Financial Statements
June 30, 2024

San Diego Community College District

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Independent Auditor's Report

To the Board of Trustees
San Diego Community College District
San Diego, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of San Diego Community College District (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of San Diego Community College District as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Correction of Error

As discussed in Note 13 to the financial statements, certain errors resulting in an overstatement of amounts previously reported for unearned revenue as of June 30, 2023, were discovered by management of the District during the current year. Accordingly, a restatement has been made to the business-type activities net position as of July 1, 2023, to correct the error. Our opinions are not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 15 and other required supplementary schedules as listed in the table of contents on pages 69 through 79 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, including the Schedule of Expenditures of Federal Awards, as required by 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), and other supplementary information listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Eide Bailly LLP

Rancho Cucamonga, California
December 23, 2024

Finance and Business Services
3375 Camino del Rio South, Suite 210
San Diego, CA 92108
619-388-6976

DISTRICT BACKGROUND AND INTRODUCTION

The California Community College system is comprised of 73 districts, 116 colleges, and 78 Education Centers serving 1.9 million students. San Diego Community College District (the "District") is one of five community college districts located in San Diego County. The District is located within the metropolitan area of the city of San Diego and consists of three credit colleges: San Diego City College, Mesa College, and Miramar College, as well as a fully accredited, noncredit college, the San Diego College of Continuing Education, which operates at seven campus locations.

The mission of the District is to provide accessible, high quality learning experiences to meet the educational needs of the City of San Diego. The District offers a comprehensive curriculum responding to needs for university transfers, technical, vocational, general education, remediation and development, special education, human development, honors, and ethnic and linguistic diversity. The District also provides comprehensive support services, including counseling, financial aid, health services, tutoring, career planning and placement, childcare, transfer centers, disabled student services and extended opportunities programs and services. As of 2016, SDCCD was one of 15 community colleges system-wide approved to offer a bachelor's degree under a state piloted program. The District is expanding its program to include at least one bachelor's degree at each of the colleges.

The District is currently the second largest community college district in California and among the largest in the United States. California residents paid an enrollment fee of $46 per credit unit during the 2023-24 academic year. Out-of-state residents paid the enrollment fee plus non-resident tuition of $331 per credit, and students in the baccalaureate program paid a surcharge of $84 per credit on top of either resident or non-resident fees.

The District maintains transfer agreements with the California State University and University of California systems, and the instructional coursework offered in transferable courses fully prepares students to succeed in four-year colleges and universities.

FINANCIAL HIGHLIGHTS FOR 2023-2024

- The California Budget Act for 2023-24 signed into law on July 10, 2023 reflected $310.8 billion in state expenditures including $226 billion in General Fund expenditures.

- The state budget provided $4 billion in funding for California Community Colleges apportionment and categorical programs.

- The state budget contains changes to deal with revenue shortfalls but maintains the state's commitment to fully funding community college districts in support of accessible higher education opportunities for California residents.

- The Budget Act projected total revenues of $211 billion and total reserves of $38 billion, equal to 16.8% of General Fund expenditures.

- The state budget included overall state General Fund spending of $226 billion for a decrease of over 3% as compared to 2022-23. The enacted state budget provided an 8.22% cost-of-living adjustment (COLA), and funding for student basic needs and support.

- The District's Adopted Budget for 2023-24 of $1 billion consisted of $616 million in General Fund Unrestricted and Restricted Funds and $403 million in Other Funds representing a $27 million increase in all funds as compared to 2022-23.

- The District met all of its repayment obligations for Prop S and Prop N General Obligation Bonds in 2023-24. The vast majority of construction projects throughout the District are LEED-certified, sustainable buildings, which provide state-of-the-art classroom equipment to allow the District to serve student demand, support student success, and containment of ever-increasing utility and other operating costs.

