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MARIN COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENTS

June 30, 2021

MARIN COMMUNITY COLLEGE DISTRICT
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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Marin Community College District
Kentfield, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Marin Community College District (District), as of and for the year ended June 30, 2021; and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The District's 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.

Auditors' 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, and the *2020-2021 Contracted District Audit Manual*, issued by the California Community Colleges Chancellor's Office. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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 of the District, as of June 30, 2021; and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information listed in the table of contents, including the 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 Awards (Uniform Guidance)*, and other supplementary information as listed in the table of contents are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying supplementary information and the schedule of expenditures of federal awards is the responsibility of management and was derived from, and relates directly, to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

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

CWDL, Certified Public Accountants

San Diego, California
November 1, 2021

**MARIN COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Governmental Accounting Standards Board (GASB) Statement 34/35

Marin Community College District (the District) prepares financial reports in accordance with GASB statements No. 34/35, Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities," issued in November 1999. The following discussion and analysis provides an overview of the District's financial activities for the fiscal year ended June 30, 2021 and the intent of this discussion and analysis is to look at the District's financial performance as a whole. To provide a complete understanding of the District's financial standing, this analysis should be read in conjunction with the entire Independent Auditor's Report, particularly the District's financial statements beginning on page 15, and the notes to the basic financial statements beginning on page 21.

The California Community College Chancellor's Office, through its Fiscal and Accountability Standards Committee, has recommended the Business Type Activity (BTA) model for financial reporting and the District has adopted the BTA reporting model for these financial statements.

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

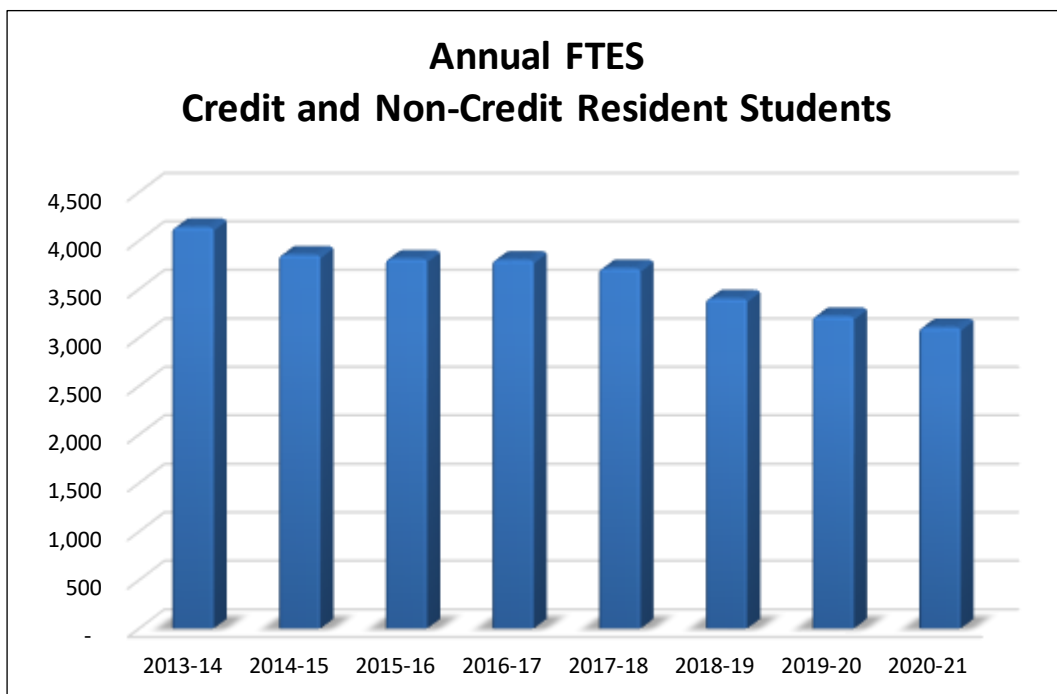
- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Net Position
- Statement of Cash Flows

**MARIN COMMUNITY COLLEGE DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Financial Highlights

- The District continues to maintain its “Basic Aid” (also known as community supported) status because the receipts from local property taxes and enrollment fees exceeded the State’s funding formula known as apportionment for 2020-21 by about \$38 million. The State of California changed the funding formula for community college districts during 2019-20 to a more student-centered formula that rewards on equity and success in addition to enrollment. The District does not anticipate the new funding formula will impact revenue since the District will continue to be basic aid (also known as community supported) where revenues are received from local property taxes and enrollment fees rather than the state.
- FTES totaled 3,107 representing a 3.57% decrease over the prior fiscal year. The decline in enrollment over the last several years was attributable to a convergence of factors including changes in student enrollment patterns and near record low county unemployment.

Creating strong future enrollment remains a strategic priority for the District. Outreach and marketing efforts are well underway in an attempt to stabilize the declining trend in enrollment. The District has been collaborating with K-12 and business partners to develop new career technical education programs in high-demand fields such as biotechnology, agri-tourism, and information and communication technology. The District’s K-12 connections also include expansion of concurrent enrollment opportunities for high school students, including offering select courses at high school sites; the Summer Bridge program which is dramatically reducing the remedial needs of incoming students; and COMPASS (College of Marin Providing Access and Supporting Success).



**MARIN COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Financial Highlights, continued

- Fiscal year 2020-21 fund-level net position ended higher than originally budgeted. Unrestricted revenues were about \$1.9 million higher principally from higher than budgeted property taxes. Unrestricted expenditures were approximately \$6.3 million lower than budget primarily due to lower salaries, benefits, and other operating expenses. The year ended with the unrestricted fund reserve level at 24.1%.
- Academic salaries decreased 2.0% and classified salaries decreased 3.1% in 2020-21. The decreases were primarily due to overall staff reductions offset by negotiated salary increases and step and column increases. Benefits increased by 1.0% due to higher STRS and PERS rates in 2020-21.
- The Board directed funding the retiree healthcare obligation (other post-employment benefits or "OPEB") in advance rather than on the prior "pay as you go" basis. Between Fiscal Years 2005-06 and 2009-10, the District pre-funded the obligation transferring \$2,000,000 out of the General Fund into the Retiree Unfunded Medical Benefits Liability Fund. In June 2013, the District established an irrevocable OPEB trust fund with CalPERS, formally named the California Employers' Retiree Benefit Trust (CERBT) fund, and transferred the balance from the previous Retiree Unfunded Medical Benefits Liability Fund to the irrevocable OPEB Trust. The balance of the trust at June 30, 2021 was \$3,037,080.

The District's most recent actuarial report is dated April 30, 2021 with a valuation date of June 30, 2019 and measurement date of June 30, 2020. At June 30, 2019, the District's Total OPEB Liability was \$1.7 million and the Fiduciary Net Position of the trust was \$2.9 million, leaving a Net OPEB Liability (Asset) of (\$1.3) million.

- The District provided Financial Aid to more than 2,157 qualifying students in FY 2020-21 translating to about \$8.4 million in paid aid. This aid is provided through grants, loans, institutional and outside scholarships, work study from the Federal government, the State, and local funding.

**MARIN COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Capital Asset and Debt Administration

- On June 7, 2016, the voters of Marin County overwhelmingly passed Measure B, a \$265 million bond. To provide modern, well-maintained educational facilities for our students, Measure B will:
 - Repair and upgrade classrooms, science labs, vocational education facilities and job training centers for 21st-century careers in technology, computer and engineering
 - Repair or replace leaking roofs
 - Modernize and update science classrooms and labs
 - Update classrooms and educational facilities to meet current earthquake, fire and safety codes
 - Update campus facilities to provide access for disabled students.
- The College retained the services of Gilbane Management & Consulting, Inc. as its Measure B program and construction management provider, and Ann Kennedy Group to provide financial reporting and bond compliance services.
- In December 2016, \$60 million in tax exempt bonds were sold, netted against \$280 thousand in issuance and underwriting costs, and \$37.5 million in federally-taxable bonds were sold, netted against \$287.5 thousand in issuance and underwriting costs. Issuances were sold pursuant to the terms of a public sale. All proceeds were delivered to the Marin County Treasury for credit of College of Marin into its Measure B, Series A Building Fund and Series A-1 Fund, respectively.
- In January 2019, \$70 million in tax exempt bonds were issued, netted against \$172 thousand in issuance and underwriting costs, and \$97.5 million in federally-taxable bonds were issued, netted against \$230 thousand in issuance and underwriting costs. Issuances were sold pursuant to the terms of a public sale. All proceeds were delivered to the Marin County Treasury for credit of College of Marin into its Measure B, Series B Building Fund and Series B-1 Fund, respectively.
- The District's 2020-21 Measure B Capital Improvement and Modernization Program included the beginning, continuation and/or completion of projects as follows:
 - ADA Barrier Removal Site Improvements
 - Pomo Cluster (Phase I & II)
 - Fine Arts Building: Audio Visual Upgrades
 - New Miwok Center
 - Jonas Center & Building 18
 - Maintenance & Operations Building and District Warehouse

**MARIN COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Capital Asset and Debt Administration, continued

- The District's 2020-21 Measure B Capital Improvement and Modernization Program includes projects that have been initiated during this period and newly added projects:
 - Admin Cluster: Building 12 Interior Abatement and Renovation
 - 941 Sir Francis Drake: New Home of Reprographics
 - Swing Space: Temporary Offices and Classrooms
 - Swing Space: Modernization of Existing Maintenance & Operations Building for Campus Bookstore
 - Learning Resource Center Project
 - Fusselman Hall: Structural & Waterproofing Improvements
 - Welcome Center, 830 College Avenue
 - IVC Creek Mitigation Project
 - Bolinas Field Station
- In March 2018 the District issued \$7.37 million of lease revenue bonds to finance solar energy facilities on the Kentfield and Indian Valley campuses.
- In February 2019 the District issued \$3.98 million of Certificates of Participation to finance acquisition and construction of District facilities and workforce housing units.

**MARIN COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
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. Net position – the difference between assets and liabilities – is one way to measure the financial health of the District.

	2021	2020	Change
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets	\$ 41,501,784	\$ 27,718,199	\$ 13,783,585
Noncurrent assets	536,329,540	537,186,322	(856,782)
Deferred outflow of resources	29,820,739	30,388,186	(567,447)
Total Assets and Deferred Outflows of Resources	607,652,063	595,292,707	12,359,356
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current liabilities	37,334,020	36,080,806	1,253,214
Noncurrent liabilities	538,600,249	542,941,029	(4,340,780)
Deferred inflows of resources	3,347,900	4,065,615	(717,715)
Total Liabilities and Deferred Inflows of Resources	579,282,169	583,087,450	(3,805,281)
NET POSITION			
Invested in capital assets, net of related debt	42,204,263	34,751,396	7,452,867
Restricted	23,317,920	24,522,645	(1,204,725)
Unrestricted	(37,152,289)	(47,068,784)	9,916,495
Total Net Position	\$ 28,369,894	\$ 12,205,257	\$ 16,164,637

- The \$13.8 million net increase in "Current Assets" is due primarily to an increase in cash from the contributions to the pension trust and an increase in AR from state and federal sources.
- The \$857 thousand net decrease in "Noncurrent Assets" is due to a decrease in restricted cash of \$26.2 million and an increase in capital assets of \$25.1 million that relates primarily to the construction of capital projects from the Measure B bonds.
- The \$1.3 million increase in "Current Liabilities" is due to a decrease in Accounts Payable and Accrued Liabilities of \$0.9 million and increases of \$1.5 million in deferred revenues and \$635 thousand for current long-term debt.
- The \$4.3 million decrease in "Noncurrent Liabilities" is primarily attributable to payments made on the District's General Obligation Bonds in addition to the 2021 General Obligation Refunding Bonds.
- Net Position includes the value of all capital assets (net of accumulated depreciation).

