This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED MAY 26, 2022

NEW ISSUE -- FULL BOOK-ENTRY	**RATING: S&P: "A+"**
BANK QUALIFIED	**(See "RATING" herein)**

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. The Bonds are "qualified tax-exempt obligations" within the meaning of section 265(b)(3) of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS" herein.

$7,000,000*
WEST HILLS COMMUNITY COLLEGE DISTRICT
2022 General Obligation Refunding Bonds
School Facilities Improvement District No. 1
(Northern Area)
(Bank Qualified)

Dated: ***Date of Delivery*** **Due:** ***August 1, as shown on inside cover***

Authority. The West Hills Community College District 2022 General Obligation Refunding Bonds (the "Bonds") are being issued by the West Hills Community College District (the "District") on behalf of its School Facilities Improvement District No. 1 (Northern Area) (the "Improvement District") for the purpose of refunding on a current basis certain outstanding general obligation bonds of the Improvement District. The Bonds are being issued pursuant to certain provisions of the California Government Code and a resolution adopted by the Board of Trustees of the District on April 19, 2022. See "THE BONDS – Authority for Issuance" herein.

Security. The Board of Supervisors of each County in which the Improvement District is located has the power and is obligated to annually levy and collect *ad valorem* taxes upon all property subject to taxation in the Improvement District without limitation of rate or amount (except certain personal property which is taxable at limited rates) for the payment of principal of and interest on the Bonds of the Improvement District. There are currently other outstanding series of general obligation bonds in the District and the Improvement District that are similarly secured by tax levies. All general obligation bonds of the Improvement District, including the Bonds, are issued on a parity basis with one another. See "SECURITY FOR THE BONDS."

Issuance and Payments. The Bonds will be issued in the denomination of $5,000 each or any integral multiple thereof. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"). Purchasers will not receive physical certificates representing their interests in the Bonds. Interest with respect to the Bonds accrues from the date of delivery, and is payable semiannually on February 1 and August 1 of each year, commencing August 1, 2022. Payments of principal and interest on the Bonds will be paid by U.S. Bank Trust Company, National Association, as Paying Agent, to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds. See "APPENDIX F -- DTC and the Book-Entry Only System" herein.

Redemption*. The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein. See "THE BONDS –Optional Redemption" and "–Mandatory Sinking Fund Redemption."

Bond Insurance. The District has applied for bond insurance to guarantee the scheduled payment of principal of and interest on the Bonds, and will decide prior to the sale of the Bonds whether to purchase such insurance.

MATURITY SCHEDULE
(See inside cover)

Cover Page. This cover page contains information for general reference only. It is not a summary of all the provisions of the Bonds. Prospective investors must read the entire Official Statement to obtain information essential in making an informed investment decision.

The Bonds are offered when, as and if issued, subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel. Jones Hall, A Professional Law Corporation, is also serving as Disclosure Counsel to the District. Certain matters will be passed on for the Underwriter by Kutak Rock LLP, Denver, Colorado. It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of DTC on or about June 21, 2022.*

RBC Capital Markets

This Official Statement is dated ________, 2022.

**Preliminary; subject to change.*

MATURITY SCHEDULES*

$__________
WEST HILLS COMMUNITY COLLEGE DISTRICT
2022 General Obligation Refunding Bonds
School Facilities Improvement District No. 1
(Northern Area)
(Bank Qualified)

BASE CUSIP†: _______

$___________ Serial Bonds

Maturity Date (August 1)	Principal Amount	Coupon	Yield	Price	CUSIP†

**Preliminary; subject to change.*
† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc on behalf of The American Bankers Association. Neither the City nor the Underwriter takes any responsibility for the accuracy of the CUSIP data.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract between any bond owner and the District or the Underwriter.

No Offering Except by This Official Statement. No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by the District or the Underwriter.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Estimates and Projections. When used in this Official Statement and in any continuing disclosure by the District, in any press release and in any oral statement made with the approval of an authorized officer of the District, the words or phrases "will likely result," "are expected to", "will continue", "is anticipated", "estimate", "project," "forecast", "expect", "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

Information in Official Statement. The information set forth in this Official Statement has been furnished by the District and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness.

Document Summaries. All summaries of the Resolution or other documents referred to in this Official Statement are made subject to the provisions of such documents and qualified in their entirety to reference to such documents, and do not purport to be complete statements of any or all of such provisions.

Involvement of Underwriter. The Underwriter has provided the following statement for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the Federal Securities Laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

No Securities Laws Registration. The Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The Bonds have not been registered or qualified under the securities laws of any state.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, give rise to any implication that there has been no change in the affairs of the District, Fresno, Kings, San Benito, Monterey and Madera Counties, the other parties described in this Official Statement, or the condition of the property within the District since the date of this Official Statement.

In connection with the offering of the Bonds, the Underwriter may over allot or effect transactions which stabilize or maintain the market price of such Bonds at a level above that which might otherwise prevail in the open market. Such stabilization, if commenced, may be discontinued at any time.

Website. The District maintains a website. However, the information presented on the website is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of, and as that term is defined in, SEC Rule 15c2-12.

Underwriter's Statement. The Underwriter has reviewed the information in this official statement pursuant to their responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information

WEST HILLS COMMUNITY COLLEGE DISTRICT

BOARD OF TRUSTEES

Mark McKean, *President*
Jeff Levinson, *Vice President*
Nina Oxborrow, *Clerk*
Steven Cantu, *Member*
Crystal Jackson, *Member*
Martin Maldonado, *Member*
Salvador Raygoza, *Member*

DISTRICT ADMINISTRATION

Kristin Clark, Ed.D., *Chancellor*
Shanna Ahrens*, Vice Chancellor of Business and Fiscal Services*

PROFESSIONAL SERVICES

BOND COUNSEL and DISCLOSURE COUNSEL

Jones Hall, A Professional Law Corporation
San Francisco, California

UNDERWRITER

RBC Capital Markets, LLC
Los Angeles, California

UNDERWRITER'S COUNSEL

Kutak Rock LLP
Denver, Colorado

FINANCIAL ADVISOR

Dale Scott & Company Inc.
San Francisco, California

PAYING AGENT, TRANSFER AGENT, BOND REGISTRAR and ESCROW BANK

U.S. Bank Trust Company, National Association
Los Angeles, California

VERIFICATION AGENT

Causey Demgen & Moore P.C.
Denver, Colorado

TABLE OF CONTENTS

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$7,000,000*
WEST HILLS COMMUNITY COLLEGE DISTRICT
2022 General Obligation Refunding Bonds
School Facilities Improvement District No. 1
(Northern Area)
(Bank Qualified)

INTRODUCTION

This Official Statement, which includes the cover page and appendices hereto, provides information in connection with the sale of the West Hills Community College District 2022 General Obligation Refunding Bonds (the "**Bonds**").

The Bonds are being issued by the West Hills Community College District (the "**District**") on behalf of its School Facilities Improvement District No. 1 (Northern Area) (the "**Improvement District**") for the purpose of refunding on a current basis certain outstanding general obligation bonds of the Improvement District. See "THE BONDS - Financing Plan."

The Bonds are being issued pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53550 of said Code (the **"Refunding Law"**), and pursuant to a resolution adopted by the Board of Trustees of the District on April 19, 2022 (the **"Resolutions"**). Capitalized terms used herein and not otherwise defined have the meanings assigned in the Resolution.

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

The District and the School Facilities Improvement District

The District. The District was formed in 1961, but was operational 30 years earlier in the form of a Coalinga Extension Center of what was then called Fresno State College. Originally, the District encompassed the same area as the Coalinga High School District. Thereafter annexation elections expanded the District's geographical boundaries, making the District today into one of the largest community college districts in the State. The District serves an area of approximately 3,600 square miles, encompassing portions of the following five counties: Fresno, Kings, San Benito, Monterey and Madera.

The District operates two separate college campuses and an off-campus educational center: (1) the Coalinga Campus situated at 300 Cherry Lane, Coalinga, California (the **"Coalinga Campus"**), (2) the City of Lemoore campus situated at 555 College Avenue, Lemoore, California (the **"Lemoore Campus"**) and (3) the City of Firebaugh Educational Center located at 1511 Ninth Street, Firebaugh, California (the **"Firebaugh Center"**). The District estimates a full-time equivalent student (**"FTES"**) enrollment of 4,600 students for fiscal year 2021-22.

The West Hills Community College District provides postsecondary education to students of Coalinga-Huron Unified School District, Lemoore Union High School District, Riverdale Joint

Unified School District, Golden Plains Unified School District, Firebaugh-Las Deltas Unified School District, Reef- Sunset Unified School District, and Mendota Unified School District.

The District is also committed to distance learning and other technological advances to create opportunities for education through the internet, satellite and cable television, extending even beyond the traditional service area. The colleges offer transfer programs, associate in arts and associate in science degrees.

The Improvement District. The Improvement District was formed by the Board of Trustees of the District following a public hearing on February 19, 2008, pursuant to the provisions of Chapter 2 (commencing with Section 15300) of Part 10 of Division 1 of the California Education Code (the "**Act**") and proceedings taken by the District. The Improvement District is comprised of areas within the Fresno and Madera County portions of the District, and its boundaries are the combined boundaries of the Firebaugh-Las Deltas Joint Unified School District, Mendota Unified School District, Golden Plains Unified School District, and that portion of the Dos Palos-Oro Loma Joint Unified School District which lies within Fresno County.

See "THE DISTRICT," "THE IMPROVEMENT DISTRICT" and "APPENDIX B – General and Financial Information About the District."

COVID-19 Statement

The COVID-19 pandemic has resulted in a public health crisis that is fluid and unpredictable with financial and economic impacts that cannot be predicted. While COVID-19 seems to be moving towards endemic status, investors are cautioned that the District cannot at this time predict the impacts that the COVID-19 pandemic may ultimately have on its operations and finances, property values in the District, and economic activity in the District, the State of California (the "State") and the nation, among others. For more information regarding the COVID-19 emergency, see "SECURITY FOR THE BONDS – COVID-19 Global Pandemic" and "DISTRICT GENERAL INFORMATION — District's Response to COVID-19 Emergency" in Appendix B.

Sources of Payment for the Bonds

The Bonds represent a general obligation of the District. The Boards of Supervisors of Fresno County, Monterey County, San Benito County and Kings County (each a "**County**" and collectively the "**Counties**") has the power and is obligated to annually levy and collect ad valorem taxes upon all property subject to taxation in the Improvement District without limitation of rate or amount (except certain personal property which is taxable at limited rates) for the payment of principal of and interest on the Bonds. See "SECURITY FOR THE BONDS" herein.

Purpose

The Bonds are being issued for the purpose of refunding, on a current basis, certain outstanding general obligation bonds of the Improvement District. See "THE BONDS —Financing Plan" and "SOURCES AND USES OF FUNDS" herein.

Description of the Bonds

The Bonds will be issued in fully registered form only, registered in the name of Cede & Co. as nominee of The Depository Trust Company ("**DTC**"), and will be available to actual purchasers of the Bonds (the **"Beneficial Owners"**) in the denominations set forth on the cover page hereof, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. See "THE BONDS — Book-Entry Only System."

The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein. See "THE BONDS –Optional Redemption" and "–Mandatory Sinking Fund Redemption."

Legal Matters

Issuance of the Bonds is subject to the approving opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, as bond counsel (**"Bond Counsel"**), to be delivered in substantially the forms attached hereto as Appendix D. Jones Hall, A Professional Law Corporation will also serve as disclosure counsel (**"Disclosure Counsel"**) to the District. Kutak Rock LLP, Denver, Colorado, is serving as counsel to the Underwriter ("**Underwriter's Counsel**"). *Payment of the fees of Bond Counsel, Disclosure Counsel and Underwriter's Counsel is contingent upon issuance of the Bonds.*

Bond Insurance

The District has applied for bond insurance to guarantee the scheduled payment of principal of and interest on the Bonds and, if a commitment is issued to insure the Bonds, will determine prior to the sale of the Bonds whether to obtain such insurance. See "BOND INSURANCE."

Tax Matters; Bank Qualified

Assuming compliance with certain covenants and provisions of the Internal Revenue Code of 1986, in the opinion of Bond Counsel, interest on the Bonds will not be includable in gross income for federal income tax purposes although it may be includable in the calculation for certain taxes. Also, in the opinion of Bond Counsel, interest on the Bonds will be exempt from personal income taxes in the State. The District has designated the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986. Such section provides an exception to the prohibition against the ability of a "financial institution" (as defined in the Internal Revenue Code of 1986) to deduct its interest expense allocable to tax-exempt interest. See "TAX MATTERS" and APPENDIX D hereto for the form of Bond Counsel's opinion to be delivered concurrently with the Bonds.

Authority for Issuance of the Bonds

The Bonds are issued pursuant to the Refunding Law and pursuant to a Resolution. See "THE BONDS - Authority for Issuance" herein.

Continuing Disclosure

The District has covenanted and agreed that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. The form of the Continuing Disclosure Certificate is included in Appendix E hereto. See "CONTINUING DISCLOSURE" herein.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Copies of documents referred to herein and information concerning the Bonds are available from the Chancellor's Office, West Hills Community College District, 275 Phelps Avenue, Coalinga, CA 93210, Phone: 559-934-2100. The District may impose a charge for copying, mailing and handling.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entireties by reference to each of such documents, statutes and constitutional provisions.

The information set forth herein has been obtained from official sources that are believed to be reliable, but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

THE DISTRICT

The District was formed in 1961 but was operational 30 years earlier in the form of a Coalinga Extension Center of what was then called Fresno State College. Originally, the District encompassed the same area as the Coalinga High School District. Thereafter annexation elections expanded the District's geographical boundaries, making the District today into one of the largest community college districts in the State. The District serves an area of approximately 3,600 square miles, encompassing portions of the following five counties: Fresno, Kings, San Benito, Monterey and Madera. For information regarding the property in the District including assessed valuations, see "SECURITY FOR THE BONDS."

The West Hills Community College District provides postsecondary education to the students of Coalinga-Huron Unified School District, Lemoore Union High School District, Riverdale Joint Unified School District, Golden Plains Unified School District, Firebaugh-Las Deltas Unified School District, Reef- Sunset Unified School District, and Mendota Unified School District. The West Hills Community College District maintains a District Office and a center at Naval Air Station Lemoore. For general and financial data about the District, see "APPENDIX B – General and Financial Information About the District."

THE IMPROVEMENT DISTRICT

The Improvement District. The Improvement District was formed by the Board of Trustees of the District following a public hearing on February 19, 2008, pursuant to the provisions of the Act and proceedings taken by the District. The Improvement District is located within the Fresno and Madera County portions of the District, and its boundaries are the combined boundaries of the Firebaugh-Las Deltas Joint Unified School District, Mendota Unified School District, Golden Plains Unified School District, and that portion of the Dos Palos-Oro Loma Joint Unified School District which lies within Fresno County. All of the necessary filings under State Law for the Improvement District were filed with the State Board of Equalization. The total assessed valuation in the Improvement District for fiscal year 2021-22 represents approximately 36.3% of the total 2021-22 assessed valuation in the District. See "SECURITY FOR THE BONDS" herein.

The Bonds represent a general obligation of the District with respect to the Improvement District, and are payable solely from *ad valorem* taxes levied on taxable parcels within the Improvement District.

THE BONDS

Authority for Issuance

The Bonds are issued pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53550 of said Code (the **"Refunding Law"**), and pursuant to a resolution adopted by the Board of Trustees of the District on April 19, 2022 (the **"Resolution"**).

Financing Plan

The Improvement District. The Improvement District received authorization at an election held on June 3, 2008 to issue $11,800,000 of general obligation bonds (the "**2008 Authorization**").

On June 19, 2012 the District, on behalf of the Improvement District, issued $7,957,058.90 Bonds of the School Facilities Improvement District No. 1 (Northern Area) of the West Hills Community College District 2008 Election, General Obligation Bonds, Series B (the "**2008 Series B Bonds**") pursuant to the 2008 Authorization. There is no unused authorization remaining under the 2008 Authorization.

The 2008 Series B Bonds were issued as current interest bonds and capital appreciation bonds. The 2008 Series B Bonds issued as current interest bonds are subject to optional redemption on August 1, 2022, at a redemption price equal to the principal amount thereof together with accrued interest thereon to the date fixed for redemption, with no premium. The Bonds are being issued by the District to refund on a current basis certain maturities of the outstanding Improvement District Current Interest Bonds (the "**Refunded Bonds**"), as shown in the following table.

WEST HILLS COMMUNITY COLLEGE
School Facilities Improvement District No. 1
Identification of Refunded Bonds*

Maturities to be Refunded (August 1)	CUSIP†	Principal Amount Redeemed	Redemption Date	Redemption Price (% of Par Amount Redeemed)
2023	95330N BK5	$180,000	08/01/2022	100.0%
2024	95330N BL3	200,000	08/01/2022	100.0
2025	95330N BM1	220,000	08/01/2022	100.0
2026	95330N BN9	235,000	08/01/2022	100.0
2027	95330N BP4	255,000	08/01/2022	100.0
2032 T	95330N BQ2	1,635,000	08/01/2022	100.0
2037 T	95330N BR0	4,335,000	08/01/2022	100.0
Total:		$7,060,000		

** Preliminary, subject to change.*
T Term Bond
† CUSIP Copyright American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc on behalf of The American Bankers Association Neither the District nor the Underwriter is responsible for the accuracy of such data.

The Improvement District Bonds issued as capital appreciation bonds have matured and are no longer outstanding.

Escrow Fund

The District will deliver the net proceeds of the Bonds to U.S. Bank Trust Company, National Association, as escrow agent (the "**Escrow Bank**"), for deposit in the escrow fund (the "**Escrow Fund**") established under the Escrow Agreement (the "**Escrow Agreement**"), entered into by and between the District and the Escrow Bank.

The Escrow Bank will invest all amounts deposited in the Escrow Fund in the Federal Securities set forth in the Escrow Agreement. From the maturing principal of the Federal Securities and the investment income and other earnings thereon, and any moneys held in cash in the Escrow Fund, the Escrow Agent will pay the redemption price of the Refunded Bonds.

Sufficiency of the deposits in the Escrow Fund for those purposes will be verified by Causey Demgen & Moore P.C. (the **"Verification Agent"**). See "VERIFICATION OF MATHEMATICAL ACCURACY" below.

The amounts held and invested by the Escrow Bank in the Escrow Fund are pledged solely to the payment of the Refunded Bonds. Neither the funds deposited in the Escrow Fund nor the interest on the invested funds will be available for the payment of debt service with respect to the Bonds.

Description of the Bonds

General. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. Purchasers will not receive physical certificates representing their interest in the Bonds.

Payments. Interest with respect to the Bonds accrues from the dated date set forth on the cover hereof (the **"Dated Date"**), and is payable semiannually on February 1 and August 1 of each year (each a **"Bond Payment Date"**) commencing August 1, 2022. Each Bond shall bear interest from the Bond Payment Date next preceding the date of registration and authentication thereof unless (i) it is registered and authenticated as of a Bond Payment Date, in which event it shall bear interest from such date, or (ii) it is registered and authenticated prior to a Bond Payment Date and after the close of business on the fifteenth (15^{th}) day of the month preceding such Bond Payment Date, in which event it shall bear interest from such Bond Payment Date, or (iii) it is registered and authenticated prior to July 15, 2022, in which event it shall bear interest from the date of original delivery; *provided, however*, that if at the time of authentication of a Bond, interest is in default thereon, such Bond shall bear interest from the Bond Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the Bonds, including the final interest payment upon maturity, is payable by check or draft of the Paying Agent mailed on the Bond Payment Date via first-class mail to the Owner thereof at such Owner's address as it appears on the bond register maintained by the Paying Agent at the close of business on the fifteenth (15^{th}) day of the month preceding the Bond Payment Date (the **"Record Date"**), or at such other address as the owner may have filed with the Paying Agent for that purpose, or upon written request filed with the Paying Agent as of the Record Date by an owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer. See also "Book-Entry Only System" below.

The Bonds shall be issued in the denomination of $5,000 principal amount each or any integral multiple thereof. The Bonds mature on August 1, in the years and amounts set forth on the inside cover page hereof.

Book-Entry Only System

The Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("**DTC**"). DTC will act as securities depository of the Bonds. Individual purchases of the Bonds will be made in book-entry form only. Purchasers will not receive physical delivery of the Bonds purchased by them. Payments of principal of and interest on the Bonds will be made by the Paying Agency (defined below) to DTC for subsequent disbursement through DTC Participants (defined herein) to the beneficial owners of the Bonds. See "APPENDIX F – DTC and the Book-Entry Only System" herein.

Paying Agent

As long as DTC is the registered owner of the Bonds and DTC's book-entry method is used for the Bonds, the Paying Agent will send any notice of redemption or other notices to owners only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the redemption of the Bonds called for redemption or of any other action premised on such notice.

The Paying Agent, the District, the Counties, and the Underwriter of the Bonds have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership, of interests in the Bonds.

Optional Redemption

The Bonds. The Bonds maturing on or prior to August 1, 20__ are not subject to optional redemption prior to maturity. The Bonds maturing on or after August 1, 20__ are subject to redemption prior to maturity, as a whole or in part, and by lot within a maturity, at the option of the District, from any available source of funds, on August 1, 20__, and on any date thereafter, at a redemption price equal to the principal amount thereof together with accrued interest thereon to the date fixed for redemption, with no premium.

Whenever less than all of the outstanding Bonds of any one maturity are designated for redemption, the Paying Agent will select the outstanding Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent. For the purpose of selection for optional redemption, the Bonds will be deemed to consist of $5,000 portions (principal), and any such portion may be separately redeemed. The Bonds may all be separately redeemed.

Mandatory Sinking Fund Redemption

The Bonds. The Bonds maturing on August 1, 20__ (the **"Term Bonds"**) are subject to mandatory sinking fund redemption on August 1 of each year in accordance with the schedule set forth below. The Term Bonds so called for mandatory sinking fund redemption shall be redeemed in the sinking fund payments in the amounts and on the dates set forth below, without premium.

$________ Term Bonds Maturing August 1, 20__

Redemption Date (August 1)	Sinking Fund Redemption

If any such Term Bonds are redeemed pursuant to optional redemption, the total amount of all future sinking fund payments with respect to such Term Bonds shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of $5,000 principal amount (or on such other basis as the District may determine) as set forth in written notice given by the District to the Paying Agent.

Selection of Bonds for Redemption

When less than all outstanding Bonds of a series are to be redeemed, the Paying Agent shall select Bonds for redemption as designated by the District. Within a maturity, the Paying Agent shall select Bonds for redemption by lot. Redemption by lot shall be in such a manner as the Paying Agent shall determine; provided, however, that the portion of any Bond to be redeemed in part shall be in the principal amount of $5,000 or any integral multiple thereof.

Notice of Redemption

The Paying Agent shall mail notice of redemption not fewer than 20 nor more than 60 days prior to the redemption date by registered or certified mail, postage prepaid, to the respective Owners of any Bonds designated for redemption at their addresses appearing on the Bond Register. If a Bond is not registered solely to a Securities Depository, the Paying Agent shall also give notice of redemption of Bonds to the Securities Depositories and the Information Service (at the same time it mails notice of redemption to the Owners) by registered or overnight mail.

Each notice of redemption shall state (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the Principal Amount of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part. Each such notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed the Redemption Price thereof, together with the interest accrued to the redemption date, and that from and after such date, interest with respect thereto shall cease to accrue in value.

Neither failure to receive or failure to send any notice of redemption nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds.

Satisfaction and Discharge of Bonds

Bonds may be paid by the District in any of the following ways:

(i) by paying or causing to be paid the principal or redemption price of and interest on such Bonds, as and when the same become due and payable;

(ii) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in the Resolution) to pay or redeem such Bonds; or

(iii) by delivering such Bonds to the Paying Agent for cancellation by it.

If the District shall pay all outstanding Bonds and shall also pay or cause to be paid all other sums payable by the District, then and in that case, at the election of the District, and notwithstanding that any Bonds shall not have been surrendered for payment, the Resolution and other assets made under the Resolution and all covenants, agreements and other obligations of the District under the Resolution shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in the Resolution. In such event, upon request of the District, the Paying Agent shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary to evidence such discharge and satisfaction, and the Paying Agent shall pay over, transfer, assign or deliver to the District all moneys or securities or other property held by it pursuant to the Resolution which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

Registration, Transfer and Exchange of Bonds

If the book entry system is discontinued, the person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute owner of that Bond. Payment of the principal of and interest on any Bond shall be made only to or upon the order of that person; none the District, the Counties or the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in the Paying Agent Agreement.

Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of the Resolution, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the Principal Office at the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. The Paying Agent shall require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond or Bonds shall be surrendered for transfer, the District shall execute and the Paying Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. No transfers of Bonds shall be required to be made (a) fifteen days prior to the date established by the Paying Agent for selection of Bonds for redemption or (b) with respect to a Bond after such Bond has been selected for redemption.

Bonds may be exchanged at the Principal Office of the Paying Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The Paying Agent will require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. No exchanges of Bonds shall be required to be made (a) fifteen days prior to the date established by the Paying Agent for selection of Bonds for redemption or (b) with respect to a Bond after such Bond has been selected for redemption.

SOURCES AND USES OF FUNDS

The sources and uses of funds with respect to the Bonds are as follows:

Sources of Funds	**The Bonds**
Principal Amount of Bonds	
[Net] Original Issue [Premium]/[Discount]	
Total Sources	
Uses of Funds	
Escrow Fund	
Debt Service Fund	
Costs of Issuance [(1)]	
Total Uses	

(1) All estimated costs of issuance including, but not limited to, Underwriter's discount, printing costs, and fees of Bond Counsel, Disclosure Counsel, the Financial Advisor, the Paying Agent, bond insurance premium (if any), and the rating agency.

DEBT SERVICE SCHEDULES

Debt Service Schedule for the Bonds. The following table shows the debt service schedule with respect to the Bonds (assuming no optional redemptions).

West Hills Community College
School Facilities Improvement District No. 1
Debt Service Schedule for the Bonds

Bond Year Ending August 1	The Bonds Principal	The Bonds Interest	Total Debt Service

Combined Debt Service Schedule. The following schedule shows the combined debt service with respect to the Bonds together with other outstanding general obligation bonds of the District and the Improvement District (assuming no optional redemptions).

West Hills Community College
Combined Debt Service Schedule

	District Bonds			Improvement District Bonds				
Bond Year Ending Aug. 1	**2012 Refunding Bonds**	**2015 Refunding Bonds Series C**	**2014 Series B Bonds**	**2008 Bonds, Series A**	**2008 Bonds, Series B***	**2015 Refunding Bonds**	**The Bonds**	**Total Debt Service**
2022	$234,300.00	$948,237.50	$1,156,110.95	--	$487,681.26	$337,500.00		
2023	232,100.00	945,487.50	1,176,110.22	--	492,581.26	350,500.00		
2024	236,550.00	946,237.50	--	--	507,181.26	362,250.00		
2025	235,700.00	940,237.50	--	--	521,181.26	377,750.00		
2026	234,450.00	942,737.50	--	--	529,306.26	396,750.00		
2027	232,787.50	948,237.50	--	--	541,668.76	409,000.00		
2028	240,700.00	953,187.50	--	--	553,062.50	427,450.00		
2029	238,050.00	952,237.50	--	$442,734.00	572,750.00	--		
2030	--	952,200.00	--	462,237.30	581,312.50	--		
2031	--	--	--	482,439.45	594,125.00	--		
2032	--	--	--	498,650.50	611,000.00	--		
2033	--	--	--	520,000.00	621,750.00	--		
2034	--	--	--	--	1,061,500.00	--		
2035	--	--	--	--	1,093,250.00	--		
2036	--	--	--	--	1,126,250.00	--		
2037	--	--	--	--	1,160,250.00	--		
2038	--	--	--	--	--	--		
2039	--	--	--	--	--	--		
2040	--	--	--	--	--	--		
2041	--	--	--	--	--	--		
2042	--	--	--	--	--	--		
4043	--	--	--	--	--	--		
2044	--	--	--	--	--	--		
2045	--	--	--	--	--	--		
Total	$1,884,637.50	$8,528,800.00	$2,332,221.17	$2,406,061.25	$11,054,850.06	$2,661,200.00		

* Includes portions expected to be refunded with proceeds of the Bonds.

SECURITY FOR THE BONDS

Ad Valorem Taxes

Bonds Payable from Ad Valorem Property Taxes. The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes levied on taxable property within the Improvement District and collected by the County. The County is empowered and is obligated to annually levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the Improvement District subject to taxation by the Improvement District, without limitation of rate or amount (except certain personal property which is taxable at limited rates).