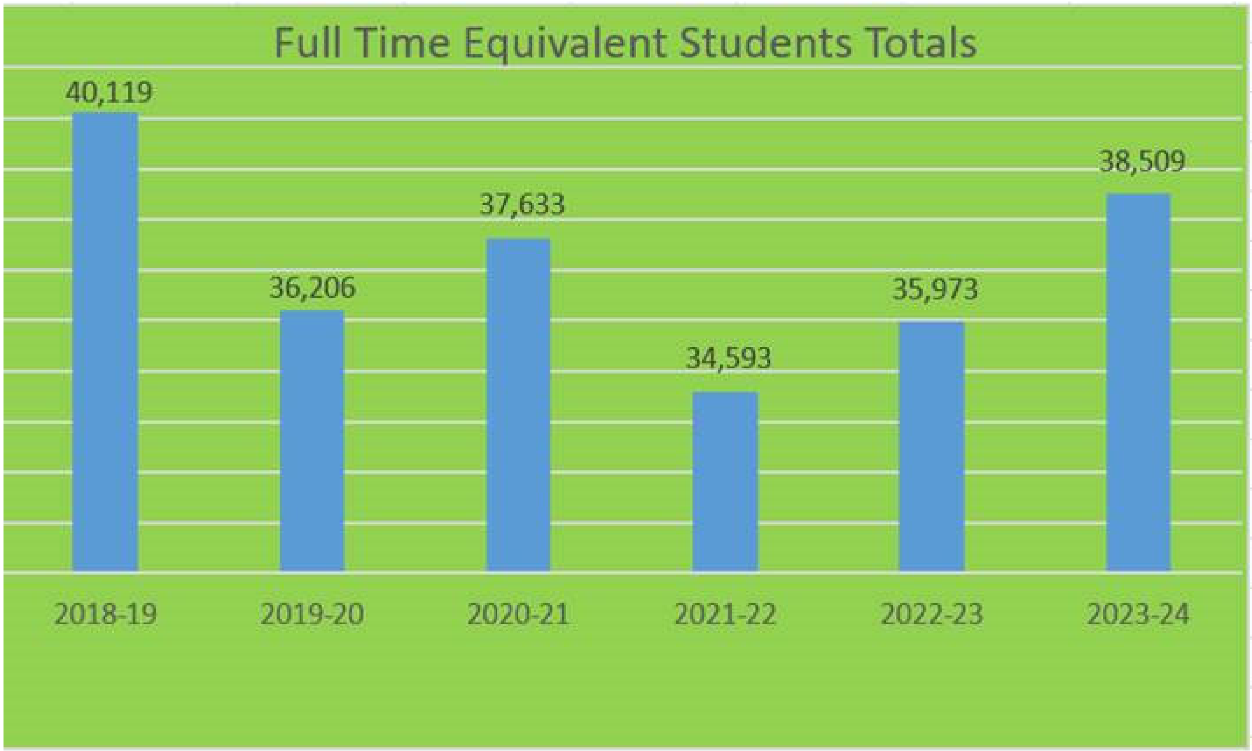
- The District's 2023-24 Adopted Budget achieved the SCFF calculated revenue and pulled the District out of "hold harmless", which will to sunset at the end of FY 2024-25 and will be replaced by a funding "floor" below which districts cannot drop.

- The District also met or exceeded all federal and state mandated requirements including the 50% Law and Faculty Obligation Number (FON).

ENROLLMENT HIGHLIGHTS

The District's full-time equivalent students (FTES) target for 2023-24 was targeted at 37,209 FTES in order to align FTES funding in accordance with the Student-Centered Funding Formula (SCFF) model, which allocates 70% of apportionment revenue funding for FTES, with the remaining 30% funding tied to financial need (20%) and outcomes (10%). A history of student enrollments is provided in the table below. Although the ECA provisions expired on June 30, 2023, the District continues to benefit from the additional FTES for two years due to the three-year average calculation used as a basis for FTES reporting. Enrollment continues to reflect an upward trend as districts emerge from the impact of the pandemic.

FULL TIME EQUIVALENT STUDENTS



FINANCIAL REPORTING STANDARDS

Through its Fiscal Standards and Accountability Committee, the California Community College Chancellor's Office recommends that all community college districts implement the reporting standards under the Business Type Activity (BTA) model. To comply with the recommendations of the Chancellor's Office and to report in a manner consistent with other California Community College districts, the District adopted the BTA reporting model for its financial statement reporting.

As required by the Governmental Accounting Standards Board (GASB), district annual reports are to consist of three basic financial statements that provide information on a district as a whole:

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

Each of these statements, along with other selected financial statement summaries, will be described herewith and will include comparisons between the prior and current year, along with select highlighted information relevant to each statement presented.

STATEMENT OF NET POSITION

The Statement of Net Position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (deficit) of the District as of the end of the fiscal year using the accrual basis of accounting, which is comparable to that used by most private sector institutions. Net position (deficit)—the difference between assets, and deferred outflows of resources, and liabilities, and deferred inflows of resources—is one way to measure the financial health of the District. The net position data allows readers to determine the resources available to continue the operations of the District. Net Position (Deficit) as of July 1, 2023 in amounts in thousands was ($136.7), while the change in Net Position (Deficit) was $62.2 for an ending Net Position (Deficit) of ($74.5) as of June 30, 2024 as reported on the next page. The net position (deficit) of the District consists of three major categories:

1. Invested in capital assets, net of related debt – the District's equity in property, plant, and equipment.
2. Restricted (distinguished between major categories of restriction) – the constraints placed on the use of the assets are externally imposed by creditors such as through debt covenants, grantors, contributors, laws or regulations of other governments, or imposed through constitutional provisions or enabling legislation.
3. Unrestricted – the District can use for any lawful purpose. Although unrestricted, the District's governing board may place internal restrictions on this net position, but it retains the power to change, remove, or modify those restrictions.