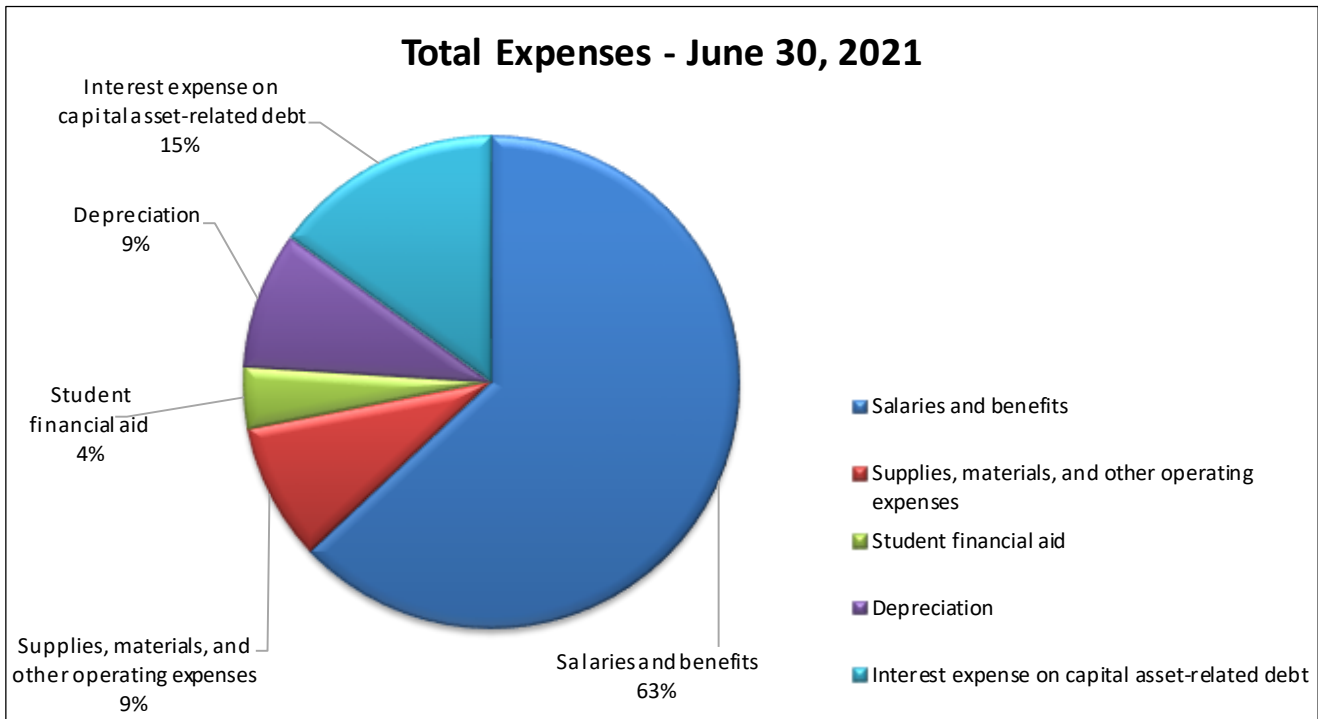
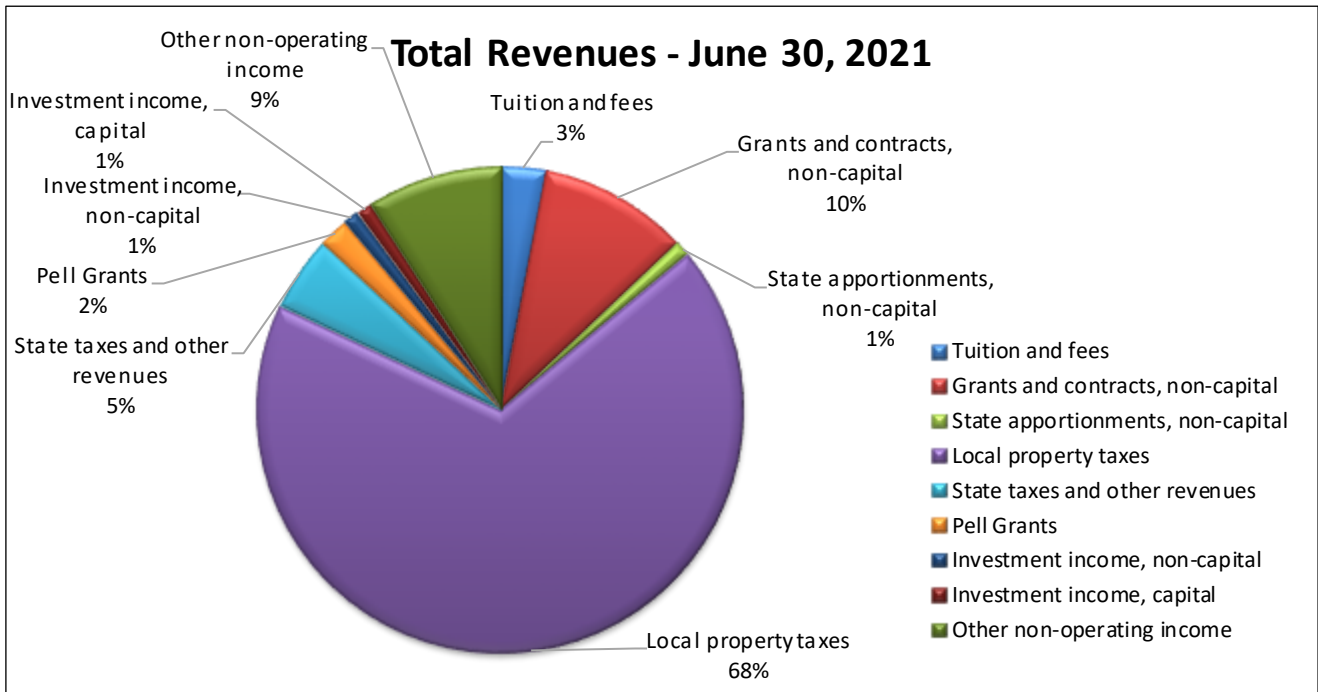
**MARIN COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Statement of Revenues, Expenses and Change in Net Position

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

OPERATING REVENUES			
Tuition and fees	\$ 3,451,443	\$ 4,403,355	\$ (951,912)
Grants and contracts, non-capital	11,951,851	8,038,956	3,912,895
Total Operating Revenues	15,403,294	12,442,311	2,960,983
OPERATING EXPENSES			
Salaries and benefits	68,744,381	70,357,561	(1,613,180)
Supplies, materials, and other operating expenses	10,079,472	10,573,177	(493,705)
Student financial aid	4,191,025	4,613,853	(422,828)
Depreciation	10,291,320	9,094,709	1,196,611
Total Operating Expenses	93,306,198	94,639,300	(1,333,102)
Operating Loss	(77,902,904)	(82,196,989)	4,294,085
NON-OPERATING REVENUES (EXPENSES)			
State apportionments, non-capital	1,444,344	703,258	741,086
Local property taxes	62,582,360	59,556,182	3,026,178
State taxes and other revenues	6,194,620	4,279,695	1,914,925
Pell Grants	2,552,202	2,681,172	(128,970)
Investment income, non-capital	1,165,892	602,474	563,418
Investment income, capital	1,196,632	4,235,716	(3,039,084)
Interest expense on capital asset-related debt	(15,954,614)	(17,375,291)	1,420,677
Other non-operating income	10,742,846	8,373,782	2,369,064
Total Non-Operating Revenues (Expenses)	69,924,282	63,056,988	6,867,294
OTHER REVENUES (EXPENSES)			
Gain (loss) on disposal of fixed assets	(551,116)	-	(551,116)
Local property taxes, capital	24,178,420	23,496,848	681,572
Change in Net Position	15,648,682	4,356,847	11,291,835
NET POSITION, BEGINNING OF YEAR	12,205,257	7,848,410	4,356,847
PRIOR PERIOD ADJUSTMENT (SEE NOTE 14)	515,955	-	515,955
NET POSITION, END OF YEAR	\$ 28,369,894	\$ 12,205,257	\$ 16,164,637

**MARIN COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**



**MARIN COMMUNITY COLLEGE DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Statement of Revenues, Expenses, and Change in Net Position

- As reported in the Statement of Revenues, Expenses and Changes in Net Position on page 16 of this report, the cost of all the District’s operational activities this year was \$93.3 million, a decrease of approximately 1.4% compared to that of the prior year, primarily due to decreased salaries and benefits.
- Expenses for 2020-21 included depreciation of the District’s plant and equipment of approximately \$10.3 million.
- About 73.7% of all operating expenses were directed to salary and benefit costs, compared to 74.3% last year. The “On-Behalf” expenditures were approximately \$3.3 million during 2020-21
- Non-operating revenue increased about \$6.9 million primarily due to a \$3.0 million increase in local property taxes and \$2.4 million on other revenues and a decrease in interest expense of \$1.4 million and offset by a decrease in interest income of \$3.0 million.
- The ad valorem taxes collected in the bond redemption funds was \$682 thousand than 2019-20. The ad valorem taxes fluctuate because they are collected based on the need to repay the bond principal and interest.

Statement of Cash Flows

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

Cash Provided by (Used by)	2021	2020	Change
Operating activities	\$ (64,367,564)	\$ (70,085,880)	\$ 5,718,316
Noncapital financing activities	84,400,650	75,060,387	9,340,263
Capital financing activities	(36,571,060)	(51,512,898)	14,941,838
Investing activities	1,165,892	602,474	563,418
Net Increase (Decrease) in Cash	<u>\$ (15,372,082)</u>	<u>\$ (45,935,917)</u>	<u>\$ 30,563,835</u>

- Operating activities includes tuition and fees, grants, and operating payments. The decrease in cash used by operating activities is primarily due to the decrease in vendor payments.

**MARIN COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Statement of Cash Flows, continued

A consistent significant cash in-flow is in non-capital financing activities which includes property taxes, enrollment fees, State apportionments, and local revenues; property taxes being the largest contributor.

- Capital and related financing activities correlate to bond issuances and redemptions. The District's construction projects and capital debt are reported in capital and related financing activities.
- Cash flow is adequate for a small district; the District participates in Marin County Treasurer's Office investment pool to maximize interest earnings on excess cash.

Economic Factors and Budgetary Highlights

- Despite the negative impact COVID-19 has had on the economy, the District expects an increase in property taxes in 2021-22. The budget for 2021-22 anticipates a 1.04% increase in property taxes with the California Consumer Price Index at 1.036%. The budgeted revenue increase is offset by escalating salaries and pension costs as well as a \$1.65 million contribution to the Pension Rate Stabilization Fund, resulting in a decrease in fund balance.
- Because the District continues to be basic-aid status (also known as community supported) where revenues are received from property taxes and enrollment fees, the state budget and changes in apportionment funding formulas have a relatively minimal impact on District funding. The District receives funding for categorical programs from the state but does not rely on state funding for general operations. In 2020-21 the District received almost \$38 million more in revenue from property taxes than it would have under the state funding formula, and it is anticipated to receive about \$39.4 million more in 2021-22. A decline in Marin County property values would cause a reduction in District revenues but that isn't anticipated in 2021-22. To be cautious, revenue assumptions for budget projections in outer years is conservative.
- Pension Reform may help control costs as employees new to the pension systems are required to pay their own share of pension expense. The District has negotiated with the bargaining units so classic CalPERS (California Public Employees' Retirement System) members for whom the District used to pay the employee share of CalPERS started to pay the full employee share in 2019. Although CalSTRS (California State Teachers' Retirement System) and CalPERS have both projected annual increases for several years into the future to help with the unfunded liability of those plans, the state budget provided some temporary relief in 2020-21 and 2021-22 by reducing the school employer pension contribution rates by about 2% each year. In 2022-23 and outer years, rates are anticipated to increase back to earlier projections which will increase costs to the District. The District has also been required to reflect the unfunded liability of STRS and PERS for its employees in the financial statements beginning with the fiscal year ending June 30, 2015 which had and will continue to have a negative impact.

**MARIN COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Economic Factors and Budgetary Highlights, continued

- In 2017-18, the District established a Pension Rate Stabilization Fund to prefund pension obligations. Contributions to the trust fund are determined by the Board of Trustees. As of June 30, 2021, contributions of \$8.0 million were made to the trust fund. An additional contribution to the trust fund of \$1.65 million is in the 2021-21 Adoption Budget. Future contributions will be determined by the availability of resources and will likely fluctuate. Contributed funds may be withdrawn from the trust fund as needed to assist with paying STRS and PERS pension liabilities.
- In prior years, the District contributed funds into an irrevocable trust to fund its other post-employment benefits. That trust is fully funded and is now providing disbursements to the District for the "pay as you go" cost of medical benefits for retirees. These disbursements are providing another financing source to the District.
- In addition to the negative impact on the economy, COVID-19 has required a dramatic change in instructional methodology, moving from primarily in-class face-to-face instruction to online teaching. While it is difficult to assess the impact on future enrollment, current trends indicate a decrease in enrollment.
- The district has received about \$12 million in additional Federal and state funding as a result of COVID-19 to provide relief to the district as well as additional student aid. Currently, the district is not anticipating receipt of additional funds in the future.
- In 2014 the District joined SISC (Self-Insured Schools of California) in an effort to control its health care costs. The District's medical premium has increased an average of just over 3.0% annually since joining SISC. The District's contribution to the medical premium is also capped at \$2,100 per month for full-time faculty, and \$2,050 per month for all others who qualify for full coverage.
- 2021-22 reserves are budgeted at 10.4% of General Fund Unrestricted expenditures in the 2020-21 Annual Budget and Financial Report (CCFS 311). The District anticipates maintaining a reserve of 9.5% or higher in compliance with the Board's administrative procedure on reserve fund management.

