

FEATHER RIVER COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENTS

June 30, 2021

FEATHER RIVER COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Feather River Community College District
Quincy, California

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Feather River Community College District, as of June 30, 2021, and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

(Continued)

Emphasis of Matter

As discussed in Note 1 to the financial statements, the District implemented Government Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities. This resulted in a restatement of the beginning net position totaling \$1,558. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 to 14 and the Schedule of Changes in the District's Total Other Postemployment Benefits (OPEB) Liability, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions on pages 58 to 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Feather River Community College District's basic financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* and supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards and supplementary information as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The schedule of expenditures of federal awards and supplementary information as listed in the table of contents, except for the Organization, Combining Statement of Net Position by Fund and Combining Statement of Revenues, Expenses, and Change in Net Position by Fund have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and supplementary information as listed in the table of contents, except for the Organization, Combining Statement of Net Position by Fund and Combining Statement of Revenues, Expenses, and Change in Net Position by Fund, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Organization, Combining Statement of Net Position by Fund and Combining Statement of Revenues, Expenses, and Change in Net Position by Fund have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2022 on our consideration of Feather River Community College District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Feather River Community College District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Feather River Community College District's internal control over financial reporting and compliance.



Crowe LLP

Sacramento, California
February 4, 2022

Feather River Community College District Management's Discussion and Analysis Fiscal Year Ending June 30, 2021

This discussion and analysis of Feather River Community College District's financial statements provides an overview of the District's financial activities for the year ended June 30, 2021. Management has prepared the financial statements and the related footnote disclosures along with this discussion and analysis. These financial statements and this discussion and analysis reflect the financial activities of the Feather River Community College District. In accordance with Statement No. 14, as amended by Statement No. 39 of the Governmental Accounting Standards Board (GASB), the financial data of the Foundation have been discretely presented with that of the District in these financial statements.

Overview of the Financials

Financial statements communicate the financial condition and operational results of Feather River Community College District. Our statements are presented using the terminology and classifications of activity that conform to the Governmental Accounting Standards Board's Statements of Financial Accounting.

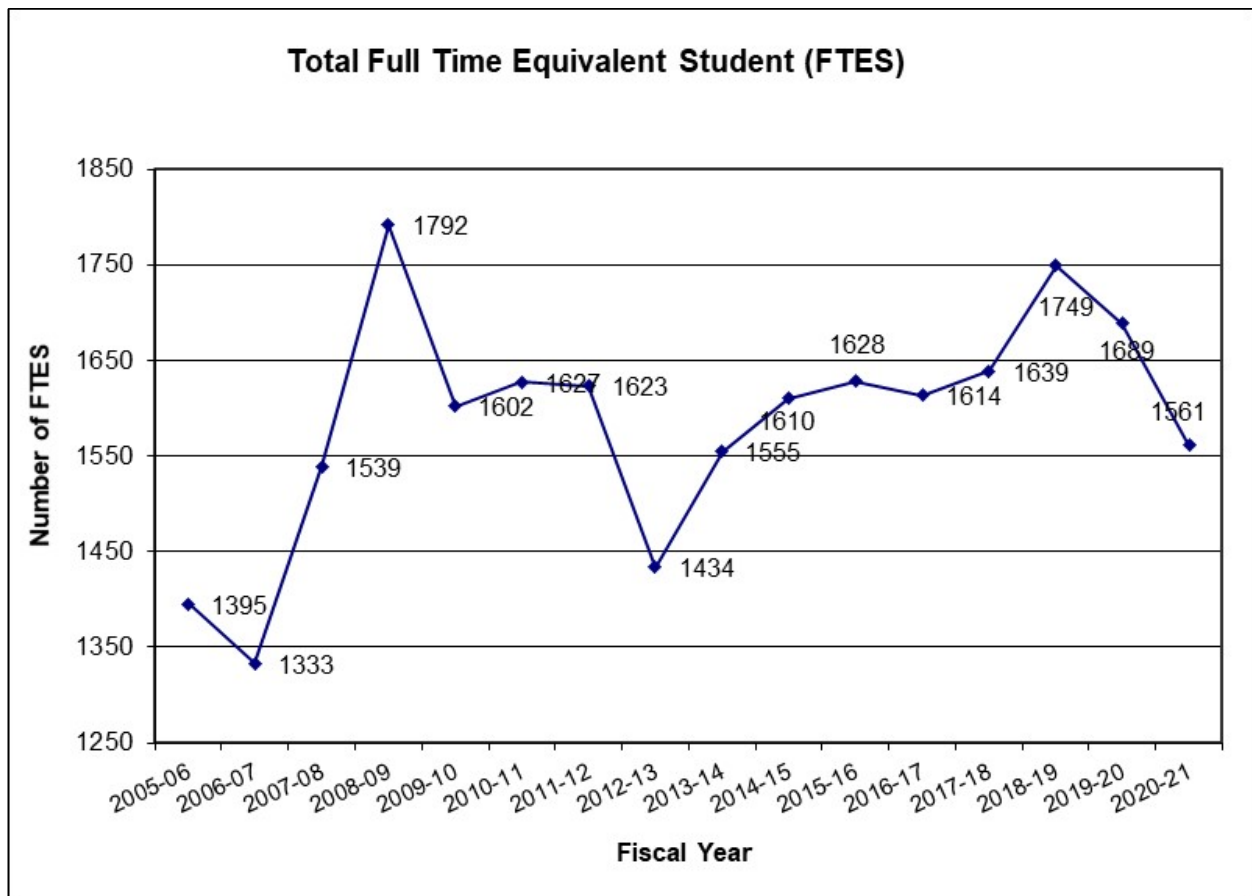
Financial Statements

The three basic financial statements included in this report are: the Statement of Net Position; the Statement of Revenues, Expenses, and Change in Net Position; and the Statement of Cash Flows.

- **Statement of Net Position.** This report presents the financial position as of the end of the fiscal year (June 30th) including assets, liabilities, and net position (formerly fund balance). It should help the reader obtain information on the College's on-going ability to provide services, as well as liquidity, financial flexibility (ability to respond to unexpected needs and opportunities), ability to meet obligations, and needs for external financing.
- **Statement of Revenues, Expenses, and Change in Net Position.** This report presents financial activity during the fiscal year, thereby reconciling the beginning and end-of-year net position contained in the Statement of Net Position. It provides profit and loss information and helps to distinguish profit and loss from operations and capital activities.
- **Statement of Cash Flows.** This report presents cash-related activities during the fiscal year, thereby reconciling the beginning and end-of-year cash balances contained in the Statement of Net Position. Like those required of for-profit entities, this statement segregates the activities of the organization into three categories: cash flows from operations, investing, and financing activities. This statement provides data that supplements information contained in the Statement of Revenues, Expenses, and Change in Position (e.g., it adjusts for the effects of accrual accounting, removes certain non-cash activities such as depreciation, and discloses cash generated or used by operating activities, investments, and new financing).

Financial and Enrollment Highlights

Full-time Equivalent Students (FTES) reported prior to the final recalculation apportionment by the State was 1,560.50 which represented a decrease of 128.43 FTES in the 2020-21 fiscal year. This represents a 7.6% decrease from the prior year. In the calculation of the funded FTES, the Student Centered Funding Formula uses a three year average of the District's reported Full-time Equivalent Students. The final allocation of funds from the State has not taken place yet. The FTES allocation is currently calculated by averaging the 1,302.11 credit FTES at \$4,009.00, 300.29 Incarcerated credit and 59.49 in Special Admit Credit FTES at \$5,621.94, and 34.84 Noncredit FTES at \$3,380.63, for the past three years. As of the State's Second Principal Apportionment calculation, the Chancellor's Office will reduce districts' FTES funding to no more than the growth target, unless sufficient funds are available to fund FTES above the targeted growth. The projected growth target is currently 0% for FRCCD.



Revenues are recorded in three categories; operating revenues, non-operating revenues and capital revenues. Operating revenues include tuition and fees, grants and contracts, revenues from auxiliary enterprises and interest. Non-operating revenues are comprised of state apportionment, local property taxes, non-capital federal grants and contracts, state taxes, interest income, and other. Capital revenues consist of state apportionments, local property taxes, and grants & gifts. Overall revenues were \$25,934,860 (\$7,261,952 in operating revenues, \$17,967,197 in non-operating revenues, and \$705,711 in capital revenues). This was a net decrease of approximately \$1,014,391 which was primarily due to the decreases in Tuition and Local and State revenues.

Expenses are recorded as operating and non-operating expenses. All expenses except some debt related capital expenses are categorized as operating expenses. Operating expenses reflect depreciation and financial aid expenses. Overall expenses were \$24,869,768. This was \$620,097 less than expenses for the prior year. Salaries and Benefits increased by \$46,560, Supplies and Materials and Other Operating Expenses increased by \$430,625, Utilities and Depreciation increased minimally by \$25,511. The majority of the decrease was in Student Financial Aid which saw a drop of \$1,125,044.

The District has no long-term lease/debt obligations as of June 30, 2021.

Statement of Net Position

The Statement of Net Position includes all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions.

- Cash and cash equivalents reflects operating cash on hand. Restricted cash and cash equivalents reflects cash held for restricted purposes by legislation, by contract, or by grantor agency. This includes cash for capital outlay projects, debt repayment, and future post-retirement benefits. Most of the cash and cash equivalents balances are held at the Plumas County Treasurer's office in accordance with Education Code Section 84000. The Plumas County Treasury's average rate of return was approximately 0.689% for the fiscal year ended June 30, 2021. Other cash and cash equivalents are held by bank trustees as reserves for debt instruments. More information on cash can be found in the footnotes to the financial statements.
- The increase in the 2020-21 year receivables of \$447,482 in comparison to the prior year was due to decreased collections of both State Apportionment and Federal and State grants.
- Capital assets are those fixed assets for which the acquisition cost exceeds the thresholds set forth in the District's Board Policies regarding depreciable assets. Such assets are then depreciated over their useful lives. The financial statements reflect the cost of capital assets, net of accumulated depreciation.
- Accounts payable consist mainly of amounts owed to suppliers for various operating purchases, to employees for accrued vacation, and to vendors for purchases of capital assets.
- Unearned revenues are amounts received but not yet earned by the District. The unearned revenues were made up of mostly state categorical programs with allowable carryover.
- Long-term debt in total, which includes both current and non-current portions, increased from the prior year. The increase in comparison to prior year was due to an increase of compensated absences payable, the LTD associated with GASB 68, and GASB 75. The reporting of the total OPEB liability increased by \$107,371. The net pension liability increased \$1,135,000 at June 30, 2021. In addition, deferred outflows and inflows of \$3,551,673 for Pension and \$166,480 for OPEB with inflows of \$755,000 were recorded as of June 30, 2021 related to pensions and OPEB.

The breakdown of net position by category for the District is displayed in the following charts:

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
STATEMENT OF NET POSITION (Condensed)
For the Years Ended June 30, 2021 and 2020
(Thousands)

	2020-2021	2019-2020	Dollar Change	Percent Change
ASSETS				
CURRENT ASSETS				
Cash & Cash Equivalents	\$ 18,177	\$ 14,693	\$ 3,484	23.7%
Receivables	2,201	1,754	447	25.5%
Inventories & Other Assets	89	76	12	16.4%
TOTAL CURRENT ASSETS	20,467	16,523	3,944	23.9%
NON-CURRENT ASSETS				
Restricted Cash & Cash Equivalents	1,244	289	954	330.0%
Foundation Notes Receivables	191	289	(99)	-34.1%
Capital Assets, Net	11,707	11,975	(268)	-2.2%
TOTAL NON-CURRENT ASSETS	13,142	12,554	588	4.7%
Deferred Outflows of Resources - Pensions	3,552	3,838	(286)	-7.5%
Deferred Outflows of Resources - OPEB	166	176	9	100.0%
TOTAL ASSETS	\$ 37,327	\$ 33,090	\$ 4,237	12.8%
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	\$ 2,330	\$ 1,389	\$ 941	67.7%
Unearned Revenue	5,152	3,848	1,304	33.9%
Long-term Debt-Current Portion	702	706	(4)	-0.6%
TOTAL CURRENT LIABILITIES	8,184	5,944	2,240	37.7%
NON-CURRENT LIABILITIES				
Long-term Debt - Non-Current Portion	18,311	17,069	1,242	7.3%
TOTAL LIABILITIES	26,495	23,012	3,483	15.1%
Deferred Inflows of Resources - Pensions	755	1,068	(313)	-29.3%
NET POSITION				
Invested in Capital Assets, Net of Related Debt	11,707	11,974	(267)	-2.2%
Restricted	13	13	-	0.0%
Unrestricted	(1,643)	(2,977)	1,334	-44.8%
TOTAL NET POSITION	10,077	9,010	1,067	11.8%
TOTAL LIABILITIES AND NET POSITION	\$ 37,327	\$ 33,090	\$ 4,237	12.8%

Net Position – the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources – is one way to measure the financial health of the District. The District's net position consist of the following:

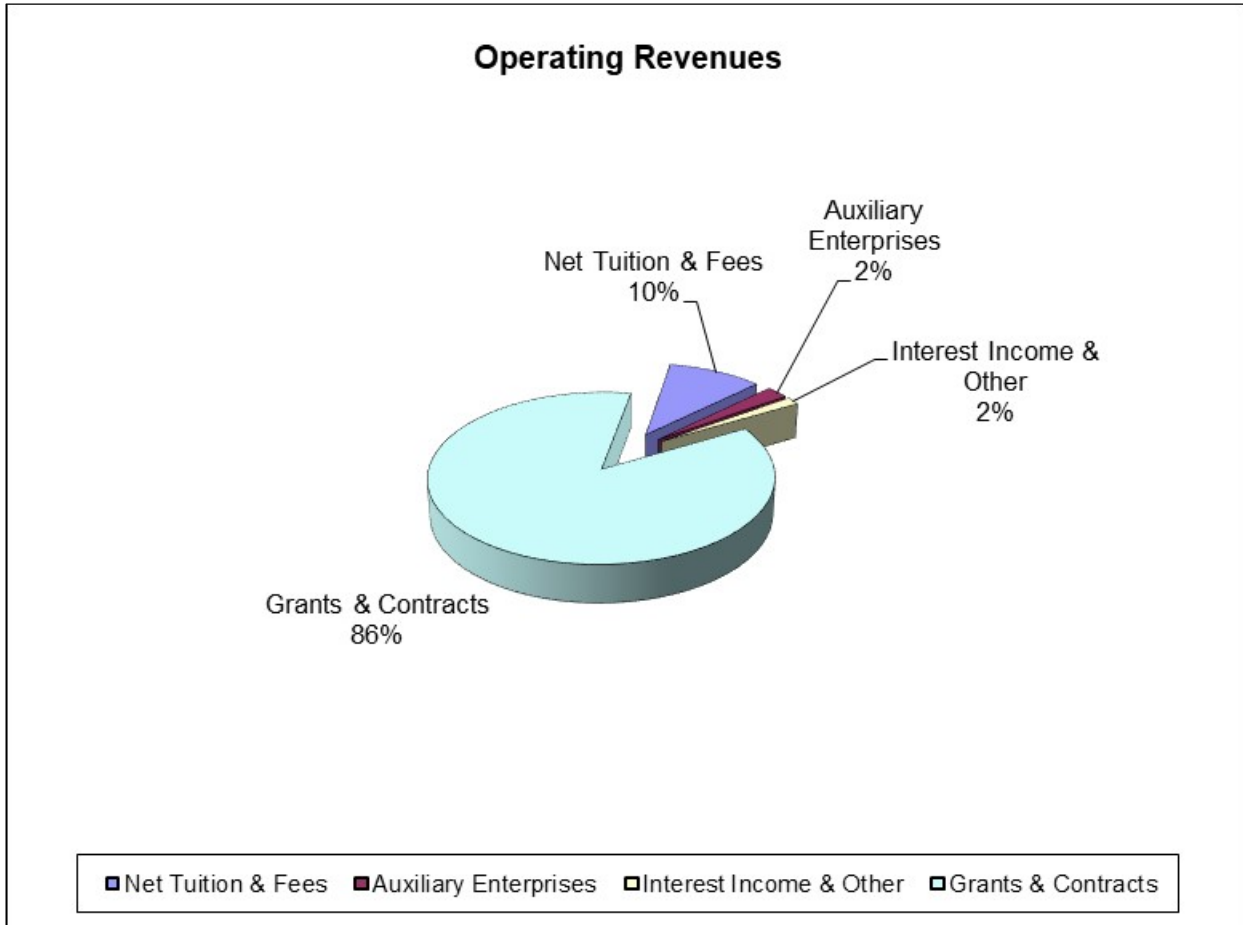
- Unrestricted net position are funds received to support the general mission of the college. At June 30, 2021 the District had a negative (\$1,643,366) in unrestricted net position. The majority of this negative net position balance for the current year is due to the reporting requirements of GASB 68. GASB 68 requires that the District report its proportional share of the unfunded liabilities of the CalSTRS and CalPERS pension fund. This year the balance decreased its negative margin by \$1,333,967 from (\$2,977,333) in 2020-2021.
- Net investment in capital assets represents the District's investment in physical facilities, land, and capital improvements. The 2020-21 balance reflected a slight decrease from the prior year balance in the amount of \$268,068 to \$11,707,156.

Statement of Revenues, Expenses, and Change in Net Position

The Statement of Revenues, Expenses, and Change in Net Position present the operating results of the District, as well as the non-operating revenues and expenses. Annual state appropriations, while budgeted for operations, are considered non-operating revenues according to Generally Accepted Accounting Principles (GAAP). The breakdown of revenues and expenses by category are depicted in the following statement and charts:

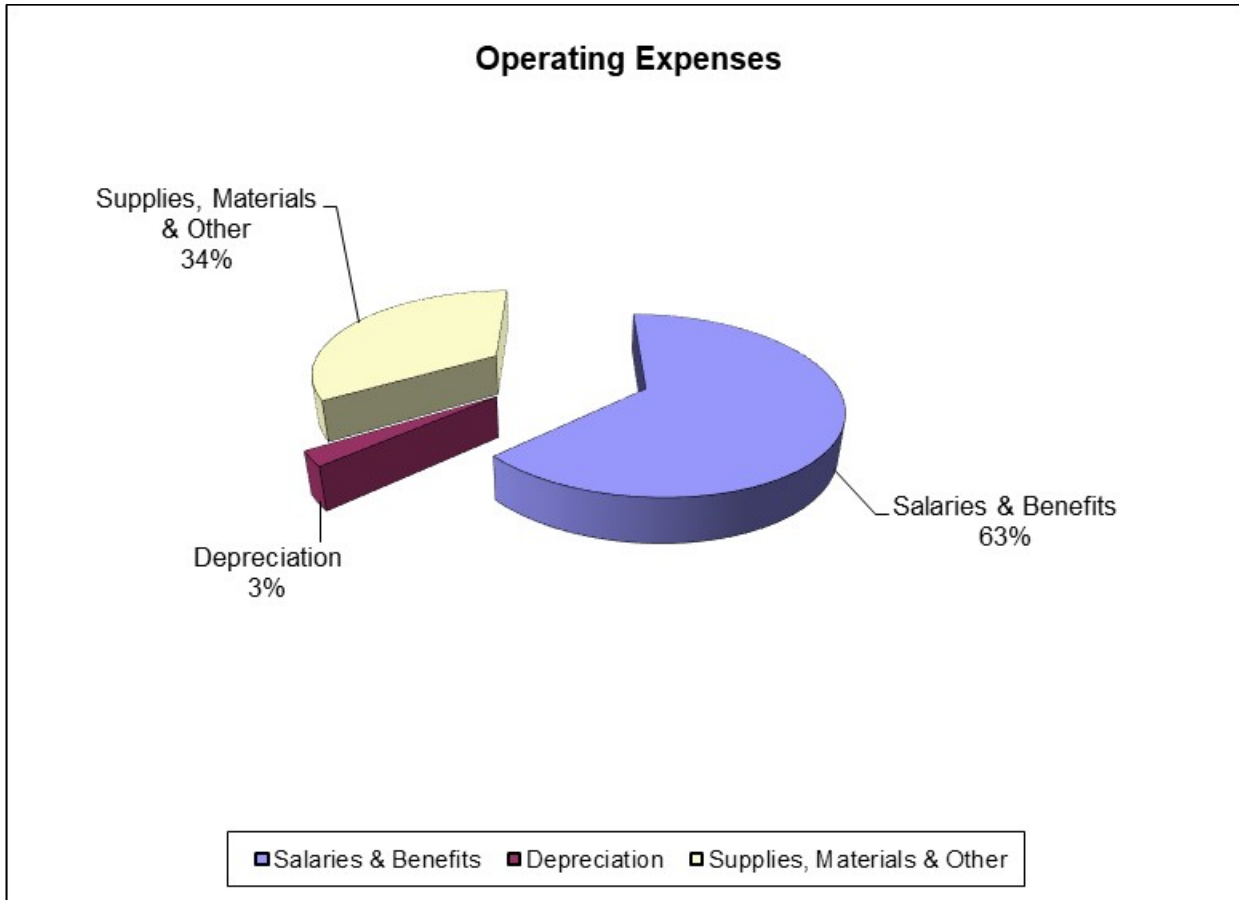
FEATHER RIVER COMMUNITY COLLEGE DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN POSITION
For the Years Ended June 30, 2021 and 2020
(Thousands)

	2020-2021	2019-2020	Dollar Change	Percent Change
OPERATING REVENUES				
Net Tuition & Fees	\$ 743	\$ 890	\$ (147)	-16.5%
Grants & Contracts	6,346	7,757	(1,411)	-18.2%
Auxiliary	173	205	(31)	-15.2%
TOTAL OPERATING REVENUES	\$ 7,262	\$ 8,851	\$ (1,589)	-18.0%
OPERATING EXPENSES				
Salaries & Benefits	15,758	15,712	47	0.3%
Supplies, Material & Other	8,445	9,154	(709)	-7.7%
Depreciation	666	626	40	6.4%
TOTAL OPERATING EXPENSES	24,870	25,492	(622)	-2.4%
NON-OPERATING ACTIVITY				
State Revenues	8,336	8,217	119	1.5%
Local Property Taxes	7,440	6,791	649	9.6%
Federal Grants and Contracts, Non-Capital	572	-	572	100.0%
State Taxes & Other Revenue	485	445	40	8.9%
Interest Income (Net)	108	269	(161)	-59.8%
Other Non-Operating Revenue	1,026	1,455	(429)	-29.5%
TOTAL NON-OPERATING ACTIVITY	17,967	17,177	790	4.6%
CAPITAL REVENUES				
Grant & Gifts	706	919	(213)	-23.1%
TOTAL CAPITAL REVENUES	706	919	(213)	-23.1%
CHANGE IN NET POSITION	1,065	1,455	(390)	-26.8%
BEGINNING NET POSITION	9,010	7,555	1,455	19.3%
Cumulative effect of GASB 75 adoption	2	-		
ENDING NET POSITION	\$ 10,077	\$ 9,010	\$ 1,067	11.8%



Operating and Non-Operating Revenues grew in fiscal year 2020-2021 as follows:

- State Revenues increased by \$119,459 over the 2019-20 year. Local property tax apportionment increased by \$649,295 in comparison to the prior year with ERAF making up the bulk of this change. The District was funded to an average base workload as of the Second Principal Apportionment of 1,696.73, which represents a three year average 1,302.11 Credit FTES, 300.29 Incarcerated Credit FTES, 59.49 Special Admit Credit, and 34.84 Noncredit FTES. Additional funding sources were received based on the Supplemental Allocation and Student Success Allocation.
- The District’s State Apportionment was funded as of the Second Principal Apportionment Report with the potential of a Constrained Total Computational Revenue (TCR) due to shortfalls in the overall System’s funding.
- The District did not receive a cost of living adjustment (COLA) in the 2020-2021 fiscal year. The District is not eligible for any Growth Funding for the 2020-2021 fiscal year.



- Operating expenses decreased in 2020-2021 in comparison to prior year as follows:
 - Expenses for employee salaries decreased by \$312,787 and statutory benefits increased by \$359,347. The decrease in salaries was primarily due to delays in hiring vacant positions while the increase in benefits was mostly contributed through the GASB 68 conversion entry.
 - The cost of supplies, materials, and other operating expenses and services increased by \$430,625. Utility costs decreased by \$14,573 with a significant decrease in student aid of \$1,125,044.
 - Depreciation expense increased from the prior year by \$40,084.

Statement of Cash Flows

The Statement of Cash Flows presents changes in cash from the sources and uses of funds related to operating activities, capital asset acquisitions, and activity from debt instruments.

The District has previously participated in a Tax Revenue Anticipation Notes (TRAN) program each year provided through Community College League of California (CCLC). The District's apportionment funding is primarily through property taxes which are paid twice a year in December and April. This program provides access to a short-term loan funds to assist with cash flow needs during the fiscal year. For the 2020-21 fiscal year the District had adequate cash on hand so participation in the TRAN was not required.

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS (Condensed)
For the Years Ended June 30, 2021 and 2020
(Thousands)

	2020-2021	2019-2020	Dollar Change	Percent Change
CASH (USED IN) PROVIDING BY:				
Operating Activities	\$ (13,384)	\$ (14,809)	\$ 1,425	-9.6%
Non-Capital Financing Activities	17,406	17,426	(20)	-0.1%
Capital and Related Financing Activities	308	80	228	285.6%
Investing Activities	108	269	(161)	-59.9%
NET INCREASE/(DECREASE) IN CASH	4,437	2,965	1,472	49.6%
CASH - BEGINNING OF THE FISCAL YEAR	14,983	12,016	2,967	24.7%
CASH - END OF THE FISCAL YEAR	\$ 19,421	\$ 14,982	\$ 4,439	29.6%

Capital Assets and Long-Term Debt

In accordance with GAAP, the District recorded \$665,881 in depreciation expense for the fiscal year and reflected a liability for compensated absences (accrued vacation not used at June 30) of \$702,255.

The implementation regarding the reporting requirements established by GASB 68 are reflected in the 2015-16 financial statements for the District. The GASB 68 requirements relate only to accounting and financial reporting of the liability, not the actual funding of the liability. The District's share of the CalSTRS and CalPERS total liability represents \$16,313,000 pension liability, a decrease to total assets of \$3,551,673 in Deferred Outflows and an increase of Deferred Inflows of \$755,000 in the long term debt being reported. The resulting effect on the Total Net Position is an increase of \$1,135,000.

For additional information concerning Capital Assets and Long-Term Debt, see footnotes to the financial statements.

Economic Factors That Will Affect the Future

In December 2019, SARS-COV2, a novel strain of the coronavirus which causes COVID-19, surfaced and spread around the world, and resulted in business and social disruption. In response to the pandemic and in compliance with various state and local ordinances, the District closed physical campus and transitioned to a distance learning model. On March 13, 2020, the Governor of California issued Executive Order N-26 –20, guaranteeing state funding to support the continued payment of salaries and benefits to all employees through June 30, 2021.

Due to the on-going impacts of the COVID-19 pandemic, the district will face uncertainty in the coming year(s). Economic recovery could be negatively impacted by things like international events, government shutdowns, stock market instability, tariffs, interest rates, and federal and state debt. A slowdown in the economy could potentially lower the revenue forecast assumed in the current year budget as well as the subsequent year budgets.

There are revenue risks to the District attributable to potential impacts from disruptions to operations caused by our necessary pandemic response. We saw a decrease in revenues for the 2020-2021 fiscal year primarily due to a decrease in tuition and local and state revenues. There is some risk that the portions of the SCFF that consider enrollment and student success will be negatively impacted going forward as well. The District offered hard to convert CTE classes face-to-face in the 2020-2021 year with all classes reopening on campus face-to-face in 2021-2022.

Feather River Community College District remains responsive to these variables and financial pressures with sound fiduciary practices, integrated strategic planning, and a collaborative governance approach to the budget process. The District evaluates its strategic planning and processes and incorporates these priorities as they relate to the college's mission. This integrated planning process along with the necessary supporting and prioritized budget requests will offer funding for quality educational programs that students need to further their educational pursuits. This integrated process will also enhance the financial health and viability of the District going into the future. A strong net position, prudent expenditure decisions, and flexibility, will certainly help the District in continuing to provide a quality educational experience for the students that are seeking degrees, transfers, and job enhancing skills.

Net position, formerly classified as fund balance, is an indicator of the District's financial position. For the past eight fiscal years, the District's fund balance from the unrestricted general fund, which is the operational budget for the District, has been strong with adequate reserves to offset operating expenditures as needed due to any short term emergency.

The State's main forecast anticipates moderate growth over the next couple years with return to historical norms thereafter. The funding for community colleges is governed largely by Proposition 98 which establishes minimum funding requirements. The forecasts show growth to the minimum guarantee in the next year, COLA increases, significant funding available for new commitments,

Looking ahead, the District is faced with many funding challenges as we strive to serve the county resident population with aging facilities. For this reason, the District is pursuing funding for structure renovations and new construction to replace aging buildings. The District has submitted proposals to the State of California so that prioritization and evaluations of the District's construction needs can be addressed if future state funds become available. There is currently demand for capital investment in things like transportation vehicles, a water storage supply structure, and student housing, as well as annual increases to the employer share of STRS and

PERS. Although the physical campus escaped any damage, the impact of the 2021 Dixie Fire in Plumas County is ongoing and exacerbated the housing shortage. The District continues to evaluate effective ways to meet the challenges of not only our aging facilities but the desire to upgrade our technology infrastructure, and expand our services to additional areas in the county. We continue to evaluate ways to most effectively allocate our resources to meet these demands. Prudent fiscal management practices will remain in place to ensure the District has adequate reserves to sustain operations and support the success of its students.