Other Debt Payable from Ad Valorem Property Taxes. In addition to the Bonds, there is other debt issued by the District and Improvement District and other entities with jurisdiction in the District, which is payable from *ad valorem* taxes levied on parcels in the District and Improvement District. See "PROPERTY TAXATION – Direct and Overlapping Debt" below.

Levy, Collection, and Pledge of Taxes. The County will levy and collect such *ad valorem* taxes in such amounts and at such times as is necessary to ensure the timely payment of debt service. Such taxes, when collected, will be deposited into a debt service fund for the Bonds, which is maintained by the County and which is irrevocably pledged for the payment of principal of and interest on the Bonds when due.

The Improvement District property taxes are assessed and collected by the County in the same manner and at the same time, and in the same installments as other *ad valorem* taxes on real property, and will have the same priority, become delinquent at the same times and in the same proportionate amounts, and bear the same proportionate penalties and interest after delinquency, as do the other *ad valorem* taxes on real property. See "—Debt Service Fund" below.

Statutory Lien on Ad Valorem Tax Revenues. Under California law, voter approved general obligation bonds which are secured by *ad valorem* tax collections, including the Bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax imposed to service those bonds. Said lien attaches automatically and is valid and binding from the time the bonds are executed and delivered. The lien is enforceable against the District, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any further act.

Annual Tax Rates. The amount of the annual *ad valorem* tax levied by the County to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the Improvement District and the amount of debt service due on the Bonds. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the Improvement District may cause the annual tax rate to fluctuate.

Natural Disasters. Economic and other factors beyond the District's control, such as economic recession, outbreak of a pandemic, deflation of property values, a relocation out of the District or Improvement District or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood, fire or other natural disaster, could cause a reduction in the assessed value within the Improvement District and necessitate a corresponding increase in the annual tax rate. See "PROPERTY TAXATION – Assessed Valuations – Factors Relating to Increases/Decreases in Assessed Value."

Debt Service Fund

Amounts to pay debt service on the Bonds will be held in the funds created and established in the Resolution and known as the "West Hills Community College District 2022 General Obligation Refunding Bonds (Northern Area)" (the "**Debt Service Fund**") for the Bonds, which will be established as a separate fund to be maintained distinct from all other funds of the County. All taxes levied by the Improvement District for the payment of the principal of and interest and premium (if any) on the Bonds will be deposited in the Debt Service Fund by the County promptly upon the receipt. The Debt Service Fund is pledged for the payment of the principal of and interest and premium (if any) on the Bonds when and as the same become due. The County will transfer amounts in the Debt Service Fund to the Paying Agent to the extent necessary to pay the principal of and interest and premium (if any) on the Bonds as the same becomes due and payable.

If, after payment in full of the Bonds, there remains excess proceeds, any such excess amounts shall be transferred to the debt service fund for any outstanding general obligation bonds of the District, and if there are none, the County shall transfer such amounts to the District's general fund, to be applied solely in a manner which is consistent with the requirements of applicable state and federal tax law.

Not a County Obligation

The Bonds are payable solely from the proceeds of an *ad valorem* tax levied and collected by the County within the Improvement District, for the payment of principal and interest on the Bonds. Although the County is obligated to collect the *ad valorem* tax for the payment of the Bonds, the Bonds are not a debt (or a pledge of the full faith and credit) of the County.

COVID-19 Global Pandemic

Background. The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus (**"COVID-19"**), which was first detected in 2020 and spread throughout the world, was declared a pandemic by the World Health Organization, a national emergency by the President of the United States (the "**President**") and a state of emergency by the Governor of the State (the "**Governor**"). Since its emergence, tremendous volatility in the financial markets occurred, and nations have taken actions to curb the spread including stay at home orders and other actions which have unknown long-term impacts including on worldwide and local economies. As of this date, several vaccines have been provided approval by federal health authorities.

Federal Response. The President's declaration of a national emergency on March 13, 2020, made available more than $50 billion in federal resources to combat the spread of the virus. A multi-billion-dollar relief package was signed into law by the President on March 18, 2020, providing for Medicaid expansion, unemployment benefits and paid emergency leave during the crisis. In addition, the Federal Reserve lowered its benchmark interest rate to nearly zero, introduced a large bond-buying program and established emergency lending programs to banks and money market mutual funds.

On March 27, 2020, the United States Congress passed a $2 trillion relief package, being the largest stimulus bill in history, referred to as the Coronavirus Aid, Relief, and Economic Security Act (the **"CARES Act"**). The package provided direct payments to taxpayers, jobless benefits, assistance to hospitals and healthcare systems, $367 billion for loans to small businesses, a $500 billion fund to assist distressed large businesses, including approximately $30 billion for emergency grants to educational institutions and local educational agencies. This funding allocation included approximately $13.5 billion in formula funding to make grants available to each state's educational agency in order to facilitate K-12 schools' responses to the COVID-19 pandemic.

On April 9, 2020, the Federal Reserve took actions aimed at providing up to $2.3 trillion in loans to support the national economy, including supplying liquidity to participating financial institutions in the Small Business Administration's (**"SBA"**) Paycheck Protection Program (**"PPP"**), purchasing up to $600 billion in loans through the Main Street Lending Program and offering up to $500 billion in lending to states and municipalities.

On April 24, 2020, an additional $484 billion federal aid package was signed, providing additional funding for the PPP, the SBA disaster assistance loans and grant program, hospital grants and funding for a COVID-19 testing program.

On December 27, 2020, the President signed the Coronavirus Response and Relief Supplemental Appropriations Act (the **"CRRSA Act"**), an additional $900 billion federal relief package intended to follow and expand on provisions of the CARES Act. The second largest stimulus bill in history, the measure included another round of direct stimulus payments to individuals and families, extended unemployment benefits, expanded the PPP, and provided approximately $82 billion in supplemental aid to support the educational needs of states, school districts, and institutions of higher education, among other stimulus measures.

On March 11, 2021, the President signed the American Rescue Plan Act of 2021 (the **"ARP Act"**), a $1.9 trillion economic stimulus plan that provided another round of stimulus checks to individuals and families, extended federal supplemental unemployment benefits, provided more funding for state and local governments, expanded subsidies for healthcare insurance, and provided additional funding for COVID-19 testing, vaccination, and treatment, among several other provisions that affects many industries, businesses, and individuals. With respect to relief for educational agencies, grants of $125.8 billion were provided to states to support statewide and local funding for elementary and secondary schools and public postsecondary institutions. Funding can be used for a number of education-related expenses, including inspecting and improving school facilities to ensure adequate air quality, providing mental health services, reducing class sizes, implementing social distancing guidelines, and purchasing personal protective equipment. At least 20% of the funding must be used to address learning loss, including through summer learning or enrichment, after-school programs, or extended-day or extended-year programs. States that receive the grants cannot reduce their spending levels on education as a proportion of their budgets during fiscal 2022 or 2023, compared with the average level from fiscal 2017 through 2019.

Notwithstanding that several vaccines have been approved for public use with respect to COVID-19, the spread of COVID-19 and related variants is ongoing, and future actions to reduce its spread and its impact on global and local economies are uncertain and cannot be predicted. Additional information with respect to events surrounding the outbreak of COVID-19 and responses thereto can be found on State and local government websites, including but not limited to: the Governor's office (http://www.gov.ca.gov) and the California Department of Public Health (https://covid19.ca.gov/). *The District has not incorporated by reference the information on such websites, and the District does not assume any responsibility for the accuracy of the information on such websites*.

Impact of COVID-19 Pandemic on Education. On March 13, 2020, the Governor issued Executive Order N-26-20 which established a streamlined process for school closures in response to COVID-19, providing for continued State funding to support distance learning or independent study, subsidized school meals to low-income students, and continuing payment for school district employees, among other measures. In addition, Senate Bill 117, adopted March 17, 2020, was approved and addressed attendance issues and instructional hour requirements, among other items, and effectively holds school districts harmless from funding losses that could result from these issues under the State's education funding formulas. See Appendix B under the heading "DISTRICT FINANCIAL INFORMATION – Education Funding Generally." In addition, federal funding to school districts was made available to most school districts under the CARES Act, the CRRSA Act and the ARP Act.

On December 30, 2020, the Governor announced the Safe Schools for All Plan (**"SSFA Plan"**), a plan aimed at incentivizing schools to offer in-person learning. Some portions of the SSFA Plan went into effect immediately; however on March 4, 2021, the legislature passed and on March 5, 2021, the Governor signed Senate and Assembly Bill 86, reaching an agreement on a school reopening plan, with the stated intent that schools offer in-person instruction to the greatest extent possible during the 2020-21 fiscal year. The plan provided schools with financial incentives totaling $2 billion to offer in-person instruction beginning on April 1 to students with extra needs or requiring special attention and, for students in some grades, depending on what tier their county is in under the State Blueprint. Funding is allocated based on LCFF funding. For districts not offering in-person instruction by April 1, funds decreased by one percent for each instructional day that schools were not open through May 15 (not including scheduled vacation days) and after May 15, eligibility ceased. Funds obtained must primarily be spent on purposes consistent with providing in-person instruction, including COVID-19 testing, cleaning, personal protective equipment, facility needs, staffing costs, and social and mental health supports provided in conjunction with in-person instruction. Districts must continue to offer distance learning options.

The State's fiscal year 2021-22 Budget passed by the Legislature on June 14, 2021, together with related legislation approved on June 28, 2021, and signed by the Governor, makes historic levels of funding available for educational purposes, including funding the expansion of transitional kindergarten, funding of community wellness and student health hubs on campuses, expanded learning programs and increased special education funding, among others.

Impacts of COVID-19 Pandemic on Global and Local Economies Cannot be Predicted; Potential Declines in State and Local Revenues. The COVID-19 public health emergency altered the behavior of businesses and people in a manner that may have negative impacts on global and local economies, including the economy of the State. Although indications are strong that COVID-19 is approaching endemic status in the United States, the District cannot predict the short or long term impacts the COVID-19 emergency and the responses of federal, State or local governments thereto, will have on global, State-wide and local economies, which could impact District operations and finances, and local property values. For more detail regarding the State's current budget, and related reports and outlooks, see Appendix B under the heading "STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS."

General Obligation Bonds Secured by* Ad Valorem *Tax Revenues. Notwithstanding the impacts the COVID-19 emergency may have on the economy in the State, the County and the District or on the District's general purpose revenues, the Bonds described herein are voter-approved general obligations of the District payable solely from the levy and collection of *ad valorem* property taxes with in the Improvement District, unlimited as to rate or amount, and are not payable from the general fund of the District. The District cannot predict the impacts that the Coronavirus emergency might have on local property values or tax collections. See "SECURITY

FOR THE BONDS – *Ad Valorem* Taxes" and "PROPERTY TAXATION – Tax Levies and Delinquencies–Teeter Plan" herein.

PROPERTY TAXATION

Property Tax Collection Procedures

In California, property subject to *ad valorem* taxes is classified as "secured" or "unsecured." The "secured roll" is that part of the assessment roll containing state assessed public utilities' property and real property, the taxes on which create a lien on such property sufficient, in the opinion of the county assessor, to secure payment of the taxes. A tax levied on unsecured property does not become a lien against such unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens arising pursuant to State law on such secured property, regardless of the time of the creation of the other liens. Secured and unsecured property are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. In addition, property on the secured roll with respect to which taxes are delinquent is declared tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the County.

Property taxes are levied for each fiscal year on taxable real and personal property situated in the taxing jurisdiction as of the preceding January 1. However, Senate Bill 813 (enacted by Statutes of 1983, Chapter 498) (**"SB 813"**), provided for the supplemental assessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. Thus, this legislation eliminated delays in the realization of increased property taxes from new assessments. As amended, SB813 provided increased revenue to taxing jurisdictions to the extent that supplemental assessments of new construction or changes of ownership occur subsequent to the January 1 lien date and result in increased assessed value.

Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent, if unpaid on the following August 31. A 10% penalty is also attached to delinquent taxes in respect of property on the unsecured roll, and further, an additional penalty of 1.5% per month accrues with respect to such taxes beginning the first day of the third month following the delinquency date. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the local superior court clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the county recorder's office, in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes in respect of property on the secured roll is the sale of the property securing the taxes for the amount of taxes which are delinquent.

<u>Disclaimer Regarding Property Tax Collection Procedures</u>. The property tax collection procedures described above are subject to amendment based on legislation or executive order,

including Order N-61-20, which may be enacted by the State legislature or declared by the Governor from time to time. The District cannot predict changes in law or orders of State officials that might occur in the future, particularly with regard to actions that might be taken in an attempt to mitigate the impacts of the COVID-19 pandemic.

Taxation of State-Assessed Utility Property

The State Constitution provides that most classes of property owned or used by regulated utilities be assessed by the State Board of Equalization ("**SBE**") and taxed locally. Property valued by the SBE as an operating unit in a primary function of the utility taxpayer is known as "unitary property", a concept designed to permit assessment of the utility as a going concern rather than assessment of each individual element of real and personal property owned by the utility taxpayer. State-assessed unitary and "operating nonunitary" property (which excludes nonunitary property of regulated railways) is allocated to the counties based on the situs of the various components of the unitary property. Except for certain other excepted property, all unitary and operating nonunitary property is taxed at special county-wide rates and tax proceeds are distributed to taxing jurisdictions according to statutory formulae generally based on the distribution of taxes in the prior year.

Assessed Valuations

The assessed valuation of property in the District is established by the assessor in each County, except for public utility property which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the "full value" of the property, as defined in Article XIIIA of the California Constitution. Prior to 1981-82, assessed valuations were reported at 25% of the full value of property. For a discussion of how properties currently are assessed, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS."

Certain classes of property, such as churches, colleges, not-for-profit hospitals, and charitable institutions, are exempt from property taxation and do not appear on the tax rolls. No reimbursement is made by the State for such exemptions.

Property within the Improvement District has a net taxable assessed valuation for fiscal year 2021-22 of $4,663,147,437. Shown in the following table are the assessed valuations for the Improvement District for the past ten years.

WEST HILLS COMMUNITY COLLEGE
SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1
Assessed Valuation
Fiscal Year 2012-13 through Fiscal Year 2021-22

Fiscal Year	Local Secured	Utility	Unsecured	Total
		Fresno County Portion		
2012-13	$2,149,382,945	$408,727,633	$175,855,022	$2,733,965,600
2013-14	2,401,367,936	364,146,283	188,370,046	2,953,884,265
2014-15	2,463,395,083	400,840,969	170,621,876	3,034,857,928
2015-16	2,464,732,817	369,750,456	180,014,365	3,014,497,638
2016-17	2,689,318,263	326,119,006	184,775,325	3,200,212,594
2017-18	2,885,170,425	328,068,963	204,132,335	3,417,371,723
2018-19	3,049,051,409	330,979,914	206,485,860	3,586,517,183
2019-20	3,293,767,114	305,809,215	203,865,818	3,803,442,147
2020-21	3,447,704,743	234,404,701	223,200,921	3,905,310,365
2021-22	3,644,222,559	218,200,483	236,359,110	4,098,782,152
		Madera County Portion		
2012-13	$200,247,993	$6,300	$8,161,013	$208,415,306
2013-14	292,790,991	6,300	8,202,955	301,000,246
2014-15	356,991,677	6,300	8,256,338	365,254,315
2015-16	436,317,533	6,300	9,236,217	445,560,050
2016-17	483,436,007	6,300	9,048,086	492,490,393
2017-18	497,767,956	6,300	9,524,856	507,299,112
2018-19	514,888,381	6,300	10,315,551	525,210,232
2019-20	526,545,202	6,300	11,479,343	538,030,845
2020-21	548,857,283	6,300	11,439,828	560,303,411
2021-22	552,600,799	6,300	11,758,186	564,365,285
		Total Improvement District No. 1		
2012-13	$2,349,630,938	$408,733,933	$184,016,035	$2,942,380,906
2013-14	2,694,158,927	364,152,583	196,573,001	3,254,884,511
2014-15	2,820,386,760	400,847,269	178,878,214	3,400,112,243
2015-16	2,901,050,350	369,756,756	189,250,582	3,460,057,688
2016-17	3,172,754,271	326,125,306	193,823,411	3,692,702,987
2017-18	3,382,938,381	328,075,263	213,657,191	3,924,670,835
2018-19	3,563,939,790	330,986,214	216,801,411	4,111,727,415
2019-20	3,820,312,316	305,815,515	215,345,161	4,341,472,992
2020-21	3,996,562,026	234,411,001	234,640,749	4,465,613,776
2021-22	4,196,823,358	218,206,783	248,117,296	4,663,147,437

Source: California Municipal Statistics, Inc.

Factors Relating to Increases/Decreases in Assessed Value. As indicated in the previous tables, assessed valuations are subject to change in each year. Increases or decreases in assessed valuation result from a variety of factors including but not limited to general economic conditions, supply and demand for real property in the area, government regulations such as zoning, and natural disasters such as earthquakes, fires, floods and droughts.

Other wildfires have occurred in recent years in different regions of the State, and related flooding and mudslides have also occurred. The most destructive of the recent wildfires, which have burned thousands of acres and destroyed thousands of homes and structures, have originated in wildlands adjacent to urban areas. Although the recent natural disasters do not include territory within the District's boundaries, the District cannot predict or make any representations regarding the effects that wildfires, flooding, mudslides or any other natural disasters and related conditions have or may have within the District, or to what extent the effects said disasters might have had on economic activity in the District or throughout the State.

The State has experienced drought conditions in recent years, including a period of drought followed by record-level precipitation in late 2016 and early 2017 which resulted in related severe flooding and mudslides in certain regions. On July 8, 2021, the Governor declared a drought emergency in 50 of the State's 58 counties, which includes the Counties, citing above average temperature and dry conditions. The declaration did not impose mandatory consumption cutbacks, but asked residents to voluntarily cut water consumption by 15% compared with last year. There can be no guarantee that the State will not implement additional strategies to alleviate problems that arise during a period of drought.

In addition, the world is currently experiencing a global pandemic as a result of the outbreak of COVID-19 which may have a negative impact on local property values, but the impact is uncertain at this time. The COVID-19 emergency could cause general marked declines in property values. For disclosure relating to the COVID-19 emergency, see also "SECURITY FOR THE BONDS –COVID-19 Global Pandemic."

The District cannot predict or make any representations regarding the effects that natural disasters and related conditions have or may have on the value of taxable property within the District, or to what extent the effects said disasters might have had on economic activity in the District or throughout the State.

See also "SECURITY FOR THE BONDS –COVID-19 Global Pandemic."

Property Tax Base Transfer Ballot Measure. On November 3, 2020, State voters approved a constitutional amendment entitled Property Tax Transfers, Exemptions and Revenue for Wildfire Agencies and Counties Amendment ("**Proposition 19**"), which will: (i) expand special rules that give property tax savings to homeowners that are over the age of 55, severely disabled, or whose property has been impacted by a natural disaster or contamination, when they buy a different home; (ii) narrow existing special rules for inherited properties; and (iii) broaden the scope of legal entity ownership changes that trigger reassessment of properties. The District cannot make any assurance as to what effect the implementation of Proposition 19 will have on assessed valuation of real property in the District.

Assessed Valuation and Parcels by Land Use

The following table shows a breakdown of local secured property assessed value and parcels within the Improvement District by land use for fiscal year 2021-22. Non-residential properties account for 83.26% of the assessed valuation, and 50.61% of total parcels, with agricultural use accounting for 56.17% of assessed value and 38.61% of all parcels.

WEST HILLS COMMUNITY COLLEGE
SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1
Assessed Valuation and Parcels by Land Use
Fiscal Year 2021-22

Non-Residential:	2021-22 Assessed Valuation (1)	% of Total	No. of Parcels	% of Total
Agricultural	$2,479,819,226	56.17%	3,955	38.61%
Commercial	387,794,338	8.78	437	4.27
Vacant Commercial	8,979,078	0.20	149	1.45
Industrial	469,485,946	10.63	150	1.46
Vacant Industrial	70,735,698	1.60	162	1.58
Recreational	32,623,081	0.74	70	0.68
Power Plant/Utility Roll	218,206,783	4.94	8	0.08
Government/Social/Institutional	1,311,465	0.03	222	2.17
Miscellaneous	7,106,903	0.16	32	0.31
Subtotal Non-Residential	$3,676,062,518	83.26%	5,185	50.61%
Residential:				
Single Family Residence	$524,943,462	11.89%	4,039	39.43%
Condominium/Townhouse	4,324,600	0.10	24	0.23
Mobile Home	10,412,215	0.24	261	2.55
2-4 Residential Units	20,771,266	0.47	119	1.16
5+ Residential Units/Apartments	30,609,795	0.69	60	0.59
Vacant Residential	147,906,285	3.35	556	5.43
Subtotal Residential	$738,967,623	16.74%	5,059	49.39%
Total	$4,415,030,141	100.00%	10,244	100.00%

(1) Total Secured Assessed Valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Assessed Valuation of Single Family Homes

The following table sets forth the per parcel assessed valuation of single-family homes in the Improvement District in fiscal year 2021-22.

WEST HILLS COMMUNITY COLLEGE
SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1
Per Parcel Assessed Valuation of Single Family Homes
Fiscal Year 2021-22

	No. of Parcels	2021-22 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	4,039	$524,943,462	$129,969	$120,276

2021-22 Assessed Valuation	No. of Parcels [(1)]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $24,999	75	1.857%	1.857%	$ 1,220,162	0.232%	0.232%
$25,000 -$49,999	295	7.304	9.161	11,516,429	2.194	2.426
$50,000 - $74,999	331	8.195	17.356	20,562,738	3.917	6.343
$75,000 - $99,999	606	15.004	32.359	53,488,450	10.189	16.533
$100,000 - $124,999	877	21.713	54.073	99,048,148	18.868	35.401
$125,000 - $149,999	600	14.855	68.928	81,732,738	15.570	50.971
$150,000 - $174,999	356	8.814	77.742	57,818,159	11.014	61.985
$175,000 - $199,999	312	7.725	85.467	58,140,206	11.076	73.061
$200,000 - $224,999	241	5.967	91.434	51,378,735	9.787	82.848
$225,000 - $249,999	189	4.679	96.113	44,793,253	8.533	91.381
$250,000 - $274,999	75	1.857	97.970	19,589,095	3.732	95.113
$275,000 - $299,999	57	1.411	99.381	16,253,553	3.096	98.209
$300,000 - $324,999	12	0.297	99.678	3,753,582	0.715	98.924
$325,000 - $349,999	4	0.099	99.777	1,354,943	0.258	99.182
$350,000 - $374,999	3	0.074	99.851	1,075,212	0.205	99.387
$375,000 - $399,999	1	0.025	99.876	380,400	0.072	99.459
$400,000 - $424,999	1	0.025	99.901	416,564	0.079	99.539
$425,000 - $449,999	1	0.025	99.926	439,601	0.084	99.623
$450,000 - $474,999	0	0.000	99.926	0	0.000	99.623
$475,000 - $499,999	1	0.025	99.950	479,075	0.091	99.714
$500,000 and greater	2	0.050	100.000	1,502,419	0.286	100.000
	4,039	100.000%		$524,943,462	100.000%	

(1) Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

Appeals of Assessed Value

There are two types of appeals of assessed values that could adversely impact property tax revenues within the District, including within the Improvement District.

Appeals may be based on Proposition 8 of November 1978, which requires that for each January 1 lien date, the taxable value of real property must be the lesser of its base year value, annually adjusted by the inflation factor pursuant to Article XIIIA of the State Constitution, or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. See Appendix B under the heading "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS."

Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the County board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Proposition 8 reductions may also be unilaterally applied by a county assessor.

Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. These reductions are subject to yearly reappraisals and are adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA. See Appendix B under the heading "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS."

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

Proposition 8 reductions may also be unilaterally applied by the County Assessor. The District cannot predict the changes in assessed values that might result from pending or future appeals by taxpayers or by reductions initiated by the County Assessor. Any reduction in aggregate assessed valuation within the Improvement District due to appeals, as with any reduction in assessed valuation due to other causes, will cause the tax rate levied to repay the Bonds to increase accordingly, so that the fixed debt service on the Bonds (and other outstanding general obligation bonds, if any) may be paid.

Tax Levies and Delinquencies - Teeter Plan

The Boards of Supervisors of Fresno County and San Benito County have adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "**Teeter Plan**"), as provided for in Section 4701 *et seq.* of the California Revenue and Taxation Code.

Under the Teeter Plan, each entity levying property taxes in Fresno County and San Benito County may draw on the amount of uncollected secured taxes credited to its fund, in the same manner as if the amount credited had been collected. The District participates in the Teeter Plan, and thus receives 100% of secured property taxes levied, but in exchange foregoes any interest and penalties collected by Fresno County and San Benito County on delinquent taxes. Currently, Fresno County and San Benito County include the District's general obligation bond levies in its Teeter Plan.

So long as the Teeter Plan remains in effect and Fresno County and San Benito County continue to include the District's general obligation bond levy in the Teeter Plan, the District's receipt of revenues with respect to the levy of *ad valorem* property taxes in Fresno County and San Benito County will not be dependent upon actual collections of the *ad valorem* property taxes by Fresno County and San Benito County (except as described in the following paragraph regarding the supplemental roll). However, under the statute creating the Teeter Plan, counties may, under certain circumstances, terminate the Teeter Plan in its entirety and, in addition, each County Board of Supervisors could terminate the Teeter Plan with respect to the District if the delinquency rate for all *ad valorem* property taxes levied by such County within the District in any year exceeds 3%.

On July 15, 2008, the Fresno County Board of Supervisors adopted Resolution No. 08-322, which determined that, because the "…County of Fresno Supplemental Secured Property Tax Roll is now severely delinquent and, by such delinquency, impairs, impedes and disrupts the County of Fresno's general fund cash flow…", Fresno County discontinued the use of the Teeter Plan as it applies to the supplemental secured property tax rolls. Generally the supplemental secured tax roll represents properties which have been assessed based on a new base year value due to change in ownership or new construction, which as a result receives a supplemental secured property tax bill in addition to the annual secured property tax bill. As a result, in Fresno County, taxes appearing on the supplemental secured property tax roll are apportioned to the applicable taxing entities when received, and penalties and interest on such supplemental taxes are also paid to such taxing jurisdictions. To the extent *ad valorem* taxes are levied on the supplemental secured property tax bill, such levies will be subject to collection and delinquency rates. In the event that the Teeter Plan were terminated with regard to the regular secured tax roll, the amount of the levy of *ad valorem* property taxes in the Improvement District would also depend upon the collections of the *ad valorem* property taxes and delinquency rates experienced with respect to the parcels within the Improvement District. The District knows of no consideration by Fresno County and San Benito County to discontinue its respective Teeter Plan.

Kings County and Monterey County have <u>not</u> adopted the Teeter Plan, and as a result, secured property taxes collected are allocated to political subdivisions for which Kings County and Monterey County act as tax-levying or tax collecting agency when the secured property taxes are actually collected.

Notwithstanding that Fresno County and San Benito County are on the Teeter Plan, below is information regarding historical secured tax charges and delinquencies with respect to the levy for debt service on the Improvement District's outstanding bonds.

Property Tax Collections

The following table shows tax charges, collections and delinquencies for secured property in The Improvement District.

WEST HILLS COMMUNITY COLLEGE
SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1
Secured Tax Charges and Delinquencies
Fiscal Year 2016-17 through Fiscal Year 2020-21

Year	Secured Tax Charge [1]	Amt. Del. June 30	% Del. June 30
2016-17	$33,297,572.32	$496,379.12	1.49%
2017-18	36,187,166.46	500,367.01	1.38
2018-19	38,977,062.68	618,926.07	1.59
2019-20	41,107,451.86	1,000,905.01	2.44
2020-21	42,190,717.80	898,805.65	2.13

(1) All taxes collected within the Improvement District's boundaries by Fresno County.
Source: California Municipal Statistics, Inc.

Largest Secured Property Taxpayers

The twenty taxpayers in the Improvement District with the greatest combined assessed valuation of taxable property on the fiscal year 2021-22 tax roll, and the assessed valuations thereof, are shown below.

The more property (by assessed value) which is owned by a single taxpayer in the District, the greater amount of tax collections are exposed to weaknesses in the taxpayer's financial situation and ability or willingness to pay property taxes. Each taxpayer listed below is a unique name listed on the tax rolls. The District cannot determine from County assessment records whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below.