FINANCIAL SECTION

MARIN COMMUNITY COLLEGE DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS

Current Assets:

Cash and investments	\$ 33,453,101
Accounts receivable, net	6,280,984
Prepaid expenses	1,767,699
Total Current Assets	<u>41,501,784</u>

Noncurrent Assets:

Restricted cash and investments	172,217,057
Net OPEB asset	1,259,303
Capital assets, net	362,853,180
Total Noncurrent Assets	<u>536,329,540</u>

TOTAL ASSETS

577,831,324

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to bond refundings	13,712,080
Deferred outflows related to pensions	16,108,659

TOTAL DEFERRED OUTFLOWS OF RESOURCES

29,820,739

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

\$ 607,652,063

LIABILITIES

Current Liabilities:

Accounts payable	\$ 17,304,196
Unearned revenue	8,513,185
Claims liability	71,639
Long-term debt, current portion	11,445,000
Total Current Liabilities	<u>37,334,020</u>

Noncurrent Liabilities:

Compensated absences	2,299,292
Net pension liability	69,682,250
Long-term debt, non-current portion	466,618,707
Total Noncurrent Liabilities	<u>538,600,249</u>

TOTAL LIABILITIES

575,934,269

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to OPEB	31,794
Deferred inflows related to pensions	3,316,106

TOTAL DEFERRED INFLOWS OF RESOURCES

3,347,900

NET POSITION

Net investment in capital assets	42,204,263
Restricted for:	
Debt service	24,311,407
Capital projects	(993,487)
Unrestricted	(37,152,289)

TOTAL NET POSITION

28,369,894

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

\$ 607,652,063

**MARIN COMMUNITY COLLEGE DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021**

OPERATING REVENUES	
Tuition and fees	\$ 4,784,477
Less: Scholarship discounts and allowances	(1,333,034)
Net tuition and fees	<u>3,451,443</u>
Grants and contracts, non-capital	
Federal	5,226,663
State	<u>6,725,188</u>
TOTAL OPERATING REVENUES	<u>15,403,294</u>
OPERATING EXPENSES	
Salaries and benefits	68,744,381
Supplies, materials, and other operating expenses and services	10,079,472
Student aid	4,191,025
Depreciation	<u>10,291,320</u>
TOTAL OPERATING EXPENSES	<u>93,306,198</u>
OPERATING (LOSS)	<u>(77,902,904)</u>
NON-OPERATING REVENUES (EXPENSES)	
State apportionments, non-capital	1,444,344
Local property taxes	62,582,360
State taxes and other revenues	6,194,620
Pell Grants	2,552,202
Investment income, non-capital	1,165,892
Investment income, capital	1,196,632
Interest expense on capital asset-related debt	(15,954,614)
Other non-operating income	<u>10,742,846</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>69,924,282</u>
INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	(7,978,622)
Gain (loss) on disposal of fixed assets	(551,116)
Local property taxes, restricted for bonded debt repayment	<u>24,178,420</u>
TOTAL OTHER REVENUES	<u>23,627,304</u>
CHANGE IN NET POSITION	15,648,682
NET POSITION, BEGINNING OF YEAR	<u>12,205,257</u>
PRIOR YEAR ADJUSTMENT (SEE NOTE 14)	515,955
NET POSITION, END OF YEAR	<u>\$ 28,369,894</u>

See accompanying notes to the financial statements.

**MARIN COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and fees	\$ 4,851,688
Grants and contracts	8,168,248
Payments to vendors	(9,205,021)
Payments to employees	(68,182,479)
Net Cash Used by Operating Activities	<u>(64,367,564)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

State apportionments	1,444,344
Pell grants	2,552,202
Local property taxes	62,582,360
State taxes and other apportionments	6,194,620
Other receipts	11,627,124
Net Cash Provided by Non-capital Financing Activities	<u>84,400,650</u>

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Purchase of capital assets	(35,419,899)
Loss on disposal, capital assets	(551,116)
Local property taxes for capital purposes	24,178,420
Principal paid on capital debt	1,906,169
Interest received on capital debt	1,196,632
Interest paid on capital debt	(27,881,266)
Net Cash Used by Capital Financing Activities	<u>(36,571,060)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received from investments	<u>1,165,892</u>
Net Cash Provided by Investing Activities	<u>1,165,892</u>

NET DECREASE IN CASH & CASH EQUIVALENTS (15,372,082)

CASH & CASH EQUIVALENTS, BEGINNING OF YEAR 221,043,470
CASH & CASH EQUIVALENTS, END OF YEAR \$ 205,671,388

**MARIN COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021**

RECONCILIATION OF OPERATING LOSS TO NET CASH

USED BY OPERATING ACTIVITIES

Operating loss	\$ (77,902,904)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation expense	10,291,320
Changes in Assets and Liabilities:	
Accounts receivables, net	(3,378,148)
Prepaid expenses	390,379
Net OPEB liability	(183,767)
Deferred outflows of resources	3,006,011
Accounts payable and accrued liabilities	484,072
Unearned revenue	1,138,119
Claims liability	10,577
Compensated absences	586,055
Net pension liability	1,908,437
Deferred inflows of resources	(717,715)
Total Adjustments	<u>13,535,340</u>
Net Cash Flows From Operating Activities	<u>\$ (64,367,564)</u>

SUPPLEMENTAL DISCLOSURES OF NON-CASH TRANSACTIONS

Amortization of premiums on debt	\$ (2,438,564)
Amortization of accreted interest	\$ 8,106,915

**MARIN COMMUNITY COLLEGE DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2021**

	Trust Funds		
	Scholarship and Loan Trust Fund	Private Purpose Trust Fund	OPEB Trust Fund
ASSETS			
Cash and cash equivalents	\$ 802,298	\$ 1,319,399	\$ 2,869,299
Accounts receivable, net	-	-	(51)
Total Assets	\$ 802,298	\$ 1,319,399	\$ 2,869,248
LIABILITIES			
Accounts payable	\$ -	\$ 19	\$ -
Total Liabilities	-	19	-
NET POSITION			
Restricted	802,298	1,319,380	2,869,248
Total Net Position and Liabilities	\$ 802,298	\$ 1,319,399	\$ 2,869,248

**MARIN COMMUNITY COLLEGE DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021**

	Trust Funds		
	Scholarship and Loan Trust Fund	Private Purpose Trust Fund	OPEB Trust Fund
OPERATING REVENUES:			
Student fees	\$ 273,012	\$ 89,462	\$ -
Interest and investment income	4,710	11,800	224,333
Total Operating Revenues	277,722	101,262	224,333
OPERATING EXPENSES:			
Supplies and materials	-	15,301	
Other operating expenses	60,718	-	2,047
Total Operating Expenses	60,718	15,301	2,047
OTHER FINANCING SOURCES (USES)			
Operating transfers in	4	-	-
Operating transfers out	(54,327)	-	(273,954)
Total Other Financing Sources (Uses)	(54,323)	-	(273,954)
Net Change in Net Position	162,681	85,961	(51,668)
Net Position - Beginning of Year	639,617	1,233,419	2,920,916
Net Position - End of Year	\$ 802,298	\$ 1,319,380	\$ 2,869,248

MARIN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: Marin 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.

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

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

The District records revenues when earned and expenses when a liability is incurred regardless of the timing of the related cash flow. The budgetary and financial accounts of the District are recorded and maintained in accordance with the Chancellor's Office's *Budget and Accounting Manual*.

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 Marin County Treasury are considered cash equivalents.

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

Receivables: Receivables consist of tuition and fee charges to students. Receivables also include amounts due from the federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. The District maintains an allowance for doubtful accounts at an amount which management considers sufficient to fully reserve and provide for the possible uncollectibility of other receivable balances.

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

MARIN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings, 15 years for land improvements, and 5 years for most machinery and equipment.

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

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

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

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

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 California State Teachers Retirement System and California Public Employees' Retirement System, when the employee retires.

Unearned Revenue: Revenue from federal, state and local special projects and programs is recognized when qualified expenditures have been incurred. Other funds, including tuition and student fees, received but not earned are recorded as unearned revenue until earned

MARIN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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.

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. Nonexpendable restricted net position consist of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

The District's scholarship and loan trust fund and private purpose trust fund includes resources held in trust from contributions from various organizations or groups. Amounts held are restricted based on agreements with the various organizations, groups or donors. The funds are restricted primarily for Emeritus, nursing, and EOPS scholarships, however there are also general and performing arts scholarships.

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

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

Risk Management: As more fully described in Note 8, the District is partially self-insured with regard to dental and vision claims and certain other risks. The amount of the outstanding liability at June 30, 2021 for dental and vision claims includes estimates of future claim payments for known cases as well as provisions for incurred but not reported claims and adverse development on known cases which occurred through that date. Outstanding claims which are expected to become due and payable within the subsequent fiscal year are reflected as a claims liability on the District's Statement of Net Position.

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 the recalculation will be recorded in the year completed by the State.

MARIN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Classification of Revenues and Expenses: 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. C05.101 including State appropriations, local property taxes, Pell grants and investment income. Nearly all the District's expenses a change transactions. Revenues and expenses are classified according to the following criteria:

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

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

Scholarship Discounts and Allowances: Student tuition and fee revenue are reported net of scholarship discounts and allowances 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, and other federal, state and nongovernmental programs, are recorded as operating revenues, while Federal Pell Grants are classified as non-operating revenues in the District's financial statements. 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.

New Accounting Pronouncements: In June 2015, the GASB issued GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. This Statement enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. The provisions in GASB Statement No. 89 are effective for fiscal years beginning after December 15, 2019. Earlier application is encouraged and the District early adopted the Statement for the year ended June 30, 2019. The implementation of this Statement did not have a material effect on amounts previously presented.

MARIN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 - CASH AND INVESTMENTS

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

	District	Fiduciary
Pooled Funds:		
Cash in County Treasury	\$ 189,810,338	\$ 2,070,080
Deposits:		
Cash on hand and in banks	2,088,625	-
Revolving cash	20,000	-
Cash held by fiscal agent	4,112,362	-
Investments	9,638,833	2,920,916
Total cash and cash equivalents	205,670,158	4,990,996
Less: restricted cash and cash equivalents		
Cash in County Treasury	172,217,057	-
Net cash and cash equivalents	\$ 33,453,101	\$ 4,990,996

Cash in County Treasury: In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Marin County Treasurer’s Investment Fund. The District is considered to be an involuntary participant in an external investment pool. The fair value of the District’s investment in the pool is reported in the financial statements at amounts based upon the District’s pro-rata share of the fair value 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.

Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party and the District's share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial risk classifications is required.

The District's deposits in the fund are considered to be highly liquid. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool. The Marin County Treasurer has indicated that there are no derivatives in the pool as of June 30, 2021.

Restricted Cash and Investments: Restricted cash of \$172,217,057 represents amounts held in the District's name with third party custodians for future construction projects and repayment of long-term liabilities.

Restricted investments of \$9,638,833 represents amounts held in the District's name with third party custodians in a multiple employer trust arrangement to fund the District's pension obligation.

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 fair 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.

MARIN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 - CASH AND INVESTMENTS, continued

The District limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) and are collateralized by the respective financial institution. At June 30, 2021, the carrying amount of the District's accounts was \$6,220,987. At June 30, 2021, \$510,460 of the bank balance was FDIC insured and \$5,710,527 remained uninsured.

Credit Risk: Under provision of the District's policies and in accordance with Sections 53601 and 53602 of the California Government code, the District may invest in the following types of investments:

- Local agency bonds, notes or warrants within the state
- Securities of the U.S. Government or its agencies
- Certificates of Deposit with commercial banks
- Commercial paper
- Repurchase Agreements

Interest Rate Risk: The District's investment policies do not limit cash and investment maturities as a means of managing their exposure to fair value losses arising from increasing interest rates. At June 30, 2021, the District had no significant interest rate risk related to cash and investments held.

