)	(73,434,913)
Non-operating revenues (expenditures/expenses):									
State apportionment, noncapital							20,714,809		20,714,809
Education protection account							3,433,601		3,433,601
Local property taxes, noncapital							29,706,962		29,706,962
State taxes and other revenues							3,348,974	(1)	3,348,973
Interest income, noncapital	81,547	6,348					818,945	17,930	836,875
Other non-operating revenues (expenditures/expenses)		11,569		159,929	337,456		2,266,842	(5,314)	2,261,528
Interfund transfers out		(2,300)		(600)			(1,046,077)		(1,046,077)
Interfund transfers in	344,167			600	2,300	16,574	1,046,077		1,046,077
Total non-operating revenues (expenditures/expenses)	425,714	15,617		159,929	339,756	16,574	60,290,133	12,615	60,302,748
Gain (loss) before capital activity	81,547	13,125	(6,308)	(98,150)	(1,141)	8,917	(4,679,291)	(8,452,874)	(13,132,165)
Capital activity:									
State apportionment, capital							2,409,312		2,409,312
Local property taxes and other revenues, capital							24,791,600	(1)	24,791,599
Interest income, capital							96,383	77,324	173,707
Debt reduction							(9,720,000)	9,720,000	-
Loss on disposal								(34,230)	(34,230)
Interest expense on capital asset related debt							(13,721,744)	405,051	(13,316,693)
Total capital activity							3,855,551	10,168,144	14,023,695
Change in fund balance/net position	81,547	13,125	(6,308)	(98,150)	(1,141)	8,917	(823,740)	1,715,270	891,530
Fund balance/net position, beginning of year	5,270,714	561,023	439	535,853	280,731	93,837	44,323,805	6,993,565	51,317,370
Fund balance/net position, end of year	\$ 5,352,261	\$ 574,148	\$ (5,869)	\$ 437,703	\$ 279,590	\$ 102,754	\$ 43,500,065	\$ 8,708,835	\$ 52,208,900

OHLONE COMMUNITY COLLEGE DISTRICT

NOTES TO UNAUDITED OTHER INFORMATION YEAR ENDED JUNE 30, 2023

1. PURPOSE OF SCHEDULES

Fund Combining Statements

The accompanying combining statements report the governmental, proprietary, and fiduciary fund activities of the District and are presented on the modified accrual basis of accounting. Therefore, some amounts presented in these combining 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 basic financial statements in accordance with GASB Statements No. 34 and No. 35 and is presented at the request of the District management.