WEST HILLS COMMUNITY COLLEGE
SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1
Top 20 Secured Property Taxpayers
Fiscal Year 2021-22

	Property Owner	Primary Land Use	2021-22 Assessed Valuation	% of Total [1]
1.	Paramount Farms/Wonderful Orchards LLC	Agricultural	$ 308,975,780	7.00%
2.	Panoche Energy Center, LLC	Power Plant	175,700,000	3.98
3.	Toma-Tek Inc.	Food Processing	93,548,257	2.12
4.	Mavericks Ranch LLC	Agricultural	83,479,903	1.89
5.	RE Tranquility Landco LLC	Agricultural/Solar Farm	44,830,802	1.02
6.	Midway Peaking, LLC	Power Plant	39,300,000	0.89
7.	J.R. Simplot Company	Food Processing	38,745,754	0.88
8.	Burford Family Farming Company LP	Agricultural	28,050,512	0.64
9.	Firebaugh LLC	Food Processing	26,739,108	0.61
10.	Thomas Farms Inc.	Agricultural	26,249,975	0.59
11.	Bar 20 Dairy LLC	Agricultural	26,062,305	0.59
12.	Athanasios & Pagona Stefanopoulos	Agricultural	25,076,150	0.57
13.	Central Calif Almond Growers Assn	Food Processing	24,197,554	0.55
14.	Peri & Sons Farms of California LLC	Agricultural	21,419,677	0.49
15.	DLM Partners	Agricultural	20,917,636	0.47
16.	Fresno Farming LLC	Agricultural	20,669,154	0.47
17.	Terranova Ranch Inc.	Agricultural	20,616,863	0.47
18.	Christopher & Elena Stefanopoulos, Trustees	Agricultural	20,580,601	0.47
19.	Timothy R. Hall, Trustee	Agricultural	18,410,077	0.42
20.	Wawona Farm Co LLC	Agricultural	18,161,236	0.41
			$1,081,731,344	24.50%

(1) 2021-22 local secured assessed valuation of the Improvement District is $4,415,030,141.
Source: California Municipal Statistics, Inc.

Direct and Overlapping Debt

Set forth below is a direct and overlapping debt report (the **" Debt Report"**) prepared by California Municipal Statistics, Inc. for debt issued in the Improvement District as of April 1, 2022. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the Improvement District in whole or in part. Such long-term obligations generally are not payable from revenues of the Improvement District (except as indicated) nor are they necessarily obligations secured by land within the Improvement District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

WEST HILLS COMMUNITY COLLEGE DISTRICT
SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1
Statement of Direct and Overlapping Bonded Debt
Dated as of April 1, 2022

2021-22 Assessed Valuation: $4,663,147,437

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	**% Applicable**	**Debt 4/1/22**
West Hills Community College District	36.282%	$ 3,799,473
West Hills Community College District SFID No. 1	**100.000**	**10,101,590** (1)
Dos Palos-Oro Loma Joint Unified School District	34.576	305,186
Firebaugh-Las Deltas Joint Unified School District	100.000	15,131,894
Golden Plains Unified School District	100.000	10,510,000
Mendota Unified School District	100.000	35,100,660
1915 Act Bonds (Estimate)	100.000	476,149
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$75,424,952
OVERLAPPING GENERAL FUND DEBT:		
Fresno County General Fund and Pension Obligation Bonds	4.500%	$10,274,647
Madera County General Fund Obligations	3.331	2,167,842
Madera County Office of Education General Fund Obligations	3.331	669,432
West Hills Community College District General Fund Obligations	36.282	4,377,423
Firebaugh-Las Deltas Unified School District Certificates of Participation	100.000	2,255,000
City of San Joaquin General Fund Obligations	100.000	386,416
TOTAL OVERLAPPING GENERAL FUND DEBT		$20,130,760
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):		$9,883,280
COMBINED TOTAL DEBT		$105,438,992 (2)

Ratios to 2021-22 Assessed Valuation:
Direct Debt ($10,101,590) 0.22%
Direct and Overlapping Tax and Assessment Debt 1.62%
Combined Total Debt 2.26%

Ratios to Redevelopment Incremental Valuation ($391,474,573):
Total Overlapping Tax Increment Debt 2.52%

(1) Excludes the Bonds offered for sale hereunder but includes the Refunded Bonds.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

VERIFICATION OF MATHEMATICAL ACCURACY

The Verification Agent, upon delivery of the Bonds, will deliver a report of the mathematical accuracy of certain computations, contained in schedules provided to them on behalf of the District, relating to (a) the sufficiency of the anticipated amount of proceeds of the Bonds and other funds available to pay, when due, the principal, whether at maturity or upon prior redemption, interest and redemption premium requirements of the Refunded Bonds and (b) the "yields" on the amount of proceeds held and invested prior to redemption of the Refunded Bonds and on the Bonds considered by Bond Counsel in connection with the opinion rendered by Bond Counsel that the Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

The report of the Verification Agent will include the statement that the scope of their engagement is limited to verifying mathematical accuracy, of the computations contained in such schedules provided to them, and that they have no obligation to update their report because of events occurring, or data or information coming to their attention, subsequent to the date of their report.

BOND INSURANCE

The District has applied for bond insurance to guarantee the scheduled payment of principal of and interest on the Bonds and, if a commitment is issued to insure the Bonds, will determine prior to the sale of the Bonds whether to obtain such insurance.

Bond Insurance Risks

In the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the applicable Bond Insurance Policy (the **"Policy"**) for such payments. See "BOND INSURANCE" herein. However, in the event of any acceleration (if any) of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the District which is recovered by the District from the Bond owner as a voidable preference under applicable bankruptcy law is covered by the Policy, however, such payments will be made by the bond insurer at such time and in such amounts as would have been due absence such prepayment by the District unless the bond insurer chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the bond insurer without appropriate consent. The bond insurer may direct and must consent to any remedies and the bond insurer's consent may be required in connection with amendments to any applicable bond documents.

In the event the bond insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the moneys received pursuant to the Resolution. In the event the bond insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The long-term ratings on the Bonds are dependent in part on the financial strength of AGM and its claim paying ability. The bond insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the bond insurer and of the ratings on the Bonds insured by bond insurer will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See "RATING" herein.

The obligations of bond insurer are general obligations of bond insurer and in an event of default by bond insurer, the remedies available may be limited by applicable bankruptcy law or other similar laws related to insolvency.

Neither the District or Underwriter have made independent investigation into the claims paying ability of bond insurer and no assurance or representation regarding the financial strength or projected financial strength of bond insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal and interest on the Bonds and the claims paying ability of bond insurer, particularly over the life of the investment.

TAX MATTERS

Federal Tax Status. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. The Bonds are "qualified tax-exempt obligations" within the meaning of section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "**Tax Code**"), such that, in the case of certain financial institutions (within the meaning of section 265(b)(5) of the Tax Code), a deduction for federal income tax purposes is allowed for 80% of that portion of such financial institution's interest expense allocable to interest payable on the Bonds.

The opinions set forth in the preceding paragraph are subject to the condition that the District comply with all requirements of the Tax Code relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds, or may cause the Bonds to not be "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Tax Code.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public at which a Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. *De minimis* original issue discount and original issue premium are disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Bonds under federal individual alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Bond premium is not deductible for federal income tax purposes. Owners of premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes.

Other Tax Considerations. Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or cause the Bonds to not be "qualified tax-exempt obligations," or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the Bonds, or as to the consequences of owning or receiving interest on the Bonds, as of any future date. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the Bonds, the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

Form of Opinion. A copy of the proposed form of opinion of Bond Counsel is attached hereto as APPENDIX D.

CONTINUING DISCLOSURE

The District has covenanted for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District by not later than nine (9) months following the end of the District's fiscal year (which currently would be by March 31 each year based upon the June 30 end of the District's fiscal year), commencing March 31, 2023, with the report for the 2021-22 Fiscal Year (the **"Annual Report"**), and to provide notices of the occurrence of certain enumerated events. The Annual Report will be filed by the District with the Municipal Securities Rulemaking Board. The notices of enumerated events will be filed by the District with the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in an Annual Report or the notices of material events is set forth below under the caption "APPENDIX E - Form of Continuing Disclosure Certificate." These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

The District has prior undertakings pursuant to the Rule. In the previous five years, the District failed to timely file its audited financial statements for fiscal years 2019-20 and 2020-21.

The District has engaged Dale Scott & Company to act as dissemination agent with respect to each of its undertakings, including its undertaking in connection with the Bonds, in order to ensure that all future filings are timely and complete.

None of the counties in which the District is located nor any other entity other than the District shall have any obligation or incur any liability whatsoever with respect to the performance of the District's duties regarding continuing disclosure.

CERTAIN LEGAL MATTERS

Absence of Material Litigation

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened that (i) questions the political existence of the District, (ii) contests the District's ability to receive ad valorem taxes or to collect other revenues or (iii) contests the District's ability to issue and sell the Bonds.

The District is routinely subject to lawsuits and claims. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the financial position or operations of the District. The District may be or may become a party to lawsuits and claims which are unrelated to the Bonds or actions taken with respect to the Bonds and which have arisen in the normal course of operating the District, including as a result of the COVID-19 pandemic. The District maintains certain insurance policies which provide coverage under certain circumstances and with respect to certain types of incidents. The District cannot predict what types of claims may arise in the future.

Legal Opinion

The proceedings in connection with the issuance of the Bonds are subject to the approval as to their legality of Bond Counsel. The opinion of Bond Counsel with respect to the Bonds will be delivered in substantially the form attached hereto as Appendix D. Certain legal matters will also be passed upon for the District by Disclosure Counsel. The fees of Bond Counsel and Disclosure Counsel are contingent upon the issuance and delivery of the Bonds.

RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC (**"S&P"**) has assigned a rating of "A+" to the Bonds.

Such rating reflects only the view of S&P, and any desired explanation of the significance of such rating should be obtained from S&P. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of S&P circumstances so warrant. Any such downward revision or withdrawal of any such rating may have an adverse effect on the market price of the Bonds. The District assumes no obligation to attempt to maintain any rating on the Bonds.

UNDERWRITING

The Bonds are being purchased by RBC Capital Markets, LLC (the "**Underwriter**").

The Bonds. The Underwriter has agreed to purchase the Bonds at a price of $____________ (representing the aggregate principal amount of the Bonds ($__________), plus original issue premium ($_________), less an Underwriter's discount of $_________).

The bond purchase agreements relating to the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased, and provides that the Underwriter's obligation to purchase is subject to certain terms and conditions, including the approval of certain legal matters by counsel.

The Underwriter and its respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the District. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the District.

ADDITIONAL INFORMATION

The reference herein to the Resolution of the District and the Continuing Disclosure Certificate are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and for full and complete statements of such provisions reference is made to said documents. Copies of the documents mentioned under this heading are available from the Underwriter and following delivery of the Bonds will be on file at the offices of the Paying Agent in Los Angeles, California.

References are also made herein to certain documents and reports relating to the District; such references are brief summaries and do not purport to be complete or definitive. Copies of such documents are available from upon written request to the District.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners of any of the Bonds.

EXECUTION

The execution and delivery of this Official Statement have been duly authorized by the District.

WEST HILLS COMMUNITY COLLEGE DISTRICT

By: ___________________________________
Chancellor

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APPENDIX A

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2021

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Financial Statements
June 30, 2021

West Hills Community College District

Independent Auditor's Report

Board of Trustees
West Hills Community College District
Coalinga, California

Report on the Financial Statements
We have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component unit (West Hills Community College Foundation), and the aggregate remaining fund information of West Hills 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 as listed in the table of contents.

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

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe 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, the aggregate discretely presented component unit, and the aggregate remaining fund information of the District as of June 30, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Change in Accounting Principle
As discussed in Note 2 and Note 12 to the financial statements, the District adopted the provisions of GASB Statement No. 84, Fiduciary Activities, which resulted in a restatement of net position as of July 1, 2020. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11, and other required supplementary schedules as listed in the table of contents 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, including the Schedule of Expenditures of Federal Awards, as required the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and other supplementary information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards and the other supplementary information listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and other supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The accompanying unaudited supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Eide Bailly LLP

San Ramon, California
April 29, 2022

WEST HILLS
COMMUNITY COLLEGE DISTRICT

Office of the Deputy Chancellor
(559) 934-2158
adrianaochoa@whccd.edu

West Hills College Coalinga • West Hills College Lemoore • North District Center, Firebaugh • Naval Air Station Lemoore

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis provides an overview of the financial position and activities of the West Hills Community College District (the District) for the year ended June 30, 2021. This discussion has been prepared by management and should be read in conjunction with the financial statements and notes thereto which follow this section.

In June 1999, the Government Accounting Standards Board (GASB) issued Statement No. 34, *"Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments,"* which established a new reporting format for annual financial statements of governmental entities. In November 1999, GASB issued Statement No. 35, *"Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities,"* which applies these new reporting standards to public colleges and universities such as the District. The following discussion and analysis provides an overview of the District's financial activity. This report presents this information in a comparative format. Responsibility for the completeness and fairness of this information rests with the District.

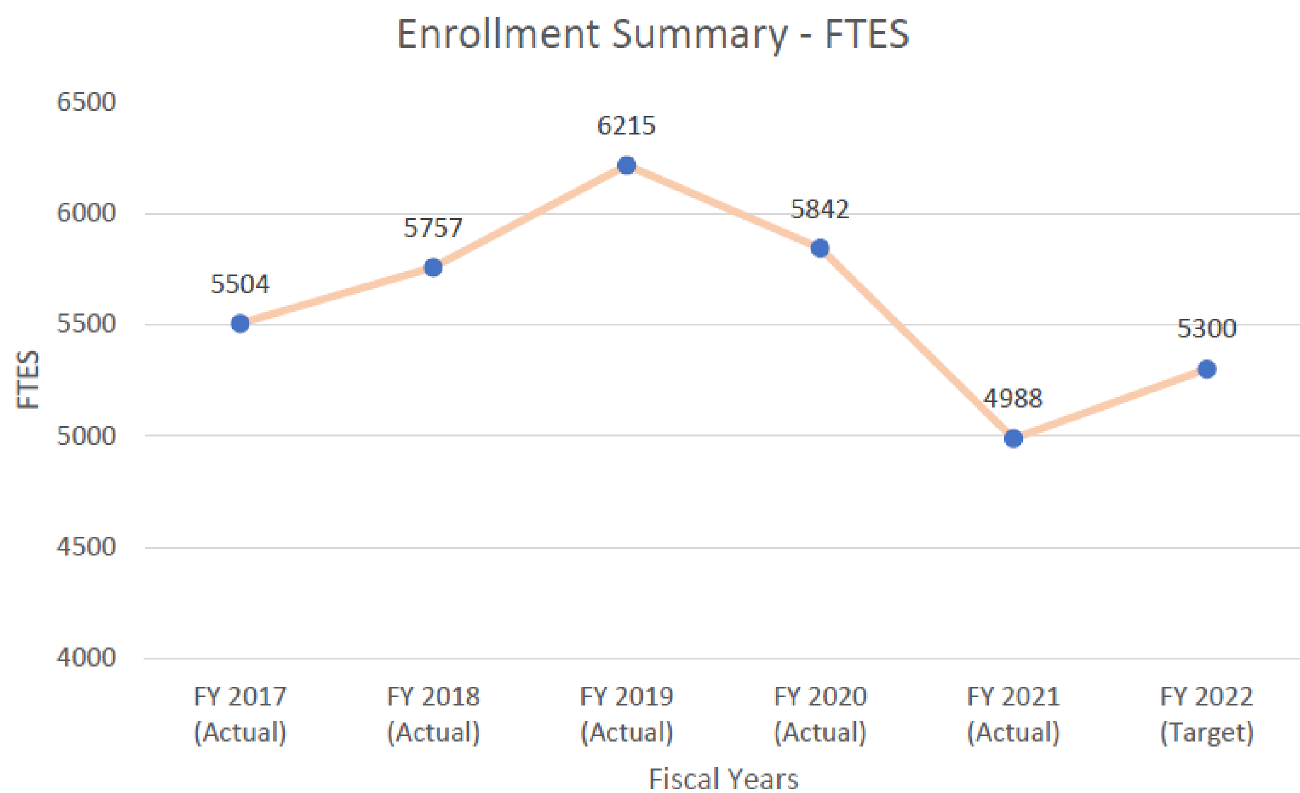
USING THIS ANNUAL REPORT

As required by accounting principles, the annual report consists of three basic financial statements that provide information on the District's activities as a whole: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

The focus of the Statement of Net Position is designed to be similar to bottom line results for the District. This statement combines and consolidates current financial resources (net short-term spendable resources) with capital assets and long-term liabilities. The Statement of Revenues, Expenses, and Changes in Net Position focuses on the costs of the District's operational activities, which are supported mainly by property taxes and by State and other revenues. This approach is intended to summarize and simplify the user's analysis of the cost of various District services to students and the public. The Statement of Cash Flows provides an analysis of the sources and uses of cash within the operations of the District.

FINANCIAL HIGHLIGHTS ATTENDANCE

- State apportionments, noncapital, local property taxes, and tuition and fees are all components of the community college apportionment funding model. The model is comprised of a base allocation, an amount per credit Full-Time Equivalent Students (FTES), noncredit FTES, and an enhanced amount per qualifying noncredit FTES for career development and college preparation courses. An important aspect of the community college apportionment funding model is the inverse relationship between State apportionment and local property taxes. Thus, our funding essentially comes from enrollment fees and local property taxes with the difference made up by State apportionment. Actual FTES in fiscal year 2020-2021 were 4,988. The target FTES for fiscal year 2021-2022 is 5,300. FTES are generated at the District's Coalinga and Lemoore Colleges, the North District Center in Firebaugh, and various satellite locations.



FINANCIAL HIGHLIGHTS

- The District ended the year with a Net Position of $51.8 million. The Unrestricted General Fund balance was approximately $21.9 million. The State Chancellor's Office recommends reserve levels of two months of cash in reserve, or 16.67% of unrestricted General Fund expenditures be set aside for economic uncertainties. The District met this recommended reserve level with approximately 42 percent in reserves.
- The primary expenditure of the District is for the salaries and benefits of the Academic, Classified, and Administrative salaries of District employees. These costs decreased from $56.8 million during the 2019-2020 fiscal year, to $54.5 million during the 2020-2021 fiscal year. In addition to the costs for current employees' insurance coverage, the District provides insurance benefits to retirees meeting plan eligibility requirements.
- The District continues several construction and modernization projects throughout the District. These projects will be funded through various financial vehicles, including various maintenance and construction projects funded through the State Chancellor's Office.
- The District provides student financial aid to qualifying students of the District in the amount of approximately $16.2 million. This aid is provided through grants, and loans from the Federal government, State Chancellor's Office, and local funding.
- Property taxes was approximately $6.5 million and Grants & Contracts, Noncapital was approximately $38.7 million, while Tuition and Fees was approximately $0.7 million.

Condensed financial information (in thousands) is as follows:

NET POSITION - As of June 30, 2021 and 2020

	2021	2020	Change
Assets			
Cash and investments	$ 45,290	$ 37,427	$ 7,863
Receivables, net	21,186	10,299	10,887
Other current assets	9	-	9
Capital assets, net	154,879	145,451	9,428
Total assets	221,363	193,177	28,186
Deferred Outflows of Resources	12,336	14,817	(2,481)
Liabilities			
Accounts payable and accrued liabilities	22,573	16,341	6,232
Current portion of long-term liabilities	3,348	2,419	929
Noncurrent portion of long-term liabilities	149,324	148,914	410
Total liabilities	175,246	167,674	7,572
Deferred Inflows of Resources	6,701	3,914	2,787
Net Position			
Net investment in capital assets	78,679	66,079	12,600
Restricted	9,219	13,983	(4,764)
Unrestricted	(36,146)	(43,656)	7,510
Total net position	$ 51,752	$ 36,406	$ 15,346

This schedule has been prepared from the District's Statement of Net Position (page 12), which is presented on an accrual basis of accounting whereby capital assets are capitalized and depreciated.

Operating Results for the Years Ended June 30, 2021 and 2020

	2021	2020	Change
Operating Revenues			
Tuition and fees	$ 755	$ 2,186	$ (1,431)
Grants and contracts, noncapital	38,691	42,106	(3,415)
Auxiliary sales and charges	199	-	199
Total operating revenues	39,646	44,292	(4,646)
Operating Expenses			
Salaries and benefits	54,534	56,797	(2,263)
Supplies, services, equipment, and maintenance	15,914	28,974	(13,060)
Student financial aid	16,210	-	16,210
Depreciation	5,855	5,445	410
Total operating expenses	92,514	91,216	1,298
Loss on operations	(52,868)	(46,924)	(5,944)
Nonoperating Revenues			
State apportionments	43,588	40,418	3,170
Property taxes	6,573	6,544	29
Net interest expense	(3,881)	(3,918)	37
Other nonoperating revenues	2,786	1,902	884
Total nonoperating revenue	49,066	44,946	4,120
Other Revenues			
State and local capital income	19,009	10,544	8,465
Change in net position	$ 15,207	$ 8,566	$ 6,641

This schedule has been prepared from the Statement of Revenues, Expenses and Changes in Net Position presented on page 13.

The operating revenue for the District is specifically defined as revenues from users of the colleges' facilities and programs. Excluded from the operating revenues are the components of the primary source of District funding - the State apportionment process. These components include the State apportionment and local property taxes. As these sources of revenue are from the general population of the State of California, and not from the direct users of the educational services, they are considered to be non-operating. As a result, the operating loss of $52.9 million is mostly balanced by the other state general apportionment sources resulting in an increase in the District's Net Position of $15.2 million.

Auxiliary revenue consists of Food Service and Farm revenues.

Grant and contract revenues relate to student financial aid, as well as specific Federal and State grants received for programs serving the students of the District. These grant and program revenues are restricted as to the allowable expenses related to the programs.

The interest income is primarily the result of cash held at the Fresno County Treasurer. The interest expense relates to interest payments on the long-term liabilities which are described in Note 6 of the financial statements.

The District is recording the depreciation expense related to capital assets. The detail of the changes in capital assets for the year is included in the notes to the financial statements as Note 5.

Statement of Cash Flows for the Years Ended June 30, 2021 and 2020

The Statement of Cash Flows provides information about cash receipts and payments during the year. This statement also assists users in assessing the District's ability to meet its obligations as they come due and its need for external financing.

	2021	2020	Change
Net Cash Flows from			
Operating activities	$ (39,993)	$ (35,436)	$ (4,557)
Noncapital financing activities	49,975	47,962	2,013
Capital financing activities	(2,716)	(12,586)	9,870
Investing activities	598	541	57
Net Increase (Decrease) in Cash	7,863	481	7,382
Cash, Beginning of Year	37,427	36,946	481
Cash, End of Year	$ 45,290	$ 37,427	$ 7,863

The primary operating receipts are student tuition and fees and Federal, State, and local grants and contracts. The primary operating expense of the District is the payment of salaries and benefits to instructional and classified support staff, as well as District administrators.

While State apportionment and property taxes are the primary source of non-capital related revenue, GASB accounting standards require that this source of revenue is shown as nonoperating revenue as it come from the general resources of the State and not from the primary users of the colleges' programs and services (students). The District depends upon this funding as the primary source of funds to continue the current level of operations.

Functional Expenditures

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

Year ended June 30, 2021:

	Salaries	Employee Benefits	Supplies Material and Other Expenses and Services	Other Outgo	Depreciation	Total
Instructional activities	$ 12,139,061	$ 7,950,135	$ 1,936,263	$ -	$ -	$ 22,025,459
Academic support	2,589,452	1,915,266	930,348	-	-	5,435,066
Student services	7,300,342	5,824,259	1,203,017	16,209,882	-	30,537,500
Plant operations and maintenance	1,403,488	1,339,990	1,723,292	-	-	4,466,770
Instructional support services	3,492,114	3,600,800	4,934,265	-	-	12,027,179
Community services and economic development	603,912	431,867	173,127	-	-	1,208,906
Ancillary services and auxiliary operations	-	-	8,432	-	-	8,432
CDC, Farm, Cafeteria, Parking, Athletics, RH	3,001,145	2,405,006	4,891,372	-	-	10,297,523
Contract Education	263,378	157,084	38,390	-	-	458,852
Other outgo	2,868	114,006	75,850	-	5,855,168	6,047,892
Total	$ 30,795,760	$ 23,738,413	$ 15,914,356	$ 16,209,882	$ 5,855,168	$ 92,513,579

Year ended June 30, 2020:

	Salaries	Employee Benefits	Supplies Material and Other Expenses and Services	Other Outgo	Depreciation	Total
Instructional activities	$ 13,058,960	$ 7,442,248	$ 1,536,249	$ -	$ -	$ 22,037,457
Academic support	4,041,343	1,535,056	806,750	-	-	6,383,149
Student services	7,825,304	4,891,850	1,609,858	20,347,650	-	34,674,662
Plant operations and maintenance	1,563,133	1,287,856	2,084,078	-	-	4,935,067
Instructional support services	3,826,363	2,986,175	547,847	-	-	7,360,385
Community services and economic development	659,282	365,984	241,402	-	-	1,266,668
CDC, Farm, Cafeteria, Parking, Athletics, RH	5,316,154	3,195,029	1,712,329	-	-	10,223,512
Contract Education	290,713	103,858	19,001	-	-	413,572
Other Auxillary Operations	146,889	91,336	69,305	-	-	307,530
Depreciation expense - unallocated	-	-	-	-	5,444,794	5,444,794
Total	$ 36,728,141	$ 21,899,392	$ 8,626,819	$ 20,347,650	$ 5,444,794	$ 93,046,796

ECONOMIC FACTORS AFFECTING THE FUTURE OF WEST HILLS COMMUNITY COLLEGE DISTRICT

Fiscal year 2020-2021 continued with recovery of the COVID-19 pandemic. As a result, enrollment has declined beyond predictions. In response, the District has instituted multi-year budget projections and scenario planning tools to assist in strategic planning. The District will continue to exercise caution as the Student Centered Funding Formula solidifies and hold harmless is addressed. The District is planning on emergency conditions allowance to not be automatically renewed in the 2022-2023 fiscal year. Consistent with its long history, West Hills maintained a strong commitment to the relentless pursuit of student success.

Budgeting will be conservative as there are several factors that will affect the future funding of the District. Pension rates are expected to increase significantly in 2022-2023. Even though the State is in a much better position that it has been for several years, funding has not been allocated as of the January 2022 proposal for pension buy-down.

With the passage of Proposition 55, the income tax increase on high-income taxpayers generating and is scheduled to end on 2030. These taxes represent a funding source of several billion dollars. The economic engine for California will be the creation of jobs that will generate tax revenue from both income and sales taxes. West Hills Community College District is well positioned to provide the necessary training and re-training required the workforce to meet the demands of the private sector. West Hills College will continue to watch all expenses and consider every position that is vacated before replacing them.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If there any questions about this report or need any additional financial information, contact Christine Alcaraz, Director of Fiscal Services, at West Hills Community College District, 9800 Cody Street, Coalinga, California 93210, or e-mail at christinealcaraz@whccd.edu.