Concentration of Credit Risk: The District does not place limits on the amount they may invest in any one issuer. At June 30, 2021, the District and Trust had no concentration of credit risk.

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

Level 1 - Quoted market prices for identical instruments traded in active exchange markets.

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.

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

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

	June 30, 2021			
	Fair Value	Level 1	Level 2	Level 3
Investment securities;				
Mutual funds	\$ 9,638,833	\$ 9,638,833	\$ -	\$ -

**MARIN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 - RECEIVABLES

Receivables at June 30, 2021 are summarized as follows:

Federal	\$	2,390,416
State		1,938,140
Local and other		3,031,218
Subtotal		<u>7,359,774</u>
Less: Allowance for doubtful accounts		<u>(1,078,790)</u>
Total	\$	<u>6,280,984</u>

NOTE 4 - CAPITAL ASSETS

Capital asset activity consists of the following:

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021
Capital Assets not being Depreciated				
Land	\$ 6,719,027	\$ 1,931,583	\$ -	\$ 8,650,610
Construction in progress	91,602,713	33,313,398	50,096,930	74,819,181
Total Capital Assets Not Being Depreciated	<u>98,321,740</u>	<u>35,244,981</u>	<u>50,096,930</u>	<u>83,469,791</u>
Capital Assets Being Depreciated				
Land improvements	43,200,212	58,078	102,131	43,156,159
Building improvements	254,407,735	50,062,684	3,451,959	301,018,460
Machinery and equipment	26,449,030	702,202	319,263	26,831,969
Total Capital Assets Being Depreciated	<u>324,056,977</u>	<u>50,822,964</u>	<u>3,873,353</u>	<u>371,006,588</u>
Total Capital Assets	<u>422,378,717</u>	<u>86,067,945</u>	<u>53,970,283</u>	<u>454,476,379</u>
Less Accumulated Depreciation				
Land improvements	14,287,652	1,956,611	39,644	16,204,619
Building improvements	55,791,009	6,207,890	3,144,005	58,854,894
Machinery and equipment	14,575,455	2,126,819	138,588	16,563,686
Total Accumulated Depreciation	<u>84,654,116</u>	<u>10,291,320</u>	<u>3,322,237</u>	<u>91,623,199</u>
Net Capital Assets	<u>\$ 337,724,601</u>	<u>\$ 75,776,625</u>	<u>\$ 50,648,046</u>	<u>\$ 362,853,180</u>

At June 30, 2021, the District had capital assets acquired from capital leases with an original cost of \$486,733 and accumulated depreciation totaling \$355,118.

NOTE 5 - UNEARNED REVENUE

Unearned revenue for the District consisted of the following:

Unearned Federal and State revenues	\$	4,695,027
Unearned tuition and student fees		1,004,573
Unearned local revenues		2,814,815
Total unearned revenue	\$	<u>8,514,415</u>

MARIN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - LONG-TERM LIABILITIES

In March 2009, the District issued Series B, 2004 General Obligation Bonds aggregating \$75,000,000. The bonds mature through August 2019 and bear interest at rates ranging from 3% to 5%. The proceeds from the issuance will be used to finance the acquisition, construction and modernization of certain District property and facilities. Resulting from the bond issuance, the District received a premium of \$1,982,513 and paid issuance costs of \$1,148,198. The premium is amortized over the life of the bond repayment. The Series B, 2004 General Obligation Bonds were paid off during 2019-20.

In May 2011, the District issued Series C, 2004 General Obligation Bonds aggregating \$52,505,000. The bonds mature through August 2021 and bear interest at rates ranging from 3% to 5%. The proceeds from the issuance will be used to finance the acquisition, construction and modernization of certain District property and facilities. Resulting from the bond issuance, the District received a premium of \$767,032 and paid issuance costs of \$285,719. The premium is amortized over the life of the bond repayment. At June 30, 2021, the District has unamortized premiums of \$549. The final payment of \$545,000 is due on August 1, 2021/

In November 2012, the District issued Series D, 2004 General Obligation Bonds aggregating \$46,995,000. The bonds mature through August 2036 and bear interest at rates ranging from 3% to 3.25%. The proceeds from the issuance will be used to finance the acquisition, construction and modernization of certain District property and facilities and pay the costs of issuing Series D Bonds. Resulting from the bond issuance, the District received a premium of \$401,662 and paid issuance costs of \$120,809. The premium is amortized over the life of the bond repayment. The Series D, 2004 General Obligation Bonds were refunded during fiscal year 2020-21 with the issuance of the 2021 General Obligation Refunding Bonds.

In November 2012, the District issued 2012 General Obligation Refunding Bonds aggregating \$44,380,000. The bonds mature through August 2022 and bear interest at rates ranging from 2.5% to 4%. The proceeds from the issuance will be used to advance refund a portion of the District's outstanding Election 2004 General Obligation Bonds, Series A and pay the cost of issuing the Refunding Bonds. Resulting from the bond issuance, the District received a premium of \$7,445,473 and paid issuance costs of \$425,765. The premium is amortized over the life of the bond repayment. At June 30, 2021, the District has unamortized premiums of \$630,055.

The annual payments required to amortize the 2012 General Obligation Refunding Bonds as of June 30, 2021, are as follows:

Year Ended				
June 30,	Principal	Interest	Total	
2022	\$ 2,995,000	\$ 191,900	\$	3,186,900
2023	3,300,000	66,000		3,366,000
	\$ 6,295,000	\$ 257,900	\$	6,552,900

MARIN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - LONG-TERM LIABILITIES, continued

During the year ended June 30, 2015, the District issued \$32,055,000 of 2015 General Obligation Refunding Bonds. The current interest bonds bear interest at rates of 2.00% to 5.00%, maturing August 1, 2030. Proceeds were used to advance refund a portion of the outstanding 2004 Series A and B General Obligation Bonds and to pay the costs of issuing the 2015 Refunding Bonds. At June 30, 2021, the District has unamortized premiums of \$1,545,254.

The annual payments required to amortize the 2015 General Obligation Refunding Bonds outstanding as of June 30, 2021, are as follows:

Year Ended June 30,	Principal	Interest	Total
2022	\$ 1,615,000	\$ 622,700	\$ 2,237,700
2023	1,745,000	546,775	2,291,775
2024	1,890,000	455,900	2,345,900
2025	2,050,000	357,400	2,407,400
2026	2,220,000	250,650	2,470,650
2027-2031	5,820,000	542,175	6,362,175
	<u>\$ 15,340,000</u>	<u>\$ 2,775,600</u>	<u>\$ 18,115,600</u>

In February 2016, the District issued \$40,845,000 of 2016 General Obligation Refunding Bonds. The current interest bonds bear interest at rates of 2.00% to 5.00%, maturing August 1, 2038. At June 30, 2021, the District has unamortized premiums of \$529,448.

The annual payments required to amortize the 2016 General Obligation Refunding Bonds outstanding as of June 30, 2021, are as follows:

Year Ended June 30,	Principal	Interest	Total
2022	\$ 160,000	\$ 420,950	\$ 580,950
2023	165,000	415,300	580,300
2024	170,000	411,950	581,950
2025	175,000	408,500	583,500
2026	180,000	402,250	582,250
2027-2031	185,000	1,947,125	2,132,125
2032-2036	-	1,942,500	1,942,500
2037-2039	11,100,000	782,425	11,882,425
	<u>\$ 12,135,000</u>	<u>\$ 6,731,000</u>	<u>\$ 18,866,000</u>

Defeasance of Debt: The District defeased certain General Obligation Bonds by placing proceeds of the new General Obligation Refunding Bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the District's financial statements.

MARIN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - LONG-TERM LIABILITIES, continued

In November 2016, the District issued Election of 2016 General Obligation Bonds, Series A (Federally Tax-Exempt) aggregating \$60,000,000. The bonds mature through August 2041 and bear interest at rates ranging from 3% to 5%. The proceeds from the issuance will be used to finance the acquisition, strict sites and facilities and pay the costs of issuing Series A Bonds. At June 30, 2021, the District has unamortized premiums of \$3,205,427.

The annual payments required to amortize the Series A, 2016 General Obligation Bonds outstanding as of June 30, 2021, are as follows:

Year Ended June 30,	Principal	Interest	Total
2022	\$ 70,000	\$ 2,214,438	\$ 2,284,438
2023	140,000	2,210,238	2,350,238
2024	215,000	2,202,063	2,417,063
2025	300,000	2,189,188	2,489,188
2026	385,000	2,172,063	2,557,063
2027-2031	5,055,000	10,402,913	15,457,913
2032-2036	15,890,000	8,205,338	24,095,338
2037-2041	23,470,000	4,313,206	27,783,206
2042	5,890,000	144,125	6,034,125
	<u>\$ 51,415,000</u>	<u>\$ 34,053,572</u>	<u>\$ 85,468,572</u>

In November 2016, the District issued Election of 2016 General Obligation Bonds, Series A-1 (Federally Taxable) aggregating \$37,500,000. The bonds mature through August 2029 and bear interest at rates ranging from 1.296% to 3.472%. The proceeds from the issuance will be used to finance the acquisition, District sites and facilities and pay the costs of issuing Series A Bonds. At June 30, 2021, the District has unamortized premiums of \$429,472.

The annual payments required to amortize the Series A-1, 2016 General Obligation Bonds outstanding as of June 30, 2021, are as follows:

Year Ended June 30,	Principal	Interest	Total
2022	\$ 1,955,000	\$ 677,104	\$ 2,632,104
2023	2,080,000	628,492	2,708,492
2024	2,215,000	571,172	2,786,172
2025	2,360,000	505,941	2,865,941
2026	2,520,000	432,889	2,952,889
2027-2030	11,845,000	835,008	12,680,008
	<u>\$ 22,975,000</u>	<u>\$ 3,650,606</u>	<u>\$ 26,625,606</u>

MARIN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - LONG-TERM LIABILITIES, continued

During the year ended June 30, 2018, the District issued \$49,405,000 of 2017 General Obligation Refunding Bonds. The current interest bonds bear interest at rates of 2.00% to 5.00%, maturing August 1, 2034. Proceeds were used to advance refund a portion of the outstanding 2004 Series C General Obligation Bonds and to pay the costs of issuing the 2017 Refunding Bonds. At June 30, 2021, the District has unamortized premiums of \$4,469,251.

The annual payments required to amortize the 2017 General Obligation Refunding Bonds outstanding as of June 30, 2021, are as follows:

Year Ended June 30,	Principal	Interest	Total
2022	\$ -	\$ 1,992,450	\$ 1,992,450
2023	590,000	1,977,700	2,567,700
2024	735,000	1,944,575	2,679,575
2025	885,000	1,904,075	2,789,075
2026	1,035,000	1,856,075	2,891,075
2027-2031	7,655,000	8,341,150	15,996,150
2032-2035	37,455,000	3,156,100	40,611,100
	\$ 48,355,000	\$ 21,172,125	\$ 69,527,125

Defeasance of Debt: The District defeased certain General Obligation Bonds by placing proceeds of the new General Obligation Refunding Bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the District's financial statements.

MARIN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - LONG-TERM LIABILITIES, continued

During the year ended June 30, 2019, the District issued \$70,000,000 of 2016 General Obligation Bonds, Series B (Federally Tax-Exempt). The current interest bonds bear interest at rates of 3.125% to 5.00%, maturing August 1, 2041. Proceeds from the issuance will be used to finance the acquisition, of District sites and facilities and pay the costs of issuing the debt. At June 30, 2021, the District has unamortized premiums of \$1,891,933.

The annual payments required to amortize the Series B, 2016 General Obligation Refunding Bonds outstanding as of June 30, 2021, are as follows:

Year Ended June 30,	Principal	Interest	Total
2022	\$ -	\$ 2,846,063	\$ 2,846,063
2023	-	2,846,063	2,846,063
2024	-	2,846,063	2,846,063
2025	-	2,846,063	2,846,063
2026	-	2,846,063	2,846,063
2027-2031	3,270,000	13,949,563	17,219,563
2032-2036	10,505,000	12,303,063	22,808,063
2037-2041	39,415,000	8,797,300	48,212,300
2042	16,810,000	336,200	17,146,200
	<u>\$ 70,000,000</u>	<u>\$ 49,616,441</u>	<u>\$ 119,616,441</u>

During the year ended June 30, 2019, the District issued \$97,500,000 of 2016 General Obligation Bonds, Series B-1 (Federally Taxable). The current interest bonds bear interest at rates of 2.662% to 5.00%, maturing August 1, 2038. Proceeds from the issuance will be used to finance the acquisition, of District sites and facilities and pay the costs of issuing the debt. At June 30, 2021, the District has unamortized premiums of \$1,498,947.