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
STATEMENT OF NET POSITION
June 30, 2021

ASSETS

Current assets:

Cash and cash equivalents	\$ 18,177,209
Receivables, net	2,157,542
Notes receivable from Foundation, current	43,811
Stores inventories	<u>88,596</u>
Total current assets	<u>20,467,158</u>

Noncurrent assets:

Restricted cash and cash equivalents	1,243,688
Notes receivable from Foundation, noncurrent	190,673
Non-depreciable capital assets	1,330,261
Depreciable capital assets, net	<u>10,376,895</u>
Total noncurrent assets	<u>13,141,517</u>
Total assets	<u>33,608,675</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources - OPEB	166,480
Deferred outflows of resources - pensions	<u>3,551,673</u>
Total deferred outflows	<u>3,718,153</u>
Total assets and deferred outflows of resources	<u>\$ 37,326,828</u>

LIABILITIES

Current liabilities:

Accounts payable	\$ 2,329,992
Unearned revenue	5,151,893
Compensated absences payable - current portion	<u>702,255</u>
Total current liabilities	<u>8,184,140</u>

Noncurrent liabilities:

Long-term debt - noncurrent portion	<u>18,311,017</u>
Total liabilities	<u>26,495,157</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources - pensions	<u>755,000</u>
Total deferred inflows	<u>755,000</u>

NET POSITION

Net investment in capital assets	11,707,156
Restricted for:	
Expendable:	
Capital projects	12,881
Unrestricted	<u>(1,643,366)</u>
Total net position	<u>10,076,671</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 37,326,828</u>

See accompanying notes to financial statements.

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
DISCRETELY PRESENTED COMPONENT UNIT -
FEATHER RIVER COMMUNITY COLLEGE FOUNDATION, INC.
(A Nonprofit Organization)
STATEMENT OF FINANCIAL POSITION
June 30, 2021

ASSETS

Current assets:

Cash and cash equivalents	\$ 1,042,603
Investments, current	1,022,515
Accounts receivable, net	15,822
Due from District	<u>186,027</u>

Total current assets 2,266,967

Investments, noncurrent	62,118
Non-depreciable capital assets	455,056
Depreciable capital assets, net	2,643,436

Other assets:

Deposits	1,900
Horses and livestock, net of accumulated depreciation of \$289,907	<u>53,154</u>

Total assets \$ 5,482,631

LIABILITIES

Current liabilities:

Accounts payable and accrued expenses	\$ 157,366
Tenant deposits payable	36,453
Current portion of long-term debt	<u>254,087</u>

Total current liabilities 447,906

Noncurrent liabilities:

Long-term debt, less current portion	<u>787,509</u>
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Total liabilities 1,235,415

NET ASSETS

Without donor restrictions	3,229,840
With donor restrictions	<u>1,017,376</u>

Total net assets 4,247,216

Total liabilities and net assets \$ 5,482,631

See accompanying notes to financial statements.

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

Operating revenues:	
Tuition and fees	\$ 1,656,005
Less: scholarship discounts and allowances	<u>(913,445)</u>
Net tuition and fees	<u>742,560</u>
Grants and contracts, non-capital:	
Federal	2,208,481
State	4,142,670
Local	(5,149)
Auxiliary enterprise sales and charges	<u>173,390</u>
Total operating revenues	<u>7,261,952</u>
Operating expenses:	
Salaries	9,867,758
Employee benefits	5,890,668
Supplies, materials and other operating expenses	5,086,889
Utilities	561,434
Depreciation	665,881
Student financial aid and scholarships	<u>2,797,138</u>
Total operating expenses	<u>24,869,768</u>
Loss from operations	(17,607,816)
Non-operating revenues:	
State apportionment, non-capital	8,336,028
Local property taxes	7,440,185
Federal grants and contracts, non-capital	571,864
State taxes and other revenues	485,000
Investment income, net	107,971
Pell grants	<u>1,026,149</u>
Total non-operating revenues (expenses)	<u>17,967,197</u>
Loss before capital revenues	<u>359,381</u>
Capital revenues:	
Local property taxes and revenues	<u>705,711</u>
Change in net position	<u>1,065,092</u>
Net position, July 1, 2020	<u>9,010,021</u>
Cumulative effect of GASB No. 84 implementation	<u>1,558</u>
Net position, July 1, 2020, as restated	<u>9,011,579</u>
Net position, June 30, 2021	<u>\$ 10,076,671</u>

See accompanying notes to financial statements.

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
DISCRETELY PRESENTED COMPONENT UNIT -
FEATHER RIVER COMMUNITY COLLEGE FOUNDATION, INC.
(A Nonprofit Organization)
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Revenues, gains and other support:			
Contributions	\$ -	\$ 101,307	\$ 101,307
Registration fees	15,565	-	15,565
Contributions by Feather River College	54,000	-	54,000
Rental income	646,870	-	646,870
Investment income	52	14,427	14,479
Other operating income	13,052	15,426	28,478
Gain on sale of horses / livestock	-	315,633	315,633
Fish sales, net	-	7,693	7,693
Fundraising income, net	-	16,128	16,128
Net assets released from restrictions	<u>175,852</u>	<u>(175,852)</u>	<u>-</u>
Total revenues, gains and other support	<u>905,391</u>	<u>294,762</u>	<u>1,200,153</u>
Expenses:			
Program services:			
Fitness center operations	13,830	-	13,830
College housing operations	541,496	-	541,496
Scholarships granted	38,950	-	38,950
Supporting services:			
Management and general	<u>183,684</u>	<u>-</u>	<u>183,684</u>
Total expenses	<u>777,960</u>	<u>-</u>	<u>777,960</u>
Change in net assets	<u>127,431</u>	<u>294,762</u>	<u>422,193</u>
Net assets, July 1, 2020	<u>3,102,409</u>	<u>722,614</u>	<u>3,825,023</u>
Net assets, June 30, 2021	<u>\$ 3,229,840</u>	<u>\$ 1,017,376</u>	<u>\$ 4,247,216</u>

See accompanying notes to financial statements.

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2021

Cash flows from operating activities:

Tuition and fees	\$ 733,160
Federal grants and contracts	4,300,692
State grants and contracts	3,322,538
Local grants and contracts	37,233
Payments to suppliers	(4,158,832)
Payment for utilities	(561,434)
Payments to employees and benefits	(14,537,336)
Payments to students	(2,797,138)
Loan to foundation	98,565
Auxiliary enterprises sales and charges	<u>178,249</u>
Net cash used in operating activities	<u>(13,384,303)</u>

Cash flows from noncapital financing activities:

State appropriations	7,882,722
Local property taxes	7,440,185
State taxes and other revenues	485,000
Federal grants	571,864
Pell grants	<u>1,026,149</u>
Net cash provided by noncapital financing activities	<u>17,405,920</u>

Cash flows from capital and related financing activities:

Purchase of capital assets	(397,813)
Grants and gifts for capital purposes	<u>705,711</u>
Net cash provided by capital and related financing activities	<u>307,898</u>

Cash flows provided by investing activities:

Investment income	<u>107,971</u>
Change in cash and cash equivalents	4,437,486
Cash and cash equivalents, July 1, 2020	<u>14,983,411</u>
Cash and cash equivalents, June 30, 2021	<u>\$ 19,420,897</u>

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2021

Reconciliation of loss from operations to net cash used in operating activities:

Loss from operations	\$ (17,607,816)
Adjustments to reconcile loss from operations to net cash used in operating activities:	
Depreciation expense	665,881
Changes in assets and liabilities:	
Receivables, net	104,389
Inventory and prepaids	(12,450)
Deferred outflows of resources - pensions	286,789
Deferred outflows of resources - OPEB	9,085
Accounts payable	940,507
Unearned revenue	1,304,096
Compensated absences	(4,155)
Total OPEB liability	107,371
Net pension liability	1,135,000
Deferred inflows of resources - pensions	<u>(313,000)</u>
Net cash used in operating activities	<u>\$ (13,384,303)</u>

See accompanying notes to financial statements.

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

Cash flows from operating activities:

Change in net assets	\$ 422,193
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	200,515
Gain on sale of horses	(315,633)
Changes in operating assets and liabilities:	
Increase in accounts receivable	(9,700)
Increase in Due from District	(186,027)
Increase in tenant deposit payable	15,649
Increase in accounts payable and accrued expenses	<u>26,352</u>
Net cash provided by operating activities	<u>153,349</u>

Cash flows from investing activities:

Purchase of fixed assets	(37,932)
Purchase of investments	(1,132,378)
Proceeds from sale of investments	1,257,596
Purchase of horses and livestock	(28,000)
Proceeds from sale of horses and livestock	<u>326,348</u>
Net cash provided by investing activities	<u>385,634</u>

Cash flows from financing activities:

Payments on long-term debt	<u>(327,811)</u>
Net cash used in financing activities	<u>(327,811)</u>

Change in cash and cash equivalents	<u>211,172</u>
Cash and cash equivalents - beginning of year	<u>831,431</u>
Cash and cash equivalents - end of year	<u>\$ 1,042,603</u>

Supplemental disclosure of cash flow information:

Interest paid	\$ 51,703
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See accompanying notes to financial statements.

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The Foundation is a nonprofit, tax-exempt organization. The purpose of the Foundation is to provide supportive services and specialized programs for the general benefit of the District and the District's various organizations. The Foundation's funds consist of the following:

General - As a service to college affiliated organizations and projects, the Foundation performs fund-raising activities, provides scholarships, and acts as a collecting and disbursing agent for special activities of certain campus organizations.

Feather River Fitness and Recreation - As a service to students and the community, the Fitness and Recreation Center provides exercise facilities on a fee basis.

Feather River College Residence Halls - As a service to students, the Feather River College Residence Halls provide housing for students.

The District applied the criteria for identifying component units in accordance with GASB Cod. Sec. 2100.138 and, therefore, the District has classified the Foundation as a component unit that will be discretely presented in the District's financial statements. The Foundation also issues a stand-alone audited financial report, which can be obtained from the District or the Foundation.

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

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Fair Value of Investments: The District records its investment in funds held by Plumas County Treasury at fair value. Changes in fair value are reported as revenue in the Statement of Revenues, Expenses and Change in Net Position. The fair value of investments, including the Plumas County Treasury external investment pool, at June 30, 2021 approximated their carrying value.

The Foundation's investments are valued at their fair value based upon quoted market prices, when available, or estimates of fair value in the Statement of Financial Position and unrealized and realized gains and losses are included in the Statement of Activities. Fair values of investments in county and state investment pools are determined by the pool sponsor.

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

Foundation receivables are amounts due from students for housing in the residence halls. An allowance for doubtful accounts is established for accounts that management believes are uncollectible. At June 30, 2021 no allowance for doubtful accounts was deemed necessary.

Inventory: Inventory consists of cafeteria food, textbooks and educational supplies at the Campus Center, which are valued using the retail method. Inventories are stated at the lower of cost (first in, first out) or market.

Capital Assets: Capital assets are recorded at the date of acquisition, or the acquisition value at the date of donation in the case of gifts. For equipment, the District's capitalization policy included all items with a unit cost of \$5,000 or more, and estimated useful life of greater than one year. The Foundation's policy is to capitalize property and equipment greater than \$500. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from 5 - 30 years depending on asset type.

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The District has recognized a deferred outflow of resources relate to recognition of the net pension liability and total OPEB liability reported in the Statement of Net Position.

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

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

	<u>STRS</u>	<u>PERS</u>	<u>Total</u>
Deferred outflows of resources	\$ 1,492,382	\$ 2,059,291	\$ 3,551,673
Deferred inflows of resources	\$ 556,000	\$ 199,000	\$ 755,000
Net pension liability	<u>\$ 6,151,000</u>	<u>\$ 10,162,000</u>	<u>\$ 16,313,000</u>
Pension expense	<u>\$ 1,527,445</u>	<u>\$ 1,796,727</u>	<u>\$ 3,324,172</u>

Compensated Absences: Compensated absences are recorded as a liability of the District when earned by employees. This liability is for earned but unused benefits.

Accumulated Sick Leave: Sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expenditure or expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits for certain STRP and PERF B employees when the employee retires.

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

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

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

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

When an expense is incurred that can be paid using either restricted or unrestricted resources, the District first applies the expense toward restricted resources, then to unrestricted resources.

On-Behalf Payments: GASB Statement No. 24 requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees of another legally separate entity be recognized as revenue and expenditures by the employer government. The State of California makes direct on-behalf payments for retirement benefits to the State Teachers' and Public Employees' Retirement System on behalf of all Community Colleges in California. The government-wide conversion entries relating to the pension reporting requirements of GASB Statement No. 68 rely on Local Education Agencies (LEAs) having recognized the state's on-behalf pension contribution in their funds. Prior to the issuance of GASB Statement No. 68, the District recorded this entry at the consolidation entry level for GASB Statement No. 35 business-type activity reporting.

Net Assets - Foundation Financial Statement Presentation: The Foundation presents its financial statements in accordance with the FASB Accounting Standards Codification. Under these reporting requirements, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction, and net assets with donor restriction.

Revenues and expenses are recorded when incurred in accordance with the accrual basis of accounting. Revenues are reported as increases in the unrestricted net assets classification unless use of the related assets is limited by donor-imposed restrictions.

Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restriction unless their use is restricted by explicit donor stipulation or by law.

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and related California Franchise Tax Codes. The Foundation has been classified as an organization that is not a private foundation and has been designated as a "publicly supported" organization. Contributions to the Foundation are deductible under Section 170(c)(2).

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Foundation's endowment currently consists of 1 individual donor-restricted endowment fund established for the purpose of supporting education at the District. Net assets associated with endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

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

The investment objective is to optimize earnings on all invested funds, while maintaining the preservation of capital. Risk will be minimized by investing in high quality fixed income and equity instruments with the objective of maintaining a balanced portfolio in accordance with the Foundation's investment policy.

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

Classification of Revenue and Expense: The District has classified its revenues as either operating or nonoperating revenues. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenues, as defined by GASB Cod. Sec. 2200.190-.191, including State appropriations, local property taxes, and investment income. Nearly all the District's expenses are from exchange transactions. Revenues and expenses are classified according to the following criteria:

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

Nonoperating revenues and expenses: Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as Pell grants, gifts and contributions, and other revenue sources described in GASB Cod. Sec. Co5.101, such as State appropriations and investment income. For the year ended June 30, 2021, there were no non-operating expenses.

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

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Scholarship Discounts and Allowances: Student tuition and fee revenue is reported net of allowances and fee waivers approved by the Board of Governors through the California Promise Grant in the Statement of Revenues, Expenses and Change in Net Position. Scholarship discounts and allowances represent the difference between stated charges for goods and services provided by the District and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants and other federal, state and nongovernmental programs, are recorded as revenues in the District's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the District has recorded a scholarship discount and allowance.