Assets	
Cash and cash equivalents	$ 5,125,835
Investments	40,163,715
Accounts receivable, net	20,535,162
Student receivables, net	244,620
Due from fiduciary funds	405,902
Prepaid expenses	8,947
Capital assets	
Nondepreciable capital assets	29,461,671
Depreciable capital assets, net of depreciation	125,417,109
Total capital assets	154,878,780
Total assets	221,362,961
Deferred Outflows of Resources	
Deferred outflows of resources related to OPEB	891,161
Deferred outflows of resources related to pensions	11,445,240
Total deferred outflows of resources	12,336,401
Liabilities	
Accounts payable	9,117,516
Tax and revenue anticipation notes payable	4,977,500
Accrued interest payable	921,627
Due to fiduciary funds	370,189
Unearned revenue	7,186,599
Long-term liabilities	
Long-term liabilities other than OPEB and pensions, due within one year	3,348,025
Long-term liabilities other than OPEB and pensions, due in more than one year	87,965,372
Aggregate net other postemployment benefits (OPEB) liability	2,394,006
Aggregate net pension liability	58,964,678
Total liabilities	175,245,512
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	2,983,758
Deferred inflows of resources related to pensions	3,717,732
Total deferred inflows of resources	6,701,490
Net Position	
Net investment in capital assets	78,678,600
Restricted for	
Debt service	5,245,247
Educational programs	3,339,014
Other activities	635,041
Unrestricted	(36,145,542)
Total Net Position	$ 51,752,360

Operating Revenues	
Tuition and fees	$ 4,886,576
Less: Scholarship discounts and allowances	(4,131,257)
Net tuition and fees	755,319
Grants and contracts, noncapital	
Federal	16,507,955
State	22,183,125
Total grants and contracts, noncapital	38,691,080
Auxiliary enterprise sales and charges	
Cafeteria	18,398
Farm	180,834
Total operating revenues	39,645,631
Operating Expenses	
Salaries	30,795,760
Employee benefits	23,738,413
Supplies, materials, and other operating expenses and services	1,418,219
Student financial aid	16,209,882
Equipment, maintenance, and repairs	14,496,137
Depreciation	5,855,168
Total operating expenses	92,513,579
Operating Loss	(52,867,948)
Nonoperating Revenues (Expenses)	
State apportionments, noncapital	43,587,944
Local property taxes, levied for general purposes	6,573,270
State taxes and other revenues	75,464
Investment income	734,591
Interest expense on capital related debt	(4,615,895)
Transfer to fiduciary fund	(432,965)
Other nonoperating revenue	3,143,792
Total nonoperating revenues (expenses)	49,066,201
Income Before Other Revenues, Expenses, Gains, and Losses	(3,801,747)
Other Revenues	
State revenues, capital	13,563,879
Local revenues, capital	5,445,029
Total other revenues, expenses, gains, and losses	19,008,908
Change In Net Position	15,207,161
Net Position, Beginning of Year, as Restated	36,545,199
Net Position, End of Year	$ 51,752,360

Cash Flows from Operating Activities	
Tuition and fees	$ 577,233
Federal, state, and local grants and contracts, noncapital	33,696,488
Auxiliary sales	199,232
Payments to or on behalf of employees	(51,201,782)
Payments to vendors for supplies and services	(24,038,923)
Other operating receipts (payments)	774,856
Net cash flows from operating activities	(39,992,896)
Cash Flows from Noncapital Financing Activities	
State apportionments	35,110,532
Federal and state financial aid grants	4,080,129
Property taxes - nondebt related	6,573,270
State taxes and other apportionments	(766,923)
Proceeds from noncapital debt	4,977,500
Net cash flows from noncapital financing activities	49,974,508
Cash Flows from Capital Financing Activities	
Purchase of capital assets	(15,282,925)
Proceeds from capital debt	676,672
State revenue, capital	19,008,908
Principal paid on capital debt	(2,488,213)
Interest paid on capital debt	(4,630,728)
Net cash flows from capital financing activities	(2,716,286)
Cash Flows from Investing Activities	
Interest received from investments	597,528
Net cash flows from investing activities	597,528
Change In Cash and Cash Equivalents	7,862,854
Cash and Cash Equivalents, Beginning of Year	37,426,696
Cash and Cash Equivalents, End of Year	$ 45,289,550

Reconciliation of Net Operating Loss to Net Cash Flows from Operating Activities	
Operating Loss	$ (52,867,948)
Adjustments to reconcile operating loss to net cash flows from operating activities	
Depreciation expense	5,855,168
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources	
Accounts receivable, net	519,981
Prepaid expenses	(8,947)
Deferred outflows of resources related to pensions	2,480,692
Accounts payable	6,495,008
Unearned revenue	(4,478,524)
Compensated absences	(55,243)
Aggregate net OPEB liability	(1,106,871)
Aggregate net pension liability	385,930
Deferred inflows of resources related to pensions	2,787,858
Total adjustments	12,875,052
Net cash flows from operating activities	$ (39,992,896)
Cash and Cash Equivalents Consist of the Following:	
Cash on hand and in banks	$ 5,125,835
Cash in county treasury	40,163,715
Total cash and cash equivalents	$ 45,289,550
Noncash Transactions	
Amortization of debt premiums	$ 3,934
Accretion of interest on capital appreciation bonds	$ 676,672

	Trust Funds
Assets	
Cash and cash equivalents	$ 147,577
Investments	14,129,600
Due from other funds	370,189
Total assets	14,647,366
Liabilities	
Accounts payable	30,912
Due to primary government	405,902
Total liabilities	436,814
Net Position	
Restricted	14,210,552
Total net position	$ 14,210,552

	Trust Funds
Additions	
Local revenues	$ 2,829,548
Operating transfers in	432,965
Total additions	3,262,513
Deductions	
Academic salaries	87,553
Classified salaries	205,156
Employee benefits	135,783
Services and operating expenditures	505,397
Total deductions	933,889
Change in Net Position	2,328,624
Net Position - Beginning of Year, as Restated	11,881,928
Net Position - End of Year	$ 14,210,552

Assets	
Current assets	
Cash and cash equivalents	$ 10,563,176
Accounts receivable	11,405
Total current assets	10,574,581
Liabilities and Net Assets	
Current liabilities	
Accounts payable	8,653
Total current liabilities	8,653
Net assets	
Without donor restrictions	7,116,518
With donor restrictions	3,449,410
Total net assets	10,565,928
Total liabilities and net assets	$ 10,574,581

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Revenues			
Donations	$ 5,462,782	$ 335,920	$ 5,798,702
Program fees and contracts	92,663	-	92,663
Fundraisers	17,050	-	17,050
Investment income, net of expenses	553,331	437,987	991,318
Other income	107,630	69,520	177,150
Assets released from restrictions	(192,246)	192,246	-
Total revenues	6,041,210	1,035,673	7,076,883
Expenses			
Program services:			
Scholarships	463,056	-	463,056
College Enhancement	153,633	-	153,633
Athletic Programs	74,853	-	74,853
Educational Programs	71,885	-	71,885
Support services:			
General Administrative	203,886	-	203,886
Fundraisers	126,269	-	126,269
Total expenses	1,093,582	-	1,093,582
Change in Net Assets	4,947,628	1,035,673	5,983,301
Net Assets, Beginning of Year	2,168,890	2,413,737	4,582,627
Net Assets, End of Year	$ 7,116,518	$ 3,449,410	$ 10,565,928

Statement of Cash Flows
Year Ended June 30, 2021

Cash Flows from Operating Activities	
Change in Net Position	$ 5,983,301
Adjustments to Reconcile Change in Net Position to Net Cash Used by Operating Activities	
Changes in Assets and Liabilities	
Decrease in accounts receivable	(8,081)
Decrease in accounts payable	5,843
Net Cash Flows from Operating Activities	5,981,063
Net Change In Cash and Cash Equivalents	5,981,063
Cash and Cash Equivalents, Beginning of Year	4,582,113
Cash and Cash Equivalents, End of Year	$ 10,563,176

Note 1 - Organization

The West Hills Community College District (District) is a political subdivision of the State of California and is a comprehensive, public, two-year institution offering postsecondary education to the students of Coalinga-Huron Unified School District, Lemoore Union High School District, Riverdale Joint Unified School District, Golden Plains Unified School District, Firebaugh-Las Deltas Unified School District, Reef-Sunset Unified School District, and Mendota Unified School District. The District maintains a Coalinga Campus, a Lemoore Campus, and the North District Center in Firebaugh. 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) Statement No. 14. The District operates under a locally elected seven-member Board of Trustees form of government and provides higher education in the County of Fresno. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61. The District is classified as a Public Educational Institution under Internal Revenue Code Section 115 and is, therefore, exempt from Federal taxes.

A reporting entity is comprised of the primary government, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards, and agencies that are not legally separate from the District. For West Hills Community College District, this includes general operations, food services, bookstores, and student related activities of the District.

Note 2 - Summary of Significant Accounting Policies

Financial Reporting Entity

The District has adopted GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units.* This statement amends GASB Statement No. 14, *The Financial Reporting Entity,* to provide additional guidance accounting policies to determine whether certain organizations, for which the District is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the District as defined by accounting principles generally accepted in the United States of America and established by the Governmental Accounting Standards Board (GASB). The financial reporting entity consists of the primary government, the District, and the following component units:

- **West Hills Community College District Foundation**

The West Hills Community College District Foundation (the Foundation) is a legally separate, tax-exempt component unit of the District. The Foundation acts primarily as a fundraising organization to provide grants and scholarships to students and support to employees, programs, and departments of the District. The ten-member board of the Foundation consists of community members, alumni, and other supporters of the Foundation. Although the District does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon that the Foundation holds and invests are restricted to the activities of the District by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the District, the Foundation is considered a component unit of the District with the inclusion of the statements as a discretely presented component unit. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

The Foundation is a not-for-profit organization under Internal Revenue Code (IRC) Section 501(c)(3) that reports its financial results in accordance with Financial Accounting Standards Codifications. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the District's financial reporting entity for these differences.

Complete financial statements for the Foundation can be obtained from the Foundation's Business Office at 275 Phelps Ave, Coalinga, CA 93210.

- **West Hills Financing Corporation**

The West Hills Financing Corporation (the Corporation) is a legally separate organization and a component unit of the District. The Corporation was formed to obtain new market tax credits and financing instruments specifically for the acquisition and construction of capital assets for the District. The Board of Trustees of the Corporation is the same as the Board of Trustees of the District. The financial activity has been "blended" or consolidated within the financial statements of the District as if the activity was the District's. Individually prepared financial statements are not prepared for the Corporation.

Basis of Accounting

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB. This presentation provides a comprehensive government-wide perspective of the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, activities, and cash flows and replaces the fund group perspective previously required. Fiduciary activities are excluded from the primary government financial statements. The District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. The significant accounting policies followed by the District in preparing these financial statements are in accordance with accounting principles generally accepted in the United States of America as promulgated by GASB. Additionally, the District's policies comply with the California Community Colleges Chancellor's Office *Budget and Accounting Manual*. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All material intra-agency and intra-fund transactions have been eliminated.

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

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

Expenses are recorded on the accrual basis as they are incurred, when goods are received, or services are rendered.

Cash and Cash Equivalents

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

Investments

Investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value, including money market investments and participating interest-earning investment contracts with original maturities greater than one year, are stated at cost or amortized cost.

The District's investment in the County treasury is measured at fair value on a recurring basis, which is determined by the fair value per share of the underlying portfolio determined by the program sponsor. Positions in this investment pool is not required to be categorized within the fair value hierarchy.

Accounts Receivable

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. The District provides for an allowance for uncollectible accounts as an estimation of amounts that may not be received. This allowance is based upon management's estimates and analysis. The allowance was estimated a of $2,329,234 for the year ended June 30, 2021.

Capital Assets and Depreciation

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

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

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 2021.
Accrued Liabilities and Long-Term Liabilities

Compensated Absences and Load Banking

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. The current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignation and retirements that occur prior to year-end that have not yet been paid within the fund from which the employees who have accumulated the leave are paid. The District also participates in "load banking" with eligible academic employees whereby the employee may teach extra courses in one period in exchange for time off in another period. The liability for this benefit is reported on the government-wide financial statements.

Sick leave is accumulated without limit for each employee based upon negotiated contracts. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, retirement credit for unused sick leave is applicable to all classified members who retire after January 1, 1999. At retirement, each member will receive 0.004 year of service credit for each day of unused sick leave. Retirement credit for unused sick leave is applicable to all academic employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last fiscal year, if employed full time.

Administrative/Classified Management/Confidential Staff

- Entitled to twenty-one (21) days of sick leave per year to be posted at the rate of 1.75 days per month.

Certificated

- Members shall accrue twenty (20) days of sick leave with pay for each school year, such leave to be made available on the first day of each school year.

Classified

- Members shall accrue, on a monthly basis, twenty-one (21) days of sick leave with pay for each school year. The amount of days posted will be 1.75 days, or fourteen (14) hours per month for full-time employees and shall be prorated for part-time employees.

Debt Premiums and Discounts

Debt premiums are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. All other bond issuance costs are expensed when incurred.

Deferred Outflows of Resource and Deferred Inflows of Resources

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

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

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Unearned Revenue

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

Noncurrent Liabilities

Noncurrent liabilities include bonds, compensated absences, the aggregate net OPEB liability and the net aggregate pension liability, capital lease payables with maturities greater than one year.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position related to net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

The government-wide financial statements report $9,219,302 of restricted net position, and the fiduciary funds financial statements report $14,210,552 of restricted net position.

Operating and Nonoperating Revenues and Expenses

Classification of Revenues - The District has classified its revenues as either operating or nonoperating. Certain significant revenue streams relied upon for operation are classified as nonoperating as defined by GASB. Classifications are as follows:

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

Nonoperating revenues - Nonoperating revenues include activities that have the characteristics of nonexchange transactions such as State apportionments, property taxes, investment income, and other revenue sources defined by GASB.

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

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

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

State Apportionments

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

Property Taxes

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

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

Scholarships, Discounts, and Allowances

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

Federal Financial Assistance Programs

The District participates in federally funded Pell Grants, Supplemental Educational Opportunity Grants (SEOG), and Federal Work-Study programs, as well as other programs funded by the Federal government and State of California. Financial aid provided to the student in the form of cash is reported as an operating expense in the Statement of Revenues, Expenses, and Changes in Net Position. Federal financial assistance programs are audited in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Estimates

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

Interfund Activity

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund activity within the primary government and fiduciary funds has been eliminated respectively in the consolidation process of the basic financial statements. Balances owing between the primary government and the fiduciary funds are not eliminated in the consolidation process.

Operating transfers between funds of the District are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use restricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Operating transfers within the primary government and fiduciary funds has been eliminated respectively in the consolidation process of the basic financial statements. Balances transferred between the primary government and the fiduciary funds are not eliminated in the consolidation process.

Foundation Financial Statement Presentation

The West Hills Community College Foundation presents its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-210-50. Under ASC 958-210-50, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. In addition, the Foundation is required to present a statement of cash flows. The Foundation does not use fund accounting. Revenues and expenses are recorded when incurred in accordance with the accrual basis of accounting.

The Foundation and the College (the District) are financially interrelated organizations as defined by Transfers of Assets to a Nonprofit or Charitable Trust that Holds Contributions for Others. The Foundation reflects contributions received for the benefit of the College as revenue in its financial statements. The expenses related to these contributions are accounted for under program and supporting services.

Net Asset Accounting
To ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of net asset accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset types established according to their nature and purpose. Separate accounts are maintained for each net asset type; however, in the accompanying financial statements, net asset types that have similar characteristics have been combined into groups as follows:

- *Net Assets Without Donor Restrictions* - Net assets not subject to donor-imposed restrictions.

Net assets available for general use and not subject to donor restrictions. Net assets without donor restrictions represents all resources over which the Board of Directors has discretionary control for use in operating the Foundation.

- *Net Assets With Donor Restrictions* - Net assets subject to donor-imposed stipulations that will be met by actions of the Foundation and/or the passage of time or net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes. Net assets that are contributions and endowment investment earnings subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity.

The Foundation reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions are measured at their fair value at the date of contribution and are reported as an increase in net assets. The Foundation reports gifts of cash or other assets in the category designated by the donor. The Foundation reports gifts of goods and equipment as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulation about where the contributions are to be spent, the Foundation reports these contributions as net assets without donor restrictions.

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Investment income (interest and dividends) is included in the change in net assets from operations unless the income or loss is restricted by donor or law. The Foundation followed established policies in directing and monitoring the investment management of the Foundation's investments during the year.

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and related California Franchise Tax Codes.

Change in Accounting Principles

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

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

The provisions of this Statement have been implemented as of June 30, 2021.

New Accounting Pronouncements

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

The requirements for this Statement are effective for the reporting periods beginning after June 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

Note 3 - Deposits and Investments

Policies and Practices

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

Investment in County Treasury - The District deposits substantially all receipts and collections of monies with their County Treasurer. The fair value of the District's investment in the pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio in relation to the amortized cost of that portfolio. The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

General Authorizations

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

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

Summary of Deposits and Investments

Deposits and investments as of June 30, 2021, consist of the following:

	Primary Government	Fiduciary Funds
Cash on hand and in banks	$ 5,125,442	$ 147,577
Cash in revolving	393	-
Investments	40,163,715	14,129,600
Total deposits and investments	$ 45,289,550	$ 14,277,177

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the County Pool which purchases a combination of shorter term and longer-term investments and which also times cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the County pool is not required to be rated, nor has it been rated as of June 30, 2021.

Custodial Credit Risk

Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk. However, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law unless so waived by the governmental unit. The market value of the pledged securities in the collateral pool must equal at least 110 % of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 % of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 % of the secured deposits. As of June 30, 2021, approximately $10,700,000 of the District's bank balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

Note 4 - Accounts Receivable

Accounts receivable as June 30, 2021, consisted of the following:

	Primary Government
Federal Government	
Categorical aid	$ 1,991,485
State Government	
Apportionment	8,477,412
Categorical aid	1,947,350
Lottery	395,744
Other state sources	5,648,423
Local Sources	
Interest	211,807
Other local sources	1,862,942
Total	$ 20,535,162
Student receivables	$ 2,573,854
Less: allowance for bad debt	(2,329,234)
Student receivables, net	$ 244,620

Discretely Presented Component Unit

The Foundation's accounts receivable consists primarily of short-term donations. In the opinion of management, all amounts have been deemed to be fully collectable.

Note 5 - Capital Assets

Capital asset activity for the District for the year ended June 30, 2021, was as follows:

	Balance, Beginning of Year	Additions	Deductions	Balance, End of Year
Capital Assets Not Being Depreciated				
Land	$ 7,765,959	$ -	$ -	$ 7,765,959
Construction in progress	7,109,199	15,181,180	594,667	21,695,712
Total capital assets not being depreciated	14,875,158	15,181,180	594,667	29,461,671
Capital Assets Being Depreciated				
Land improvements	38,625,071	-	-	38,625,071
Buildings and improvements	165,228,387	195,433	-	165,423,820
Furniture and equipment	7,802,194	500,979	-	8,303,173
Total capital assets being depreciated	211,655,652	696,412	-	212,352,064
Total capital assets	226,530,810	15,877,592	594,667	241,813,735
Less Accumulated Depreciation				
Land improvements	16,141,659	1,201,208	-	17,342,867
Buildings and improvements	59,467,247	4,258,879	-	63,726,126
Furniture and equipment	5,470,881	395,081	-	5,865,962
Total accumulated depreciation	81,079,787	5,855,168	-	86,934,955
Net capital assets	$ 145,451,023	$ (5,158,756)	$ -	$ 154,878,780

Note 6 - Long-Term Liabilities Other Than OPEB and Pensions

The changes in the District's long-term liabilities other than OPEB and pensions during the year ended June 30, 2021 consisted of the following:

	Balance June 30, 2020	Additions	Deductions	Balance June 30, 2021	Due in One Year
General obligation refunding bonds - 2012	$ 1,975,000	$ -	$ (170,000)	$ 1,805,000	$ 175,000
Bond premium (18 year amortization)	39,344	-	(3,934)	35,410	3,934
General obligation bonds - 2008 (Northern)					
Current interest	355,000	-	(165,000)	190,000	190,000
Capital appreciation	1,066,199	66,407	-	1,132,606	-
Bond premium (25 year amortization)	204,596	-	(14,614)	189,982	14,614
General obligation bonds - 2008, B (Northern)					
Current interest	7,230,000	-	-	7,230,000	-
Capital appreciation	284,870	15,778	(150,000)	150,648	155,000
Bond premium (25 year amortization)	197,860	-	(11,639)	186,221	11,639
General obligation bonds - 2015 Refunding (Northern), Series A	2,270,000	-	-	2,270,000	-
General obligation bonds - 2015 Refunding (Northern), Series A Premium (14 year amortization)	139,672	-	(15,519)	124,153	15,519
General obligation bonds - 2008 (Coalinga)					
Current interest	305,000	-	(100,000)	205,000	100,000
Capital appreciation	63,490	63,800		127,290	-
Bond premium (25 year amortization)	177,954	-	(12,711)	165,243	12,711
General obligation bonds - 2008 (Coalinga) B					
Current interest	6,420,000	-		6,420,000	-
Capital appreciation	2,593,046	105,881	(220,000)	2,478,927	250,000
Bond premium (25 year amortization)	248,519	-	(14,619)	233,900	14,619
General obligaion bonds - 2008 (Lemoore)					
Current interest	705,000	-	(205,000)	500,000	215,000
Capital appreciation	182,552	11,550	-	194,102	-
Bond premium (25 year amortization)	247,884	-	(17,706)	230,178	17,706
General obligation bonds - 2008 A, (Lemoore) Reauthorized, Issued 2016					
Current interest	12,485,000	-	(85,000)	12,400,000	105,000
Bond premium (30 year amortization)	722,598	-	(27,792)	694,806	27,792
General obligation bonds - 2008, B (Lemoore)					
Current interest	1,675,000	-		1,675,000	-
Capital appreciation	5,019,343	413,256	(170,000)	5,262,599	205,000
Bond premium (30 year amortization)	517,440	-	(24,640)	492,800	24,640
General obligation bonds - 201 Refunding, Series C	8,325,000	-	(595,000)	7,730,000	620,000
General obligation bonds - 2015 Refunding Series C Premium (16 year amortization)	578,630	-	(52,603)	526,027	97,500
General obligation bonds - 2017 Refunding, Series A	2,140,000	-		2,140,000	-
General obligation bonds - 2017 Refunding, Series B Premium (25 year amortization)	157,882	-	(12,145)	145,737	12,145
General obligation bonds - 2017 Refunding, Series B	13,850,000	-	(120,000)	13,730,000	125,000
General obligation bonds - 2017 Refunding, Series B Premium (25 year amortization)	424,112	-	(20,196)	403,916	20,196
General obligation bonds - 2014, Series B Ed Tech	4,200,000	-	-	4,200,000	-
Capital leases payable	16,198,016	-	(280,095)	15,917,921	935,010
Compensated absences	2,181,174	-	(55,243)	2,125,931	-
Total	$ 93,180,181	$ 676,672	$ (2,543,456)	$ 91,313,397	$ 3,348,025

Description of Debt

Payments on the general obligation bonds are made by the Revenue Bond Interest and Redemption Fund with local property tax revenues. The compensated absences will be paid by the fund for which the employee worked.

The District has utilized capital lease agreements to purchase land, buildings, and equipment. The current lease purchase agreements in the amount of $15,917,921 will be paid through the General and the Other Special Revenue Funds.

Debt Maturity

The District is empowered and obligated to cause to be levied ad valorem taxes, for the payment of interest on, and principal and accreted value of the bonds, upon all property subject to taxation by the District (except certain personal property which is taxable at limited rates) without limitation of rate or amount.

The outstanding general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding Beginning of Year	Accreted Interest	Redeemed	Bonds Outstanding End of Year
2012	2030	2.0-3.5%	$ 3,080,000	$ 1,975,000	$ -	$ (170,000)	$ 1,805,000
2015	2031	.59-3.72%	10,395,000	8,325,000	-	(595,000)	7,730,000
2015	2020	1.4%	4,015,000	-	-	-	-
2015	2024	2.7%	4,200,000	4,200,000	-	-	4,200,000
Northern							
2008	2034	3.41-4.95%	3,839,677	1,421,199	66,407	(165,000)	1,322,606
2012	2038	2.0-4.23%	7,957,059	7,514,870	15,778	(150,000)	7,380,648
2015	2029	2.42-3.56%	2,270,000	2,270,000	-	-	2,270,000
Coalinga							
2009	2033	2.62-5.08%	2,998,815	368,490	63,800	(100,000)	332,290
2012	2039	2.0-4.21%	4,498,812	9,013,046	105,881	(220,000)	8,898,927
2017	2034	1.0-3.84%	2,195,000	2,140,000	-	-	2,140,000
Lemoore							
2009	2034	2.62-5.42%	5,999,837	887,552	11,550	(205,000)	694,102
2011	2042	2.56-7.40%	12,343,909	6,694,343	413,256	(170,000)	6,937,599
2016	2046	2.00-5.50%	12,655,000	12,485,000	-	(85,000)	12,400,000
2017	2042	1.04-3.84%	14,455,000	13,850,000	-	(120,000)	13,730,000
				$ 71,144,500	$ 676,672	$ (1,980,000)	$ 69,841,172

Debt Service Requirements to Maturity

Fiscal Year		Current Bonds Principal	Accreted Bonds	Current Interest to Maturity	Total
2022		$ 1,530,000	$ 610,000	$ 3,437,064	$ 5,577,064
2023		1,840,000	525,000	3,231,783	5,596,783
2024		6,350,000	290,000	2,964,770	9,604,770
2025		2,515,000	120,000	2,576,205	5,211,205
2026		2,865,000	-	2,456,155	5,321,155
2027-2031		13,145,000	904,971	12,345,969	26,395,940
2032-2036		8,920,000	6,916,090	9,909,104	25,745,194
2037-2041		16,490,000	3,860,000	4,333,034	24,683,034
2042-2046		7,045,000	-	581,194	7,626,194
	Total	$ 60,700,000	$ 13,226,061	$ 41,835,278	$ 115,761,339
	Accreted interest	9,141,172			
		$ 69,841,172			

Capital Leases

The District's liability on lease agreements with options to purchase are summarized below:

Balance, July 1, 2020	16,198,016
Addition	-
Payments	(280,095)
Balance, June 30, 2021	15,917,921

The capital leases have minimum lease payments as follows:

Year Ending June 30,	Lease Payment
2022	$ 935,010
2023	935,010
2024	935,010
2025	935,010
2026	935,010
2027-2031	4,177,964
2032-2036	3,964,928
2037-2041	19,228,874
Total	32,046,816
Less: Amount representing interest	16,128,895
Present value of minimum lease payments	$ 15,917,921

Buildings	$ 12,559,591
Equipment	4,202,600
Less: Accumulated depreciation	(994,095)
Total	$ 15,768,096

Compensated Absences

At June 30, 2021, the liability for compensated absences was $2,125,931.

Note 7 - Aggregate Net Other Postemployment Benefit (OPEB) Liability

For the year ended June 30, 2021, the District reported an aggregate net OPEB liability and OPEB expense for the following plans:

OPEB Plan	Aggregate Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 2,203,731	$ 891,161	$ (2,983,758)	$ 451,541
Medicare Premium Payment (MPP) Program	190,275	-	-	13,077
Total	$ 2,394,006	$ 891,161	$ (2,983,758)	$ 464,618

The details of each plan are as follows:

District Plan

Plan Administration

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

Management of the Plan is vested in the District management. Management of the trustee assets is vested with the Retiree Health Benefit Program Joint Powers Agency (RHBP).

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

Financial information for RHBP can be requested from them at 2017 O Street, Sacramento, CA 95811.

Plan Membership

At June 30, 2021, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefit payments	71
Active employees	276
Total	347

Retiree Health Benefit OPEB Trust

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

Benefits Provided

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

Contributions

The contribution requirements of Plan members and the District are established and may be amended by the District, the Unions, and unrepresented groups. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by District administration. For fiscal year 2019-2020, the District contributed $501,224 to the Plan, all of which was used for current premiums.

Net OPEB Liability of the District

The District's net OPEB liability of $2,203,731 was measured as of June 30, 2021, by an actuarial valuation as of that date. The components of the net OPEB liability of the District at June 30, 2021, were as follows:

Total OPEB liability	$ 16,333,331
Plan fiduciary net position	(14,129,600)
Net OPEB liability	$ 2,203,731
Plan fiduciary net position as a percentage of the total OPEB liability	86.51%

Actuarial Assumptions

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

Inflation	2.50 percent
Salary increases	2.75 percent, average, including inflation
Investment rate of return	5.75 percent, net of OPEB plan investment expense, including inflatio
Healthcare cost trend rates	4.00 percent for 2018 and thereafter

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

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

The actual assumptions used in the June 30, 2021, valuation were based on the results of an actual experience study for the period July 1, 2020 to June 30, 2021.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance, June 30, 2020	$ 14,997,124	$ 11,673,445	$ 3,323,679
Service cost	606,702	-	606,702
Interest on Total OPEB Liability	900,245	-	900,245
Employer contributions to Trust	-	683,983	(683,983)
Investment Gains/(Losses)	-	2,381,983	(2,381,983)
Expected benefit payments from employer	(592,775)	-	(592,775)
Changes of assumptions	422,035	-	422,035
Benefit payments	-	(592,775)	592,775
Administrative expense	-	(17,033)	17,033
Net change in total OPEB liability	1,336,207	2,456,158	(1,119,951)
Balance, June 30, 2021	$ 16,333,331	$ 14,129,603	$ 2,203,728

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

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

Discount Rate	Net OPEB Liability
1% decrease (4.75%)	$ 3,972,845
Current discount rate (5.75%)	2,203,731
1% increase (6.75%)	639,809

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

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

Healthcare Cost Trend Rates	Net OPEB Liability
1% decrease (3%)	$ 1,197,864
Current healthcare cost trend rate (4%)	2,203,731
1% increase (5%)	3,465,624

Medicare Premium Payment (MPP) Program

Plan Description

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

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2019 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

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

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

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

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

At June 30, 2021, the District reported a liability of $190,275 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating entities, actuarially determined. The District's proportionate share for the measurement period June 30, 2020 and June 30, 2019, respectively, was 0.0478 percent, and 0.0476 percent, resulting in a net increase in the proportionate share of 0.0002 percent.