The annual payments required to amortize the Series B-1, 2016 General Obligation Refunding Bonds outstanding as of June 30, 2021, are as follows:

Year Ended June 30,	Principal	Interest	Total
2022	\$ 1,800,000	\$ 3,608,701	\$ 5,408,701
2023	2,095,000	3,554,376	5,649,376
2024	2,405,000	3,490,098	5,895,098
2025	2,730,000	3,413,721	6,143,721
2026	2,690,000	3,304,907	5,994,907
2027-2031	19,840,000	14,712,459	34,552,459
2032-2036	35,815,000	9,535,085	45,350,085
2037-2039	28,705,000	1,790,914	30,495,914
	<u>\$ 96,080,000</u>	<u>\$ 43,410,261</u>	<u>\$ 139,490,261</u>

MARIN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - LONG-TERM LIABILITIES, continued

Lease Revenue Bonds: In June 2003, the District issued \$3,070,834 of Lease Revenue Bonds with effective interest rates ranging from 2.0% to 4.25% and maturing through May 2033. The bond proceeds are being used to fund various capital improvement projects throughout the District.

The annual payments required to amortize the 2003 Lease Revenue Bonds outstanding as of June 30, 2021, are as follows:

Year Ended June 30,	Principal	Interest	Total
2022	\$ 177,655	\$ 278,770	\$ 456,425
2023	174,282	296,374	470,656
2024	172,033	316,308	488,341
2025	169,784	336,820	506,604
2026	166,411	355,520	521,931
2027-2031	789,329	2,086,241	2,875,570
2032-2033	301,340	1,005,821	1,307,161
	<u>\$ 1,950,834</u>	<u>\$ 4,675,854</u>	<u>\$ 6,626,688</u>

During the year ended June 30, 2021, the District issued \$127,665,000 of 2021 General Obligation Refunding Bonds. The current interest bonds bear interest at rates of 0.12% to 1.97%, maturing August 1, 2036. Proceeds were used to advance refund all of the 2004 Series D General Obligation Bonds and a portion of the outstanding 2012, 2015 and 2026 General Obligation Refunding Bonds and to pay the costs of issuing the 2021 Refunding Bonds.

The annual payments required to amortize the 2021 General Obligation Refunding Bonds outstanding as of June 30, 2021, are as follows:

Year Ended June 30,	Principal	Interest	Total
2022	\$ 1,315,000	\$ 1,628,381	\$ 2,943,381
2023	1,765,000	1,742,682	3,507,682
2024	5,390,000	1,736,076	7,126,076
2025	5,580,000	1,722,983	7,302,983
2026	5,780,000	1,701,066	7,481,066
2027-2031	42,665,000	7,439,929	50,104,929
2032-2036	44,595,000	4,625,769	49,220,769
2037	20,575,000	202,767	20,777,767
	<u>\$ 127,665,000</u>	<u>\$ 20,799,653</u>	<u>\$ 148,464,653</u>

Defeasance of Debt: The District defeased certain General Obligation Bonds by placing proceeds of the new General Obligation Refunding Bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the District's financial statements. The amount defeased was \$116,635,000.

MARIN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - LONG-TERM LIABILITIES, continued

In March 2018, the District issued \$7,370,000 of Lease Revenue Bonds with effective interest rates ranging from 2.0% to 5.0% and maturing through May 2037. The bond proceeds are being used to fund various capital improvement projects throughout the District.

The annual payments required to amortize the Lease Revenue Bonds outstanding as of June 30, 2021, are as follows:

Year Ended June 30,	Principal	Interest	Total
2022	\$ 295,000	\$ 249,156	\$ 544,156
2023	310,000	237,356	547,356
2024	325,000	221,856	546,856
2025	340,000	205,606	545,606
2026	360,000	188,606	548,606
2027-2031	2,050,000	683,206	2,733,206
2032-2036	2,400,000	326,588	2,726,588
2037	530,000	17,888	547,888
	<u>\$ 6,610,000</u>	<u>\$ 2,130,262</u>	<u>\$ 8,740,262</u>

Note Payable - PG&E: In July 2014, the District entered into an On Bill Financing Loan with PG&E with an effective interest rate of 0% and expiring in February 2022. The loan is used as financing for an energy efficiency retrofit. The final payment of \$46,919 will be paid during 2021-22.

Certificates of Participation: In January 2019, the District issued \$3,980,000 of Certificates of Participation (2019 Workforce Housing Project) with effective interest rates ranging from 3.00% to 5.00% and maturing through June 2039. The proceeds are being used to finance the construction of District facilities, including workforce housing, and pay the costs related to execution and delivery of the Certificates.

Year Ended June 30,	Principal	Interest	Total
2022	\$ 155,000	\$ 149,794	\$ 304,794
2023	160,000	143,594	303,594
2024	165,000	137,194	302,194
2025	175,000	128,944	303,944
2026	180,000	120,194	300,194
2027-2031	1,050,000	460,369	1,510,369
2032-2036	1,245,000	265,075	1,510,075
2037-2039	850,000	58,969	908,969
	<u>\$ 3,980,000</u>	<u>\$ 1,464,133</u>	<u>\$ 5,444,133</u>

**MARIN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 - LONG-TERM LIABILITIES, continued

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

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021	Due Within One Year
Governmental Activities:					
General obligation (GO) bonds	\$ 447,905,000	\$ 127,665,000	\$ 124,765,000	\$ 450,805,000	\$ 9,140,000
Lease revenue (LR) bonds	8,980,834	-	420,000	8,560,834	472,655
Bond premium - GO bonds	22,285,008	-	8,084,672	14,200,336	1,607,560
Bond premium - LR bonds	308,702	-	15,414	293,288	15,756
Certificates of participation	3,980,000	-	-	3,980,000	155,000
Certificates of participation - premium	184,159	-	6,829	177,330	7,110
Net pension liability	67,773,813	1,908,437	-	69,682,250	-
Compensated absences	2,167,034	132,258	-	2,299,292	-
Note payable - PG&E	117,298	-	70,379	46,919	46,919
Capital lease obligations	49,655	-	49,655	-	-
Total	\$ 553,751,503	\$ 129,705,695	\$ 133,411,949	\$ 550,045,249	\$ 11,445,000

NOTE 7 - PROPERTY TAXES

All property taxes are levied and collected by the Tax Assessor of the County of Marin 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, property taxes is March 1 of the preceding fiscal year.

**MARIN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 - RISK MANAGEMENT

The District administers dental and vision insurance programs on behalf of the District's eligible employees on a cost-reimbursement basis. The District records an estimated liability for dental and vision claims against the District. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred, but not reported based on historical experience. A formal actuarial study has not been performed, however, the District calculated the estimated amount based on historical experience.

The dental and vision claims reserve activity for the years ended June 30, 2021 and 2020 is as follows:

	2021	2020
Liability balance, beginning of year	\$ 61,062	\$ 79,319
Claims and changes in estimates	613,543	704,040
Claims payments	(602,966)	(722,297)
Liability balance, end of year	<u>\$ 71,639</u>	<u>\$ 61,062</u>

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of CalSTRS and classified employees are members of CalPERS.

For the fiscal year ended June 30, 2021, the District reported its proportionate share of the net pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources for each of the above plans as follows:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	\$ 34,645,279	\$ 8,960,073	\$ 2,876,844	\$ 4,427,513
CalPERS	35,036,971	7,148,586	439,262	6,451,743
Total	<u>\$ 69,682,250</u>	<u>\$ 16,108,659</u>	<u>\$ 3,316,106</u>	<u>\$ 10,879,256</u>

California State Teachers' Retirement System (CalSTRS)

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>.

**MARIN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS), continued

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

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the State is the sponsor of the STRP and obligor of the trust. In addition, the State is both an employer and nonemployer contributing entity to the STRP. The District contributes exclusively to the STRP Defined Benefit Program; thus disclosures are not included for the other plans.

The STRP provisions and benefits in effect at June 30, 2021, are summarized as follows:

	STRP Defined Benefit Plan	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	9.205%*
Required employer contribution rate	16.20%	16.20%
Required state contribution rate	10.328%	10.328%

*The rate imposed on CalSTRS 2% at 62 members assuming no change in the normal cost of benefits.

MARIN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS), continued

Contributions: Required member, District, and State of California contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2021, are presented above, and the District's total contributions were \$3,218,037.

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	\$ 34,645,279
State's proportionate share of the net pension liability associated with the District	17,859,501
Total	\$ 52,504,780

The net pension liability was measured as of June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2020 and June 30, 2019, was 0.036 percent and 0.038 percent, respectively, resulting in a net decrease in the proportionate share of 0.002 percent.

For the year ended June 30, 2021, the District recognized pension expense of \$4,427,513. In addition, the District recognized pension expense and revenue of \$1,821,532 for support provided by the State. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ 822,759	\$ -
Differences between expected and actual experience	61,134	976,444
Changes in assumptions	3,377,793	-
Net changes in proportionate share of net pension liability	1,480,350	1,900,400
District contributions subsequent to the measurement date	3,218,037	-
Total	\$ 8,960,073	\$ 2,876,844

MARIN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS), continued

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	\$ 289,964
2022	1,139,258
2023	1,441,893
2024	81,665
2025	(90,959)
Thereafter	3,371
	<u>\$ 2,865,192</u>

Actuarial Methods and Assumptions: Total pension liability for 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 methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Experience study	July 1, 2015, through June 30, 2018
Actuarial cost method	Entry Age Normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on RP2000 series tables adjusted to fit CalSTRS experience.

**MARIN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS), continued

Actuarial Methods and Assumptions, 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. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant. Based on the model for CalSTRS consulting actuary investment practice, a best estimate range was determined assuming the portfolio is re-balanced annually and that the annual returns are lognormally distributed and independent from year to year to develop expected percentile for the long-term distribution of annualized returns.

The assumed asset allocation is based on board policy for target asset allocation in effect on February 2, 2012, the date the current experience study was approved by the board. Best estimates of 20-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-term Expected Real Rate of Return*
Global Equity	47%	6.30%
Fixed Income	12%	0.30%
Real Estate	13%	5.20%
Private Equity	13%	9.30%
Cash/Liquidity	2%	-1.00%
Risk Mitigating Strategies	9%	2.90%
Inflation Sensitive	4%	3.80%
	100%	

*20-year geometric average

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

**MARIN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS), continued

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Plan's net pension liability	\$ 52,344,191	\$ 34,645,279	\$ 20,032,335

California Public Employees' Retirement System (CalPERS) Plan Description

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

A full description of the pension plans regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2019, annual actuarial valuation reports, Schools Pool Actuarial Valuation, and the Risk Pool Actuarial Valuation Report, Safety. These report(s) and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at:

<https://www.calpers.ca.gov/page/forms-publications>.

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

**MARIN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees' Retirement System (CalPERS), continued

Plan Description, continued

The CalPERS provisions and benefits in effect at June 30, 2021, are summarized as follows:

	<u>School Employer Pool (CalPERS)</u>	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.000%	6.500%
Required employer contribution rate	20.700%	20.700%

Contributions: Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2021, are presented above, and the total District contributions were \$3,478,518.

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

As of June 30, 2021, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$35,036,971. The net pension liability was measured as of June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2020 and June 30, 2019, was 0.114 percent and 0.116 percent, respectively, resulting in a net decrease in the proportionate share of 0.002 percent.

MARIN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees' Retirement System (CalPERS), continued

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

For the year ended June 30, 2021, the District recognized pension expense of \$6,451,743. 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 projected and actual earnings on plan investments	\$ 729,359	\$ -
Differences between expected and actual experience	1,737,727	-
Changes in assumptions	128,482	-
Net changes in proportionate share of net pension liability	1,074,500	439,262
District contributions subsequent to the measurement date	3,478,518	-
Total	\$ 7,148,586	\$ 439,262

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	\$ 1,253,407
2022	1,112,363
2023	552,444
2024	312,592
	\$ 3,230,806

MARIN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees' Retirement System (CalPERS), continued

Actuarial Methods and Assumptions: Total pension liability for the SEP 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 methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Experience study	July 1, 1997, through June 30, 2015
Actuarial cost method	Entry Age Normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS experience study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include five years of projected ongoing mortality improvement using Scale AA published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund.