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

Recently Adopted Accounting Guidance: In January 2017, the GASB issued GASB Statement No. 84, Fiduciary Activities. The principal objective of this Statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. The provisions in GASB Statement No. 84 are effective for reporting periods beginning after December 15, 2019. Based on the implementation of GASB Statement No. 84, the District restated its beginning net position for a total of \$1,558.

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS

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

	<u>District</u>	<u>Foundation</u>
Pooled Funds:		
Cash in County Treasury	\$ 19,317,550	\$ -
Deposits:		
Cash on hand and in banks	103,347	1,042,603
Total cash and cash equivalents	19,420,897	1,042,603
Less: restricted cash	1,243,688	-
Net cash and cash equivalents	\$ 18,177,209	\$ 1,042,603
Investments	\$ -	\$ 1,084,633

Deposits - Custodial Credit Risk: The District limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) and are collateralized by the respective financial institution. At June 30, 2021, the carrying amount of the District cash on hand and in banks was \$103,347 and the bank balance totaled \$122,485, of which all was FDIC insured.

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

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

The Foundation limits custodial credit risk by ensuring uninsured balances are collateralized by respective financial institution. Cash balances held in banks are insured up to \$250,000 by the FDIC and are collateralized by the respective financial institution. At June 30, 2021, the carrying amount of the Foundation's cash on hand and in banks was \$1,042,603 and the bank balance was \$1,076,353, of which \$250,000 was FDIC insured and \$826,353 remained uninsured.

Cash in County Treasury: In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Plumas County Treasurer's Investment Fund. The District is considered to be an involuntary participant in an external investment pool. The District's investment in the pool is reported in the financial statements at amounts based upon the District's pro-rata share of the fair value by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Custodial Credit Risk: The California Government Code requires California banks and savings and loan associations to secure the District's deposits by pledging government securities as collateral. The market value of pledged securities must equal 110 percent of an agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of 150 percent of an agency's total deposits and collateral is considered to be held in the name of the District. All cash held by financial institutions is entirely insured or collateralized.

Under provision of the District's policy, and in accordance with Sections 53601 and 53602 of the California Government Code, the District may invest in the following types of investments:

- Securities of the U.S. Government, or its agencies
- Small Business Administration Loans
- Negotiable Certificates of Deposit
- Bankers' Acceptances
- Commercial Paper
- Local Agency Investment Fund (State Pool) Deposits
- Passbook Savings Account Demand Deposits
- Repurchase Agreements

Interest Rate Risk: The District does not have a formal investment policy that limits cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2021, the District has no significant interest rate risk related to cash and investments held.

Credit Risk: The District does not have a formal investment policy that limits its investment choices other than the limitations of state law.

Concentrations of Credit Risk: The District does not place limits on the amount it may invest in any one issuer. At June 30, 2021, the District had no concentrations of credit risk.

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

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

Foundation Investments: Investments are stated at fair value as of June 30, 2021 and consist of revenue bond proceeds and endowed contributions invested in the following mutual fund and community foundation:

US Bank Mutual Funds, short-term	\$ 974,589
Certificate of Deposit	47,926
Investment in Foundation for California Community Colleges Scholarship Endowment (FCCC/Osher), long-term	62,118
	\$ 1,084,633

The Foundation invests in a pooled scholarship endowment fund, FCCC/Osher, managed by the Foundation for California Community Colleges (FCCC). The objective of the Foundation's investment in FCCC/Osher is to grow the Foundation's investments through the Bernard Osher Foundation pledge to match funds contributed to FCCC/Osher. Funds invested in the endowment fund by the Foundation cannot be removed at any time. The investment managers engaged by FCCC are required to follow specific guidelines set forth by FCCC with respect to the various types of allowable investments purchased and held by the pool. Accordingly, the estimated fair value of these investments is based on information provided by external investment managers engaged by FCCC. At June 30, 2021, the Foundation investment in the pooled scholarship endowment fund consisted of 5% cash and short-term investments, and 95% equity securities.

Changes in investments with FCCC for the fiscal year ended June 30, 2021 is presented herein:

Balance, July 1, 2020	\$ 50,991
Change in fair value	13,527
Distributions	(2,400)
Balance, June 30, 2021	\$ 62,118

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

Level 1 - Quoted market prices for identical instruments traded in active exchange markets. Level 1 investments include mutual funds and certificates of deposit.

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

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

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2021

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

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

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment securities:				
FCCC/Osher	\$ -	\$ -	\$ 62,118	\$ 62,118
Certificate of deposit	47,926	-	-	47,926
Mutual funds	<u>974,589</u>	<u>-</u>	<u>-</u>	<u>974,589</u>
	<u>\$ 1,022,515</u>	<u>\$ -</u>	<u>\$ 62,118</u>	<u>\$ 1,084,633</u>

Valuation Approach:

Mutual Funds - The Foundation's mutual funds are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency.

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

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

NOTE 3 - RECEIVABLES

Receivables:	
Federal	\$ 450,435
State	1,567,620
Local and other, net of allowance	<u>139,487</u>
	<u>\$ 2,157,542</u>

The allowance for doubtful accounts of \$1,138,393 is maintained at an amount that management considers sufficient to fully reserve and provide for possible uncollectability of student fees receivable.

At June 30, 2021, the Foundation had \$15,822 in receivables due from local sources.

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 4 - NOTE RECEIVABLE FROM FOUNDATION

The District entered into an unsecured loan agreement up to the amount of \$350,000 with the Foundation for the purpose of financing repairs for the Feather River College Residence Halls, dated May 27, 2010. Effective December 15, 2010, the loan agreement was modified reducing the maximum loan agreement to the amount of \$300,000. The note accrues interest, tied to the Plumas County Pooled Money Investment Account combined rate of return on county funds, with interest only payments for the first five years. As of June 30, 2021, the nominal interest rate was at 2%. Principal and interest payments will be made for the remaining 15 years, with the final installment due August 1, 2030. As of June 30, 2021, the Foundation had drawn down \$145,750 with an outstanding balance of \$154,250.

The District entered into a loan agreement up to the amount of \$365,000 with the Foundation for the purpose of purchasing the Meadows Apartment Complex, dated September 11, 2014. The note is non-interest bearing. Principal payments will be made twice annually for no more than 15 years, with the final installment due before June 30, 2027. As of June 30, 2021, the Foundation had drawn down \$292,654, with an outstanding balance of \$72,346.

NOTE 5 - CAPITAL ASSETS

District capital asset activity consists of the following:

	Balance July 1, <u>2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfers</u>	Balance June 30, <u>2021</u>
Non-depreciable:					
Land	\$ 1,330,261	\$ -	\$ -	\$ -	\$ 1,330,261
Depreciable:					
Land improvements	476,563	-	-	-	476,563
Buildings and improvements	18,318,353	17,848	(102,997)	-	18,233,204
Equipment	<u>5,339,527</u>	<u>482,962</u>	<u>-</u>	<u>-</u>	<u>5,822,489</u>
Total	<u>25,464,704</u>	<u>500,810</u>	<u>(102,997)</u>	<u>-</u>	<u>25,862,517</u>
Less accumulated depreciation:					
Land improvements	(447,694)	(9,299)	-	-	(456,993)
Buildings	(8,713,840)	(477,550)	-	-	(9,191,390)
Equipment	<u>(4,327,946)</u>	<u>(179,032)</u>	<u>-</u>	<u>-</u>	<u>(4,506,978)</u>
Total	<u>(13,489,480)</u>	<u>(665,881)</u>	<u>-</u>	<u>-</u>	<u>(14,155,361)</u>
Capital assets, net	<u>\$ 11,975,224</u>	<u>\$ (165,071)</u>	<u>\$ (102,997)</u>	<u>\$ -</u>	<u>\$ 11,707,156</u>

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 5 - CAPITAL ASSETS (Continued)

Foundation capital asset activity consists of the following:

	Balance July 1, <u>2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfers</u>	Balance June 30, <u>2021</u>
Non-depreciable:					
Land	\$ 412,884	\$ -	\$ -	\$ -	\$ 412,884
Construction in progress	42,172	-	-	-	42,172
Depreciable:					
Buildings and improvements	4,608,808	7,507	-	-	4,616,315
Machinery and equipment	430,628	29,214	-	-	459,842
Furniture and fixtures	293,126	1,211	-	-	294,337
Total	<u>5,787,618</u>	<u>37,932</u>	<u>-</u>	<u>-</u>	<u>5,825,550</u>
Less accumulated depreciation	<u>(2,583,424)</u>	<u>(143,634)</u>	<u>-</u>	<u>-</u>	<u>(2,727,058)</u>
Capital assets, net	<u>\$ 3,204,194</u>	<u>\$ (105,702)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,098,492</u>

NOTE 6 - UNEARNED REVENUE

Unearned revenue for the District consisted of the following:

Unearned Federal and State revenue	\$ 2,638,309
Unearned tuition and student fees	2,159,232
Unearned tuition and other student fees	<u>354,352</u>
Total unearned revenue	<u>\$ 5,151,893</u>

NOTE 7 - LONG-TERM LIABILITIES

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

	Balance July 1, <u>2020</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2021</u>	Amounts Due Within <u>One Year</u>
Other Long-Term Liabilities:					
Compensated absences	\$ 706,410	\$ (4,155)	\$ -	\$ 702,255	\$ 702,255
Net pension liability (Notes 9 & 10)	15,178,000	1,135,000	-	16,313,000	-
Total OPEB liability (Note 11)	<u>1,890,646</u>	<u>-</u>	<u>(107,371)</u>	<u>1,998,017</u>	<u>-</u>
	<u>\$ 17,775,056</u>	<u>\$ 1,130,845</u>	<u>\$ (107,371)</u>	<u>\$ 19,013,272</u>	<u>\$ 702,255</u>

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 7 - LONG-TERM LIABILITIES (Continued)

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

	Balance July 1 <u>2020</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2021</u>	Amounts Due Within <u>One Year</u>
Student housing bonds	\$ 1,045,000	\$ -	\$ 230,000	\$ 815,000	\$ 240,000
Loans from District:					
Residence hall	168,061	-	13,811	154,250	14,087
Meadows apartments, net	<u>156,346</u>	<u>-</u>	<u>84,000</u>	<u>72,346</u>	<u>-</u>
	<u>\$ 1,369,407</u>	<u>\$ -</u>	<u>\$ 327,811</u>	<u>\$ 1,041,596</u>	<u>\$ 254,087</u>

The Foundation is subject to certain covenants in accordance with its long-term liability agreements. As of June 30, 2021, management believes the Foundation was in compliance with these covenants.

Foundation Student Housing Bonds: As of June 30, 2021, total bonds payable issued through the direct placement with The Depository Trust Company through the California Community College Financial Authority ("CCCFA") and associated interest rates and maturities are as follows:

	<u>Interest Rate</u>	<u>Maturity</u>	<u>2021</u>
CCCFA Series 2003	3.56% to 5.30%	5/1/2003 to 7/1/2022	\$ 815,000

On May 1, 2003, the California Community College Financing Authority issued Student Housing Revenue Bonds in the amount of \$3,415,000, comprised of \$3,250,000 Series A Tax-exempt bonds and \$165,000 Series B Taxable bonds, to fund a loan to the Foundation to acquire and improve a 110-bed student housing facility located on property adjacent to the main campus of Feather River Community College District, and to fund a debt service fund for the bonds and pay a portion of the costs of issuing the bonds. The bonds, with interest rates from 3.56% to 5.3% will mature in varying amounts through July 1, 2022. Future payments are scheduled as follows:

Year Ending <u>June 30,</u>	
2022	\$ 240,000
2023	<u>575,000</u>
	<u>\$ 815,000</u>

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 7 - LONG-TERM LIABILITIES (Continued)

Foundation Residence Hall Loan: The Foundation entered into a loan agreement up to the amount of \$350,000 with the District for the purpose of financing the repairs for the Feather River College Residency Halls, dated May 27, 2010. Effective December 15, 2010, the loan agreement was modified changing the maximum loan agreement up to the amount of \$300,000. The note accrues interest by formula tied to the Plumas County Pooled Money Investment Account combined rate of return on county funds with interest only payments for the first five years, due August 1. As of June 30, 2021, the nominal interest rate was at 2%. Principal and interest payments will be made for the remaining 14 years, with the final installment due August 1, 2030. As of June 30, 2021, the Foundation had drawn down \$145,750. Future principal payments at June 30, 2021 are scheduled as follows:

Year Ending <u>June 30,</u>		
2022	\$	14,087
2023		14,369
2024		14,656
2025		14,949
2026		15,248
2027-2031		<u>80,941</u>
	\$	<u>154,250</u>

Foundation Meadows Apartment Loan: The Foundation entered into a loan agreement up to the amount of \$365,000 with the District for the purpose of purchasing the Meadows Apartment Complex, dated September 11, 2014. The note is non-interest bearing, with imputed interest of three percent. Principal payments will be made twice annually for no more than 15 years, with the final installment due before June 30, 2027. As of June 30, 2021, the Foundation had drawn down \$292,654.

Year Ending <u>June 30,</u>		
2022	\$	-
2023		6,000
2024		30,000
2025		30,000
2026		30,000
2027		<u>6,346</u>
Less amounts representing interest		<u>(30,000)</u>
	\$	<u>72,346</u>

NOTE 8 - PROPERTY TAXES

All property taxes are levied and collected by the Tax Assessor of the County of Plumas and paid upon collection to the various taxing entities including the District. Secured taxes are levied on July 1 and are due in two installments on November 1 and February 1, and become delinquent on December 10 and April 10, respectively. The lien date for secured and unsecured property taxes is March 1 of the preceding fiscal year.

(Continued)

NOTE 9 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLAN

General Information about the State Teachers' Retirement Plan

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

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

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

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

CalSTRS 2% at 60

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

CalSTRS calculates retirement benefits based on a one-year final compensation for members who retired on or after January 1, 2001, with 25 or more years of credited service, or for classroom teachers with less than 25 years of credited service if the employer elected to pay the additional benefit cost prior to January 1, 2014. One-year final compensation means a member's highest average annual compensation earnable for 12 consecutive months calculated by taking the creditable compensation that a member could earn in a school year while employed on a fulltime basis, for a position in which the person worked. For members with less than 25 years of credited service, final compensation is the highest average annual compensation earnable for any 36 consecutive months of credited service.

CalSTRS 2% at 62

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

All CalSTRS 2% at 62 members have their final compensation based on their highest average annual compensation earnable for 36 consecutive months of credited service.

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 9 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLAN (Continued)

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

In June 2019, California Senate Bill 90 (SB 90) was signed into law and appropriated approximately \$2.2 billion in fiscal year 2018–19 from the state's General Fund as contributions to CalSTRS on behalf of employers. The bill required portions of the contribution to supplant the amounts remitted by employers such that the amounts remitted will be 1.03 and 0.70 percentage points less than the statutorily required amounts due for fiscal years 2019–20 and 2020–21, respectively. The remaining portion of the contribution, approximately \$1.6 billion, was allocated to reduce the employers' share of the unfunded actuarial obligation of the DB Program.