For the year ended June 30, 2021, the District recognized OPEB expense of $13,077.

Actuarial Methods and Assumptions

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

Measurement Date	June 30, 2020
Valuation Date	June 30, 2019
Experience Study	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	2.21%
Medicare Part A Premium Cost Trend Rate	4.50%
Medicare Part B Premium Cost Trend Rate	5.40%

For the valuation as of June 30, 2019, CalSTRS uses a generational mortality assumption which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in incases in life expectances each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale as set equal to 110 % of the ultimate improvement factor from the Mortality Improvement Scale, (MP-2019) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 294 or an average of 0.18 percent of the potentially eligible population (159,339).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2020 and 2019, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2020 is 2.21 percent. The MPP Program is funded on a pay-as-you-go basis as previously noted. The OPEB Plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 2.21 percent, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2020, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate decreased 1.29 percent from 3.50 percent as of June 30, 2019.

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

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

Discount Rate	Net OPEB Liability
1% decrease (1.21%)	$ 210,402
Current discount rate (2.21%)	190,275
1% increase (3.21%)	173,148

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

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

Medicare Costs Trend Rate	Net OPEB Liability
1% decrease (3.5% Part A and 4.4% Part B)	$ 172,529
Current Medicare costs trend rate (4.5% Part A and 5.4% Part B)	190,275
1% increase (5.5% Part A and 6.4% Part B)	210,704

Note 8 - Risk Management

Joint Powers Authority Risk Pools

During fiscal year ended June 30, 2021, the District contracted with the Statewide Association of Community Colleges (SWACC) Joint Powers Authority for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2020-2021, the District participated in the Protected Insurance Program for Schools (PIPS) Joint Powers Authority, an insurance purchasing pool. The intent of PIPS is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in PIPS. The workers' compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in PIPS. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated, and each participant's individual performance is compared to the overall saving. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of PIPS. Participation in PIPS is limited to community college districts that can meet PIPS's selection criteria.

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 California State Teachers' Retirement System (CalSTRS) and classified employees are members of California Public Employees' Retirement System(CalPERS).

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

Pension Plan	Aggregate Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 24,971,152	$ 5,959,726	$ 1,497,381	$ 3,312,384
CalPERS	33,993,526	5,485,514	2,220,351	6,427,824
Total	$ 58,964,678	$ 11,445,240	$ 3,717,732	$ 9,740,208

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2019, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

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

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

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

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

Hire date	On or before December 31, 2012	On or after January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	16.15%	16.15%
Required State contribution rate	10.328%	10.328%

Contributions

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and are 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 California Assembly Bill 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 % 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 $2,250,911.

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:

Total net pension liability, including State share:	
District's proportionate share of net pension liability	$ 24,971,152
State's proportionate share of net pension liability associated with the District	12,872,632
Total	$ 37,843,784

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 0.0258 percent and 0.0269 percent, resulting in a net decrease in the proportionate share of 0.0011 percent.

For the year ended June 30, 2021, the District recognized pension expense of $3,312,384. In addition, the District recognized pension expense and revenue of $1,803,329 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
Pension contributions subsequent to measurement date	$ 2,250,911	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	636,540	793,152
Differences between projected and actual earnings on pension plan investments	593,171	-
Differences between expected and actual experience in the measurement of the total pension liability	44,063	704,229
Changes of assumptions	2,435,041	-
Total	$ 5,959,726	$ 1,497,381

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	$ (361,949)
2023	202,105
2024	403,221
2025	349,794
Total	$ 593,171

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	$ 597,427
2023	646,386
2024	690,704
2025	(59,904)
2026	(126,610)
Thereafter	(129,740)
Total	$ 1,618,263

Actuarial Methods and Assumptions

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance-PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in February 2017 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2020, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public equity	42.0%	4.8%
Private equity	13.0%	6.3%
Real estate	15.0%	3.6%
Inflation sensitive	6.0%	3.3%
Fixed income	12.0%	1.3%
Risk mitigating strategies	10.0%	1.8%
Cash/liquidity	2.0%	-0.4%

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 37,727,933
Current discount rate (7.10%)	24,971,152
1% increase (8.10%)	14,438,634

California Public Employees' Retirement System (CalPERS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2019, annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/forms-publications.

Benefits Provided

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

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

Hire date	On or before December 31, 2012	On or after January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	20.70%	20.70%

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 $2,722,326.

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 $33,993,526. 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 0.1108 percent and 0.1176 percent, resulting in a net decrease in the proportionate share of 0.0068 percent.

For the year ended June 30, 2021, the District recognized pension expense of $6,427,824. 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
Pension contributions subsequent to measurement date	$ 2,722,326	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	244,920	2,220,351
Differences between projected and actual earnings on pension plan investments	707,637	-
Differences between expected and actual experience in the measurement of the total pension liability	1,685,975	-
Changes of assumptions	124,656	-
Total	$ 5,485,514	$ 2,220,351

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	$ (264,813)
2023	236,203
2024	410,561
2025	325,686
Total	$ 707,637

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	$ 647,579
2023	(235,201)
2024	(521,810)
2025	(55,368)
Total	$ (164,800)

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to the 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

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

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

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

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.15%)	$ 48,871,892
Current discount rate (7.15%)	33,993,526
1% increase (8.15%)	21,645,228

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS for the fiscal year ended June 30, 2021, which amounted to $1,803,329 (10.328 %) of salaries subject to CalSTRS. Contributions are no longer appropriated in the annual *Budget Act* for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. No contributions were made for CalPERS for the year ended June 30, 2021. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

APPLE

Plan Description

The District contributes to the APPLE plan for employees not covered under CalPERS or CalSTRS plans. The plan provides benefits in a lump sum distribution of the employees' vested balance as of their retirement date.

Funding Policy

Active plan members and the District are each required to contribute 3.75 percent of an individual's salary to the plan, for a total of 7.5 percent of an individual's salary. Individuals enrolled in the plan are 100 % vested in the contributions made to it. The District's contribution to the plan for the fiscal year ending June 30, 2021, was $63,558.

Note 10 - Participation in Public Entity Risk Pools and Joint Powers Authorities

The District is a member of the Central Valley Trust (CVT), the Self Insured Schools of California (SISC), the State Wide Association of Community Colleges (SWACC), and the Protected Insurance Program for Schools (PIPS) Joint Powers Authorities (JPAs). The District pays annual premiums for its health, property liability, and worker's compensation coverage. The relationship between the District and the JPAs is such that it is not a component unit of the District for financial reporting purposes.

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

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

During the year ended June 30, 2021, the District made payments of $2,238,251, $5,382,638, $655,189, and $367,407, to CVT, SISC, PIPS, and SWACC, respectively for health, worker's compensation, and property liability coverage.

Note 11 - Commitments and Contingencies

Grants

The District receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2021.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2021.

The District has the following construction commitments at June 30, 2021:

Capital Project	Remaining Construction Commitment	Expected Date of Completion
Modernization at various sites		
NDC Expansion	$ 16,211,155	07/31/22

Note 12 - Restatement of Prior Year Net Position

The District adopted GASB Statement No. 84, *Fiduciary Activities*, in the current year. As a result, the effect on the current fiscal year is as follows:

Primary Government	
Net Position - Beginning	$ 36,405,748
Inclusion of assets and liabilities of funds previously identified as fiduciary in nature from the adoption of GASB Statement No. 84	139,451
Net Position - Beginning, as Restated	$ 36,545,199

Fiduciary Funds	
Net Position - Beginning	$ 12,021,379
Exclusion of assets and liabilities of funds previously identified as fiduciary in nature from the adoption of GASB Statement No. 84	(139,451)
Net Position - Beginning, as Restated	$ 11,881,928

Required Supplementary Information
June 30, 2021

West Hills Community College District

	2021	2020	2019	2018
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability				
Service cost	$ 606,702	$ 581,099	$ 565,546	$ 550,410
Interest	900,245	1,005,740	940,250	879,524
Difference between expected and actual experience	-	(1,941,248)	-	-
Changes of assumptions	422,035	419,765	-	-
Benefit payments	(592,775)	(501,224)	(510,828)	(510,828)
Net change in total OPEB liability	1,336,207	(435,868)	994,968	919,106
Total OPEB Liability - Beginning	14,997,124	15,432,992	14,438,024	13,518,918
Total OPEB Liability - Ending (a)	$ 16,333,331	$ 14,997,124	$ 15,432,992	$ 14,438,024
Plan Fiduciary Net Position				
Contributions - employer	$ 683,983	$ 603,644	$ 1,134,278	$ 1,010,828
Contributions - employee	-	-	-	120,650
Net investment income	2,381,980	500,551	626,378	618,848
Benefit payments	(592,775)	(501,224)	(510,828)	(510,828)
Administrative expense	(17,033)	(16,118)	(9,344)	(500)
Net change in plan fiduciary net position	2,456,155	586,853	1,240,484	1,238,998
Plan Fiduciary Net Position - Beginning	11,673,445	11,086,592	9,846,108	8,607,110
Plan Fiduciary Net Position - Ending (b)	$ 14,129,600	$ 11,673,445	$ 11,086,592	$ 9,846,108
Net OPEB Liability - Ending (a) - (b)	$ 2,203,731	$ 3,323,679	$ 4,346,400	$ 4,591,916
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	86.51%	77.84%	71.84%	68.20%
Covered Employee Payroll	$ 36,023,719	$ 32,001,682	$ 31,145,190	$ 30,311,620
Net OPEB Liability as a Percentage of Covered Employee Payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]

[1] The District's OPEB Plan is administered through a trust, however, contributions are not made based on a measure of pay. Therefore, no measure of payroll is presented.

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

Year ended June 30,	2021	2020	2019	2018
Proportion of the net OPEB liability	0.0476%	0.0449%	0.0474%	0.0467%
Proportionate share of the net OPEB liability	$ 190,275	$ 177,198	$ 181,425	$ 196,397
Covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	0.01%	0.01%	-0.40%	0.01%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

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

	2021	2020	2019	2018
CalSTRS				
Proportion of the net pension liability (asset)	2.5800%	0.0269%	0.0264%	0.0258%
Proportionate share of the net pension liability (asset)	$ 24,971,152	$ 24,293,362	$ 24,270,026	$ 23,846,314
State's proportionate share of the net pension liability (asset) associated with the District	12,872,632	13,253,651	13,895,725	14,107,278
Total	$ 37,843,784	$ 37,547,013	$ 38,165,751	$ 37,953,592
Covered payroll	$ 14,939,006	$ 16,963,472	$ 14,378,351	$ 14,051,486
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	167.15%	143.21%	169%	169.71%
Plan fiduciary net position as a percentage of the total pension liability	72%	73%	71%	69%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
CalPERS				
Proportion of the net pension liability (asset)	0.1108%	0.1176%	0.1188%	0.1137%
Proportionate share of the net pension liability (asset)	$ 33,993,526	$ 34,285,386	$ 31,682,678	$ 27,134,981
Covered payroll	$ 15,983,096	$ 19,060,247	$ 16,170,987	$ 14,665,013
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	2.126842384	179.88%	195.92%	185.03%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	72%	74%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

	2017	2016	2015
CalSTRS			
Proportion of the net pension liability (asset)	0.0251%	0.0258%	0.0289%
Proportionate share of the net pension liability (asset)	$ 20,326,089	$ 17,367,732	$ 16,872,365
State's proportionate share of the net pension liability (asset) associated with the District	11,571,280	9,185,616	10,188,262
Total	$ 31,897,369	$ 26,553,348	$ 27,060,627
Covered payroll	$ 12,908,248	$ 12,056,059	$ 13,313,333
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	157.47%	144.06%	126.73%
Plan fiduciary net position as a percentage of the total pension liability	70%	74%	77%
Measurement Date	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS			
Proportion of the net pension liability (asset)	0.1093%	0.1069%	0.1113%
Proportionate share of the net pension liability (asset)	$ 21,582,587	$ 15,752,845	$ 12,629,704
Covered payroll	$ 13,189,533	$ 11,780,715	$ 11,462,620
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	163.63%	133.72%	110.18%
Plan fiduciary net position as a percentage of the total pension liability	74%	79%	83%
Measurement Date	June 30, 2016	June 30, 2015	June 30, 2014

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

	2021	2020	2019	2018
CalSTRS				
Contractually required contribution	$ 2,250,911	$ 2,554,570	$ 2,447,829	$ 2,074,796
Contributions in relation to the contractually required contribution	(2,250,911)	(2,554,570)	(2,447,829)	(2,074,796)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 13,937,529	$ 14,939,006	$ 16,963,472	$ 14,378,351
Contributions as a percentage of covered payroll	16.15%	17.10%	16.28%	14.43%
CalPERS				
Contractually required contribution	$ 2,722,326	$ 3,152,618	$ 2,960,472	$ 2,511,516
Contributions in relation to the contractually required contribution	(2,722,326)	(3,152,618)	(2,960,472)	(2,511,516)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 13,151,333	$ 15,983,096	$ 19,060,247	$ 16,170,987
Contributions as a percentage of covered payroll	20.700%	19.721%	18.062%	15.531%

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

	2017	2016	2015
CalSTRS			
Contractually required contribution	$ 1,767,677	$ 1,385,055	$ 1,070,578
Contributions in relation to the contractually required contribution	(1,767,677)	(1,385,055)	(1,070,578)
Contribution deficiency (excess)	$ -	$ -	$ -
Covered payroll	$ 14,051,486	$ 12,908,248	$ 1,256,059
Contributions as a percentage of covered payroll	12.58%	10.73%	8.88%
CalPERS			
Contractually required contribution	$ 2,036,677	$ 1,562,564	$ 1,386,708
Contributions in relation to the contractually required contribution	(2,036,677)	(1,562,564)	(1,386,708)
Contribution deficiency (excess)	$ -	$ -	$ -
Covered payroll	$ 14,665,013	$ 13,189,533	$ 11,780,715
Contributions as a percentage of covered payroll	13.888%	11.847%	11.771%

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

Note 1 - Purpose of Schedules

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

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

- Changes in Benefit Terms - There were no changes in the benefit terms since the previous valuation.
- Changes of Assumptions – There were no changes in assumption since the previous valuation.

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

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

- Changes in Benefit Terms - There were no changes in the benefit terms since the previous valuation.
- Changes of Assumptions - The plan rate of investment return assumption was changed from 3.50 percent to 2.21 percent since the previous valuation.

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

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

- Changes in Benefit Terms **-** There were no changes in benefit terms since the previous valuations for either CalSTRS or CalPERS.
- Changes of Assumptions **-** There were no changes in economic assumptions since previous valuations for either CalSTRS or CalPERS.

Schedule of District Contributions for Pensions

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

Supplementary Information
June 30, 2021

West Hills Community College District

The West Hills Community College District was established in September 1932. The West Hills Community College District provides postsecondary education to the students of Coalinga-Huron Unified School District, Lemoore Union High School District, Riverdale Joint Unified School District, Golden Plains Unified School District, Firebaugh-Las Deltas Unified School District, Reef-Sunset Unified School District, and Mendota Unified School District. The West Hills Community College District maintains a District Office, a Coalinga College, a Lemoore College, the North District Center in Firebaugh, and a center at NAS Lemoore. There were no changes in the boundaries of the District during the fiscal year.

Board of Trustees as of June 30, 2021

Member	Office	Term Expires
Mark McKean	President	2024
Jeff Levinson	Vice President	2022
Nina Oxborrow	Clerk/Secretary	2022
Salvador Raygoza	Member	2022
Marin Maldonado	Member	2024
Crystal Jackson	Member	2024
Steve Cantu	Member	2024

Administration as of June 30, 2021

Dr. Kristin Clark	Chancellor
Dr. Richard Storti	Deputy Chancellor
Kelly Cooper	Vice Chancellor of Education and Technology
Carla Tweed	President, West Hills College Coalinga
James Preston	President, West Hills College Lemmore
Sam Aunai	Vice President of Educational Services West Hills College, Coalinga
James Preston	Vice President, Educational Services, West Hills College Lemoore
Angela Tos	Vice President of Student Services, West Hills College Coalinga
Val Garcia	Vice President, Student Services, West Hills College Lemoore

Auxiliary Organizations in Good Standing

West Hills Community College District Foundation, established in 1983
Master Agreement date: October 23, 2007
Alexis Perez, Executive Director

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Student Financial Assistance Cluster:			
Supplemental Educational Opportunity Grants	84.007	n/a	$ 437,633
Direct Loans	84.268	n/a	534,230
Federal Workstudy	84.033	n/a	62,681
SFA Administration	84.033	n/a	151,600
TANF 50% Federal/Calworks	84.033	n/a	76,213
Pell Grant	84.063	n/a	9,500,358
Subtotal Student Financial Assistance Cluster			10,762,715
TRIO Cluster			
Upward Bound	84.047A	n/a	1,101,380
Upward Bound - Math / Science	84.047M	n/a	287,055
Upward Bound - Veterans	84.047V	n/a	370,577
Student Support Services	84.042A	n/a	203,399
Subtotal TRIO Cluster			1,962,411
COVID-19: CARES Act Higher Education Emergency Relief Funds, Student Aid Portion	84.425E		1,151,311
COVID-19: CARES Act Higher Education Emerency Releif Funds, Minority Serving Institutions	84.425F		1,050
COVID-19: CARES Act Higher Education Emergency Relief Funds, Institutional Portion	84.425F		449,368
Subtotal			1,601,729
California Consortium for Equitable Change in HIS OER	84.116T		146,507
21st CCLC - Twenty-First Century Community			
Camp Services	84.149A	n/a	392,193
High School Equivalency Program	84.141A	n/a	372,345
Title V - Higher Education Institutional Aid	84.031S	n/a	282,781
Total U.S. Department of Education			15,520,681
U.S. Department of the Labor			
WIA Cluster			
Workforce Investment Act - Adult Program	17.258	n/a	276,986
Workforce Investment Act - Dislocated Worker	17.278	n/a	179,901
PMS - National Farm Worker	17.264	AC-35415-20-60-A-6	70,832
Workforce Investment Act - Youth Employment Program	17.259	n/a	289,013
Subotal Workforce Investment Cluster			816,732
Total U.S. Department of Labor			816,732
U.S. Department of Agriculture			
NIFA Westside Works Apprenticeship in Agriculture			18,170
Total U.S. Department of Agriculture			18,170
National Science Foundation			
Welding Education Long-Distance Community Outreach	47..076		86,028
Scholarships in STEM CORES	47..076	n/a	66,344
Total National Science Foundation			152,372
Total Federal Program Expenditures			$ 16,507,955

See Note to Supplementary Information

Program	Program Revenues: Cash Received	Accounts Receivable	Unearned Revenue	Total Revenue	Program Expenditures
State					
BFAP - Financial Aid Administration	$ 373,121	$ -	$ -	$ 373,121	$ 320,968
CA Promise Grant	339,573	-	-	339,573	264,555
Cal Works	478,694	-	-	478,694	385,525
Campus Safety	5,347	-	-	5,347	5,347
CARE Grant	187,718	-	-	187,718	164,615
CCAP STEM Pathway	577,602	-	229,075	348,527	348,527
CCC Guided Pathways	682,582	-	477,938	204,644	204,644
CCCCO Undocumented Resource Liaisons	67,284	-	-	67,284	-
CCCCO Calfresh Outreach	33,952	-	-	33,952	-
CCCCO Retention & Enrollment Outreach	122,686	-	-	122,686	-
CCCCO/CAI Child Development	183,551	74,980	-	258,531	121,507
CCCCO/CAI Ag	143,175	-	75,955	67,220	67,220
CCCCO/CTE Unlocked/RSC	100,000	-	71,009	28,991	28,991
CCCCO/FSS MESA	-	24,341	-	24,341	24,341
CCCCO/Nursing Education	142,067	-	-	142,067	142,067
CCCCO/CAN Expansion	37,028	-	-	37,028	37,028
CEC/PowWow IEE	-	24,702	-	24,702	-
Child Care & Development Center Based	1,330,319	119,766	-	1,450,085	1,450,085
Child Care-Food	22,725	10,752	-	33,477	33,477
Child Care-State Preschool	2,995,076	-	25,355	2,969,721	2,969,721
CSPP QRIS Block Grant	374,497		180,298	194,199	194,199
CSU/AB 798 Textbook	23,649	5,850	-	29,499	24,572
CV Promise Pipe	-	187	-	187	187
Disability Support Programs and Services	773,682	-	-	773,682	660,313
ECE Consortium Grant	7,025	-	853	6,172	6,172
Extended Opportunity Program and Service	927,251	-	-	927,251	860,104
Financial Aid Technology	138,962	-	-	138,962	13,304
First Five Prop 10 - Avenal	44,058	6,224	-	50,282	50,282
Hunger Free	21,218	-	-	21,218	21,218
Lottery - Restricted	1,127,684		802,169	325,515	276,291
Mental Health	15,339	-	-	15,339	15,339
Physical Plant and Instructional Support	338,581	-	81,259	257,322	257,322
Pre-Kindergarten Supplemental	2,500	7,385	-	9,885	9,885
Prop 39 - KCCD	-	55,012	-	55,012	55,012
Song Brown	50,000	-	21,685	28,315	28,315
Song Brown Capitation	15,815	-	-	15,815	15,815
Staff Diversity	164,413	-	-	164,413	15,800
Strong Workforce 20-21 Locals	672,453	672,453	585,711	759,195	86,742
Strong Workforce 20-21 Regional	-	635,210	-	635,210	635,210
Student Equity and Achievement (SEA)	3,434,337	-	-	3,434,337	2,389,444
Veterans Resource Center	128,363	-	47,813	80,550	80,550
Total State Programs	$ 16,082,327	$ 1,636,862	$ 2,599,120	$ 15,120,069	$ 12,264,694

CATEGORIES	**(Revised)/ Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2020 only)			
1. Noncredit*	1.31	-	1.31
2. Credit	639.92	-	639.92
B. Summer Intersession (Summer 2021 - Prior to July 1, 2021)			
1. Noncredit*	0.00	-	-
2. Credit	3.65	-	3.65
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	379.40	-	379.40
(b) Daily Census Contact Hours	104.43	-	104.43
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit*	170.43	-	170.43
(b) Credit	41.99	-	41.99
3. Independent Study/Work Experience			
(a) Weekly Census Contact Hours	1359.20	-	1,359.20
(b) Daily Census Contact Hours	2278.53	-	2,278.53
(c) Noncredit Independent Study/Distance Education Courses	8.71	-	8.71
D. Total FTES	4,988	-	4,988
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. In-Service Training Courses (FTES)	-	-	-
F. Basic Skills Courses and Immigrant Education			
1. Noncredit*	179.10	-	179.10
2. Credit	22.83	-	22.83

West Hills Community College District

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

Year Ended June 30, 2021

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP	Reported	Audit	Revised	Reported	Audit	Revised
Academic Salaries							
Instructional Salaries							
Contract or Regular	1100	$ 6,586,471	$ -	$ 6,586,471	$ 6,586,471	$ -	$ 6,586,471
Other	1300	4,331,074	-	4,331,074	4,331,074	-	4,331,074
Total Instructional Salaries		10,917,545	-	10,917,545	10,917,545	-	10,917,545
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	2,827,633	-	2,827,633
Other	1400	-	-	-	344,532	-	344,532
Total Noninstructional Salaries		-	-	-	3,172,165	-	3,172,165
Total Academic Salaries		10,917,545	-	10,917,545	14,089,710	-	14,089,710
Classified Salaries							
Noninstructional Salaries							
Regular Status	2100	-	-	-	5,558,809	-	5,558,809
Other	2300	-	-	-	102,929	-	102,929
Total Noninstructional Salaries		-	-	-	5,661,738	-	5,661,738
Instructional Aides							
Regular Status	2200	143,983	-	143,983	144,163	-	144,163
Other	2400	168,166	-	168,166	168,166	-	168,166
Total Instructional Aides		312,149	-	312,149	312,329	-	312,329
Total Classified Salaries		312,149	-	312,149	5,974,067	-	5,974,067
Employee Benefits	3000	3,596,543	-	3,596,543	8,750,944	-	
Supplies and Material	4000	-	-	-	386,107	-	386,107
Other Operating Expenses	5000	-	-	-	670,918	-	670,918
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures		14,826,237	-	14,826,237	29,871,746	-	21,120,802

See Note to Supplementary Information

Exclusions	Object/TOP	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110 Reported	Audit	Revised	ECS 84362 B Total CEE AC 0100 - 6799 Reported	Audit	Revised
Activities to Exclude							
Instructional Staff - Retirees' Benefits and	5900	$ -	$ -	$ -	$ 342,468	$ -	$ 342,468
Student Health Services Above Amount	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	-	-	-
Noninstructional Staff - Retirees' Benefits	6740	-	-	-	616,846	-	616,846
Objects to Exclude							
Rents and Leases	5060	-	-	-	165,646	-	165,646
Lottery Expenditures							-
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines, and Periodicals	4200	-	-	-	-	-	-
Instructional Supplies and Materials	4300	-	-	-	-	-	-
Noninstructional Supplies and Materials	4400	-	-	-	383,598	-	383,598
Total Supplies and Materials		-	-	-	383,598	-	383,598

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP	Reported	Audit	Revised	Reported	Audit	Revised
Other Operating Expenses and Services	5000	$ -	$ -	$ -	$ 506,907	$ -	$ 506,907
Capital Outlay	6000						
Library Books	6300	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay							
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		-	-	-	2,015,465	-	1,508,558
Total for ECS 84362,		$ 14,826,237	$ -	$ 14,826,237	$ 27,856,281	$ -	$ 19,612,244
Percent of CEE (Instructional Salary		53.22%		75.60%	100.00%		100.00%
50% of Current Expense of Education					$ 13,928,141		$ 9,806,122

Activity Classification	Object Code				Unrestricted
EPA Proceeds:	8630				$ 7,517,240
Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	1000-5900	$ 7,517,240	$ -	$ -	$ 7,517,240
					-
Other Support Activities (list below)	6XXX				-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
Total Expenditures for EPA		$ 7,517,240	$ -	$ -	$ 7,517,240
Revenues Less Expenditures					$ -

There were no adjustments to the Annual Financial and Budget Report (CCFS-311) which required reconciliation to the audited financial statements at June 30, 2021.

Amounts reported for governmental activities in the Statement of Net Position are different because		
Total fund balance		
General Funds	$ 20,261,326	
Special Revenue Funds	1,558,654	
Capital Project Funds	13,244,347	
Debt Service Funds	6,339,676	
Fiduciary Funds	14,210,552	
Total fund balance - all District funds		$ 55,614,555
Amounts held in trust on behalf of others (OPEB Trust)		(14,210,552)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	241,813,735	
Accumulated depreciation is	(86,934,955)	
Total capital assets, net		154,878,780
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the District's funds. Deferred outflows of resources at year-end consist of:		
Deferred outflows of resources related to OPEB	891,161	
Deferred outflows of resources related to pensions	11,445,240	
Total deferred outflows of resources		12,336,401
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide statements, unmatured interest on long-term liabilities is recognized when it is incurred.		(921,627)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
General obligation bonds	$ (60,282,260)	
Capital leases	(15,917,920)	
Compensated absences	(2,125,931)	
Aggregate net other postemployment benefits (OPEB) liability	(2,394,006)	
Aggregate net pension liability	(58,964,678)	
In addition, the District has issued 'capital appreciation' general obligation bonds. The accretion of interest unmatured on the general obligation bonds to date is	(9,558,912)	
Total long-term liabilities		$(149,243,707)
Deferred inflows of resources represent an acquisition of net position in a future period and is not reported in the District's funds. Deferred inflows of resources amount to and related to		
Deferred inflows of resources related to OPEB	(2,983,758)	
Deferred inflows of resources related to pensions	(3,717,732)	
Total deferred inflows of resources		(6,701,490)
Total net position		$ 51,752,360

See Note to Supplementary Information

Note 1 - Purpose of Schedules

District Organization

This schedule provides information about the District's governing board members, administration members, and auxiliary organizations in good standing.

Schedule of Expenditures of Federal Awards

Basis of Presentation
The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2021. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

Summary of Significant Accounting Policies
Expenditures reported in the Schedule are reported on the modified accrual basis of accounting. (B) When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. (C)

(A) If the entity has subrecipients, this sentence should read as follows: Expenditures reported in the schedule are reported on the (identify the basis of accounting) basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis.