The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns.

**MARIN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees' Retirement System (CalPERS), continued

Actuarial Methods and Assumptions, continued

The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class*	Assumed Asset Allocation	Real Return Years 1 - 10**	Real Return Years 11+***
Global Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation Assets	0%	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	13%	3.75%	4.93%
Liquidity	1%	0.00%	-0.92%
	100%		

*In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

**An expected inflation of 2.0% used for this period

***An expected inflation of 2.92% used for this period

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

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

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Plan's net pension liability	\$ 50,372,034	\$ 35,036,971	\$ 22,309,637

MARIN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS

For the fiscal year ended June 30, 2021, the District reported net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Net OPEB Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	\$ (1,259,303)	\$ -	\$ 31,794	\$ (233,323)

Plan Description: In addition to the pension benefits described in Note 9, the District provides post-retirement health care benefits to employees hired prior to 1988 and who retire from the District and meet the specific eligibility requirements set forth in their prospective employment contracts under a single employer defined benefit OPEB plan. The plan does not issue separate financial statements. The District pays medical and dental insurance premiums to maintain the level of coverage enjoyed by the retiree immediately preceding retirement up until the age of 70 or death of the retiree.

The District established an irrevocable trust under the California Employer’s Retiree Benefit Trust Program (CERBT) to prefund the costs of other postemployment benefits. The funds in the CERBT are held in trust and will be administered by the California Public Employees’ Retirement System (CalPERS) as an agent multiple-employer plan. Benefit provisions are established and may be amended by District labor agreements which are approved by the Board of Education. The District’s contributions to the irrevocable trust is included in the CERBT, which is included in the CalPERS CAFR. Copies of the CalPERS’ CAFR may be obtained from the CalPERS Executive Office – 400 P Street – Sacramento, CA 95814.

The CERBT fund, which is an Internal Revenue Code (IRC) Section 115 Trust, is set up for the purpose of (i) receiving employer contributions to prefund health and other post-employment benefits for retirees and their beneficiaries, (ii) invest contributed amounts and income therein, and (iii) disburse contributed amounts and income therein, if any, to pay for costs of administration of the fund and to pay for health care costs or other post-employment benefits in accordance with the terms of the District’s OPEB plan.

**MARIN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS, continued

Employees Covered by Benefit Terms: The following is a table of plan participants as of the June 30, 2020 measurement date:

	Number of Participants
Inactive Employees Receiving Benefits	34
Active Employees	7
	41

Benefits Provided: The following is a description of the current retiree benefit plan:

	Faculty	Classified	Management
Benefit types provided	Medical and dental	Medical and dental	Medical and dental
Duration of Benefits	To age 70	To age 70	To age 70
Required Service	15 years	10 years	10 years
Minimum Age	55	50	50/55*
Dependent Coverage	Yes	Yes**	Yes
District Contribution %	100%	100%	100%
District Cap	Active rates	Active rates	Active rates

*Depending on retirement system

**SEIU employees are not eligible for District-paid dependent benefits

Contributions: California Government Code specifies that the District's contribution requirements for covered employees are established and may be amended by the Governing Board.

The District did not make any contributions to the Plan for the year ended June 30, 2021.

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

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Actuarial cost methods	Entry-age actuarial cost method
Inflation rate	2.75%
Investment rate of return	6.00%
Health care cost trend rate	4.00%
Payroll increase	2.75%
Mortality	For certificated employees the 2009 CalSTRS mortality tables were used. For classified employees the 2014 CalPERS active mortality for miscellaneous employees were used.

MARIN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS, continued

Discount Rate: The actuary assumed that contributions would be sufficient to fully fund the obligation over a period not to exceed 30 years. Historical 30 year real rates of return for each asset class along with assumed long-term inflation assumption was used to set the discount rate. A discount rate of 6.0% was determined using the following asset allocation and assumed rate of return:

CERBT - Strategy 2

Asset Class	Percentage of Portfolio	Rate of Return
All Equities	22%	7.8%
All Fixed Income	49%	4.5%
Real Estate Investment Trusts	8%	7.5%
All Commodities	5%	7.8%
Treasury Inflation Protected Securities (TIPS)	16%	3.3%

The actuary looked at rolling periods of time for all asset classes in combination to reflect the correlation between asset classes. The average returns for any asset class don't necessarily reflect the averages over time individually but reflect the return for the asset class for the portfolio average. Geometric means were used.

Changes in the Net OPEB Liability (Asset):

	Increase/(Decrease)		
	Total OPEB Liability (a)	Total Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance July 1, 2019	\$ 2,019,633	\$ 3,095,169	\$ (1,075,536)
Changes for the year:			
Service cost	11,688	-	11,688
Interest on TOL	107,156	193,146	(85,990)
Employer contributions	-	101,510	(101,510)
Experience gains/losses	(9,478)	-	(9,478)
Administrative expense	-	(1,523)	1,523
Benefit payments	(469,624)	(469,624)	-
Net change	(360,258)	(176,491)	(183,767)
Balance June 30, 2020	\$ 1,659,375	\$ 2,918,678	\$ (1,259,303)

**MARIN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS, continued

Sensitivity of the Net Pension OPEB to Assumptions: The following presents the net OPEB liability (asset) calculated using the discount rate of 6.0 percent. The schedule also shows what the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1 percent lower (5.0 percent) and 1 percent higher (7.0):

	Discount Rate 1% Lower (5.0%)	Discount Rate (6.0%)	Discount Rate 1% Higher (7.0%)
Net OPEB liability	\$ (1,216,822)	\$ (1,259,303)	\$ (1,299,487)

The following table presents the net OPEB liability (asset) calculated using the health care cost trend rate of 4.0 percent. The schedule also shows what the net OPEB liability (asset) would be if it were calculated using a health care cost trend rate that is 1 percent lower (3.0 percent) and 1 percent higher (5.0 percent):

	Health Care Trend Rate 1% Lower (3.0%)	Health Care Trend Rate (4.0%)	Health Care Trend Rate 1% Higher (5.0%)
Net OPEB liability	\$ (1,318,233)	\$ (1,259,303)	\$ (1,198,260)

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 (233,323). At June 30, 2021, the District reported deferred outflows of resources related to differences between projected and actual earnings on plan investments of \$31,794. The District did not report any deferred inflows of resources as of June 30, 2021.

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	\$ (4,496)
2023	(13,862)
2024	(9,731)
2025	(3,705)
	<u>\$ (31,794)</u>

**MARIN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Contingent Liabilities: There are various claims and legal actions pending against the District for which no provision has been made in the general purpose financial statements. In the opinion of the District, any liabilities arising from these claims and legal actions are not considered significant.

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.

Construction Commitments: As of June 30, 2021, the District has \$14,970,113 in outstanding commitments on construction contracts.

NOTE 12 - JOINT POWERS AGREEMENTS

Marin Community College District participates in Joint Power Agreements (JPAs), with Northern California Community College Self Insurance Authority (NCCCSIA), Schools Association for Excess Risk (SAFER), the Protected Insurance Program for Schools (PIPS) and Statewide Association of Community Colleges (SWACC). The relationship between Marin Community College District and the JPAs is such that the JPAs are not component units of Marin Community College 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. NCCCSIA, SAFER and SWACC provide property and liability insurance for its members. PIPS provides workers' compensation insurance for its members. Marin Community College District pays a premium commensurate with the level of coverage requested. Settled claims resulting from these risks have not exceeded insurance coverage on any of the past three years.

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

Condensed financial information of the JPAs for the most current year for which audited information is available, is as follows:

	NCCCSIA June 30, 2020	SAFER June 30, 2020	PIPS June 30, 2020	SWACC June 30, 2020
Total assets and deferred outflows of resources	\$ 3,214,652	\$ 386,255,474	\$ 146,482,024	\$ 39,179,390
Total liabilities and deferred inflows of resources	\$ 865,317	\$ 36,969,875	\$ 104,409,659	\$ 24,740,500
Net position	\$ 2,349,335	\$ 349,285,599	\$ 42,072,365	\$ 14,438,890
Total revenues	\$ 9,089,621	\$ 99,122,689	\$ 330,953,357	\$ 28,940,929
Total expenses	\$ 8,768,602	\$ 88,729,082	\$ 322,790,995	\$ 32,347,155
Change in net position	\$ 321,019	\$ 10,393,607	\$ 8,162,362	\$ (3,406,226)

MARIN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 – SUBSEQUENT EVENTS

In September 2021, the District issued the 2021 General Obligation Refunding Bonds, Series B in the aggregate principal amount of \$202,535,000 to advance refund a portion of the District's Prior Bonds and pay the costs of issuance of the Bonds. The bonds will be issued as current interest bonds, such that interest thereon will accrue from the date of delivery and be payable semiannually on February 1 and August 1 of each year, commencing February 1, 2022.

NOTE 14 – PRIOR PERIOD ADJUSTMENT

Beginning net position was increased by \$515,955 due to the implementation of GASB Statement No. 84, Fiduciary Activities.

REQUIRED SUPPLEMENTARY INFORMATION

**MARIN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2021**

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 11,688	\$ 12,654	\$ -	\$ -
Interest	107,156	90,874	112,809	143,562
Assumption changes	-	259,253	(24,276)	-
Experience gains/losses	(9,478)	376,512	-	-
Investment gains/losses	-	-	(34,022)	-
Benefit payments	(469,624)	(455,801)	(431,055)	(479,042)
Net change in total OPEB liability	(360,258)	283,492	(376,544)	(335,480)
Total OPEB liability, beginning of year	2,019,633	1,736,141	2,112,685	2,448,165
Total OPEB liability, end of year (a)	\$ 1,659,375	\$ 2,019,633	\$ 1,736,141	\$ 2,112,685
Plan fiduciary net position				
Employer contributions	\$ 101,510	\$ 33,842	\$ -	\$ -
Expected investment income	-	184,330	195,841	271,379
Investment gains/losses	-	30,134	22,503	-
Administrative expense	(1,523)	(696)	(6,427)	(3,198)
Expected benefit payments	(469,624)	(416,064)	(431,055)	(479,042)
Change in plan fiduciary net position	(176,491)	(168,454)	(219,138)	(210,861)
Fiduciary trust net position, beginning of year	3,095,169	3,263,623	3,482,761	3,693,622
Fiduciary trust net position, end of year (b)	\$ 2,918,678	\$ 3,095,169	\$ 3,263,623	\$ 3,482,761
Net OPEB liability (asset), ending (a) - (b)	\$ (1,259,303)	\$ (1,075,536)	\$ (1,527,482)	\$ (1,370,076)
Covered payroll	\$ 421,997	\$ 783,679	\$ 869,945	\$ 1,315,977
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	176%	153%	188%	165%
Net OPEB asset as a percentage of covered payroll	-298%	-124%	-176%	-104%

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

**MARIN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CONTRIBUTIONS – OPEB
FOR THE YEAR ENDED JUNE 30, 2021**

	2021	2020	2019	2018
Actuarially determined contribution	\$ 374,810	\$ 479,102	\$ 455,801	\$ 465,077
Contributions in relations to the actuarially determined contribution	273,954	368,114	382,222	431,055
Contribution deficiency (excess)	<u>\$ 100,856</u>	<u>\$ 110,988</u>	<u>\$ 73,579</u>	<u>\$ 34,022</u>
 Covered-employee payroll	 \$ 421,997	 \$ 783,679	 \$ 869,945	 \$ 1,315,977
Contribution as a percentage of covered-employee payroll	64.92%	46.97%	43.94%	32.76%

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

MARIN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2021

CalSTRS	2021	2020	2019	2018
District's proportion of the net pension liability	0.036%	0.038%	0.036%	0.036%
District's proportionate share of the net pension liability	\$ 34,645,279	\$ 34,013,818	\$ 33,431,000	\$ 33,024,000
State's proportionate share of the net pension liability associated with the District	17,859,501	18,556,959	19,141,000	19,537,000
Total	\$ 52,504,780	\$ 52,570,777	\$ 52,572,000	\$ 52,561,000
District's covered - employee payroll	\$ 20,158,193	\$ 21,267,000	\$ 19,363,000	\$ 19,784,000
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	172%	160%	173%	167%
Plan fiduciary net position as a percentage of the total pension liability	72%	73%	71%	69%
CalPERS	2021	2020	2019	2018
District's proportion of the net pension liability	0.114%	0.116%	0.110%	0.105%
District's proportionate share of the net pension liability	\$ 35,036,971	\$ 33,759,995	\$ 31,479,000	\$ 26,284,000
District's covered - employee payroll	\$ 17,708,412	\$ 16,470,000	\$ 14,986,000	\$ 13,723,000
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	198%	205%	210%	192%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	71%	72%