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

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

A summary of statutory contribution rates and other sources of contributions to the DB Program pursuant to the CalSTRS Funding Plan, SB 90 and SB84, are as follows:

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

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

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

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 9 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLAN (Continued)

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

The CalSTRS employer contribution rate increases effective for fiscal year 2019-20 through fiscal year 2046-47 are summarized in the table below:

<u>Effective Date</u>	<u>Base Rate</u>	<u>Supplemental Rate Per CalSTRS Funding Plan</u>	<u>Rate Adjustment Per Special Legislation</u>	<u>Total</u>
July 1, 2020	8.250%	10.850%	(2.950%)	16.150%
July 1, 2021	8.250%	10.850%	(2.180%)	16.920%
July 1, 2022 to June 30, 2046	8.250%	(1)	N/A	(1)
July 1, 2046	8.250%	Increase from AB 1469 rate ends in 2046-47		

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

The District contributed \$492,382 to the plan for the fiscal year ended June 30, 2021.

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

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

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 9 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLAN (Continued)

The CalSTRS state contribution rates effective for fiscal year 2020-2021 and beyond are summarized in the table below.

<u>Effective Date</u>	<u>Base Rate</u>	<u>Supplemental Rate Per CalSTRS Funding Plan</u>	<u>SBMA Funding⁽¹⁾</u>	<u>Total</u>
July 01, 2020	2.017%	5.811%	2.50%	10.328%
July 01, 2021	2.017%	6.311%	2.50%	10.828%
July 01, 2022 to June 30, 2046	2.017%	(2)	2.50%	(2)
July 01, 2046	2.017%	(3)	2.50%	(3)

- (1) The SBMA contribution rate excludes the \$72 million that is reduced from the required contribution in accordance with Education Code section 22954.
- (2) The board has limited authority to adjust the state contribution rate annually through June 2046 in order to eliminate the remaining unfunded actuarial obligation. The board cannot increase the supplemental rate by more than 0.5% in a fiscal year, and if there is no unfunded actuarial obligation, the supplemental contribution rate imposed would be reduced to 0%.
- (3) From July 1, 2046, and thereafter, the rates in effect prior to July 1, 2014, are reinstated, if necessary, to address any remaining unfunded actuarial obligation.

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

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

District's proportionate share of the net pension liability	\$	6,151,000
State's proportionate share of the net pension liability associated with the District		3,361,000
Total	\$	9,512,000

The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school districts and the State. At June 30, 2020, the District's proportion was 0.006 percent, which was a decrease of 0.001 percent from its proportion measured as of June 30, 2019.

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 9 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLAN (Continued)

For the year ended June 30, 2021, the District recognized pension expense of \$1,527,445 and revenue of \$1,382,420 for support provided by the State. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 11,000	\$ 173,000
Changes of assumptions	600,000	-
Net differences between projected and actual earnings on investments	146,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	243,000	383,000
Contributions made subsequent to measurement date	<u>492,382</u>	<u>-</u>
Total	<u>\$ 1,492,382</u>	<u>\$ 556,000</u>

\$492,382 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2022	\$	(11,933)
2023	\$	138,064
2024	\$	270,068
2025	\$	90,067
2026	\$	(11,933)
2027	\$	(30,333)

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

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 9 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLAN (Continued)

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

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

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

Mortality: CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process.

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 9 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLAN (Continued)

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

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

* 20-year geometric average

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease <u>(6.10%)</u>	Current Discount Rate <u>(7.10%)</u>	1% Increase <u>(8.10%)</u>
District's proportionate share of the net pension liability	<u>\$ 9,293,000</u>	<u>\$ 6,151,000</u>	<u>\$ 3,556,000</u>

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

NOTE 10 - NET PENSION LIABILITY - PUBLIC EMPLOYER'S RETIREMENT FUND B

General Information about the Public Employer's Retirement Fund B

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

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 10 - NET PENSION LIABILITY - PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

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

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

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

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

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

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

Members - The member contribution rate was 7.00 percent of applicable member earnings for fiscal year 2020-21.

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

The District contributed \$999,291 to the plan for the fiscal year ended June 30, 2021.

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

At June 30, 2021, the District reported a liability of \$10,162,000 or its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school districts. At June 30, 2020 the District's proportion was 0.033 percent, which was an increase of 0.001 percent from its proportion measured as of June 30, 2019.

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 10 - NET PENSION LIABILITY - PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

For the year ended June 30, 2021, the District recognized pension expense of \$1,796,727. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 504,000	\$ -
Changes of assumptions	37,000	-
Net differences between projected and actual earnings on investments	212,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	307,000	199,000
Contributions made subsequent to measurement date	<u>999,291</u>	<u>-</u>
Total	<u>\$ 2,059,291</u>	<u>\$ 199,000</u>

\$999,291 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2022	\$ 282,917
2023	\$ 222,915
2024	\$ 257,918
2025	\$ 97,250

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

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 10 - NET PENSION LIABILITY - PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

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

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

The mortality table used was developed based on CalPERS specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90% of scale MP 2016. For more details on this table, please refer to the 2017 experience study report.

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

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

<u>Asset Class</u>	<u>Long -Term* Assumed Asset Allocation</u>	<u>Expected Real Rate of Return Years of 1 - 10 ⁽¹⁾</u>	<u>Expected Real Rate of Return Years of 11+ ⁽²⁾</u>
Global Equity	50%	4.8%	5.98%
Fixed Income	28	1.00	2.62
Inflation of Assets	-	0.77	1.81
Private Equity	8	6.30	7.23
Real Estate	13	3.75	4.93
Liquidity	1	-	(0.92)

* 10-year geometric average

(1) An expected inflation rate of 2.00% used for this period

(2) An expected inflation rate of 2.92% used for this period

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

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 10 - NET PENSION LIABILITY - PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

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.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical and forecasted information for all the funds' asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long term (11+ years) using a building-block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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

	1% Decrease <u>(6.15%)</u>	Current Discount Rate <u>(7.15%)</u>	1% Increase <u>(8.15%)</u>
District's proportionate share of the net pension liability	<u>\$ 14,610,000</u>	<u>\$ 10,162,000</u>	<u>\$ 6,471,000</u>

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

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS

General Information Other Postemployment Benefits Plan (OPEB)

Non - Peralta Group

Plan Description: In addition to the pension benefits described in Notes 9 and 10, the District provides post-employment health care benefits under a single employer defined benefit OPEB plan to eligible retirees and their spouses through an implicit rate subsidy for all retirees who elect to purchase benefits at the District's negotiated insurance premium rates. The plan does not issue separate financial statements.

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

The Feather River Community College District's Retiree Health Care Plan (Plan) is calculated on a prorated basis, up to a maximum of 10 years, based on years of service. The District operates the single-employer defined benefit OPEB Plan on a pay-as-you-go basis and pays a set amount each month towards the cost of the medical coverage. Any costs in excess of this amount will be paid by the retiree. If the eligible employee remains in the Plan after the age of 64, the retirees must pay 100% of their premiums resulting in no liability for the District. Although the plan has no segregated assets, for employees hired before August 1, 1994, a fund was established in 1995-96 to accumulate funds to pay for the District's share of future medical premiums of eligible future retirees. The District's Governing Board has the authority to establish or amend the benefit terms offered by the Plan. The District's Governing Board also retains the authority to establish the requirements for paying the Plan benefits as they come due. As of June 30, 2021, the District has not accumulated assets in a qualified trust for the purpose of paying the benefits related to the District's Total OPEB Liability.

Employees Covered by Benefit Terms: The following is a table of plan participants at June 30, 2021:

	<u>Number of Participants</u>
Inactive Plan members, covered spouses, or beneficiaries currently receiving benefits	5
Inactive employees/dependents entitled to, but not yet receiving benefits	-
Active employees	<u>2</u>
	<u>7</u>

Benefits Provided: Benefits are available to faculty, classified staff and management. Spouses and dependents of eligible retirees are also eligible for medical coverage. Benefits include \$359 per month once an eligible employee reaches 50 years old, however benefits are stopped once a participant reaches 65 years old.

Contributions: California Government Code specifies that the District's contribution requirements for covered employees are established and may be amended by the Governing Board. Retirees participating in the group insurance plans offered by the District are required to contribute 100% of the active premiums. In future years, contributions are assumed to increase at the same rate as premiums. The District's premium rates being charged to these retirees are lower than the expected cost for a retiree population under age 65. Thus, an implicit subsidy exists as a result of this difference between the actual cost and the true retiree cost.

Contributions to the Plan from the District were \$31,901 for the year ended June 30, 2021. Employees are not required to contribute to the OPEB plan.

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Total OPEB Liability

The District's total OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of June 30, 2019.

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

<u>Valuation Date:</u>	June 30, 2019
<u>Measurement Date:</u>	June 30, 2020; update procedures were used to roll forward the total OPEB liability to June 30, 2021
<u>Actuarial Value of Assets:</u>	Market Value
<u>Mortality Rate:</u>	PERS - Non-work related rated developed in 2014 California PERS experience study. STRS - Match rates developed in 2010 experience study.
<u>Discount Rate:</u>	2.2%. Based on the June 30, 2020 Bond Buyer 20-Bond Index, as published by the Federal Reserve.
<u>Assumed Investment Return:</u>	Not applicable since the plan is unfunded.
<u>Retirement Rate:</u>	Retirement rates match rates developed in the most recent experience studies for California PERS (2014) and California STRS (2010)
<u>Inflation Rate:</u>	2.75% per year
<u>Dependent Coverage:</u>	Female spouses are assumed to be three years younger than male spouses. 80% of retirees are assumed to be married. Current retirees are valued based on elected coverage.
<u>Health Claims:</u>	Using the 2019 premium rates, developed an age-adjusted average per capita cost for each plan reflecting enrollments for the current active and per-65 retiree population.
<u>Funding Method:</u>	Entry Age Cost Method (Level Percentage of Pay).
<u>Health Care Cost Trend Rate:</u>	4%

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Discount Rate: Given the District's decision not to fund the program, all future benefit payments were discounted using a high quality municipal bond rate of 2.2%. The municipal bond rate was based on the week closest but not later than the measurement date of the June 30, 2020 index as published by the Federal Reserve. The June 30, 2020 index consists of 11 general obligation bonds that mature in 20 years. The average rating of the 11 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

Changes in Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2020	\$ 165,732
Changes for the year:	
Service cost	483
Interest	5,198
Changes of benefit terms	-
Differences between actual and expected experience	-
Changes in assumptions	6,744
Benefit payments	(31,901)
Expected minus actual benefit payments	(3,027)
Administrative expenses	-
Net change	<u>(22,503)</u>
Balance at June 30, 2021	<u>\$ 143,229</u>

For changes in OPEB liability, during the 2020-21 measurement period, the financial reporting discount rate for the District's OPEB Plan was lowered from 3.50 percent to 2.20 percent.

Sensitivity of the Total OPEB Liability to changes in the Discount Rate: The following presents the Total OPEB Liability of the District, as well as what the District's Total OPEB Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease <u>(1.20%)</u>	Current Discount Rate <u>(2.20%)</u>	1% Increase <u>(3.20%)</u>
Total OPEB liability	<u>\$ 145,551</u>	<u>\$ 143,229</u>	<u>\$ 137,592</u>

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the Total OPEB Liability to changes in the Healthcare Cost Trend Rates: The following presents the Total OPEB Liability of the District, as well as what the District's Total OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease <u>(3.00%)</u>	Healthcare Cost Trend Rates <u>Rate (4.00%)</u>	1% Increase <u>(5.00%)</u>
Total OPEB liability	\$ <u>138,195</u>	\$ <u>143,229</u>	\$ <u>148,859</u>

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$9,398. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net differences between projected and actual earnings on investments	-	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
Benefits paid subsequent to measurement date	<u>19,823</u>	<u>-</u>
Total	<u>\$ 19,823</u>	<u>\$ -</u>

\$19,823 reported as deferred outflows of resources related to benefits paid subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2022.

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Peralta Group

Plan Description: In addition to the pension benefits described in Notes 9 and 10, and the Non-Peralta Plan noted above, the District provides retiree and dependent benefits to employees and retirees, eligible under the Peralta 18 Agreement. The Peralta 18 Agreement obligates District funds for the ten years following an eligible employee's retirement. In each eligible fiscal year, the District allocates a set amount of funds to the Peralta fund. These funds are calculated based on the difference of the vacating faculty member's salary and their replacement or equivalent. The annual obligation is subject to change based upon employee turnover. After ten years of payment, per eligible retiree, the District's obligation is absolved. The District contributions are put into a separate County Treasury fund which is managed by the Peralta Trustee. The fund is not an irrevocable trust and therefore are not considered assets of the Peralta Group Plan. The fund does not issue separate financial statements. The District serves as a processing center for monthly health benefit costs as well as individual payments for Medicare Part B.

The District's Governing Board has the authority to establish or amend the benefit terms offered by the Plan. The District's Governing Board also retains the authority to establish the requirements for paying the Plan benefits as they come due. As of June 30, 2021, the District has not accumulated assets in a qualified trust for the purpose of paying the benefits related to the District's Total OPEB Liability.

Employees Covered by Benefit Terms: The following is a table of plan participants at June 30, 2021:

	<u>Number of Participants</u>
Inactive Plan members, covered spouses, or beneficiaries currently receiving benefits	14
Inactive employees/dependents entitled to, but not yet receiving benefits	-
Active employees	<u>1</u>
	<u>15</u>

Benefits Provided: The benefits valued in this report are those provided in accordance with a legal settlement. The benefits are, basically, medical benefits provided to retirees with at least 10 years of service who retire at age 55 or older.

Contributions: California Government Code specifies that the District's contribution requirements for covered employees are established and may be amended by the Governing Board. Retirees participating in the group insurance plans offered by the District are required to contribute 100% of the active premiums. In future years, contributions are assumed to increase at the same rate as premiums. The District's premium rates being charged to these retirees are lower than the expected cost for a retiree population under age 65. Thus, an implicit subsidy exists as a result of this difference between the actual cost and the true retiree cost.

Contributions to the Plan from the District were \$143,664 for the year ended June 30, 2021. Employees are not required to contribute to the OPEB plan.

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

The District's total OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of June 30, 2019.