(B) If the entity has no subrecipients and has removed the Amounts Passed-Through to Subrecipients column in the schedule, add the following sentence: No federal financial assistance has been provided to a subrecipient.

Indirect Cost Rate
The Organization has (or has not) elected to use the 10% de minimis cost rate.

Schedule of Expenditures of State Awards

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

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

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

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

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

Proposition 30 Education Protection Account (EPA) Expenditure Report

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

Reconciliation of Annual Financial and Budget Report (CCFS-311) With Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Form CCFS-311 to the District's internal fund financial statements.

Reconciliation of Government Funds to the Statement of Net Position

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

Independent Auditor's Reports
June 30, 2021

West Hills Community College District

CPAs & BUSINESS ADVISORS

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

Board of Trustees
West Hills Community College District
Coalinga, 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, the aggregate discretely presented component unit, and the aggregate remaining fund information of West Hills 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 April 29, 2022.

Emphasis of Matter – Change in Accounting Principle
As discussed in Note 2 and Note 12 to the financial statements, the District adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which resulted in a restatement of net position as of July 1, 2020. Our opinion is not modified with respect to this matter.

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

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

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

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

Eide Bailly LLP

San Ramon, California
April 29, 2022

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

Board of Trustees
West Hills Community College District
Coalinga, California

Report on Compliance for Each Major Federal Program
We have audited West Hills 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

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

We believe that our audit provides a reasonable basis for our 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.

Eide Bailly LLP

San Ramon, California
April 29, 2022

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on State Compliance

Board of Trustees
West Hills Community College District
Coalinga, California

Report on State Compliance
We have audited West Hills Community College District's (the District) compliance with the types of compliance requirements as described in the 2020-2021 California Community Colleges Chancellor's Office *District Audit Manual* applicable to the state laws and regulations listed in the table below for the ended June 30, 2021.

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

Auditor's Responsibility
Our responsibility is to express an opinion on compliance of each of the District's State programs based on our audit of the types of compliance requirements referred to in the table below. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the standards and procedures identified in the 2020-2021 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements listed in the table below has occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such procedures as we consider necessary in the circumstances.

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

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Compliance Requirements Tested

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

Section 411	SCFF Data Management Control Environment
Section 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	State General Apportionment Funding System
Section 425	Residency Determination for Credit Courses
Section 426	Students Actively Enrolled
Section 427	Dual Enrollment (CCAP and Non-CCAP)
Section 430	Schedule 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	Proposition 1D and 51 State Bond Funded Projects
Section 491	Education Protection Account Funds
Section 499	COVID-19 Response Block Grant Expenditures

The District did not participate in the Apprenticeship Related and Supplemental Instruction (RSI) Funds; nor receive any Proposition 39 Clean Energy Funds nor Proposition 1D and 51 State Bond Funds, therefore, the compliance tests within these sections were not applicable.

Qualified Opinion on Disabled Student Programs and Services

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, West Hills Community College District complied, in all material respects, with the compliance requirements referred to above for the year ended June 30, 2021. West Hills Community College District response to the noncompliance findings identified in our audit are described in the Accompanying Schedule of Stat Compliance Findings and Questioned Costs. West Hills Community College District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Unmodified Opinion on Each of the Other Programs

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the State programs noted in the table above that were audited for the year ended June 30, 2021, except as described in the accompanying Schedule of State Compliance Findings and Questioned Costs.

The purpose of the report on state compliance is solely to describe the results of our testing based on the requirements of the 2020-2021 California Community Colleges Chancellor's Office Contracted District Audit Manual. Accordingly, this report is not suited for any other purpose.

Eide Bailly LLP

San Ramon, California
April 29, 2022

Schedule of Findings and Questioned Costs
June 30, 2021

West Hills Community College District

Financial Statements

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

Federal Awards

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a):	No

Identification of major programs

Name of Federal Program or Cluster	Assistance Listing Number
Student Financial Assistance Cluster	84.007, 84.033, 84.063, 84.268
COVID-19 Higher Education Emergency Relief Funds	84.425

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

State Compliance

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

Unmodified for all programs except for the following programs which were qualified:

Name of Program
DSPS

None reported.

None Reported.

The following findings represent instances of noncompliance related to compliance with state laws and regulations:

2021-001 – Disabled Student Programs and Services (DSPS)

Criteria or Specific Requirement
Community College students with disabilities are those who have applied to or enrolled at a community college who, because of a verified disability, cannot benefit from general education classes, activities, and services without additional DSPS program support services to mitigate the effects of the educational limitations due to the disability. The purpose of academic adjustments, auxiliary aids, services and/or instruction is to allow the student with a disability to fully participate in the general college program; provide educational accommodations leading to vocational preparation, transfer, or general education; and increase independence or referral of the students to community resources most appropriate to their needs. Examples of services that may be provided by DSPS that are over and above those regularly offered by the college would be test-proctoring, assessment for learning disabilities, specialized counseling, interpreter or captioning services for hearing-impaired or deaf students, mobility assistance, note-taker services, reader services, transcription services, specialized tutoring, access to adaptive equipment, job development/placement, registration assistance, special parking and specialized instruction.

Condition
The District spent DSPS funds on services that aren't in line with the allowable costs as indicated in the Criteria above.

Questioned Costs
The unallowable expenditure totaled $252.88.

Context
The DSPS funds were spent for staff meals and not part of the services indicated above.

Effect
Funds were spent on nonqualified expenditures.

Cause
Not understanding compliance requirements for DSPS funds.

Repeat Finding
No

Corrective Action Plan and Views of Responsible Officials
In the future, food for staff will only be provided during staff meetings that require a working breakfast, lunch, or dinner. If food is provided during such meetings, agendas and sign in sheets will be collected and provided to our business office.

Program Director: Maria Gonzalez
MariadelaluzGonzalez@whccd.edu
559-925-3244

2021-002 – Instructional Service Agreements (ISA)

Criteria or Specific Requirement
The contracting entity is required to certify that the direct education costs of the activity are not now, and are not going to be, funded through other sources.

Condition
We noted one 2021 Memorandum of Understanding with a contracting entity that did not include a statement to the effect of not being funded by other sources. We did note that this statement was included in the next year's agreement.

Questioned Costs
None

Context
The agreement with one contracting entity was missing a required statement about not having another funding source.

Effect
It was unclear if the course was funded from multiple sources.

Cause
Not understanding compliance requirements for these funds.

Repeat Finding
No

Corrective Action Plan and Views of Responsible Officials
The Kings Rehabilitation Center MOU has been updated to include language that the District requires the contracting entity to certify that the direct education costs of the activity are not now and are not going to be funded through other sources. This language will remain in all future MOUs with Kings Rehabilitation Center.

MOU for ISA
Program Director: Maria Gonzalez
MariadelaluzGonzalez@whccd.edu
559-925-3244

None Reported.

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APPENDIX B

GENERAL AND FINANCIAL INFORMATION ABOUT THE DISTRICT

General Information

The District. The District was formed in 1961 but was operational since 1932 in the form of a Coalinga Extension Center of what was then called Fresno State College. Originally, the District encompassed the same area as the Coalinga High School District. Thereafter annexation elections expanded the District's geographical boundaries, making the District today into one of the largest community college districts in the State. The District serves an area of approximately 3,600 square miles, encompassing portions of five counties: Fresno, Kings, San Benito, Monterey and Madera.

The District operates two separate college campuses and an off-campus educational center: (1) the Coalinga Campus situated at 300 Cherry Lane, Coalinga, California (the **"Coalinga Campus"**), (2) the City of Lemoore campus situated at 555 College Avenue, Lemoore, California (the **"Lemoore Campus"**) and (3) the City of Firebaugh Educational Center located at 1511 Ninth Street, Firebaugh, California (the **"Firebaugh Center"**). The District estimates a full-time equivalent student (**"FTES"**) enrollment of 4,600 students for fiscal year 2021-22.

The West Hills Community College District provides postsecondary education to students of Coalinga-Huron Unified School District, Lemoore Union High School District, Riverdale Joint Unified School District, Golden Plains Unified School District, Firebaugh-Las Deltas Unified School District, Reef- Sunset Unified School District, and Mendota Unified School District.

The District is also committed to distance learning and other technological advances to create opportunities for education through the internet, satellite and cable television, extending even beyond the traditional service area. The colleges offer transfer programs, associate in arts and associate in science degrees.

District Governance and Administration

The District is governed by a seven-member Board of Trustees (the **"Board"**), each member of which is elected to a four-year term. The Trustees are elected at large from various parts of the District including Coalinga, Firebaugh, Riverdale and Tranquility (in Fresno County) and Avenal and Lemoore (in Kings County). The terms of the Board are staggered with elections held every two years, in even numbered years. Current members of the Board, together with their offices and the dates their terms expire, are listed below:

:

Name	Office	Term Expires
Mark McKean	President	November 2024
Jeff Levinson	Vice President	November 2022
Nina Oxborrow	Clerk	November 2022
Steve Cantu	Member	November 2024
Crystal Jackson	Member	November 2024
Martin Maldonado	Member	November 2024
Salvador Raygoza	Member	November 2022

Administration. The Chancellor of the District is responsible for administering the affairs of the District in accordance with the policies of the Board. Kristin Clark, Ed.D. serves as the Chancellor and Shanna Ahrens is the Vice Chancellor of Business and Fiscal Services.

District's Response to COVID-19 Emergency

To reduce the potential for community transmission of COVID-19 and in accordance with all official recommendations, guidelines and mandates, the District closed its facilities with respect to in-person instruction in March 2020. Thereafter, distance learning was implemented, which extended to the 2019-20 academic year. The 2021-22 academic year has commenced in-person with an independent study option, pursuant to State law. The District will adjust its teaching modes as needed to adjust to all orders and mandates, with guidance from the State and local officials.

The District has received approximately $21,245,579, in combined one-time funds from federal and State sources resulting from the COVID-19 pandemic. The funds received by the District have been spent to date on addressing costs that have arisen due to COVID-19, such as acquiring personal protective equipment, cleaning and sanitizing facilities and technology needs to accommodate distance learning. Some of the expenses of the COVID-19 pandemic have been off-set by not operating sites on a full-time basis, such as reductions in costs relating to substitute teachers, reduced electricity costs and costs relating to transportation and fuel.

With respect to pension costs, the District cannot currently predict if the COVID-19 emergency will have a material impact on its required employer contributions which could arise if the unfunded actuarial accrued liabilities of PERS and STRS materially increase. The District maintains reserves for economic uncertainties, which exceed the State required minimum reserve.

The impacts of the COVID-19 emergency on global, State-wide and local economies, which could impact District operations and finances, and local property values are unknown and cannot be predicted by the District.

See herein under the heading "STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS" for information on the State's current and proposed budgets.

Employee Relations

In the fall of 1974, the California State Legislature enacted a public school employee collective bargaining law known as the Rodda Act. This law provides that employees are to be divided into appropriate bargaining units that are to be represented by an exclusive bargaining agent. The District presently employs approximately 86 full-time and 190 part-time faculty; and approximately 152 full-time and 39 part-time classified employees.

WEST HILLS COMMUNITY COLLEGE DISTRICT
Labor Relations Organizations

Labor Organization	Number of Employees In Organization	Contract Expiration Date
West Hill College Faculty Association/CTA/NEA	86	June 30, 2022
California School Employees Chapter 429	191	June 30, 2023

Source: West Hills Community College District.

The District has never experienced a strike or work slowdown, and characterizes its relations with bargaining units as amicable.

Recent Enrollment Trends

The following table shows enrollment history for the District, with projection figures for fiscal year 2021-22.

WEST HILLS COMMUNITY COLLEGE DISTRICT
Annual Full-Time Equivalent Students
Fiscal Years 2015-16 through 2021-22 (projection)

Fiscal Year	FTES	Percentage Change
2015-16	5,478	--%
2016-17	5,500	0.4
2017-18	5,750	4.5
2018-19	6,215	8.1
2019-20	5,842	(6.0)
2020-21(1)	4,898	(16.2)
2021-22(1)	4,600	(6.1)

(1) Targeted.
Source: West Hills Community College District Audits for fiscal years 2015-16 through 2020-21; West Hills Community College District Budget for fiscal year 2021-22.

District Insurance

The District is a member of the Central Valley Trust ("**CVT**"), the Self Insured Schools of California ("**SISC**"), the State Wide Association of Community Colleges ("**SWACC**"), and the Protected Insurance Program for Schools ("**PIPS**") Joint Powers Authorities ("**JPAs**"). The District pays annual premiums for its health, property liability, and worker's compensation coverage. The relationship between the District and the JPAs is such that it is not a component unit of the District for financial reporting purposes.

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

The District's share of year-end assets, liabilities, or fund equity has not been calculated. During the year ended June 30, 2021, the District made payments of $2,238,251, $5,382,638, $655,189, and $367,407, to CVT, SISC, PIPS, and SWACC, respectively for health, worker's compensation, and property liability coverage.

DISTRICT FINANCIAL INFORMATION

Funding of Community College Districts in California

Major Revenues. California community college districts receive, on average, approximately 52% of their funds from the State, approximately 44% from local sources, and approximately 4% from federal sources. State funds include general apportionment, categorical funds, capital construction, the lottery, and other minor sources. Local sources include property taxes, student fees, and miscellaneous sources.

Prior Funding Formula – SB 361. From 2006-07 to 2017-18, California community college districts were funded pursuant to the provisions of Senate Bill 361 ("**SB 361**"). Under SB 361, general apportionment revenues to community college districts were allocated based on criteria developed by the Board of Governors of the California Community Colleges in accordance with prescribed statewide minimum requirements. Annual allocations were based on the number of colleges and comprehensive centers in each district, plus funding received based on the number of credit and noncredit full time equivalent students ("**FTES**") in each district.

Under SB 361, minimum funding per FTES was: (a) not less than $4,367 per credit FTES; (b) a uniform rate of $2,626 per noncredit FTES; and (c) $3,092 per FTES for the instructional category known as "career development and college preparation," all subject to cost of living adjustments.

Local revenues, consisting of local property taxes and student enrollment fees, were first used to satisfy a community college district's expenditures. Once these sources were exhausted, State funds were used to determine a district's revenue limit under SB 361.

New Student-Focused Funding Formula. The 2018-19 State Budget, signed by Governor Jerry Brown on June 27, 2018, created a new Student-Focused Funding Formula for general purpose apportionments, which will be implemented over the next three years. The new formula allocates funding to community college districts based upon FTES, as well as additional factors. The three calculations in the formula are:

(1) a **base allocation** consistent with the SB 361 formula described above;

(2) a **supplemental allocation** based on the number of students who receive a California Promise Grant, Pell Grant or are non-resident students that qualify for in-state tuition; and

(3) a **student success allocation** which will allocate funds for outcomes related to completion of associate degree transfers, associate degrees and bachelor's degrees, credit certificates, completion of transfer-level math and English within the first academic year of enrollment, transfer to four-year universities, completion of nine or more career technical education units and attainment of a regional living wage.

Formula Structure and Transition. The table below illustrates how community college district funding will be allocated annually:

	2018-19	2019-20	2020-21	2021-22	2022-23
Base Allocation	70%	70%	70%	70%	70%
Supplemental Allocation	20	20	20	20	20
Student Success Allocation	10	10	10	10	10

Hold Harmless Provision. During the three years of implementation, no community college district will receive less funding than it received in 2017-18, and each district will receive an increase to reflect a cost-of-living adjustment. The formula includes a “stability” provision that delays any decrease in revenue by one year. The hold harmless provision has been extended by two years, through 2023-24, and districts will receive at least their 2017-18 funding, with a cost-of-living adjustment each year.

Advisory Committees. Two advisory committees will be established reporting to the Chancellor’s Office and the Legislature.

Effect of Student-Focused Funding Formula on the District. The new funding formula does not impact the District for general fund apportionment because the District is community-supported, as described below. However, categorical funding allocations may be appropriated using the new funding formula.

Other Funding Sources: Local Revenues

A major local revenue source is local property taxes that are collected from within district boundaries. Student enrollment fees generally account for the remainder of local revenues. Both property taxes and student enrollment fees are applied towards the district’s financial needs. Once these sources are exhausted, State funds are used. State aid is subject to the appropriation of funds in the State’s annual budget. Decreases in State revenues may affect appropriations made by the legislature to the district. The sum of the property taxes, student enrollment fees, and State aid generally comprise the district’s revenue limit. Formerly known as “Basic Aid**,**” a community-supported community college districts are those districts whose local property tax and student enrollment fee collections exceed the revenue allocation determined by the program-based model. Under the SB 361 formula and the new Student-Focused Funding Formula, districts are allowed to keep the excess funds without penalty. The implication for community-supported is that the legislatively determined annual cost of living adjustment and other politically determined factors are less significant in determining such districts’ primary funding sources. Rather, property tax growth and the local economy become the determinant factors. The District is not a community-supported district.

A small part of a community college district’s budget is from local sources other than property taxes and student enrollment fees, such as interest income, donations and sales of property. Every community college district receives the same amount of lottery funds per pupil from the State; however, these are not categorical funds as they are not for particular programs or students. The initiative authorizing the lottery does require the funds to be used for instructional purposes, and prohibits their use for capital purposes.

District Accounting Practices

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities. Accordingly, the District's financial statements have been prepared using the economic focus and accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant interfund transactions are eliminated. The budgetary and financial accounts of the District are recorded and maintained in accordance with the Budget and Accounting Manual issued by the Chancellor's Office of the California Community College. For more information on the District's accounting policies, see Note 2 of "APPENDIX A - AUDITED

FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR ENDED 2020-21" attached hereto.

The District's Audited Financial Statements for fiscal year 2020-21 were prepared by Eide Bailly, LLP, San Ramon, California and are attached as APPENDIX A. Audited financial statements for the District for prior fiscal years are on file with the District and available for public inspection at the Chancellor's Office.

The District considers its audited financial statements to be public information, and accordingly, no consent has been sought or obtained from the auditor in connection with the inclusion of such statements in this Official Statement. The auditor has made no representation in connection with inclusion of the audit in this Official Statement.

Revenues, Expenditures and Changes in Fund Net Position. The following table sets forth the District's recent audited revenues, expenses and change in net position.

WEST HILLS COMMUNITY COLLEGE DISTRICT
Summary of Primary Government Revenues, Expenditures and Changes in Net Assets
For Fiscal Years 2016-17 through 2020-21 (Audited)

	2016-17	2017-18	2018-19	2019-20	2020-21
Operating Revenues					
Net Tuition and Fees	$2,337,354	$2,202,645	$2,090,047	$1,590,470	$755,319
Total grants and contracts, noncapital	--	41,791,315	42,257,488	--	38,691,080
Auxiliary Sales and Charges					
Cafeteria	745,547	594,425	524,366	372,919	18,398
Farm	188,661	217,507	195,986	222,422	180,834
TOTAL OPERATING REVENUES	3,271,562	44,805,892	45,067,887	2,185,811	39,645,631
Operating Expenses					
Salaries	34,441,380	36,696,016	38,027,857	36,728,141	30,795,760
Employee benefits	13,345,420	17,973,260	20,772,570	20,068,726	23,738,413
Supplies, materials and other operating expenses and services	34,481,483	32,720,261	36,788,441	28,974,469	1,418,219
Student financial aid	--	--	--	--	16,209,882
Equipment, maintenance, and repairs	--	--	--	--	14,496,137
Depreciation	5,585,464	6,097,429	5,597,150	5,444,794	5,855,168
TOTAL OPERATING EXPENSES	87,853,747	93,486,966	101,186,018	91,216,130	92,513,579
Operating Loss	(84,582,185)	(48,681,074)	(56,118,131)	(89,030,319)	(52,867,948)
Non-Operating Revenues (Expenses)					
Grants and Contracts, noncapital:					
Federal	19,980,580	--	--	20,796,714	--
State	19,912,832	--	--	21,309,561	--
Local	1,800,627	--	--	--	--
State apportionments, non-capital	28,312,379	30,368,500	33,042,196	40,418,341	43,587,944
Local property taxes, levied for general purposes	5,435,388	5,660,985	5,994,008	6,544,011	6,573,270
State taxes and other revenues	1,183,477	1,607,524	2,528,322	95,998	75,464
Investment income, net	394,760	603,957	794,769	522,112	734,591
Interest and other expenses on debt	(5,634,016)	(3,476,276)	(4,198,671)	(4,439,746)	(4,615,895)
Net transfers (to)/from trust and agency funds	(1,327,223)	(1,155,061)	(504,767)	(774,020)	(432,965)
Other non-operating expenses	1,862,178	3,310,333	2,075,594	2,580,355	3,143,792
TOTAL NON-OPERATING REVENUES (EXPENSES)	71,920,982	36,919,962	39,731,451	87,053,326	49,066,201
Income (Loss) Before Other Revenues and Expenses	(12,661,203)	(11,761,112)	(16,386,680)	(1,976,993)	(3,801,747)
Other Revenues and Expenditures					
State revenues, capital	--	--	2,128,000	4,655,510	13,563,879
Local revenues, capital	4,446,798	4,872,071	5,386,416	5,888,438	5,445,029
TOTAL OTHER REVENUES AND EXPENSES	4,446,798	4,872,071	7,514,416	10,543,948	19,008,908
Change in Net Position	(8,214,405)	(6,889,041)	(8,872,264)	8,566,955	15,207,161
Net Position, Beginning of Year	59,058,576	43,600,098	36,711,057	27,838,793	36,545,199
Net Position, End of Year	$50,844,171	$36,711,057	$27,838,793	$36,405,748	$51,752,360

Source: *West Hills Community College District.*

District Budget

The District is required by provisions of the State Education Code to maintain a balanced budget each year, where the sum of expenditures plus the ending fund balance cannot exceed revenues plus the carry-over fund balance from the previous year. The Board of Governors of the California Community Colleges imposes a uniform budgeting format for all California community college districts. Under current law, the District Board of Trustees approves a tentative budget by July 1 and an adopted budget by September 15 of each fiscal year. The presentation of the District's audits as summarized in the previous section is used only for District's external audit. The District manages its funds in a different format, including with respect to its budgets and unaudited actuals. The following table shows the District's general fund adopted budget for fiscal year 2021-22.

WEST HILLS COMMUNITY COLLEGE DISTRICT
General Fund Revenues, Expenditures, and Fund Balance
For Fiscal Year 2021-22 (Budgeted)

Description	2021-22 Adopted Budget
REVENUES:	
Federal Revenues	$16,441,645
State Revenues	55,818,707
Local Revenues	7,839,440
Total Revenues	80,099,792
EXPENDITURES	
Academic Salaries	21,289,094
Classified Salaries	14,495,739
Employee Benefits	14,420,993
Supplies and Materials	2,433,578
Other Operating Expenses and Services	13,679,862
Capital Outlay	5,941,909
Total Expenditures	72,261,175
Excess/(Deficiency) of Revenues over Expenditures	7,838,617
Other Financing Sources	187,500
Other Outgo	(8,820,757)
Net Increase/(Decrease) in Fund Balance	(794,640)
BEGINNING FUND BALANCE	
Net Beginning Balance, July 1	32,782,845
Prior Years Adjustments	--
Adjusted Beginning Balance	--
Ending Fund Balance, June 30	$31,988,205

Source: West Hills Community College District.

District Reserves. The California Community College Chancellor's Office recommends a prudent general fund unrestricted reserve of at least 16.67% of expenditures. In 2020-21 the District exceeded this recommended reserve level with approximately 42% percent in reserves.

District Retirement Systems

Qualified employees of the District are covered under multiple-employer defined benefit pension plans maintained by agencies of the State. Certificated employees are members of the State Teachers' Retirement System ("**STRS**") and classified employees are members of the Public Employees' Retirement System ("**PERS**"). Both STRS and PERS are operated on a Statewide basis. *The information set forth below regarding the STRS and PERS programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not to be construed as a representation by either the District or the Underwriter.*

Implementation of GASB Nos. 68 and 71. Commencing with fiscal year ended June 30, 2015, the District implemented the provisions of GASB Statement Nos. 68 and 71 which require certain new pension disclosures in the notes to its audited financial statements commencing with the audit for fiscal year 2014-15. Statement No. 68 generally requires the District to recognize its proportionate share of the unfunded pension obligation for STRS and PERS by recognizing a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. As a result of the implementation of GASB Statement Nos. 68 and 71, the District was required to reflect a restatement of its beginning net position as of July 1, 2014. See "APPENDIX A - AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2021."

STRS. All full-time certificated employees participate in STRS, a cost-sharing, multiple-employer contributory public employee retirement system. STRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended. The program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers and the State. The District's employer contributions to STRS for recent fiscal years are set forth in the following table.

STRS CONTRIBUTIONS
West Hills Community College District
Fiscal Years 2015-16 through 2021-22 (Budgeted)

Fiscal Year	Amount
2015-16	$1,385,055
2016-17	1,767,677
2017-18	2,074,796
2018-19	2,447,829
2019-20	2,554,570
2020-21	2,250,911
2021-22*	3,121,411

* Budgeted.
Source: West Hills Community College District.

Historically, employee, employer and State contribution rates did not vary annually to account for funding shortfalls or surpluses in the STRS plan. In recent years, the combination of investment earnings and statutory contributions were not sufficient to pay actuarially required amounts. As a result, the STRS defined benefit program showed an estimated unfunded actuarial liability of approximately $89.7 billion as of June 30, 2021 (the date of the last actuarial valuation). In connection with the State's adoption of its fiscal year 2014-15 Budget, the Governor signed into law Assembly Bill 1469 (**"AB 1469"**), which represents a legislative effort to fund the unfunded actuarial obligation with respect to service credited members of the STRS Defined Benefit Program before July 1, 2014, within 32 years. AB 1469 addressed the funding gap by increasing contributions by employees, employers and the State. In particular, employer contribution rates are scheduled to increase through at least fiscal year 2020-21, from a contribution rate of 8.88% in fiscal year 2013-14 to 19.1% in fiscal year 2020-21. Thereafter, employer contribution rates will be determined by the STRS board to reflect the contribution required to eliminate unfunded liabilities by June 30, 2046.

The District's employer contribution rates for fiscal years 2015-16 through 2020-21 were 10.73%, 12.58%, 14.43%, 16.28%, 17.10%, and 16.15% respectively. Projected employer contribution rates for the District for fiscal year 2021-22 through fiscal year 2023-24 are set forth in the following table.

EMPLOYER CONTRIBUTION RATES (STRS)
Fiscal Years 2021-22 through 2023-24

Fiscal Year	Employer Contribution Rate(1)
2021-22	16.92%
2022-23	19.10
2023-24	19.10

(1) Expressed as a percentage of covered payroll.
Source: AB 1469

PERS. All full-time and some part-time classified employees participate in PERS, an agent multiple-employer contributory public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State. PERS provides retirement, disability, and death benefits to plan members and beneficiaries. The District is part of a cost-sharing pool within PERS known as the "Schools Pool." Benefit provisions are established by State statutes, as legislatively amended. Contributions to PERS are made by employers and employees. Each fiscal year, the District is required to contribute an amount based on an actuarially determined employer rate. The District's employer contributions to PERS for recent fiscal years are set forth in the following table.

PERS CONTRIBUTIONS
West Hills Community College District
Fiscal Years 2015-16 through 2021-22 (Budgeted)

Fiscal Year	Amount
2015-16	$1,562,564
2016-17	2,036,677
2017-18	2,511,516
2018-19	2,960,247
2019-20	3,152,618
2020-21	2,722,326
2021-22*	3,467,981

* Budgeted.
Source: West Hills Community College District.

Like the STRS program, the PERS program has experienced an unfunded liability in recent years. The PERS unfunded liability, on a market value of assets basis, was approximately $24.0 billion as of June 30, 2021 (the date of the last actuarial valuation). To address this issue, the PERS board has taken a number of actions. In April 2013, for example, the PERS board approved changes to the PERS amortization and smoothing policy intended to reduce volatility in employer contribution rates. In addition, in April 2014, PERS set new contribution rates, reflecting new demographic assumptions and other changes in actuarial assumptions. In November 2015, PERS adopted a funding risk mitigation policy intended to incrementally lower its discount rate (its assumed rate of investment return) in years of good investment returns, help pay down the pension fund's unfunded liability, and provide greater predictability and less volatility in contribution rates for employers. In December 2016, PERS voted to lower its discount rate from the current 7.5% to 7.0% over the next subsequent three years according to the following schedule.

PERS Discount Rate
Fiscal Years 2018-19 through 2020-21

Fiscal Year	Amount
2018-19	7.375%
2019-20	7.250
2020-21	7.000

Source: PERS.