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

MARIN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2021

CalSTRS	2017	2016	2015
District's proportion of the net pension liability	0.041%	0.039%	0.036%
District's proportionate share of the net pension liability	\$ 33,449,000	\$ 26,052,000	\$ 20,662,000
State's proportionate share of the net pension liability associated with the District	19,044,000	13,779,000	12,477,000
Total	<u>\$ 52,493,000</u>	<u>\$ 39,831,000</u>	<u>\$ 33,139,000</u>
District's covered - employee payroll	\$ 20,611,000	\$ 17,961,111	\$ 15,748,000
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	162%	145%	131%
Plan fiduciary net position as a percentage of the total pension liability	70%	74%	77%
CalPERS	2017	2016	2015
District's proportion of the net pension liability	0.108%	0.121%	0.133%
District's proportionate share of the net pension liability	\$ 23,362,000	\$ 19,671,000	\$ 15,387,250
District's covered - employee payroll	\$ 14,443,000	\$ 14,898,000	\$ 15,342,000
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	162%	132%	100%
Plan fiduciary net position as a percentage of the total pension liability	74%	79%	83%

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

**MARIN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2021**

CaSTRS	Reporting Fiscal Year			
	2021	2020	2019	2018
Statutorily required contribution	\$ 3,218,037	\$ 3,447,051	\$ 3,462,266	\$ 2,940,921
District's contributions in relation to the statutorily required contribution	3,218,037	3,447,051	3,462,266	2,940,921
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 19,864,426	\$ 20,158,193	\$ 21,267,000	\$ 19,363,000
District's contributions as a percentage of covered-employee payroll	16.20%	17.10%	16.28%	15.19%

CaPERS	Reporting Fiscal Year			
	2021	2020	2019	2018
Statutorily required contribution	\$ 3,478,518	\$ 3,492,276	\$ 3,063,500	\$ 2,351,656
District's contributions in relation to the statutorily required contribution	3,478,518	3,492,276	3,063,500	2,351,656
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 16,804,435	\$ 17,708,412	\$ 16,470,000	\$ 14,986,000
District's contributions as a percentage of covered-employee payroll	20.70%	19.72%	18.60%	15.69%

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

**MARIN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2021**

CaSTRS	Reporting Fiscal Year		
	2017	2016	2015
Statutorily required contribution	\$ 2,488,796	\$ 2,211,544	\$ 1,594,920
District's contributions in relation to the statutorily required contribution	2,488,796	2,211,544	1,594,920
District's contribution deficiency (excess)	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 19,784,000	\$ 20,611,000	\$ 17,961,111
District's contributions as a percentage of covered-employee payroll	12.58%	10.73%	8.88%
CaIPERS	Reporting Fiscal Year		
	2017	2016	2015
Statutorily required contribution	\$ 1,905,803	\$ 1,711,105	\$ 1,753,636
District's contributions in relation to the statutorily required contribution	1,905,803	1,711,105	1,753,636
District's contribution deficiency (excess)	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 13,723,000	\$ 14,443,000	\$ 14,898,000
District's contributions as a percentage of covered-employee payroll	13.69%	11.85%	11.77%

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

**MARIN COMMUNITY COLLEGE DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

NOTE 1 - PURPOSE OF SCHEDULE

Schedule of Changes in Net OPEB Liability and Related Ratios

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

Schedule of Contributions – OPEB

This schedule presents information on the District's actuarially determined contribution, contributions in relation to the actuarially determined contribution, and any excess or deficiency related to the actuarially determined contribution. In the future, as data becomes available, ten years of information will be presented.

Schedule of the 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.

Schedule of 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.

Changes of Benefit Terms

There are no changes in benefit terms reported in the Required Supplementary Information.

Changes of Assumptions

There are no changes in assumptions reported in the Required Supplementary Information.

SUPPLEMENTARY INFORMATION

**MARIN COMMUNITY COLLEGE DISTRICT
DISTRICT ORGANIZATION
JUNE 30, 2021**

Marin Community College District was established in 1926, and is comprised of two campuses, Kentfield and Indian Valley. There were no changes in the boundaries of the District during the current year.

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

GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
Wanden P. Treanor	President	2022
Stephanie O'Brien	Vice President	2024
Diana Conti	Clerk	2022
Suzanne Brown Crow	Trustee	2022
Philip Kranenburg	Trustee	2024
Eva Long, Ph.D.	Trustee	2024
Paul da Silva, Ph.D.	Trustee	2024
Juniper Yoshihara	Student Trustee	2022

DISTRICT ADMINISTRATION

David Wain Coon, Ed.D.
Superintendent/President

Gregory W. Nelson
*Assistant Superintendent/Vice President of
Administrative Services*

Jonathan Eldridge
*Assistant Superintendent/Vice President of Student
Learning and Success*

AUXILIARY ORGANIZATIONS IN GOOD STANDING

AUXILIARY NAME	DIRECTOR'S NAME	ESTABLISHMENT AND MASTER AGREEMENT DATE
College of Marin Foundation	Greg Nelson, Asst. Supt./VP of Admin. Services; Keith Rosenthal, Director of Advancement	Organized as an auxiliary organization in 2018 and has a signed master agreement dated 9/12/18.

**MARIN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Total Program Expenditures
<u>U.S. DEPARTMENT OF EDUCATION</u>		
<i>Direct Programs:</i>		
Student Financial Aid Programs:		
Federal Supplemental Educational Opportunity Grant (FSEOG) Program	84.007	\$ 198,237
Federal Direct Loans	84.268	212,947
Federal Work Study (FWS)	84.033	132,109
Federal Pell Grants (PELL)	84.063	2,552,202
Subtotal Financial Aid Programs		<u>3,095,495</u>
Higher Education Emergency Relief Funds (HEERF)		
COVID-19 HEERF CARES Act - Institutional	84.425F	3,804,485
COVID-19 HEERF CARES Act - Student Aid	84.425E	509,073
Subtotal Higher Education Emergency Relief Funds (HEERF)		<u>4,313,558</u>
<i>Passed through the California Department of Education:</i>		
Early Childhood Mentor Program	84.405A	1,600
<i>Passed through the California Community Colleges Chancellor's Office:</i>		
Vocation and Applied Technology Education - Act Program:		
Vocational and Applied Technology Educational Act		
Title I, Part C	84.048A	95,667
Subtotal Perkins Program		<u>95,667</u>
Total U.S. Department of Education		<u>7,506,320</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>		
<i>Passed through the California Community Colleges Chancellor's Office:</i>		
Temporary Assistance for Needy Families (TANF)	93.558	20,748
<i>Passed through the California Department of Education:</i>		
Child Development Training Consortium - CCDF Cluster	93.575	24,568
Foster Care Education	93.658	24,092
Total U.S. Department of Health and Human Services		<u>69,408</u>
<u>U.S. DEPARTMENT OF TREASURY</u>		
<i>Direct Programs:</i>		
COVID-19 Response Block Grant	21.019	166,767
<u>U.S. DEPARTMENT OF AGRICULTURE</u>		
<i>Passed through the California Department of Education:</i>		
Child Care Food Program	10.558	7,810
Total Federal Programs		<u>\$ 7,750,305</u>

**MARIN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF STATE FINANCIAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Program Revenues				Total Program Expenditures
	Accounts			Total	
	Cash Received	Receivable	Deferred Income		
AEBG - Adult Ed Block Grant - FY16/17, FY17/18	\$ 336,443	\$ -	\$ 68,889	\$ 267,554	\$ 267,554
Administrative 2% Enrollment Fee Waivers	28,731	-	-	28,731	28,731
Board Financial Assist.Prog.Administration	152,820	-	-	152,820	152,820
CA College Promise	702,570	-	378,752	323,818	323,818
Calworks	153,498	-	-	153,498	153,498
Cooperative Agencies Resources for Ed.	87,284	-	-	87,284	87,284
Disabled Students Program	771,484	-	-	771,484	771,484
Disaster Relief Emergency SFA	28,880	-	1,230	27,650	27,650
Extended Opportunity Programs & Svcs	526,460	-	-	526,460	526,460
Faculty/Staff Development	123	-	123	-	-
Faculty/Staff Diversity	100,557	-	57,738	42,819	42,819
Financial Aid Technology	206,222	-	140,696	65,526	65,526
Foster Care Education	38,080	-	-	38,080	38,080
Hazardous Substance	4,880	-	4,880	-	-
SSSP - Credit -- Student Equity and Achievement	143,070	1,451,566	-	1,594,636	1,594,636
Nursing Enrollment Growth	96,952	-	4,995	91,957	91,957
Nursing Enrollment Growth -	17,419	-	10,902	6,517	6,517
Peace Officers Training	4,939	(141)	3,434	1,364	1,364
Prop.20, Lottery-Instructional Supplies	1,283,178	115,465	1,340,573	58,070	58,070
Schedl. Maint &Repair Ongoing 0809, 13/14	27,900	-	27,900	-	-
Schedl. Maint &Repair Ongoing	98,087	-	98,087	-	-
Strong Workforce (Local)	1,426,831	-	705,303	721,528	721,528
Strong Workforce (Regional)	48,385	313,462	-	361,847	361,847
Transitional Assistance to Needy Families	20,748	-	-	20,748	20,748
Veterans Resource Center	69,336	-	69,336	-	-
State COVID funds	204,709	-	188,026	16,683	16,683
FA account	6,964	-	-	6,964	6,964
CA Plnng&Rsrch STEM Thinkers&Learni	1,073,046	-	798,041	275,005	275,005
Guided Pathways	227,422	-	85,519	141,903	141,903
Cal Fresh Outreach	27,920	-	27,920	-	-
Retention & Enrollmt Outreach	76,880	-	76,880	-	-
Undocumented Resource Liaisons	34,407	-	34,407	-	-
Hunger Free Campus	32,866	-	16,966	15,900	15,900
OTF - Improving Online CTE Pathways	79,512	4,278	-	83,790	83,790
Mental Health Support	10,197	-	8,912	1,285	1,285
OTF - Certified Nurse Assistant (CNA)	57,500	-	44,740	12,760	12,760
OTF- Other State Grants (ZCT,Leadership,Campus Safety,GIG,Class Prof, other)	41,639	-	37,545	4,094	4,094
OTF-Sched. Maint FY' 07&0 8	24,884	-	24,884	-	-
Child Care Food Program-Preschool	120	-	-	120	120
OTF - Child Development Bailout Funds	86,034	-	-	86,034	86,034
Child Development Contract Funds (State Preschool) - CSPP9286	134,124	-	-	134,124	134,124
Cal Grants	410,520	53,369	-	463,889	463,889
Full Time Student Success Grant	10,566	-	10,566	-	-
Student Success Completion	267,142	-	46,176	220,966	220,966
	\$ 9,181,329	\$ 1,937,999	\$ 4,313,420	\$ 6,805,908	\$ 6,805,908

**MARIN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT
FOR THE YEAR ENDED JUNE 30, 2021**

CATEGORIES	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2020 only)			
1. Noncredit	-	-	-
2. Credit	-	-	-
B. Summer Intersession (Summer 2021 - Prior to July 1, 2021)			
1. Noncredit	24.76	-	24.76
2. Credit	191.56	-	191.56
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	224.79	-	224.79
(b) Daily Census Contact Hours	95.74	-	95.74
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	148.82	-	148.82
(b) Credit	6.02	-	6.02
3. Independent Study/Work Experience			
(a) Weekly Census Contact Hours	2,290.56	-	2,290.56
(b) Daily Census Contact Hours	124.55	-	124.55
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	3,106.80	-	3,106.80
Supplemental Information (subset of above information)			
E. In-service Training Courses	-	-	-
F. Basic Skills Courses and Immigrant Education			
1. Credit	46.27	-	46.27
2. Noncredit	56.32	-	56.32
Total Basic Skills FTES	102.59	-	102.59
<u>CCFS 320 Addendum</u>			
CDCP Noncredit FTES	-	-	-
Centers FTES			
1. Credit	13.32	-	13.32
2. Noncredit	1.88	-	1.88
Total Centers FTES	15.20	-	15.20