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

<u>Valuation Date</u> :	June 30, 2019
<u>Measurement Date</u> :	June 30, 2020; update procedures were used to roll forward the total OPEB liability to June 30, 2021
<u>Actuarial Value of Assets</u> :	Market Value
<u>Mortality Rate</u> :	PERS - Non-work related rated developed in 2014 California PERS experience study. STRS - Match rates developed in 2010 experience study.
<u>Discount Rate</u> :	2.2%. Based on the June 30, 2020 Bond Buyer 20-Bond Index, as published by the Federal Reserve.
<u>Assumed Investment Return</u> :	Not applicable since the plan is unfunded.
<u>Retirement Rate</u> :	Retirement rates match rates developed in the most recent experience studies for California PERS (2014) and California STRS (2010)
<u>Inflation Rate</u> :	2.75% per year
<u>Dependent Coverage</u> :	Female spouses are assumed to be three years younger than male spouses. 80% of retirees are assumed to be married. Current retirees are valued based on elected coverage.
<u>Health Claims</u> :	Using the 2019 premium rates, we developed an age-adjusted average per capita cost for each plan reflecting enrollments for the current active and per-65 retiree population.
<u>Funding Method</u> :	Entry Age Cost Method (Level Percentage of Pay).
<u>Health Care Cost Trend Rate</u> :	4%

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Discount Rate: Given the District's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 2.2%. The municipal bond rate was based on the week closest but not later than the measurement date of the June 30, 2020 index as published by the Federal Reserve. The June 30, 2020 index consists of 11 general obligation bonds that mature in 20 years. The average rating of the 11 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

Changes in Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2020	\$ 1,724,914
Changes for the year:	
Service cost	-
Interest	58,176
Changes of benefit terms	-
Differences between actual and expected experience	-
Changes in assumptions	197,183
Benefit payments	(143,664)
Expected minus actual benefit payments	18,179
Experience gains	-
Administrative expenses	-
Net change	<u>129,874</u>
Balance at June 30, 2021	<u>\$ 1,854,788</u>

During the 2020-21 measure period, the financial reporting discount rate for the District's OPEB Plan was lowered from 3.50 percent to 2.20 percent.

Sensitivity of the Total OPEB Liability to changes in the Discount Rate: The following presents the Total OPEB Liability of the District, as well as what the District's Total OPEB Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease (1.20%)	Current Discount (2.20%)	1% Increase (3.20%)
Total OPEB liability	<u>\$ 2,000,545</u>	<u>\$ 1,854,788</u>	<u>\$ 1,696,286</u>

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the Total OPEB Liability to changes in the Healthcare Cost Trend Rates: The following presents the Total OPEB Liability of the District, as well as what the District's Total OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (3.00%)	Healthcare Cost Trend Rates Rate (4.00%)	1% Increase (5.00%)
Total OPEB liability	\$ 1,702,558	\$ 1,854,788	\$ 2,042,111

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$273,538. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net differences between projected and actual earnings on investments	-	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
Benefits paid subsequent to measurement date	146,657	-
Total	\$ 146,657	\$ -

\$146,657 reported as deferred outflows of resources related to benefits paid subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2022.

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 12 - COMMITMENTS AND CONTINGENCIES

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

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

Construction Commitments: As of June 30, 2021, the District had no outstanding construction commitments on construction contracts.

NOTE 13 - JOINT POWERS AGREEMENTS

The District is a member of Northern California Community Colleges Self Insurance Authority (NCCCSIA), a joint powers authority established to provide workers' compensation and property/liability insurance. The following is a summary of current financial information available for NCCCSIA at June 30, 2019 (the most recent information available):

Total assets	\$ 3,012,681
Total liabilities	\$ 984,365
Net position	\$ 2,028,316
Total revenues	\$ 8,364,988
Total expenses	\$ 8,586,513
Change in net position	\$ (221,525)

The District is also a member of Tri-County Schools Insurance Group (TRI-SIG). This is a joint powers authority providing health insurance. The following is a summary of current financial information for June 30, 2020 (the most recent information available):

Total assets	\$ 31,162,833
Deferred Outflows of Resources-Pensions	\$ 193,233
Total liabilities	\$ 9,491,036
Deferred Inflows of Resources	\$ 79,963
Net position	\$ 21,785,068
Total revenues	\$ 46,777,391
Total expenses	\$ 44,211,743
Change in net position	\$ 2,565,648

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 13 - JOINT POWERS AGREEMENTS (Continued)

In addition, the District is a member of Statewide Association of Community Colleges (SWACC). This is a joint powers authority, which provides excess liability coverage. The following is a summary of financial information at June 30, 2020 (the most recent information available):

Total assets	\$ 39,179,390
Total liabilities	\$ 24,740,500
Net position	\$ 14,438,890
Total revenues	\$ 31,261,380
Total expenses	\$ 27,855,154
Change in net position	\$ 3,406,226

In addition, the District is a member of Protected Insurance Programs for Schools Joint Powers Authority (PIPS). This is a self-insurance program that integrates risk transfer to reinsurers and risk retention by its self-insured members. The following is a summary of financial information at June 30, 2020 (the most recent information available):

Total assets	\$ 146,482,024
Total liabilities	\$ 104,409,659
Net position	\$ 42,072,365
Total revenues	\$ 330,953,357
Total expenses	\$ 322,790,995
Change in net position	\$ 8,162,362

In addition, the District is a member of Schools Association for Excess Risk Joint Powers Authority (SAFER). This is a self-insurance program that integrates risk transfer to reinsurers and risk retention by its self-insured members. The following is a summary of financial information at June 30, 2020 (the most recent information available):

Total assets	\$ 38,625,474
Total liabilities	\$ 36,969,875
Net position	\$ 1,655,599
Total revenues	\$ 99,122,689
Total expenses	\$ 88,729,082
Change in net position	\$ 10,393,607

The relationship between the District and the joint powers authorities are such that the joint powers authorities are not component units of the District for financial reporting purposes.

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

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

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years. There have been no significant reductions in insurance coverage from coverage in the prior year.

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 14 - OPERATING EXPENSES

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

	<u>Salaries</u>	<u>Employee Benefits</u>	<u>Supplies Materials and Other Operating Expenses</u>	<u>Utilities</u>	<u>Depreciation</u>	<u>Student Financial Aid and Scholarships</u>	<u>Total</u>
Instruction	\$ 4,460,639	\$ 1,345,750	\$ 2,075,220	\$ -	\$ -	\$ -	\$ 7,881,609
Academic Support	552,811	214,752	56,328	-	-	-	823,891
Student Services	2,245,754	1,019,394	877,963	-	-	-	4,143,111
Operations and Maintenance of Plant	881,291	476,977	300,816	-	-	-	1,659,084
Institution Support	1,084,938	2,559,362	1,213,432	561,434	-	-	5,419,166
Community Services and Economic Development	-	-	-	-	-	-	-
Auxiliary Operations	642,325	274,433	563,130	-	-	-	1,479,888
Student Aid	-	-	-	-	-	2,797,138	2,797,138
Physical Property and Related Acquisitions	-	-	-	-	665,881	-	665,881
	<u>\$ 9,867,758</u>	<u>\$ 5,890,668</u>	<u>\$ 5,086,889</u>	<u>\$ 561,434</u>	<u>\$ 665,881</u>	<u>\$ 2,797,138</u>	<u>\$ 24,869,768</u>

NOTE 15 - RELATED PARTY TRANSACTIONS

The Foundation is economically dependent on the District and the financial statements of the Foundation may not necessarily be indicative of the conditions or results of operations which would have existed had the Foundation been operated as an unaffiliated entity.

The Foundation and the District have entered into an agreement regarding the Feather River Fitness and Recreation Center whereby the District shall reimburse the Foundation for the cost of insurance and to repay the debt created by its purchase. For the fiscal year ended June 30, 2021, the value of the contributions totaled \$24,000.

The Foundation and the District entered into an agreement where the District agrees to pay any shortfalls to the Foundation if occupancy of the residency halls falls below a 90% occupancy target. There were no payments under this agreement for the year ended June 30, 2021.

The Foundation and the District entered into an agreement wherein the Foundation agrees to pay the district a Management Fee for the operations of the Feather River Resident Halls for the Net Income that is the excess of the 120% debt service covenant required by the bondholders. For the Fiscal Year ended June 30, 2021, the value of that fee was \$137,139.

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 15 - RELATED PARTY TRANSACTIONS (Continued)

The Foundation and the District entered into an agreement wherein the District agrees to reimburse the Foundation a Management Fee for the operations of the Feather River Resident Halls. For the Fiscal Year ended June 30, 2021, the value of that fee was \$186,027, of which \$186,027 was receivable.

The Foundation and the District entered into an agreement where the District agrees to a bi-annual lease payment for the operations of the Meadows dorm facility payable to the Foundation. For the Fiscal Year ended June 30, 2021, the value of the contribution was \$30,000.

The Foundation and the District entered into an agreement where the Foundation agrees to reimburse the District for the funds made available for the purchase of the Meadows dorm facility. The term of this agreement is 15 years. For the Fiscal Year ended June 30, 2021, the value of the contribution was \$30,000.

REQUIRED SUPPLEMENTARY INFORMATION

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OTHER POSTEMPLOYMENT
BENEFITS (OPEB) LIABILITY
For the Year Ended June 30, 2021

	Last 10 Fiscal Years Non - Peralta Group			
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB liability				
Service cost	\$ 1,032	\$ 1,060	\$ 1,247	\$ 483
Interest	8,126	7,474	6,066	5,198
Experience (gains) losses	-	-	18,134	-
Change in assumptions	-	(2,725)	1,446	6,744
Expected minus actual benefit payments	-	-	-	(3,027)
Benefit payments	<u>(43,806)</u>	<u>(45,558)</u>	<u>(40,344)</u>	<u>(31,901)</u>
Net change in total OPEB liability	(34,648)	(39,749)	(13,451)	(22,503)
Total OPEB liability, beginning of year	<u>253,580</u>	<u>218,932</u>	<u>179,183</u>	<u>165,732</u>
Total OPEB liability, end of year	<u>\$ 218,932</u>	<u>\$ 179,183</u>	<u>\$ 165,732</u>	<u>\$ 143,229</u>
Covered employee payroll	\$ 384,859	\$ 220,132	\$ 181,673	\$ -
Total OPEB liability as a percentage of covered-employee payroll	57%	81%	91%	0%

This is a 10-year schedule, however the information in this schedule is not required to be presented retrospectively. The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior. All years prior to 2018 are not available.

See accompanying note to required supplementary information.

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OTHER POSTEMPLOYMENT
BENEFITS (OPEB) LIABILITY
For the Year Ended June 30, 2021

	Last 10 Fiscal Years Peralta Group			
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB liability				
Service cost	\$ 5,421	\$ 5,570	\$ 5,235	\$ -
Interest	68,050	71,877	67,977	58,176
Experience (gains) losses	-	-	(109,263)	-
Change in assumptions	-	(49,629)	40,576	197,183
Benefit payments	(123,919)	(128,876)	(143,332)	(143,664)
Expected minus actual benefit payments	<u>-</u>	<u>-</u>	<u>11,629</u>	<u>18,179</u>
Net change in total OPEB liability	(50,448)	(101,058)	(127,178)	129,874
Total OPEB liability, beginning of year	<u>2,003,598</u>	<u>1,953,150</u>	<u>1,852,092</u>	<u>1,724,914</u>
Total OPEB liability, end of year	<u>\$ 1,953,150</u>	<u>\$ 1,852,092</u>	<u>\$ 1,724,914</u>	<u>\$ 1,854,788</u>
Covered employee payroll	\$ 156,893	\$ 161,550	\$ 169,505	\$ 169,910
Total OPEB liability as a percentage of covered-employee payroll	1,245%	1,146%	1,093%	1,092%

This is a 10-year schedule, however the information in this schedule is not required to be presented retrospectively. The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior. All years prior to 2018 are not available.

See accompanying note to required supplementary information.

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

	State Teacher's Retirement Plan Last 10 Fiscal Years						
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
District's proportion of the net pension liability	0.007%	0.007%	0.007%	0.006%	0.006%	0.007%	0.006%
District's proportionate share of the net pension liability	\$ 3,924,000	\$ 4,416,000	\$ 5,295,000	\$ 5,696,000	\$ 5,793,000	\$ 5,963,000	\$ 6,151,000
State's proportionate share of the net pension liability associated with the District	<u>2,370,000</u>	<u>2,335,000</u>	<u>3,014,000</u>	<u>3,370,000</u>	<u>3,317,000</u>	<u>3,253,000</u>	<u>3,361,000</u>
Total net pension liability	<u>\$ 6,294,000</u>	<u>\$ 6,751,000</u>	<u>\$ 8,309,000</u>	<u>\$ 9,066,000</u>	<u>\$ 9,110,000</u>	<u>\$ 9,216,000</u>	<u>\$ 9,512,000</u>
District's covered payroll	\$ 2,991,000	\$ 3,044,000	\$ 3,262,000	\$ 3,320,000	\$ 3,362,000	\$ 3,549,000	\$ 3,760,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	131%	145%	162%	172%	172%	168%	179%
Plan fiduciary net position as a percentage of the total pension liability	76.52%	74.02%	70.04%	69.46%	70.99%	72.56%	71.82%

The amounts presented for each fiscal year were determined as of the yearend that occurred one year prior. All years prior to 2015 are not available.

See accompanying note to required supplementary information.

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

	Public Employers Retirement Fund B Last 10 Fiscal Years						
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
District's proportion of the net pension liability	0.034%	0.033%	0.033%	0.033%	0.033%	0.032%	0.033%
District's proportionate share of the net pension liability	\$ 3,360,000	\$ 4,808,000	\$ 6,451,000	\$ 7,902,000	\$ 8,913,000	\$ 9,215,000	\$ 10,162,000
District's covered payroll	\$ 3,554,000	\$ 3,612,000	\$ 3,919,000	\$ 4,222,000	\$ 4,415,000	\$ 4,379,000	\$ 4,770,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	95%	133%	165%	187%	202%	210%	213%
Plan fiduciary net position as a percentage of the total pension liability	83.38%	79.43%	73.89%	71.87%	70.85%	70.05%	70.00%

The amounts presented for each fiscal year were determined as of the yearend that occurred one year prior. All years prior to 2015 are not available.

See accompanying note to required supplementary information.

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

	State Teachers' Retirement Plan Last 10 Fiscal Years						
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually required contribution	\$ 270,321	\$ 350,065	\$ 417,619	\$ 485,147	\$ 577,504	\$ 681,735	\$ 492,382
Contributions in relation to the contractually required contribution	<u>(270,321)</u>	<u>(350,065)</u>	<u>(417,619)</u>	<u>(485,147)</u>	<u>(577,504)</u>	<u>(681,735)</u>	<u>(492,382)</u>
District's covered payroll	\$ 3,044,000	\$ 3,262,000	\$ 3,320,000	\$ 3,362,000	\$ 3,549,000	\$ 3,760,000	\$ 2,578,000
Contributions as a percentage of covered payroll	8.88%	10.73%	12.58%	14.43%	16.27%	17.10%*	16.15%**

* This rate reflects the original employer contribution rate of 18.13 percent under AB1469, reduced for the 1.03 percentage points to be paid on behalf of employers pursuant to SB 90.

** This rate reflects the original employee contribution rate of 19.10 percent resulting from the CalSTRS Funding Plan, and subsequent reduced for the 2.95 percentage points to be paid on behalf of employees pursuant to SB 90 and AB 84.

See accompanying note to required supplementary information.