The new rates and underlying assumptions, which are aimed at eliminating the unfunded liability of PERS in approximately 30 years, was implemented beginning in fiscal year 2016-17, with the costs spread over 20 years and the increases phased in over the first five years.

The District's employer contribution rates for fiscal years 2015-16 through 2020-21 were 11.847%, 13.888%, 15.531%, 18.062%, and 19.721% respectively. The District's projected employer contribution rates for the District for fiscal year 2021-22 through fiscal year 2023-24 are set forth in the following table.

EMPLOYER CONTRIBUTION RATES (PERS)
Fiscal Years 2021-22 through 2023-24[1]

Fiscal Year	Employer Contribution Rate[2]
2021-22	22.91%
2022-23	26.10
2023-24	27.10

(1) The PERS board is expected to approve official employer contribution rates for each fiscal year shown during the immediately preceding fiscal year.
(2) Expressed as a percentage of covered payroll.
Source: PERS

California Public Employees' Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employees' Pension Reform Act of 2013 ("**PEPRA**"), which impacted various aspects of public retirement systems in the State, including the STRS and PERS programs. In general, PEPRA (i) increased the retirement age for public employees depending on job function, (ii) capped the annual pension benefit payouts for public employees hired after January 1, 2013, (iii) required public employees hired after January 1, 2013 to pay at least 50% of the costs of their pension benefits (as described in more detail below), (iv) required final compensation for public employees hired after January 1, 2013 to be determined based on the highest average annual pensionable compensation earned over a period of at least 36 consecutive months, and (v) attempted to address other perceived abuses in the public retirement systems in the State. PEPRA applies to all public employee retirement systems in the State, *except* the retirement systems of the University of California, and charter cities and charter counties whose pension plans are not governed by State law. PEPRA's provisions went into effect on January 1, 2013 with respect to new State, school, and city and local agency employees hired on or after that date; existing employees who are members of employee associations, including employee associations of the District, have a five-year window to negotiate compliance with PEPRA through collective bargaining.

PERS has predicted that the impact of PEPRA on employees and employers, including the District and other employers in the PERS system, will vary, based on each employer's current level of benefits. As a result of the implementation of PEPRA, new members must pay at least 50% of the normal costs of the plan, which can fluctuate from year to year. To the extent that the new formulas lower retirement benefits, employer contribution rates could decrease over time as current employees retire and employees subject to the new formulas make up a larger percentage of the workforce. This change would, in some circumstances, result in a lower retirement benefit for employees than they currently earn.

With respect to the STRS pension program, employees hired after January 1, 2013 will pay the greater of either (1) fifty percent of the normal cost of their retirement plan, rounded to the nearest one-quarter percent, or (2) the contribution rate paid by then-current members (i.e., employees in the STRS plan as of January 1, 2013). The member contribution rate could be increased from this level through collective bargaining or may be adjusted based on other factors. Employers will pay at least the normal cost rate, after subtracting the member's contribution.

The District is unable to predict the amount of future contributions it will have to make to PERS and STRS as a result of the implementation of PEPRA, and as a result of negotiations with its employee associations, or, notwithstanding the adoption of PEPRA, resulting from any legislative changes regarding the PERS and STRS employer contributions that may be adopted in the future.

APPLE. The District contributes to the APPLE plan for employees not covered under PERS or STRS plans. The plan provides benefits in a lump sum distribution of the employees' vested balance as of their retirement date. Active plan members and the District are each required to contribute 3.75% of an individual's salary to the plan, for a total of 7.5% of an individual's salary. Individuals enrolled in the plan are 100% vested in the contributions made to it. The District's contribution to the plan for the fiscal year ending June 30, 2021, was $63,558.

Additional Information*.* Additional information regarding the District's retirement programs is available in Note 9 of the District's audited financial statements attached hereto as APPENDIX A. In addition, both STRS and PERS issue separate comprehensive financial reports that include financial statements and required supplemental information. Copies of such reports may be obtained from STRS and PERS, respectively, as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; and (ii) PERS, 400 Q Street, Sacramento, California 95811. More information regarding STRS and PERS can also be obtained at their websites, www.calstrs.com and www.calpers.ca.gov, respectively. *The references to these Internet websites are shown for reference and convenience only and the information contained on such websites is not incorporated by reference into this Official Statement. The information contained on these websites may not be current and has not been reviewed by the District or the Underwriter for accuracy or completeness.*

Other Post-Employment Healthcare Benefits.

Plan Description. The District's governing board administers the Postemployment Benefits Plan (the "**Plan**"). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions ("**OPEB**") for eligible retirees and their spouses. Management of the Plan is vested in the District management. Management of the trustee assets is vested with the Retiree Health Benefit Program Joint Powers Agency ("**RHBP**"). Membership of the Plan as of June 30, 2021 was 71 inactive employees or beneficiaries currently receiving benefit payments and 276 active plan members.

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

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

Contributions. The contribution requirements of Plan members and the District are established and may be amended by the District, the Unions, and unrepresented groups. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by District administration. For fiscal year 2020-21, the District contributed $683,980 to the Plan, all of which was used for current premiums.

Actuarial Assumptions and Other Inputs. The District's OPEB liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2020 using an inflation rate of 2.50%, salary increases of 2.75%, average including inflation, investment rate of return was 5. 75%, net of OPEB plan investment expense, including inflation and healthcare cost trend rates for medical is 4.0% for 2018 and thereafter. The discount rate was based on the Bond Buyer 20 Bond Index. Mortality rates were based on the 2009 CalSTRS Mortality Table for certificated employees and the 2014 CalPERS Mortality for Miscellaneous and School Employees for classified employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actual assumptions used in the June 30, 2021, valuation were based on the results of an actual experience study for the period July 1, 2020 to June 30, 2021.

Changes in OPEB Liability of the District. The changes in OPEB liability of the District as of June 30, 2021, are shown in the following table:

CHANGES IN TOTAL OPEB LIABILITY
West Hills Community College District

	Net OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2020	$14,997,124	$11,673,445	$3,323,679
Service Cost	606,702	--	606,702
Interest	900,245	2,381,983	(1,481,738)
Employer Contributions	--	683,980	(683,980)
Benefit payments	(592,775)	(592,775)	--
Administrative Expenses	--	(17,033)	17,033
Changes of Assumptions	422,035	--	422,035
Net changes	1,336,207	2,456,155	(1,119,948)
Balance at June 30, 2021	$16,333,331	$14,129,600	$2,203,731

Source: West Hills Community College District Actuarial Study of Retiree Health Liabilities Under GASB 74/75.

OPEB Expense. For the year ended June 30, 2021, the District recognized an OPEB expense of $451,541.

For more information regarding the District's OPEB and assumptions used in its most recent actuarial study, see Note 7 of APPENDIX A to the Official Statement.

Disclaimer Regarding Cyber Risks

The District, like other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the District may be the subject of cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized remote access to the District's systems for the purposes of misappropriating assets or information or causing operational disruption or damage, or demanding ransom for restored access to files or information. No assurance can be given that the District's current efforts to manage cyber threats and security will, in all cases, be successful. The District cannot predict what future cyber security events may occur and what impact said events could have on its operations or finances.

The District relies on other entities and service providers in the course of operating the District, including the County with respect to the levy and collection of ad valorem property taxes, as well as other trustees, fiscal agents and dissemination agents. No assurance can be given that future cyber threats and attacks against other third party entities or service providers will not impact the District and the owners of the Bonds, including the possibility of impacting the timely payments of debt service on the Bonds or timely filings pursuant to the Continuing Disclosure Certificate.

Existing Debt Obligations

General Obligation Bonds. The District has issued general obligation bonds and refunding general obligation bonds for facility improvements throughout the District, and has issued general obligation bonds and refunding general obligation bonds secured by the territory within the three distinct school facilities improvement districts it has created. The following table summarizes outstanding general obligation debt, with additional detail below the table.

West Hills Community College
Summary of Outstanding General Obligation Bond Debt

Issue Date	Name of Issue	Original Principal Amount	Final Maturity	Outstanding May 1, 2022
District-Wide Debt				
06/19/2012	2012 GO Refunding	$3,080,000	08/01/2029	$1,630,000
06/11/2015	2015 GO Refunding	10,395,000	08/01/2030	7,110,000
02/01/2019	2014 Election, Series B	4,200,000	09/01/2023	1,732,060
SFID No. 1 Debt				
11/12/2008	2008 Election, Series A	$3,839,677	08/01/2033	$601,589
06/19/2012	2008 Election, Series B*	7,957,059	08/01/2037	7,230,000
06/11/2015	2015 Refunding	2,270,000	08/01/2028	2,270,000
SFID No. 2 Debt				
03/18/2009	2008 Election, Series A	$2,998,815	08/01/2033	$105,000
06/19/2012	2008 Election, Series B	8,598,578	08/01/2038	7,901,447
12/08/2016	2016 Refunding	2,195,000	08/01/2033	2,140,000
SFID No. 3 Debt				
03/09/2011	2008 Election, Series B	$12,343,909	08/01/2041	$2,430,627
12/08/2016	2016 Refunding	14,455,000	08/01/2041	13,605,000
11/10/2021	2021 Refunding	2,267,000	08/01/2031	2,267,000

**Certain maturities to be refunded with the proceeds of the Bonds described in this Official Statement.*

School Facilities Improvement District Bonds. In 2008, the District undertook formation proceedings for the formation of three School Facilities Improvement Districts within its boundaries, pursuant to the provisions of the California Education Code. These SFIDs were designated "School Facilities Improvement District No. 1 (Northern Area)", "School Facilities

Improvement District No. 2 (Coalinga Area)", and "School Facilities Improvement District No. 3 (Lemoore Area)". General obligation bond elections were subsequently held in such areas on November 4, 2008, each of which was successful, as follows:

Applicable SFID	2008 Voter Authorization
SFID No. 1 (Northern Area)	$11,800,000
SFID No. 2 (Coalinga Area)	11,600,000
SFID No. 3 (Lemoore Area)	31,000,000

Pursuant to such authorizations, the District has issued the bonds set forth on the above table, which are secured by *ad valorem* taxes levied and collected within the boundaries of each respective SFID.

CDE Revolving Loan. The District entered into four separate interest-free facilities loans with the California Department of Education for child care facilities; two facilities at the Firebaugh campus and two at the Lemoore campus. The loans were each for $130,000 and are to be repaid over a ten-year period, interest free.

Capital Leases. The District's liability on lease agreements with options to purchase are summarized below:

Balance, July 1, 2020	$16,198,016
Additions	--
Payments	(280,095)
Balance, June 30, 2021	$15,917,921

Source: West Hills Community College District Audit Report.

Compensated Absences. At June 30, 2021 the District's liability for compensated absences was $2,125,931.

Certificates of Participation. On January 13, 2022, the District executed and delivered its 2022 Refunding Certificates of Participation (the "**2022 Refunding Certificates**") in the aggregate principal amount of $12,285,000. The 2022 Refunding Certificates were executed and delivered to refinance the outstanding 2018 Lease/Purchase Agreement, which was executed and delivered on January 30, 2018, in the original aggregate principal amount of $12,559,592. The interest rates range from 2.125% to 4.000%. The 2022 Refunding Certificates are currently outstanding in the aggregate principal amount of $12,065,000.

Investment of District Funds

In accordance with Government Code Section 53600 *et seq*., the County Treasurer manages funds deposited with it by the District. The County is required to invest such funds in accordance with California Government Code Sections 53601 *et seq*. In addition, counties are required to establish their own investment policies which may impose limitations beyond those required by the Government Code.

STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS

As described herein, California community college districts' principal funding formulas and revenue sources are derived from the budget of the State. The following information concerning the State's budgets has been obtained from publicly available information which the District believes to be reliable; however, neither the District nor the Underwriter take any responsibility as to the accuracy or completeness thereof and have not independently verified such information.

General. The largest percentage of community college district revenues comes from the State in accordance with the State's formula for funding community college districts and the Proposition 98 minimum funding guarantee with respect to education appropriations. The following description of the State's budget has been obtained from publicly available information which the District believes to be reliable; however, none of the District, its counsel or the Purchaser guarantees the accuracy or completeness of this information and have not independently verified such information. Additional information regarding State budgets is available at various State-maintained websites, including www.dof.ca.gov and www.lao.ca.gov. These websites are not incorporated herein by reference and none of the District, its counsel or the Purchaser make any representation as to the accuracy of the information provided therein or herein.

The State Budget Process. The State's fiscal year begins on July 1 and ends on June 30. According to the State Constitution, the Governor is required to propose a budget for the next fiscal year (the "**Governor's Budget**") to the State Legislature no later than January 10 of each year. State law requires the Governor to update the Governor's Budget projections and budgetary proposals by May 14 of each year (the "**May Revision**"). Proposition 25, which was adopted by voters in the State at an election held on November 2, 2010, amended the State Constitution such that a final budget must be adopted by a simple majority vote of each house of the State Legislature by no later than Jun 15 and the Governor must sign the adopted budget by no later than June 30. The budget becomes law upon the signature of the Governor (the "**Budget Act**").

Under State law, the annual proposed Governor's Budget cannot provide for projected expenditures in excess of projected revenues and balances available from prior fiscal years. Following the submission of the Governor's Budget, the State Legislature takes up the proposal. The primary source of the annual expenditure authorizations is the Budget Act, as approved by the State Legislature and signed by the Governor. The Governor may reduce or eliminate specific line items in the Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line-item vetoes are subject to override by a two-thirds majority vote of each house of the State Legislature. Appropriations also may be included in the legislation other than the Budget Act. Bills containing appropriations (except for K-12 school districts and community college districts (collectively, "**K-14 districts**") must be approved by a two-thirds majority vote in each house of the State Legislature and be signed by the Governor. Bills containing education appropriations for K-14 districts require only a simple majority vote. Continuing appropriations, available without regard for fiscal year, may also be provided by statue or the State Constitution. Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt. However, delays in the adoption of a final State budget in any fiscal year may affect payments of State funds during such budget impasse.

Recent State Budgets. Certain information about the State budgeting process and the State Budget is available through several State sources. A convenient source of information is the State's website, where recent official statements for State bonds are posted. The Internet websites shown below are shown for reference and convenience only. The information contained within these websites may not be current, has not been reviewed by the District or the Purchaser and is not incorporated in this Official Statement by reference.

- The California State Treasurer Internet home page at www.treasurer.ca.gov, under the heading "Bond Information," posts various State of California Official Statements, many of which contain a summary of the current State Budget, past State Budgets, and the impact of those budgets on community college districts in the State.

- The California State Treasurer's Office Internet home page at www.treasurer.ca.gov, under the heading "Financial Information," posts the State's audited financial statements. In addition, the Financial Information section includes the State's Rule 15c2-12 filings for State bond issues. The Financial Information section also includes the Overview of the State Economy and Government, State Finances, State Indebtedness and Litigation from the State's most current Official Statement, which discusses the State budget and its impact on community college districts.

- The California Department of Finance's Internet home page at www.dof.ca.gov, under the heading "California Budget," includes the text of proposed and adopted State Budgets.

- The State Legislative Analyst's Office (the "**LAO**") prepares analyses of the proposed and adopted State budgets. Those analyses are accessible on the Legislative Analyst's Internet home page at www.lao.ca.gov under the heading "Subject Area – Budget (State)."

2021-22 State Budget

Introduction and Background. The Governor signed the fiscal year 2021-22 State Budget (the "**2021-22 State Budget**") on July 16, 2021. The 2021-22 State Budget notes that the COVID-19 pandemic has tested the State's economy, and that the 2021-22 State Budget provides related relief. The 2021-22 State Budget includes an expansion to the previously enacted Golden State Stimulus, now providing tax refunds to middle-class families with an adjusted gross income of $75,000 or less. Qualified families will also be eligible for an additional $500 payment.

The budget also includes $25.2 billion in reserves, including $15.8 billion in the Proposition 2 Budget Stabilization Account ("**Rainy Day Fund**") for fiscal emergencies, $900 million in the Safety Net Reserve, $4.5 billion in the Public School System Stabilization Account, and an estimated $4 billion in the State's operating reserve.

General Budget Highlights. Certain highlights of the 2021-22 State Budget are:

<u>Wildfire and Emergency Response and Preparedness:</u> During 2020, the State experienced the worst wildfire season in State history. To enhance the State's capabilities, the 2021-22 State Budget makes investments in emergency preparedness and response:

- <u>Wildfire Prevention</u>: The 2021-22 State Budget includes ongoing support for 30 additional fire crews, and investments in helicopters and large air tankers. The 2021-22 State Budget authorizes $958 million, in addition to the $536 million previously authorized, to support forest health and fire prevention activities.

• Emergency Response and Preparedness: $135 million in the 2021-22 State Budget is allocated to the State Office of Emergency Services to enhance emergency preparedness and response capabilities, including one-time $100 million funding to implement a program focused on building resiliency in disadvantaged communities.

Homelessness and Housing Affordability. The 2021-22 State Budget includes approximately $12 billion over two-year to combat homelessness.

Health Care. The 2021-22 State Budget assumes an ongoing $300 million commitment to improve the public health system beginning in 2022-23, based on analysis of lessons learned during the COVID-19 pandemic.

Infrastructure and Environmental Issues. The 2021-22 State Budget uses federal funds and one-time moneys to invest in the State's infrastructure and address environmental issues, including $500 million to accelerate the cleanup of contaminated properties throughout the State and investing in a notification system for residents to provide information about local pesticide use.

• Water Resilience and Drought. The 2021-22 State Budget commits approximately $5.1 billion over four years to the State's water resilience and drought preparedness response, $2.1 billion of which is committed to water resilience investments.

• Climate Resilience. The 2021-22 State Budget sets aside $2.7 billion over three years to address extreme heat, sea level rise and other infrastructure investments.

• Broadband. $6 billion is invested in the 2021-22 State Budget to expand broadband infrastructure and increase access.

Community College Districts Funding Summary. The 2021-22 Budget sets the Proposition 98 minimum funding guarantee for fiscal year 2021-22 at $93.7 billion. This results in per-pupil funding of $13,976 from Proposition 98 funding, growing to $21,555 when accounting for all funding sources. The 2021-22 Budget also makes retroactive increases to the minimum funding guarantee in fiscal years 2019-20 and 2020-21, setting them at $79.3 billion and $93.4 billion, respectively. Collectively, this represents a three-year increase in the minimum funding guarantee of $47 billion from the level projected by the 2020-21 State budget.

Other significant funding measures relating to community college districts include:

General Apportionments: An increase of $395 million in ongoing Proposition 98 funding for general apportionments, comprised of (i) $371.2 million to fund a 5.07% COLA, and (ii) $23.8 million to fund 0.50% enrollment growth.

Deferrals: $1.453 billion in Proposition 98 funding to repay apportionment deferrals, of which $144.6 million is from 2019-20, $1.1 billion is from 2020-21 and $229.8 million is from 2021-22.

Categorical Programs: $64.2 million in ongoing Proposition 98 funding to support budget augmentations for the Student Equity and Achievement Program, Extended Opportunity Programs and Services (EOPS), the Umoja Program, the Mathematics, Engineering and Science Achievement (MESA) Program, and the Puente Project.

Student Assistance: $250 million in one-time American Recovery Plan Act of 2021 funds to support emergency student financial assistance grants. The 2021-22 Budget also provides $160 million in Proposition 98 funding for student assistance, comprised of $100 million in one-time funding available over three years to address student basic needs including food and housing insecurity, $30 million in ongoing funding to support student mental health services, and $30 million in ongoing funding for colleges to establish basic needs centers and hire basic needs coordinators.

Retention and Enrollment Strategies: $120 million in one-time Proposition 98 funding to support efforts to bolster community college student retention rates and enrollment.

Guided Pathways: $50 million in one-time Proposition 98 funding to further support colleges' efforts to implement Guided Pathways programs, which are highly tailored and streamlined academic programs intended to rapidly and equitably advance students seeking associate degrees and college transfers.

Equal Employment Opportunity Programs: $20 million in one-time Proposition 98 funding to support the implementation of EEO best practices developed by the Chancellor's Equal Employment Opportunity and Diversity Advisory Committee.

Textbooks: $5 million in one-time Proposition 98 funding to establish a grant program for associate degrees and career technical certificate programs earned entirely by completing courses that eliminate textbook costs. In addition, the 2021-22 Budget includes $115 million in one-time Proposition 98 funding to develop and implement zero-textbook-cost degrees and open educational resources.

Workforce Programs: $42.4 million in ongoing Proposition 98 funding to increase program funding and enable community college districts to support work-based learning opportunities. The 2021-22 Budget also provides $20 million in one-time Proposition 98 funding to support community college participation in High Road Training Partnerships and regional partnerships developed by the California Workforce Development Board.

California Apprenticeship Initiative: $15 million in additional, ongoing Proposition 98 funding to augment the California Apprenticeship Initiative, which provides grants to fund the creation of apprenticeships in a variety of categories.

Technology: The 2021-22 Budget provides funding for a variety of technology investments, including (i) $10.6 million in ongoing Proposition 98 funding to support the continuity of education and distance learning across the community college system, including access to online tutoring, online counseling and online student support services, (ii) $10 million in one-time Proposition 98 funding to plan and develop a Statewide common course numbering system, and (iii) $8 million in ongoing Proposition 98 funding for cost increases associated with broadband access.

Student Housing: The 2021-22 Budget sets aside $2 billion of one-time funding, over a three-year period, to establish a low-cost student housing grant program for the public higher education segments, focused on expanding the availability of affordable student housing. Additional details are contingent upon future legislation.

Facilities: $581.4 million in State general obligation bond funding, including $8.2 million to start nine new capital outlay projects and $573.2 million for the construction phase of 32 projects anticipated to complete design by the spring of 2022. This allocation represents the next installment of the $2 billion available to community college districts under Proposition 51. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 51" herein. In addition, the 2021-22 Budget provides $511 million in one-time Proposition 98 funding to address deferred maintenance.

College Faculty: $100 million in ongoing Proposition 98 funding to support the hiring of new full-time faculty, and $100 million Proposition 98 funding, of which $10 million is ongoing, to support part-time faculty office hours. In addition, the 2021-22 Budget provides $20 million in one-time Proposition 98 funding for culturally competent professional development for faculty, including leveraging 21st-century technology to improve learning outcomes.

Adult Education: $21.8 million in ongoing Proposition 98 funding to reflect a 4.05% COLA for the Adult Education Program, and $1 million ongoing Proposition 98 funding to support technical assistance for the program.

The Proposed 2022-23 State Budget

On January 10, 2022, the Governor released California's Proposed Fiscal Year 2022-23 State Budget (the "Proposed 2022-23 State Budget"). In allocating money to the State's three higher education segments (the University of California system, the California State University system, and the California Community Colleges system), the Proposed 2022-23 State Budget proposes total funding of $39.6 billion including $26 billion General Fund and property tax appropriations and $13.6 billion from other sources.

The Proposed 2022-23 State Budget details several key goals for community college districts including enhancing intersegmental and cross- sectoral collaboration for timely transfer of community college students, increasing transfers to the State's four-year postsecondary institutions, improving time-to-degree and certificate completion, closing equity gaps, and better aligning the system with K-12 and workforce needs. The Governor's Office seeks to increase the percentage of community college students who acquire associate degrees, credentials, and certificates by 20% by 2026, decrease the median units to completion by 15%, and proportionally increase the number of community college students transferring annually to a University of California ("UC") or California State University ("CSU") relative to enrollment growth at the UC and CSU.

Supporting Student Enrollment. Community colleges continue to see declining enrollment in California, a trend has been exacerbated by the COVID-19 Pandemic. To build on the investment of $120 million one-time Proposition 98 General Fund monies for student enrollment and retention in the 2021 Budget Act, the Proposed 2022-23 State Budget proposes an additional $150 million one-time Proposition 98 General Fund allocation to continue to support community college efforts and focused strategies to increase student retention rates and enrollment.

Continued Implementation of the Student Centered Funding Formula. The Proposed 2022-23 State Budget proposes to continue supporting the Student Centered Funding Formula. The hold harmless provision of the SCFF – which ensures that districts receive the greater of the formula's core funding computation or their 2017-18 funding level annually, adjusted by a cost-of-living adjustment – is currently set to expire after 2024-25. To prevent fiscal declines between 2024-25 and 2025-26, the Proposed 2022-23 State Budget proposes to create a funding floor for districts that allows all districts to transition to the core formula over time. This allows funding rates to continue to increase by the statutory cost-of-living adjustment, but removes its application to the hold harmless provision commencing with 2025-26.

Significant features of the Proposed 2022-23 State Budget affecting community college districts include the following:

Community College Apportionments - A $409.4 million ongoing Proposition 98 General Fund increase to provide a 5.33-percent cost-of-living adjustment for apportionments and $24.9 million ongoing Proposition 98 General Fund for 0.5-percent enrollment growth.

Deferred Maintenance - An increase of $387.6 million one-time Proposition 98 General Fund to support deferred maintenance and energy efficiency projects at community colleges, of which $108.7 million is from 2022-23, $182.1 million is from 2021-22, and $96.8 million is from 2020-2021.

Community College Teach Credentialing Partnership Program - A $5 million one-time Proposition 98 General Fund increase to support the Teacher Credentialing Partnership Program.

Part-Time Faculty Health Insurance - An increase of $200 million ongoing Proposition 98 General Fund to augment the Part-Time Faculty Health Insurance Program to expand healthcare coverage provided to part-time faculty by community college districts.

Healthcare Vocational Education - An increase of $130 million one-time Proposition 98 General Fund monies, of which $30 million is for 2022-23, $50 million is for 2023-24, and $50 million is for 2024-25, to support healthcare-focused vocational pathways for English language learners across all levels of English proficiency through the Adult Education Program.

Community College Technology Modernization and Sensitive Data Protection - A $100 million Proposition 98 General Fund increase, of which $75 million is one-time and $25 million is ongoing, to address modernization of community college technology infrastructure, including sensitive data protection efforts at community colleges.

Emergency Financial Assistance Grants for AB 540 Students - A one-time $20 million Proposition 98 General Fund increase to support emergency student financial assistance grants to eligible AB 540 students.

Local Property Tax Adjustment - A decrease of $230.5 million ongoing Proposition 98 General Fund monies as a result of increased offsetting local property tax revenues.

Community College Facilities Construction - A $373 million one-time General Obligation bond funding for the construction phase of 17 projects anticipated to complete design by spring 2023 and the working drawings phase of one project. This allocation represents the next installment of the $2 billion available to community college districts under Proposition 51.

Pathways Grant Program for High-Skilled Careers - An increase of $20 million in a one-time Proposition 98 General Fund appropriation for a grant program that incentives public- private partnerships that prepare students in grade 9 to 14 for the high-skill fields of education and early education; science, technology, engineering and mathematics; and healthcare.

May Revision to the 2022-23 Proposed State Budget. On May 13, 2022, the Governor released the May Revision to the 2022-23 Proposed State budget (the "***May Revision***"). Despite high unemployment for the past year and increased costs related to the State's COVID-19 response, the May Revision includes $41 billion more in State revenue than anticipated in the 2022-23 Proposed State Budget. When combined with Federal funds, the State's total surplus is more than $75 billion.

For the first time in nearly 40 years, budget funding exceeds the Gann Limit, which caps state budget spending based on a formula that limits budget growth to population increases and inflation. The Budget anticipates that state funding will exceed the Gann Limit by $16.2 billion in 2023, and in response expands the Golden State Stimulus tax refunds to families earning less than $75,000 and increases state funding for K-12 education.

The May Revision includes substantial reserve funds, including $15.9 billion in the Rainy Day Fund for fiscal emergencies, $450 million in the Safety Net Reserve, $4.6 billion in the Public School System Stabilization Account, and $3.4 billion for the state's operating reserve.

Important education highlights from the updated K–12 budget proposal include:

Base Increase - An increase of $250 million ongoing Proposition 98 General Fund to increase the Student-Centered Funding Formula funding rates for the base, supplemental, and success allocations. Additionally, the May Revision proposes $125 million ongoing Proposition 98 General Fund to augment the formula's basic allocation within the base allocation, in recognition of the significant digital footprints that districts have developed to accommodate long-term shifts in student learning modality demand.

Discretionary Block Grants - An increase of $750 million one-time Proposition 98 General Fund to community college districts for discretionary block grants to address issues related to the pandemic and to reduce long-term obligations.

Foster Youth Support Services - An increase of $10 million ongoing Proposition 98 General Fund, above what was provided in the Governor's Budget, to expand availability of foster youth support services offered by the NextUp program.

Student Equity and Achievement - An increase of $25 million ongoing Proposition 98 General Fund for an approximately five-percent increase to the Student Equity and Achievement program.

The 2022-23 State Budget is expected to be passed by the Legislature by June 15, 2022, prior to the start of the new fiscal year.