**MARIN 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 audit adjustments proposed to any funds of the District.

**MARIN COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

Total Fund Equity - District Funds Included in the Reporting Entity

General Fund	\$	15,470,807	
Bond Interest and Redemption Fund		19,169,947	
Revenue Bond Interest and Redemption Fund		4,936,370	
Other Debt Service Fund		205,090	
Other Special Revenue Fund		451,027	
Capital Outlay Fund		8,456,245	
Revenue Bond Construction Fund		134,206,059	
Self-Insurance Fund		653,205	
Student Activity Funds		583,371	
PARS Trust Fund		<u>9,638,833</u>	\$ 193,770,954
Assets recorded within the statements of net position not included in the fund financial statements:			
Capital assets	\$	454,476,379	
Accumulated depreciation		<u>(91,623,199)</u>	362,853,180
Net OPEB Asset			1,259,303
Unmatured Interest			(5,941,133)
Deferred outflows recorded within the statement of net position not included in the District fund financial statements:			
Deferred outflows related to bond refundings			13,712,080
Deferred outflows related to pensions			16,108,659
Liabilities recorded within the statements of net position not recorded in the District fund financial statements:			
General obligation (GO) bonds	\$	450,805,000	
Lease revenue (LR) bonds		8,560,834	
Bond premium - GO bonds		14,200,336	
Bond premium - LR bonds		293,288	
Certificates of participation		3,980,000	
Certificates of participation - premium		177,330	
Net pension liability		69,682,250	
Compensated absences		2,299,292	
Note payable - PG&E		<u>46,919</u>	(550,045,249)
Deferred inflows recorded within the statement of net position not included in the District fund financial statements:			
Deferred inflows related to OPEB			(31,794)
Deferred inflows related to pensions			<u>(3,316,106)</u>
Net Assets Reported Within the Statement of Net Position			<u>\$ 28,369,894</u>

**MARIN COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF EDUCATION CODE SECTION 84362 (50 PERCENT LAW) CALCULATION
FOR THE YEAR ENDED JUNE 30, 2021**

	Object/ TOP Codes	Activity (ESCA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6100			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Academic Salaries</u>							
Instructional Salaries							
Contract or Regular	1100	\$ 9,527,890	\$ -	\$ 9,527,890	\$ 9,527,890	\$ -	\$ 9,527,890
Other	1300	7,538,565	-	7,538,565	7,538,565	-	7,538,565
Total Instructional Salaries		17,066,455	-	17,066,455	17,066,455	-	17,066,455
Non-Instructional Salaries							
Contract or Regular	1200	-	-	-	3,557,264	-	3,557,264
Other	1400	-	-	-	1,264,393	-	1,264,393
Total Non-Instructional Salaries		-	-	-	4,821,657	-	4,821,657
Total Academic Salaries		17,066,455	-	17,066,455	21,888,112	-	21,888,112
<u>Classified Salaries</u>							
Non-Instructional Salaries							
Regular Status	2100	-	-	-	11,329,773	-	11,329,773
Other	2300	-	-	-	113,013	-	113,013
Total Non-Instructional Salaries		-	-	-	11,442,786	-	11,442,786
Instructional Aides							
Regular Status	2200	931,864	-	931,864	931,864	-	931,864
Other	2400	224,369	-	224,369	224,369	-	224,369
Total Instructional Aides		1,156,233	-	1,156,233	1,156,233	-	1,156,233
Total Classified Salaries		1,156,233	-	1,156,233	12,599,019	-	12,599,019
Employee Benefits	3000	7,651,297	-	7,651,297	16,399,929	-	16,399,929
Supplies and Materials	4000	-	-	-	260,688	-	260,688
Other Operating Expenses	5000	-	-	-	4,789,132	-	4,789,132
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures Prior to Exclusions		25,873,985	-	25,873,985	55,936,880	-	55,936,880
<u>Exclusions</u>							
Activities to Exclude							
Inst. Staff-Retirees' Benefits and Incentives	5900	36,472	-	36,472	36,472	-	36,472
Std. Health Svcs. Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	-	-	-
Non-inst.Staff-Retirees' Benefits and Incentives	6740	-	-	-	227,751	-	227,751
Object to Exclude							
Rents and Leases	5060	-	-	-	207,144	-	207,144
Lottery Expenditures		-	-	-	-	-	-
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines & Periodicals	4200	-	-	-	-	-	-
Instructional Supplies & Materials	4300	-	-	-	-	-	-
Non-inst. Supplies & Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	-	-	-
Other Operating Expenses and Services	5000	-	-	-	567,019	-	567,019
Capital Outlay	6000	-	-	-	-	-	-
Library Books	6300	-	-	-	95,192	-	95,192
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	41,087	-	41,087
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	41,087	-	41,087
Total Capital Outlay		-	-	-	136,279	-	136,279
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		\$ 36,472	\$ -	\$ 36,472	\$ 1,174,665	\$ -	\$ 1,174,665
Total for ECS 84362, 50% Law		\$ 25,837,513	\$ -	\$ 25,837,513	\$ 54,762,215	\$ -	\$ 54,762,215
Percent of CEE (Instructional Salary Cost/Total CEE)		47.18%	0.00%	47.18%	100.00%	0.00%	100.00%
50% of Current Expense of Education		\$ -	\$ -	\$ -	\$ 27,381,108	\$ -	\$ 27,381,108

See accompanying note to supplementary information.

**MARIN COMMUNITY COLLEGE DISTRICT
 EDUCATION PROTECTION ACCOUNT EXPENDITURE REPORT
 FOR THE YEAR ENDED JUNE 30, 2021**

EPA Revenue	412,564
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Activity Classification	Activity Code	Salaries and Benefits	Operating Expenses	Capital Outlay	Total
		(Obj 1000-3000)	(Obj 4000-5000)	(Obj 6000)	
Instructional Activities	0100-5900	412,564	-	-	412,564
Total		412,564	-	-	412,564

**MARIN COMMUNITY COLLEGE DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

NOTE 1 - PURPOSE OF SCHEDULES

District Organization

This schedule provides information about the District's governing board members and administration members.

Schedule of Expenditure of Federal Awards

The Schedule of Expenditure of Federal Awards includes the federal award activity of Marin Community College District under programs of the federal government for the year ended June 30, 2021, 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)*. Because the Schedule presents only a selected portion of the operations of Marin Community College District, it is not intended to and does not present the financial position, changes in net position, or cash flows of Marin Community College District. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Schedule of State Financial Awards

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

Schedule of Workload Measures for State General Apportionment

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.

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 basic financial statements.

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.

**MARIN COMMUNITY COLLEGE DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

NOTE 1 - PURPOSE OF SCHEDULES, continued

Reconciliation of Education Code Section 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.

Education Protection Account Expenditure Report

This schedule provides information about the District's EPA proceeds and summarizes how the EPA proceeds were spent.

OTHER INDEPENDENT AUDITORS' REPORTS



INDEPENDENT AUDITORS' 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

The Board of Trustees
Marin Community College District
Kentfield, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of the business-type activities and the aggregate remaining fund information of Marin Community College District (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 1, 2021.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of This Report

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

CWDL, Certified Public Accountants

San Diego, California
November 1, 2021



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Board of Trustees
Marin Community College District
Kentfield, California

Report on Compliance for Each Major Federal Program

We have audited Marin Community College District's (the District) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major Federal programs for the year ended June 30, 2021. The District's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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.

CWDL, Certified Public Accountants

San Diego, California
November 1, 2021



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

The Board of Trustees
Marin Community College District
Kentfield, California

Compliance

We have audited the Marin Community College District's (the District) compliance with the types of state compliance requirements described in the *California Community Colleges Contracted District Audit Manual 2020-21*, published by the California Community Colleges Chancellor's Office, for the year ended June 30, 2021. The applicable state compliance requirements are identified in the table below.

Management's Responsibility

Compliance with the requirements referred to above is the responsibility of the District's management.

Auditors' Responsibility

Our responsibility is to express an opinion on the District's compliance with the state laws and regulations based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *California Community Colleges Contracted District Audit Manual 2020-21*, published by the California Community Colleges Chancellor's Office. Those standards and the *California Community Colleges Contracted District Audit Manual 2020-21* 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 compliance with the state laws and regulations described in the schedule below occurred. An audit includes examining, on a test basis, evidence supporting the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

Opinion

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the programs noted below that were audited for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *California Community Colleges Contracted District Audit Manual (CDAM) 2020-21*, and which are described in the accompanying schedule of findings and questioned costs as item Finding #2021-001. Our opinion is not modified with respect to these matters.

Procedures Performed

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

- Section 411 – SCFF Data Management Control Environment
- Section 412 – SCFF Supplemental Allocation Metrics
- Section 413 – SCFF Success Allocation Metrics
- Section 421 – Salaries of Classroom Instructors (50 Percent Law)
- Section 423 – Apportionment for Activities Funded From Other Sources
- Section 424 – Student Centered Funding Formula Base Allocation: FTES
- Section 425 – Residency Determination for Credit Courses
- Section 426 – Students Actively Enrolled
- Section 427 – Dual Enrollment (CCAP and Non-CCAP)
- Section 430 – Scheduled Maintenance Program
- Section 431 – Gann Limit Calculation
- Section 435 – Open Enrollment
- Section 444 – Apprenticeship Related and Supplemental Instruction (RSI) Funds
- Section 475 – Disabled Student Programs and Services (DSPS)
- Section 479 – To Be Arranged Hours (TBA)
- Section 490 – Propositions 1D and 51 State Bond Funded Projects
- Section 491 – Education Protection Account Funds
- Section 499 – COVID-19 Response Block Grant Expenditures

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing over state laws and regulations based on the requirements described in the *California Community Colleges Contracted District Audit Manual (CDAM) 2020-21*. Accordingly, this report is not suitable for any other purpose.



San Diego, California
November 1, 2021

FINDINGS AND RECOMMENDATIONS

**MARIN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None reported</u>
Non-compliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None reported</u>
Type of auditors' report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards	<u>No</u>
Identification of major programs:	

<u>CFDA Numbers</u>	<u>Name of Federal Program of Cluster</u>
<u>84.007, 84.033, 84.063, 84.268</u>	<u>Student Financial Aid Cluster</u>
<u>84.425E, 84.425F</u>	<u>CARES Act</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

STATE AWARDS

Internal control over State programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>Yes</u>
Type of auditors' report issued on compliance for State programs:	<u>Unmodified</u>

**MARIN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

SECTION II - FINANCIAL STATEMENT FINDINGS

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

There were no financial statement audit findings or questioned costs identified during 2020-21.

**MARIN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

This section identifies the audit findings required to be reported by the Uniform Guidance (e.g., deficiencies, significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).

There were no federal award findings or questioned costs identified during 2020-21.

**MARIN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

SECTION IV – STATE AWARD FINDINGS AND QUESTIONED COSTS

FINDING #2021-001 – STATE COMPLIANCE - SALARIES OF CLASSROOM INSTRUCTORS (50 PERCENT LAW)

Criteria

Education Code Section 84362, commonly known as the 50 Percent Law, requires that a minimum of 50 percent of the district's Current Expense of Education (CEE) be expended during each fiscal year for "Salaries of Classroom Instructors."

Condition

The District failed to meet the required 50 percent minimum.

Effect

Less than 50 percent of the District's Current Expense of Education (CEE) was expended for salaries of classroom instructors, thereby the District is not in compliance with Education Code Section 84362.

Cause

The District expended more on non-instructional costs than instructional costs in the Current Expense of Education.

Fiscal Impact

None. The District is primarily funded from property taxes.

Recommendation

The District should come into compliance with the 50 Percent Law by expending a higher amount of the District's CEE for salaries of classroom instructors, or by reducing noninstructional costs.

Corrective Action Plan

The District currently has "community supported" status, or sometimes referred to as "basic aid". With that comes extra resources that allows the District to achieve programs, services and partnerships that other districts may not have the luxury to enjoy. Those extra resources, while not supporting the 50% law, support the community that we need to serve, provides the resources to correct inequities in our local society and provides services that are many times neglected in Marin county. The extra resources we are fortunate to have, plus the millions in stimulus funds to support those same students have made the conditions so that we could not make the 50% law for this fiscal year. While the District hopes that returning to campus from the COVID-19 pandemic will generate more students and instructional costs, this same period of time also reduced instructional costs because of online teaching. As the District moves forward we will continue to meet the needs of all of our programs within the District as needed to achieve our educational and strategic plans.

**MARIN COMMUNITY COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021**

There were no prior year findings and recommendations identified during 2019-20.