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

Public Employers Retirement Fund B Last 10 Fiscal Years							
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually required contribution	\$ 425,112	\$ 464,238	\$ 586,314	\$ 685,752	\$ 791,311	\$ 940,727	\$ 999,291
Contributions in relation to the contractually required contribution	<u>(425,112)</u>	<u>(464,238)</u>	<u>(586,314)</u>	<u>(685,752)</u>	<u>(791,311)</u>	<u>(940,727)</u>	<u>(999,291)</u>
District's covered payroll	\$ 3,612,000	\$ 3,919,000	\$ 4,222,000	\$ 4,415,000	\$ 4,379,000	\$ 4,770,000	\$ 4,827,000
Contributions as a percentage of covered payroll	11.77%	11.85%	13.89%	15.53%	18.07%	19.72%	20.70%

All years prior to 2015 are not available.

See accompanying note to required supplementary information.

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
 NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
 June 30, 2021

NOTE 1 - PURPOSE OF SCHEDULE

A. Schedule of Changes in Total Other Postemployment Benefits (OPEB) Liability: The Schedule of Changes in Total OPEB liability is presented to illustrate the elements of the District's Peralta Group and Non - Peralta Group Total OPEB Liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available. The District has not accumulated assets in a qualified trust for the purpose of paying the benefits related to the District's Total OPEB Liability.

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

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

D. Changes of Benefit Terms (Pensions): There are no changes in benefit terms reported in the Required Supplementary Information.

E - Changes of Assumptions: The discount rate used to calculate the District's OPEB liability was 3.50, 3.50, 3.50, 3.50, 2.20 percent in the June 30, 2017, 2018, 2019, 2020 and 2021 actuarial reports, respectively.

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

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

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

SUPPLEMENTARY INFORMATION

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
ORGANIZATION
(Unaudited)
June 30, 2021

The Feather River Community College District is located in Quincy, California. Geographically, the District encompasses all of Plumas County with the exception of the southeastern corner of the County, near Calpine, California.

The District provides the first two years of instruction transferable to accredited four-year colleges and universities as well as vocational and technical education.

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

BOARD OF TRUSTEES

<u>Members</u>	<u>Office</u>	<u>Term Expires</u>
Mr. Guy McNett	President	December 2022
Dr. Dana Ware	Vice President	December 2024
Dr. Kimberly Kaznowski	Member	December 2022
Mr. William Elliott	Member	December 2022
Dr. John Sheehan	Member	December 2024

DISTRICT ADMINISTRATION

Dr. Kevin Trutna
President/District Superintendent

Morgan Turner
Interim Director of Fiscal Services

Dr. Derek Lerch
Chief Instructional Officer

Carlie McCarthy
Chief Student Services Officer

AUXILIARY ORGANIZATIONS IN GOOD STANDING

Feather River College Foundation, established June 30, 1988
Master Agreement revised May 19, 2016
Kris Miravalle, President

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

	<u>General</u>	<u>Capital Outlay Projects Fund</u>	<u>Child Development Fund</u>	<u>Student Financial Aid Fund</u>	<u>Bookstore Fund</u>	<u>Totals</u>	<u>Reconciling Adjustments/ Eliminations</u>	<u>Statement of Net Position</u>
Assets								
Current assets:								
Cash and cash equivalents	\$ 17,374,916	\$ -	\$ 176,819	\$ 497,615	\$ 127,859	\$ 18,177,209	\$ -	\$ 18,177,209
Receivables, net	2,658,826	-	-	103,222	10,875	2,772,923	(615,381)	2,157,542
Note receivable from Foundation, current	43,811	-	-	-	-	43,811	-	43,811
Due from other funds	288,747	-	1,346	-	-	290,093	(290,093)	-
Stores inventories	-	-	-	-	88,596	88,596	-	88,596
Total current assets	<u>20,366,300</u>	<u>-</u>	<u>178,165</u>	<u>600,837</u>	<u>227,330</u>	<u>21,372,632</u>	<u>(905,474)</u>	<u>20,467,158</u>
Noncurrent assets:								
Restricted cash and cash equivalents	-	1,243,688	-	-	-	1,243,688	-	1,243,688
Note receivable from Foundation, noncurrent	190,673	-	-	-	-	190,673	-	190,673
Non-depreciable capital assets	-	-	-	-	-	-	1,330,261	1,330,261
Depreciable capital assets, net	-	-	-	-	-	-	10,376,895	10,376,895
Total noncurrent assets	<u>190,673</u>	<u>1,243,688</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,434,361</u>	<u>11,707,156</u>	<u>13,141,517</u>
Total assets	<u>20,556,973</u>	<u>1,243,688</u>	<u>178,165</u>	<u>600,837</u>	<u>227,330</u>	<u>22,806,993</u>	<u>10,801,682</u>	<u>33,608,675</u>
Deferred Outflows of Resources								
Deferred outflows of resources - OPEB	-	-	-	-	-	-	166,480	166,480
Deferred outflows of resources - pensions	-	-	-	-	-	-	3,551,673	3,551,673
Total assets & deferred outflows of resources	<u>\$ 20,556,973</u>	<u>\$ 1,243,688</u>	<u>\$ 178,165</u>	<u>\$ 600,837</u>	<u>\$ 227,330</u>	<u>\$ 22,806,993</u>	<u>\$ 14,519,835</u>	<u>\$ 37,326,828</u>

(Continued)

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

	<u>General</u>	<u>Capital Outlay Projects Fund</u>	<u>Child Development Fund</u>	<u>Student Financial Aid Fund</u>	<u>Bookstore Fund</u>	<u>Totals</u>	<u>Reconciling Adjustments/ Eliminations</u>	<u>Statement of Net Position</u>
Liabilities								
Current liabilities:								
Accounts payable	\$ 2,322,134	\$ 1,169	\$ 440	\$ 5,226	\$ 1,023	\$ 2,329,992	\$ -	\$ 2,329,992
Due to other funds	1,346	-	1,449	287,298	-	290,093	(290,093)	-
Unearned revenue	4,260,526	1,229,638	-	277,110	-	5,767,274	(615,381)	5,151,893
Compensated absences payable - current	-	-	-	-	-	-	702,255	702,255
Total current liabilities	<u>6,584,006</u>	<u>1,230,807</u>	<u>1,889</u>	<u>569,634</u>	<u>1,023</u>	<u>8,387,359</u>	<u>(203,219)</u>	<u>8,184,140</u>
Noncurrent liabilities:								
Long-term debt - noncurrent portion	-	-	-	-	-	-	18,311,017	18,311,017
Total liabilities	<u>6,584,006</u>	<u>1,230,807</u>	<u>1,889</u>	<u>569,634</u>	<u>1,023</u>	<u>8,387,359</u>	<u>18,107,798</u>	<u>26,495,157</u>
Deferred Inflows of Resources								
Deferred inflows of resources - pensions	-	-	-	-	-	-	755,000	755,000
Net Position								
Net investment in capital assets	-	-	-	-	-	-	11,707,156	11,707,156
Restricted for:								
Expendable:								
Capital projects	-	12,881	-	-	-	12,881	-	12,881
Unrestricted	<u>13,972,967</u>	<u>-</u>	<u>176,276</u>	<u>31,203</u>	<u>226,307</u>	<u>14,406,753</u>	<u>(16,050,119)</u>	<u>(1,643,366)</u>
Total net position	<u>13,972,967</u>	<u>12,881</u>	<u>176,276</u>	<u>31,203</u>	<u>226,307</u>	<u>14,419,634</u>	<u>(4,342,963)</u>	<u>10,076,671</u>
Total liabilities, deferred inflows of resources & net position	<u>\$ 20,556,973</u>	<u>\$ 1,243,688</u>	<u>\$ 178,165</u>	<u>\$ 600,837</u>	<u>\$ 227,330</u>	<u>\$ 22,806,993</u>	<u>\$ 14,519,835</u>	<u>\$ 37,326,828</u>

See accompanying note to supplementary information.

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

	General Fund	Capital Outlay Projects Fund	Child Development Fund	Student Financial Aid Fund	Bookstore Fund	Totals	Reconciling Adjustments/ Eliminations	Statement of Revenues, Expenses and Change in Net Position
Operating revenues:								
Tuition and fees	\$ 1,448,271	\$ -	\$ -	\$ -	\$ -	\$ 1,448,271	\$ 207,734	\$ 1,656,005
Less: Scholarship discounts and allowance	-	-	-	-	-	-	(913,445)	(913,445)
Net tuition and fees	<u>1,448,271</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,448,271</u>	<u>(705,711)</u>	<u>742,560</u>
Grants and contracts, non-capital:								
Federal	1,838,869	-	19,111	1,376,650	-	3,234,630	(1,026,149)	2,208,481
State	2,723,630	-	174,500	520,830	-	3,418,960	723,710	4,142,670
Local	534,748	(743,753)	24,094	179,603	159	(5,149)	-	(5,149)
Auxiliary enterprise sales and charges	-	-	-	-	173,390	173,390	-	173,390
Total operating revenues	6,545,518	(743,753)	217,705	2,077,083	173,549	8,270,102	(1,008,150)	7,261,952
Operating expenses:								
Salaries	9,650,450	-	187,301	-	34,162	9,871,913	(4,155)	9,867,758
Employee benefits	3,859,514	-	71,537	-	10,662	3,941,713	1,948,955	5,890,668
Supplies, materials and other operating expenses and services	6,032,225	8,856	12,592	-	140,654	6,194,327	(1,107,438)	5,086,889
Utilities	-	-	-	-	-	-	561,434	561,434
Depreciation	-	-	-	-	-	-	665,881	665,881
Student financial aid and scholarships	-	-	-	2,648,947	-	2,648,947	148,191	2,797,138
Total operating expenses	19,542,189	8,856	271,430	2,648,947	185,478	22,656,900	2,212,868	24,869,768
(Loss) gain from operations	(12,996,671)	(752,609)	(53,725)	(571,864)	(11,929)	(14,386,798)	(3,221,018)	(17,607,816)
Non-operating revenues (expenses):								
State apportionment, non-capital	8,336,028	-	-	-	-	8,336,028	-	8,336,028
Local property taxes	7,440,185	-	-	-	-	7,440,185	-	7,440,185
Federal grants and contracts, non-capital	-	-	-	571,864	-	571,864	-	571,864
State taxes and other revenues	485,000	-	-	-	-	485,000	-	485,000
Interest income	103,291	2,609	1,367	-	704	107,971	-	107,971
Pell grants	-	-	-	-	-	-	1,026,149	1,026,149
Interfund transfers out	(1,166,560)	-	-	-	-	(1,166,560)	1,166,560	-
Interfund transfers in	343,677	750,000	72,883	-	-	1,166,560	(1,166,560)	-
Total non-operating revenues (expenses)	<u>15,541,621</u>	<u>752,609</u>	<u>74,250</u>	<u>571,864</u>	<u>704</u>	<u>16,941,048</u>	<u>1,026,149</u>	<u>17,967,197</u>

(Continued)

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

	General Fund	Capital Outlay Projects Fund	Child Development Fund	Student Financial Aid Fund	Bookstore Fund	Totals	Reconciling Adjustments/ Eliminations	Statement of Revenues, Expenses and Change in Net Position
Income (loss) before capital revenues	2,544,950	-	20,525	-	(11,225)	2,554,250	(2,194,869)	359,381
Capital revenues:								
Local property taxes and other revenues, capital	-	-	-	-	-	-	705,711	705,711
Change in net position	2,544,950	-	20,525	-	(11,225)	2,554,250	(1,489,158)	1,065,092
Net position, July 1, 2020	<u>11,426,459</u>	<u>12,881</u>	<u>155,751</u>	<u>31,203</u>	<u>237,532</u>	<u>11,863,826</u>	<u>(2,853,805)</u>	<u>9,010,021</u>
Implementation of GASB No. 84	<u>1,558</u>	-	-	-	-	<u>1,558</u>	-	<u>1,558</u>
Net position, July 1, 2020, as restated	<u>11,428,017</u>	<u>12,881</u>	<u>155,751</u>	<u>31,203</u>	<u>237,532</u>	<u>11,865,384</u>	<u>(2,853,805)</u>	<u>9,011,579</u>
Net position, June 30, 2021	<u>\$ 13,972,967</u>	<u>\$ 12,881</u>	<u>\$ 176,276</u>	<u>\$ 31,203</u>	<u>\$ 226,307</u>	<u>\$ 14,419,634</u>	<u>\$ (4,342,963)</u>	<u>\$ 10,076,671</u>

See accompanying note to supplementary information.

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2021

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Contract Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education</u>			
<i>Direct Programs:</i>			
Student Financial Aid Cluster:			
Federal Direct Student Loans	84.268	P268K103097	\$ 813,673
Federal Work Study Program	84.033	P033A090378	32,448
Federal Perkins Grant	84.038	09-C01-015	72,906
Federal Pell Grant Program	84.063	P063P093097	1,026,149
Administrative Allowance	84.063	P063Q083097	123,970
Federal Supplementary Educational Opportunity Grant	84.007	P007A090378	<u>35,400</u>
Subtotal Student Financial Aid Cluster			<u>2,104,546</u>
Education Stabilization Fund:			
COVID-19 - Higher Education Emergency Relief Fund			
Institutional Portion	84.425F	P425E203570	509,174
Student Portion	84.425E	P425E202463	<u>62,690</u>
Subtotal Education Stabilization Fund			<u>571,864</u>
TRIO Cluster:			
TRIO - Student Support Services	84.042A	P042A201391	282,952
TRIO - Talent Search	84.044	P044A160606-20	260,672
TRIO - Upward Bound	84.047	P047A170007-20	<u>305,023</u>
Subtotal TRIO Cluster			<u>848,647</u>
<i>Passed through the California Community College Chancellor's Office:</i>			
Higher Education Institutional Aid	84.031A	27303/27525A	<u>57,235</u>
Total U.S. Department of Education			<u>3,582,292</u>
<u>U.S. Department of Agriculture</u>			
<i>Passed through the California Department of Education:</i>			
Child and Adult Care Food Program	10.558	32-1488-5-A	7,535
USDA Fire Camp	10.558	40010-8193	9,800
<i>Passed through Plumas County:</i>			
Forest Service Schools and Roads Cluster	10.665	30120	<u>85,007</u>
Total U.S. Department of Agriculture			<u>102,342</u>

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2021

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Contract Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Treasury</u>			
<i>Passed through the California Community College Chancellor's Office:</i>			
COVID-19- Relief Fund - Block Grant (Federal)	21.019	12018-8199	\$ 85,492
Total U.S. Department of Treasury			<u>85,492</u>
<u>U.S. Department of Veteran's Affairs</u>			
Direct Program:			
Veteran Assistance Education Benefits	64.027	14997405	<u>3,434</u>
Total U.S. Department of Veteran Affairs			<u>3,434</u>
<u>U.S. Department of Health and Human Services</u>			
<i>Passed through Substance Abuse and Mental Health Services Administration:</i>			
Substance Abuse and Mental Health Services Projects of Regional and National Significance Administrative Allowance	93.243	30134-8193 P063Q083097	996
<i>Passed through Yosemite Community College District:</i>			
Child Care and Development Block Grant - CCDF Cluster	93.575	09-10-4061	7,818
<i>Passed through California Community College Chancellor's Office:</i>			
Temporary Assistance for Needy Families	93.667		<u>24,120</u>
Total U.S. Department of Health and Human Services			<u>32,934</u>
Total Federal Programs			<u>\$ 3,806,494</u>

See accompanying note to supplementary information.