Disclaimer Regarding State Budgets

The execution of State budgets including the above may be affected by numerous factors, including but not limited to: (i) shifts in costs from the federal government to the State, (ii) national, State and international economic conditions, (iii) litigation risks associated with proposed spending reductions, (iv) rising health care costs and/or other unfunded liabilities, such as pension or OPEB, and (v) numerous other factors, all or any of which could cause the revenue and spending projections included in such budgets to be unattainable. The District cannot predict the impact that the 2021-22 State Budget or subsequent State Budgets, will have on its own finances and operations.

The State has not entered into any contractual commitments with the District, the Counties, the Underwriter or the owners of the Bonds to provide State budget information to the District or the owners of the Bonds. Although they believe the sources of information listed below are reliable, neither the District nor the Underwriter assumes any responsibility for the accuracy of State budget information set forth or referred to or incorporated in this Official Statement.

Availability of State Budgets. The complete 2021-22 State Budget is available from the California Department of Finance website at www.ebudget.ca.gov. An impartial analysis of the budget is published by the Legislative Analyst Office, and is available at www.lao.ca.gov/budget. The District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted on these sites, and such information is not incorporated in this Official Statement by these references. The information referred to above should not be relied upon when making an investment decision with respect to the Bonds.

Uncertainty Regarding Future State Budgets. The District cannot predict what actions will be taken in future years by the State legislature or the Governor to address the State's current or future revenues and expenditures, or possible future budget deficits. Future State budgets will be affected by national and State economic conditions and other factors over which the District has no control. The District cannot predict what impact any future budget proposals will have on the financial condition of the District. To the extent that the State budget process results in reduced revenues to the District, the District will be required to make adjustments to its own budgets.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Principal of and interest on the Bonds are payable from the proceeds of an *ad valorem* property tax levied by the County for the payment thereof. Articles XIIIA, XIIIB, XIIIC, and XIIID of the State Constitution, Propositions 62, 98, 111 and 218, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the District to levy taxes and spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the District to levy taxes for payment of the Bonds. The tax levied by the County for payment of the Bonds was approved by the District's voters in compliance with Article XIIIA and all applicable laws.

Constitutionally Required Funding of Education

The State Constitution requires that from all State revenues, there shall be first set apart the moneys to be applied by the State for the support of the public school system and public institutions of higher education. School districts receive a significant portion of their funding from State appropriations. As a result, decreases and increases in State revenues can significantly affect appropriations made by the State Legislature to school districts.

Article XIIIA of the California Constitution

Basic Property Tax Levy. On June 6, 1978, California voters approved Proposition 13 ("**Proposition 13**"), which added Article XIIIA to the State Constitution ("**Article XIIIA**"). Article XIIIA limits the amount of any *ad valorem* tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) (as a result of an amendment to Article XIIIA approved by State voters on June 3, 1986) bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness, and (iii) (as a result of an amendment to Article XIIIA approved by State voters on November 7, 2000) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. Article XIIIA defines full cash value to mean "the county assessor’s valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment". This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIIIA has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Legislation Implementing Article XIIIA. Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

Inflationary Adjustment of Assessed Valuation. As described above, the assessed value of a property may be increased at a rate not to exceed 2% per year to account for inflation. On December 27, 2001, the Orange County Superior Court, in *County of Orange v. San Bernardino County Assessment Appeals Board No. 3*, held that where a home's taxable value did not increase for two years, due to a flat real estate market, the Orange County assessor violated the 2% inflation adjustment provision of Article XIIIA, when the assessor tried to "recapture" the tax value of the property by increasing its assessed value by 4% in a single year. The assessors in most California counties, including the County, use a similar methodology in raising the taxable values of property beyond 2% in a single year. The State Board of Equalization has approved this methodology for increasing assessed values. On appeal, the Appellate Court held that the trial court erred in ruling that assessments are always limited to no more than 2% of the previous year's assessment. On May 10, 2004 a petition for review was filed with the California Supreme Court. The petition has been denied by the California Supreme Court. As a result of this litigation, the "recapture" provision described above may continue to be employed in determining the full cash value of property for property tax purposes.

Article XIIIB of the California Constitution

Article XIIIB (**"Article XIIIB"**) of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year under the provisions of Article XIIIB, as amended.

The appropriations of an entity of local government subject to Article XIIIB limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain state subventions to that entity. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIIIB includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years. However, in the event that a school district's revenues exceed its spending limit, the district may in any fiscal year increase its appropriations limit to equal its spending by borrowing appropriations limit from the State.

Article XIIIB also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund under Section 8.5 of Article XVI of the State Constitution.

Unitary Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions (**"unitary property"**). Under the State Constitution, such property is assessed by the State Board of Equalization (**"SBE"**) as part of a "going concern" rather than as individual pieces of real or personal property. State-assessed unitary and certain other property is allocated to the counties by SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

Articles XIIIC and XIIID

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the "Right to Vote on Taxes Act." Proposition 218 added to the California Constitution Articles XIIIC and XIIID (respectively, **"Article XIIIC"** and **"Article XIIID"**), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the California Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4.

On November 2, 2010, Proposition 26 was approved by State voters, which amended Article XIIIC to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

Article XIIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIIC or XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

While the provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District (thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District), the District does not believe that Proposition 218 will directly impact the collection of ad valorem taxes for payments due on the Bonds.

Proposition 98

On November 8, 1988, California voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "**Accountability Act**"). Certain provisions of the Accountability Act have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changes State funding of public education below the university level and the operation of the State's appropriations limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (hereinafter referred to collectively as "K-14 school districts") at a level equal to the greater of (a) the same percentage of general fund revenues as the percentage appropriated to such districts in 1986-87, and (b) the amount actually appropriated to such districts from the general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the Legislature to suspend this formula for a one-year period.

The Accountability Act also changes how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 school districts. Any such transfer to K-14 school districts would be excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIIIB surplus. The maximum amount of excess tax revenues which could be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Proposition 111

On June 5, 1990, the voters approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limit Act of 1990" (**"Proposition 111"**) which further modified Article XIIIB and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation.

The most significant provisions of Proposition 111 are summarized as follows:

Annual Adjustments to Spending Limit. The annual adjustments to the Article XIIIB spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in California *per capita* personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.

Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIIIB are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the schools' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIIIB spending limit. First, there are excluded all appropriations for "qualified capital outlay projects" as defined by the Legislature. Second, there are excluded any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the Legislature and the Governor, which expected to raise over $15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

Recalculation of Appropriations Limit. The Article XIIIB appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.

School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues (the **"first test"**) or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIIIB by reference to *per capita* personal income) and enrollment (the **"second test"**). Under Proposition 111, schools will receive the greater of (1) the first test, (2) the second test, or (3) a third test, which will replace the second test in any year when growth in *per capita* State general fund revenues from the prior year is less than the annual growth in California per capita personal income (the **"third test"**). Under the third test, schools will receive the amount appropriated in the prior year adjusted for change in enrollment and *per capita* State general fund revenues, plus an additional small adjustment factor. If the third test is used in any year, the difference between the third test and the second test will become a "credit" to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

On November 7, 2000, California voters approved an amendment (commonly known as **"Proposition 39"**) to the California Constitution. This amendment (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments may be changed only with another Statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K-12 school districts, community college districts, including the District, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1% of the value of property. Prior to the approval of Proposition 39, property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate levied as the result of any single election be no more than $60 (for a unified school district), $30 (for an elementary school district or high school district), or $25 (for a community college district), per $100,000 of taxable property value. These requirements are not part of this proposition and can be changed with a majority vote of both houses of the Legislature and approval by the Governor.

Proposition 1A and Proposition 22

On November 2, 2004, California voters approved Proposition 1A, which amended the State constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-thirds approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Under Proposition 1A, beginning, in fiscal year 2008-09, the State may shift to schools and community colleges a limited amount of local government property tax revenue if certain conditions are met, including: (i) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State, and (ii) approval of the shift by the State Legislature with a two-thirds vote of both houses. Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amended the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, a constitutional initiative entitled the "Local Taxpayer, Public Safety, and Transportation Protection Act of 2010," approved on November 2, 2010, superseded many of the provisions of Proposition 1A. This initiative amends the State constitution to prohibit the legislature from diverting or shifting revenues that are dedicated to funding services provided by local government or funds dedicated to transportation improvement projects and services. Under this proposition, the State is not allowed to take revenue derived from locally imposed taxes, such as hotel taxes, parcel taxes, utility taxes and sales taxes, and local public transit and transportation funds. Further, in the event that a local governmental agency sues the State alleging a violation of these provisions and wins, then the State must automatically appropriate the funds needed to pay that local government. This Proposition was intended to, among other things, stabilize local government revenue sources by restricting the State's control over local property taxes. Proposition 22 did not prevent the California State Legislature from dissolving State redevelopment agencies pursuant to AB 1X26, as confirmed by the decision of the California Supreme Court decision in *California Redevelopment Association v. Matosantos* (2011).

Because Proposition 22 reduces the State's authority to use or reallocate certain revenue sources, fees and taxes for State general fund purposes, the State will have to take other actions to balance its budget, such as reducing State spending or increasing State taxes, and school and college districts that receive Proposition 98 or other funding from the State will be more directly dependent upon the State's general fund.

Proposition 30

Proposition 30 appeared on the November 6, 2012 statewide ballot as an initiated constitutional amendment (**"Proposition 30"**), and it was approved by State voters. Proposition 30 increased the State sales tax from 7.25% to 7.50%, increased personal income tax rates on higher income brackets for seven years, and temporarily imposed an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013 to December 31, 2016. Proposition 30 also imposed an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017. This excise tax is levied at a rate of 0.25% of the sales price of the property so purchased. For personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and ending December 31, 2018, Proposition 30 increased the marginal personal income tax rate by: (i) 1% for taxable income over $250,000 but less than $300,000 for single filers (over $340,000 but less than $408,000 for heads of household and over $500,000 but less than $600,000 for joint filers), (ii) 2% for taxable income over $300,000 but less than $500,000 for single filers (over $408,000 but less than $680,000 for heads of household and over $600,000 but less than $1,000,000 for joint filers), and (iii) 3% for taxable income over $500,000 for single filers (over $680,000 for heads of household and over $1,000,000 for joint filers).

The revenues generated from the temporary tax increases are included in the calculation of the Proposition 98 minimum funding guarantee for school districts and community college districts. See "Proposition 98" and "Proposition 111" above. From an accounting perspective, the revenues generated from the temporary tax increases will be deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the **"EPA"**). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to schools districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than $200 per unit of ADA and no community college district will receive less than $100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that, the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing boards are prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

The California Children's Education and Health Care Protection Act of 2016, also known as Proposition 55, is a constitutional amendment initiative that was approved by voters in the November 8, 2016 general election ballot in California. Proposition 55 extends the increases to personal income tax rates for high-income taxpayers that were approved as part of Proposition 30 through 2030, instead of the scheduled expiration date of December 31, 2018. Tax revenue received under Proposition 55 would be allocated 89% to K-12 schools and 11% to community colleges.

Proposition 51

The Kindergarten Through Community College Public Education Facilities Bond Act of 2016 (also known as "Proposition 51") is a voter initiative that was approved by State voters on November 8, 2016. Proposition 51 authorizes the sale and issuance of $9 billion in general obligation bonds by the State for the new construction and modernization of K-14 facilities.

K-12 School Facilities. Proposition 51 includes $3 billion for the new construction of K-12 facilities and an additional $3 billion for the modernization of existing K-12 facilities. K-12 school districts will be required to pay for 50% of the new construction costs and 40% of the modernization costs with local revenues. If a school district lacks sufficient local funding, it may apply for additional State grant funding, up to 100% of the project costs. In addition, a total of $1 billion will be available for the modernization and new construction of charter school facilities ($500 million) and technical education facilities ($500 million). Generally, 50% of modernization and new construction project costs for charter school and technical education facilities must come from local revenues. However, school districts that cannot cover their local share for these two types of projects may apply for State loans. State loans must be repaid over a maximum of 30 years for charter school facilities and 15 years for career technical education facilities. For career technical education facilities, State grants are capped at $3 million for a new facility and $1.5 million for a modernized facility. Charter schools must be deemed financially sound before project approval.

Community College Facilities. Proposition 51 includes $2 billion for community college district facility projects, including buying land, constructing new buildings, modernizing existing buildings, and purchasing equipment. In order to receive funding, community college districts must submit project proposals to the Chancellor of the community college system, who then decides which projects to submit to the State Legislature and Governor based on a scoring system that factors in the amount of local funds contributed to the project. The Governor and State Legislature will select among eligible projects as part of the annual state budget process.

The District makes no representation or guarantees that it will either pursue or qualify for Proposition 51 State facilities funding.

Future Initiatives and Changes in Law

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the California Constitution and Propositions 98, 111, 22, 26, 30 and 39 were each adopted as measures that qualified for the ballot under the State's initiative process. From time to time other initiative measures or other legislative enactments could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

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APPENDIX C

GENERAL INFORMATION ABOUT FRESNO COUNTY

*The following information about Fresno County (the "**County**") is included only for the purpose of supplying general information regarding the area of the District. The Bonds are not a debt of the County, the State of California (the "**State**") or any of its political subdivisions (other than the District), and neither the County, the State or any of its political subdivisions (other than the District) is liable therefor.*

The COVID-19 outbreak is ongoing, and the duration and severity of the outbreak, and the economic and other impacts of actions that may be taken by governmental authorities to contain the outbreak or to treat its impact, are developing and uncertain. The information set forth in this Appendix C predates the outbreak of the COVID-19 pandemic and should not be relied upon as representative of the current demographics within the District.

General Information

The County. The County is California's fifth largest county, covering approximately 6,000 square miles. It is located in the geographic center of the State and is the nation's leading crop-producing county.

Within the County, there are roughly four different agricultural areas. East and south of the City of Fresno, grapes and other fruit and nut crops are grown, harvested and processed for shipment; west of the City of Fresno is the largest melon-producing area, which lies within the Mendota Unified School District. Also to the west, large crops of cotton, alfalfa, barley, rice, wheat and vegetables are produced. In the southwest are oil wells, and extensive cattle and sheep ranches.

The County is the trade, financial and commercial center for many surrounding counties in Central California and is a hub of transportation facilities connecting Central California to all parts of the country. Two major north-south highways, State Highway 99 and Interstate Highway 5, pass through the County. State Highways 180 and 145 run east and west. Railroads, major airlines, bus lines and numerous trucking companies also serve the area.

Population

The most recent estimate of the County's population at January 1, 2022 was 1,011,273 persons according to the State Department of Finance. The table below shows population estimates for the cities in the County for the last five years, as of January 1.

FRESNO COUNTY
Population Estimates
Calendar Years 2018 through 2022
(As of January 1st)

	2018	**2019**	**2020**	**2021**	**2022**
Clovis	113,300	116,291	119,968	121,667	123,665
Coalinga	16,527	16,946	18,067	17,520	17,277
Firebaugh	7,947	8,025	8,093	8,164	8,439
Fowler	6,161	6,215	6,703	6,863	6,962
Fresno	535,313	540,180	542,081	542,720	543,660
Huron	7,286	7,302	6,131	6,176	6,170
Kerman	15,318	15,735	16,006	16,074	16,639
Kingsburg	12,400	12,545	12,386	12,533	12,506
Mendota	12,134	12,191	12,587	12,499	12,440
Orange Cove	9,555	9,575	9,618	9,553	9,497
Parlier	15,407	15,587	14,569	14,553	14,497
Reedley	25,887	25,950	24,933	24,929	24,982
Sanger	26,428	26,994	26,577	26,558	26,304
San Joaquin	4,122	4,139	3,699	3,674	3,639
Selma	24,337	24,394	24,717	24,702	24,522
Balance of County	170,890	170,938	162,519	161,046	160,074
Total	1,003,012	1,013,007	1,008,654	1,009,231	1,011,273

Source: State Department of Finance, Demographic Research.

Employment and Industry

The District is included in the Fresno Metropolitan Statistical Area ("**MSA**"). The unemployment rate in the Fresno MSA was 6.0% in April 2022, down from a revised 6.9% in March 2022, and below the year-ago estimate of 10.4%. This compares with an unadjusted unemployment rate of 3.8% for California and 3.3% for the nation during the same period.

The table below provides information about employment by industry type for Fresno County for calendar years 2017 through 2021.

FRESNO COUNTY
Civilian Labor Force, Employment and Unemployment, Unemployment by Industry
(Annual Averages)

	2017	2018	2019	2020	2021
Civilian Labor Force (1)	444,500	446,200	451,300	445,000	443,400
Employment	406,300	412,300	418,100	392,700	402,600
Unemployment	38,200	34,000	33,200	52,300	40,700
Unemployment Rate	8.6%	7.6%	7.4%	11.7%	9.2%
Wage and Salary Employment: (2)					
Agriculture	46,100	44,200	44,100	40,300	40,300
Mining and Logging	300	300	300	300	300
Construction	17,400	18,700	19,000	18,800	19,800
Manufacturing	25,600	25,900	26,200	25,800	26,300
Wholesale Trade	14,100	14,400	14,700	14,400	14,800
Retail Trade	38,900	39,100	38,700	36,900	39,000
Trans., Warehousing, Utilities	14,100	15,400	16,600	18,300	19,400
Information	3,600	3,600	3,400	3,000	3,000
Financial and Insurance	9,000	9,200	9,300	8,800	8,300
Professional and Business Services	31,100	32,500	34,600	32,100	32,100
Educational and Health Services	67,200	69,300	72,500	71,700	75,100
Leisure and Hospitality	33,800	34,500	35,700	28,800	32,500
Other Services	11,800	11,900	12,100	11,100	11,700
Federal Government	9,800	10,000	10,100	10,800	10,100
State Government	12,400	12,600	12,800	12,500	12,100
Local Government	50,400	51,900	52,300	49,200	48,600
Total All Industries (3)	390,200	398,300	407,500	387,400	398,100

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(3) Calculations may not foot due to rounding.
Source: State of California Employment Development Department.

Largest Employers

Listed below are the major employers in the County, in alphabetical order.

FRESNO COUNTY
Major Employers
(Listed Alphabetically)
As of May 2022

Employer Name	Location	Industry
Air National Guard	Fresno	Veterans' & Military Organizations
Cargill	Fresno	Meat Packers (mfrs)
Community Regional Medical Ctr	Fresno	Hospitals
Csu Fresno	Fresno	Schools-Universities & Colleges Academic
Foster Farms	Fresno	Poultry Farms
Fresno County Sheriff's Office	Fresno	Police Departments
Fresno Police Dept	Fresno	Police Departments
Fresno Police Dept-Central	Fresno	Police Departments
Fresno VA Hospital Medical Ctr	Fresno	Government-Specialty Hosp Ex Psychiatric
Gap Pacific Distribution Ctr	Fresno	Distribution Services
Kaiser Permanente Fresno Med	Fresno	Hospitals
Lion Dehydrators	Selma	Dehydrating Service (mfrs)
Pelco Inc	Fresno	Security Control Equip & Systems-Mfrs
Phebe Conley Art Gallery	Fresno	Art Galleries & Dealers
Pitman Family Farms	Sanger	Farms
Pleasant Valley State Prison	Coalinga	Government Offices-State
St Agnes Medical Ctr	Fresno	Medical Centers
St Agnes Medical Ctr	Fresno	Hospitals
Stamoules Produce Co	Mendota	Fruits & Vegetables & Produce-Retail
State Center Community College	Fresno	Junior-Community College-Tech Institutes
Sun-Maid Growers of California	Kingsburg	Gifts-Specialty
Table Mountain Casino	Friant	Casinos
Taylor Communications	Fresno	Commercial Printing NEC (mfrs)
Teaching Fellows	Fresno	Employment Service-Govt Co Fraternal
Via West Insurance	Fresno	Insurance

Source: California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2022 2nd Edition.

Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and nontax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the total effective buying income and median household effective buying income for the County, the State and the United States for the period 2018 through 2022.

FRESNO COUNTY,
STATE OF CALIFORNIA, AND UNITED STATES
Effective Buying Income
2018 through 2022

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2018	Fresno County	$18,128,509	$44,641
	California	1,113,648,181	59,646
	United States	8,640,770,229	50,735
2019	Fresno County	$19,290,618	$46,028
	California	1,183,264,399	62,637
	United States	9,017,967,563	52,841
2020	Fresno County	$20,689,761	$48,980
	California	1,243,564,816	65,870
	United States	9,487,165,436	55,303
2021	Fresno County	$20,194,328	$48,681
	California	1,290,894,604	67,956
	United States	9,809,944,764	56,790
2022	Fresno County	$23,555,796	$57,777
	California	1,452,426,153	77,058
	United States	11,208,582,541	64,448

Source: The Nielsen Company (US), Inc for 2018; Claritas, LLC for 2019 through 2022.

Commercial Activity

A summary of historic taxable sales within the County during the past five years in which data are available is shown in the following table. Total taxable sales during calendar year 2021 in the County were reported to be $22,925,232,301, a 34.23% increase over the total taxable sales of $17,078,806,001 reported during calendar year 2020.

FRESNO COUNTY
Annual Taxable Transactions
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2017	13,166	$9,943	20,655	$14,631
2018	13,041	10,566	21,036	15,386
2019	13,516	11,073	22,082	16,180
2020	14,811	11,558	24,307	17,079
2021	14,162	16,650	23,521	22,925

Source: State Department of Tax and Fee Administration.

Construction Activity

The following tables show a five-year summary of the valuation and number of building permits issued in the County.

FRESNO COUNTY
Total Building Permit Valuations
(Valuations in Thousands)
Calendar Years 2016 through 2020

	2016	2017	2018	2019	2020
Permit Valuation					
New Single-family	$689,016.6	$512,951.0	$703,307.1	$770,423.8	$769,338.0
New Multi-family	52,363.2	131,175.3	67,589.9	87,818.1	183,382.3
Res. Alterations/Additions	30,648.8	29,478.7	47,115.5	41,033.6	30,839.5
Total Residential	$772,028.6	$673,605.0	$818,012.5	$899,275.5	983,559.8
New Commercial	$184,408.2	$201,676.5	$139,662.0	$273,781.9	256,617.3
New Industrial	14,895.8	14,087.9	37,564.8	7,105.1	9,965.7
New Other	147,642.2	68,383.0	90,451.9	54,746.2	100,674.4
Com. Alterations/Additions	80,745.4	69,202.2	229,373.0	163,703.6	210,055.6
Total Nonresidential	$427,691.6	$353,349.6	$497,051.7	$499,336.8	577,313.0
New Dwelling Units					
Single Family	2,559	1,886	2,560	2,732	2,747
Multiple Family	339	1,135	290	689	653
TOTAL	2,898	3,021	2,850	3,421	3,400

Source: Construction Industry Research Board, Building Permit Summary.

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

________, 2022

Board of Trustees
West Hills Community College District
275 Phelps Avenue
Coalinga, California 93210

OPINION: $__________ West Hills Community College District 2022 General Obligation Refunding Bonds School Facilities Improvement District No. 1 (Northern Area) (Bank Qualified)

Members of the Board of Trustees:

We have acted as bond counsel to the West Hills Community College District (the "District") in connection with the issuance by the District of its 2022 General Obligation Refunding Bonds School Facilities Improvement District No. 1 (Northern Area) (Bank Qualified), in the aggregate principal amount of $__________ (the "Bonds"). The Bonds have been authorized to be issued under the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"), and a resolution of the Board of Trustees of the District (the "Board") adopted on April 19, 2022 (the "Bond Resolution"). We have examined the law and such certified proceedings and other papers as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Board contained in the Bond Resolution and in the certified proceedings and certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The District is duly established and validly existing as a community college district with the power to issue the Bonds, and to perform its obligations under the Bond Resolution and the Bonds.

2. The Bond Resolution has been duly adopted by the Board and constitutes a valid and binding obligation of the District enforceable against the District in accordance with its terms.

3. The Bonds have been duly authorized, executed and delivered by the District and are valid and binding general obligations of the District with respect to the District and to School Facilities Improvement District No. 1 of the West Hills Community College District ("SFID No. 1"),

and the Boards of Supervisors of Fresno County and Madera County, California, are required under the Act to levy an ad valorem tax upon the property in SFID No. 1 to be collected by Fresno County and Madera County, without regard to rate or amount, for the payment of principal of and interest on all outstanding bonds of SFID No. 1, including the Bonds.

4. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Tax Code"), and, in the case of certain financial institutions (within the meaning of Section 265(b)(5) of the Tax Code), a deduction is allowed for 80 percent of that portion of such financial institutions' interest expense allocable to the portion of the Bonds designated as and comprising interest.

The opinions set forth in the preceding paragraph are subject to the condition that the District comply with all requirements of the Tax Code relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds, and in order for the Bonds to be "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Tax Code. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds, or may cause the Bonds not to be "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Tax Code.

5. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

A Professional Law Corporation

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$________*
WEST HILLS COMMUNITY COLLEGE DISTRICT
2022 General Obligation Refunding Bonds School
Facilities Improvement District No. 1
(Northern Area)
(Bank Qualified)

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the West Hills Community College District (the "Issuer" or the "District") in connection with the issuance of (i) $__________ West Hills Community College District 2022 General Obligation Refunding Bonds (Northern Area) (Bank Qualified) (the "Bonds"). The Bonds are being issued pursuant to a Resolution of the Board of Trustees of the District adopted on April 19, 2022 (the "Resolution"). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms have the following meanings:

"*Annual Report*" means any Annual Report provided by the District under and as described in Sections 3 and 4.

"*Annual Report Date*" means the date that is nine months after the end of the District's fiscal year (currently March 31 based on the District's fiscal year end of June 30).

"*Dissemination Agent*" means Dale Scott & Company Inc., or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"*Listed Events*" means any of the events listed in Section 5(a).

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

"*Participating Underwriter*" means RBC Capital Markets, LLC, the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"*SFID No. 1"* means School Facilities Improvement District No. 1 (Northern Area) of the District.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to provide, not later than nine months after the end of the District's fiscal year (which currently would be March 31), commencing no later than March 31, 2023 with the report for the 2021-22 fiscal year, provide to the Participating Underwriter and to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District shall provide (or cause the Dissemination Agent to provide) in a timely manner to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to the Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, the following information:

(i) assessed valuation of taxable properties in the District for the most recently completed fiscal year;

(ii) assessed valuation of properties of the top twenty taxpayers in the District for the most recently completed fiscal year;

(iii) property tax collection delinquencies for the Improvement District for the most recently completed Fiscal Year, but only if the general obligation bond levy is not included in the Fresno and County Teeter Plan, and such data is available from the County at the time of filing the Annual Report; and

(iv) in addition to any of the information expressly required to be provided under paragraphs (i) through (iii), of this Section, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(c) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's internet web site or filed with the Securities and Exchange Commission. The District shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The District shall give or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults, if material.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the security.

(7) Modifications to rights of security holders, if material.

(8) Bond calls, if material, and tender offers.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities, if material.

(11) Rating changes.

(12) Bankruptcy, insolvency, receivership or similar event of the obligated person.

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(15) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material.

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, the notice of Listed Event described in subsection (a)(8) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Certificates under the Trust Agreement.

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a certificate call), (a)(10), (a)(13), (a)(14), and (a)(15) of this Section 5 contain the qualifier “if material” and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Lease Payments relating to the Bonds. The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event’s occurrence is material for purposes of U.S. federal securities law. Whenever the District obtains knowledge of the occurrence of any of these Listed Events, the District will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the District will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(e) For purposes of Section 5(a)(15) and (16), “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The Issuer’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of the Trustee or nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: ________, 2022

WEST HILLS COMMUNITY COLLEGE DISTRICT

By: _________________________________

ACCEPTANCE OF APPOINTMENT AS DISSEMINATION AGENT:

DALE SCOTT & COMPANY INC.

By:__________________________________
Authorized Officer

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	West Hills Community College District
Name of Bond Issue:	$__________ Bonds of the West Hills Community College District 2022 General Obligation Refunding Bonds School Facilities Improvement District No. 1 (Northern Area) (Bank Qualified)
Date of Issuance:	_________, 2022

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds. The Issuer anticipates that the Annual Report will be filed by _____________.

Dated:____________

WEST HILLS COMMUNITY COLLEGE DISTRICT

By________________________________

APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the District nor the Paying Agent take any responsibility for the information contained in this Section.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (in this Appendix, the "Bonds"). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned

subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

6. Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting

rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from District or Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Paying Agent, or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to District or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered.

10. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that District believes to be reliable, but District takes no responsibility for the accuracy thereof.