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

	Program Revenues			Total	Total Program Expenditures
	Cash Received	Accounts Receivable	Account Payable or Unearned Income		
1819 Reg. SWP	\$ 65,166	\$ -	\$ -	65,166	\$ 65,166
AEBG 19-20	125,092	-	5,382	119,710	119,710
Block Grant Deferred Maintenance	23,479	-	2,058	21,421	21,421
Boating Safety	-	600	-	600	600
Cal Grants	144,989	-	14,323	130,666	130,666
CALFrech Outreach	27,436	-	27,436	-	-
CalWorks	127,509	-	73,646	53,863	53,863
CalWorks C/O	118,799	-	56,000	62,799	62,799
CARE	49,038	-	25,994	23,044	23,044
CARE	21,215	-	6,130	15,085	15,085
CCCG	5,250	-	5,250	-	-
CCCO Professional	15,123	-	15,123	-	-
CDE Early Childhood Mentor Program	711	-	-	711	711
Child Care Food Program	467	-	-	467	467
Child Development	174,033	-	-	174,033	174,033
College Promise Program Scholarship	122,416	-	38,466	83,950	83,950
Disaster Relief	16,959	-	250	16,709	16,709
DSPS	169,615	-	18,359	151,256	151,256
Early Action Emergency	187,372	-	164,013	23,359	23,359
EOPS	292,037	-	45,041	246,996	246,996
Equal Employment Opportunity	167,461	-	147,075	20,386	20,386
Equal Employment Opportunity	795	-	795	-	-
Financial Aid Technology Grant	41,089	-	33,589	7,500	7,500
Finish Line	128,000	-	622	127,378	127,378
FT Faculty Hiring	72,790	-	-	72,790	72,790
FTSSG	172,692	-	33,924	138,768	138,768
Go Teach	93,827	-	31,061	62,766	62,766
Go Teach C/O	17,424	-	557	16,867	16,867
Guided Pathways Y2	146,701	-	2,257	144,444	144,444
Guided Pathways Y3	125,000	-	30,633	94,367	94,367
Guided Pathways Y4	50,000	-	50,000	-	-
Hunger Free Campus	12,294	-	-	12,294	12,294
IELM Block Grant	9,978	-	9,978	-	-
K14 Pathways Tech Asst	139,887	-	-	139,887	139,887
Lottery Institutional Materials C/O	498,577	-	431,683	66,894	66,894
Maintenance Allowance	-	7,825	-	7,825	7,825

(Continued)

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

	Program Revenues			Total	Total Program Expenditures
	Cash Received	Accounts Receivable	Account Payable or Unearned Income		
Mandated Cost	\$ 49,396	\$ -	\$ -	\$ 49,396	\$ 49,396
Mental Health St. Funding	1,653	-	1,228	425	425
NFNRC CTE Marketing Outreach	19,999	-	-	19,999	19,999
NFNRC CTE Marketing Outreach FY21	20,000	-	10,687	9,313	9,313
NFNRC PIC Healthcare Resource	30,000	-	13,147	16,853	16,853
NFNRC PIC Professional Development CTE Faculty	10,000	-	10,000	-	-
Prop 39 Clean Energy	87,173	-	39,680	47,493	47,493
PT Faculty Office Hours & Comp	74,231	-	-	74,231	74,231
R2T4	3,715	-	3,715	-	-
Retention & Enrollment Outreach	43,318	-	43,318	-	-
Rural Technology Assistance Grant	80,023	-	56,423	23,600	23,600
SEA	76,750	132,595	-	209,345	209,345
SEA carryover	677,530	-	-	677,530	677,530
Shashta CPL	2,921	-	2,921	-	-
SNC CEQA	-	1,959	-	1,959	1,959
SNC FRC Watershed Grant	-	11,336	-	11,336	11,336
Staff Development	199	-	199	-	-
State COVID Block Grant	104,943	-	85,931	19,012	19,012
SWP Local	403,171	-	387,641	15,530	15,530
SWP Regional Funding	322,669	-	177,923	144,746	144,746
SWP Regional Funding (Butte Funds)	-	88,678	-	88,678	88,678
SWP State Funding Y3	30,328	-	-	30,328	30,328
SWP State Funding Y3	374,465	-	345,016	29,449	29,449
SWP TAP K-14	144,000	-	80,984	63,016	63,016
TTIP TCO C/O	8,039	-	8,039	-	-
TTIP Tech C/O	259	-	259	-	-
Undocumented Resource Liaison	30,036	-	30,036	-	-
URGF Lottery	257,398	61,789	-	319,187	319,187
VAMA Campus Safety	9,572	-	6,247	3,325	3,325
Veteran's Program	1,429	-	1,429	-	-
Veteran's Resource Center	19,964	-	19,600	364	364
Veteran's Resource Center C/O	25,150	-	22,378	2,772	2,772

See accompanying note to supplementary information.

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

<u>Categories</u>	<u>Reported Data</u>	<u>Audit Adjustments</u>	<u>Revised Data</u>
A. Summer Intersession (Summer 2020 only)			
1. Noncredit	-	-	-
2. Credit	186	-	186
B. Summer Intersession (Summer 2021) - Prior to July 1, 2021)			
1. Noncredit	-	-	-
2. Credit	63	-	63
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
a. Weekly Census Contact Hours	268	-	268
b. Daily Census Contact Hours	14	-	14
2. Actual Hours of Attendance Procedure Courses			
a. Noncredit	37	-	37
b. Credit	403	-	403
3. Independent Study/Work Experience			
a. Weekly Census Contact Hours	521	-	521
b. Daily Census Contact Hours	69	-	69
c. Noncredit Independent Study/ Distance Education Courses	-	-	-
D. Total FTES	<u>1,561</u>	<u>-</u>	<u>1,561</u>
Supplemental Information:			
E. In-Service Training Courses (FTES)	31	-	31
F. Basic Skills Courses and Immigrant Education			
a. Noncredit	31	-	31
b. Credit	-	-	-
CCFS 320 Addendum			
CDCP	-	-	-
Centers FTES			
a. Noncredit	-	-	-
b. Credit	-	-	-

See accompanying note to supplementary information.

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (CCFS-311)
WITH AUDITED FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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

See accompanying note to supplementary information.

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

General fund		\$ 13,971,409
Capital projects funds		12,881
Internal service fund		31,203
Auxiliary fund		226,307
Special revenue fund		176,276
Associated student trust fund		<u>1,558</u>
Total fund balances - business-type activity funds		14,419,634
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used for governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. However, capital assets, net of accumulated depreciation are added to total net assets.		
Total District capital assets		11,707,156
In government funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions and OPEB are reported:		
Deferred outflows of resources relating to pensions	\$ 3,551,673	
Deferred outflows of resources relating to OPEB	166,480	
Deferred inflows of resources relating to pensions	<u>(755,000)</u>	
		2,963,153
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at June 30, 2021 consisted of:		
Compensated absences	\$ (702,255)	
Net pension liability	(16,313,000)	
Total OPEB liability	<u>(1,998,017)</u>	
		<u>(19,013,272)</u>
Total net position - business-type activities		<u>\$ 10,076,671</u>

See accompanying note to supplementary information.

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

	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	\$ 2,504,062	\$ -	\$ 2,504,062	\$ 2,504,062	\$ -	\$ 2,504,062
Other	1300	1,047,479	-	1,047,479	1,062,748	-	1,062,748
Total instructional salaries		<u>3,551,541</u>	<u>-</u>	<u>3,551,541</u>	<u>3,566,810</u>	<u>-</u>	<u>3,566,810</u>
Non-instructional salaries:							
Contract or regular	1200	-	-	-	729,380	-	729,380
Other	1400	-	-	-	-	-	-
Total non-instructional salaries		<u>-</u>	<u>-</u>	<u>-</u>	<u>729,380</u>	<u>-</u>	<u>729,380</u>
Total academic salaries		<u>3,551,541</u>	<u>-</u>	<u>3,551,541</u>	<u>4,296,190</u>	<u>-</u>	<u>4,296,190</u>
Classified Salaries							
Non-instructional salaries:							
Regular status	2100	-	-	-	1,905,164	-	1,905,164
Other	2300	-	-	-	12,938	-	12,938
Total non-instructional salaries		<u>-</u>	<u>-</u>	<u>-</u>	<u>1,918,102</u>	<u>-</u>	<u>1,918,102</u>
Instructional aides:							
Regular status	2200	190,540	-	190,540	190,540	-	190,540
Other	2400	2,228	-	2,228	6,047	-	6,047
Total instructional aides		<u>192,768</u>	<u>-</u>	<u>192,768</u>	<u>196,587</u>	<u>-</u>	<u>196,587</u>
Total classified salaries		<u>192,768</u>	<u>-</u>	<u>192,768</u>	<u>2,114,689</u>	<u>-</u>	<u>2,114,689</u>
Employee benefits	3000	1,428,073	-	1,428,073	2,390,451	-	2,390,451
Supplies and materials	4000	-	-	-	414,558	-	414,558
Other operating expenses	5000	873,500	-	873,500	2,520,978	-	2,520,978
Equipment replacement	6420	-	-	-	-	-	-
Total expenditures prior to exclusions		<u>6,045,882</u>	<u>-</u>	<u>6,045,882</u>	<u>11,736,866</u>	<u>-</u>	<u>11,736,866</u>

(Continued)

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

	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
Exclusions							
Activities to exclude:							
Instructional staff-retirees' benefits and retirement incentives	5900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Student health services above amount collected	6441	-	-	-	77,247	-	77,247
Student transportation	6491	-	-	-	281,008	-	281,008
Noninstructional staff-retirees' benefits and retirement incentives	6740	-	-	-	-	-	-
Objects to exclude:							
Rents and leases	5060	-	-	-	137,511	-	137,511
Lottery expenditures		-	-	-	-	-	-
Academic salaries	1000	56,893	-	56,893	56,893	-	56,893
Classified salaries	2000	-	-	-	-	-	-
Employee benefits	3000	-	-	-	-	-	-
Supplies and materials:							
Software	4100	-	-	-	29,960	-	29,960
Books, magazines and periodicals	4200	-	-	-	6,030	-	6,030
Instructional supplies and materials	4300	-	-	-	226,304	-	226,304
Noninstructional supplies and materials	4400	-	-	-	-	-	-
Total supplies and materials		-	-	-	262,294	-	262,294
Other operating expenses and services	5000	-	-	-	-	-	-
Capital outlay	6000	-	-	-	-	-	-
Library books	6300	-	-	-	-	-	-
Equipment:							
Equipment - additional	6410	-	-	-	-	-	-
Equipment - replacement	6420	-	-	-	-	-	-
Total equipment		-	-	-	-	-	-
Total capital outlay		56,893	-	56,893	814,953	-	814,953
Other outgo	7000	-	-	-	-	-	-
Total exclusions		56,893	-	56,893	814,953	-	814,953
Total for ECS 84362, 50% Law		\$ 5,988,989	\$ -	\$ 5,988,989	\$ 10,921,913	\$ -	\$ 10,921,913
Percent of CEE (instructional salary cost /Total CEE)		54.83%	%	54.83%	100%	%	100%
50% of current expense of education		\$ 5,460,957	\$ -	\$ 5,460,957	\$ 5,460,957	\$ -	\$ 5,460,957

See accompanying note to supplementary information.

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
 PROP 55 EPA EXPENDITURE REPORT
 For the Year Ended June 30, 2021

EPA Proceeds: \$ 2,743,994

<u>Activity Classification</u>	<u>Activity Code</u> (0100-5900)	<u>Salaries and Benefits</u> (1000-3000)	<u>Operating Expenses</u> (4000-5000)	<u>Capital Outlay</u> (6000)	<u>Total</u>
Instructional Activities	\$ -	\$ 2,743,994	\$ -	\$ -	\$ 2,743,994

See accompanying note to supplementary information.

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
June 30, 2021

NOTE 1 - PURPOSE OF SCHEDULES

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

B - Schedule of Expenditures of Federal Awards: The Schedule of Expenditures of Federal Awards includes the federal award activity of Feather River Community College District, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10-percent de minimus indirect cost rate allowed under Uniform Guidance.

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

D - Schedule of Workload Measures for State General Apportionment: Full-time equivalent students is a measurement of the number of students attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to community college districts. This schedule provides information regarding the attendance of students based on various methods of accumulating attendance data.

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

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

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

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

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE REQUIREMENTS

Board of Trustees
Feather River Community College District
Quincy, California

Report on Compliance with State Laws and Regulations

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

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

Management's Responsibility

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

Auditor's Responsibility

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

(Continued)

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

Opinion with State Laws and Regulations

In our opinion, Feather River Community College District, complied in all material respects, with the compliance requirements referred to above that are applicable to the state laws and regulations for the year ended June 30, 2021. Further, based on our examination, for items not tested, nothing came to our attention to indicate that Feather River Community College District had not complied with the requirements that are applicable to the state laws and regulations.

Purpose of this Report

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


Crowe LLP

Sacramento, California
February 4, 2022

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
Feather River Community College District
Quincy, 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 and the discretely presented component unit of Feather River Community College District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Feather River Community College District's basic financial statements, and have issued our report thereon dated February 4, 2022. The financial statements of Feather River Community College Foundation, Inc., were not audited in accordance with *Government Auditing Standards*, and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Feather River Community College Foundation, Inc.

Internal Control Over Financial Reporting

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

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

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

(Continued)

Compliance and Other Matters

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

Purpose of this Report

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


Crowe LLP

Sacramento, California
February 4, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED
BY UNIFORM GUIDANCE

Board of Trustees
Feather River Community College District
Quincy, California

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

(Continued)

Opinion on Each Major Federal Program

In our opinion, Feather River Community College District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Feather River Community College District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Feather River Community College District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Feather River Community College District's internal control over compliance.

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

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

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


Crowe LLP

Sacramento, California
February 4, 2022

FINDINGS AND RECOMMENDATIONS

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
 SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2021

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified not considered
to be material weakness(es)? _____ Yes X None reported

Noncompliance material to financial statements
noted? _____ Yes X No

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified not considered
to be material weakness(es)? _____ Yes X None reported

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

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

Identification of major programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.042A, 84.044, 84.047 84.425E, 84.425F	TRIO Cluster COVID-19 - Higher Education Emergency Relief Fund (HEERF)

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

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

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
Year Ended June 30, 2021

No matters were reported.