	2024	2023, as restated	Change
Assets			
Cash, cash equivalents, and investments	$ 362,283,110	$ 621,195,272	$ (258,912,162)
Receivables, net	155,404,545	147,920,351	7,484,194
Inventory and other current assets	1,337,026	880,885	456,141
Capital assets, net	1,290,662,031	1,322,712,707	(32,050,676)
Total assets	1,809,686,712	2,092,709,215	(283,022,503)
Deferred Outflows of Resources	178,518,870	164,693,506	13,825,364
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	72,350,522	101,618,753	(29,268,231)
Unearned revenue	92,901,947	106,546,714	(13,644,767)
Long-term liabilities, due within one year	63,349,665	62,391,070	958,595
Total current liabilities	228,602,134	270,556,537	(41,954,403)
Noncurrent liabilities			
Long-term liabilities, due in more than one year	1,690,210,256	1,990,327,929	(300,117,673)
Total liabilities	1,918,812,390	2,260,884,466	(342,072,076)
Deferred Inflows of Resources	143,945,892	133,230,266	10,715,626
Net Position (Deficit)			
Net investment in capital assets	3,763,879	(35,561,716)	39,325,595
Restricted	181,313,657	422,007,981	(240,694,324)
Unrestricted (deficit)	(259,630,236)	(523,158,276)	263,528,040
Total net position (deficit)	$ (74,552,700)	$ (136,712,011)	$ 62,159,311

ASSETS

The District's assets consist of current assets and non-current assets. The major components of the current assets are cash and net accounts receivable. These assets are resources with present capability to enable the District to provide services and continue its operations.

Non-current assets are assets with longer-term investment of more than one year. These assets include capital assets net of accumulated depreciation.

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources include amounts associated with the refunding of debt and pension-related variables that are removed from expenses during the fiscal year.

LIABILITIES

The liabilities of the District consist of current liabilities and non-current liabilities. The major components of the current liabilities are the current portion of outstanding General Obligation Bond debt and related accrued interest payable within one year, accrued payroll and amounts payable to vendors.

Non-current liabilities are debt with maturities of more than one year, which consist of General Obligation Bond repayments, claims liability, compensated absences, load banking, early retirement incentive, net OPEB obligation, and aggregate net pension liability.

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources represent pension costs resulting from the difference between projected and actual earnings on pension plan investments and other pension-related variables. This amount is deferred and amortized over five to seven years. Deferred inflows also include OPEB and lease related activities.

NET POSITION (DEFICIT)

The total net position (deficit) is one indicator of the District's financial health. Changes in total net position (deficit) as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position during fiscal year 2023-2024. The change in net position (deficit) reveals whether the overall financial condition has improved or declined during the year. Over time, increases or decreases in net position will point out the improvement or erosion of the District's financial health when considered with nonfinancial facts, such as enrollment levels, State changes in funding, facility changes, etc.

Net position (deficit) represents residual District assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted. The net position is categorized between net investment in capital assets, restricted net assets, and unrestricted net assets (deficit). The net investment in capital assets represents the equity amount in property, plant, and equipment owned by the District. Restricted net position represents funds that are limited in terms of the purpose and time for which the funds can be spent and are subject to externally imposed restrictions governing their use. Unrestricted net position is defined by GASB Statements No. 34 and No. 35 as those assets that do not have external legal restrictions against them, including any amounts designated by the Governing Board.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses, and Changes in Net Position presents the operating results of the District. The purpose of the statement is to present the revenues received by the District, both operating and non-operating, and the expenses paid by the District, operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the District. State general apportionment funds, while budgeted for operations, are considered non-operating revenues according to generally accepted accounting principles.

Changes in total net position (deficit) on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. Operating revenues are received for providing goods and services to the various customers and constituencies of the District. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the District.

	2024	2023*	Change
Operating Revenues			
Tuition and fees, net	$ 21,898,698	$ 18,639,567	$ 3,259,131
Grants and contracts, noncapital	118,881,720	123,517,124	(4,635,404)
Auxiliary sales and charges	6,196,390	6,267,054	(70,664)
Total operating revenues	146,976,808	148,423,745	(1,446,937)
Operating Expenses			
Salaries and benefits	347,700,882	330,426,386	17,274,496
Supplies and other expenses	178,516,646	154,541,988	23,974,658
Depreciation	44,649,408	43,804,102	845,306
Total operating expenses	570,866,936	528,772,476	42,094,460
Operating loss	(423,890,128)	(380,348,731)	(43,541,397)
Nonoperating Revenues (Expenses)			
State apportionments, non capital	153,887,327	130,759,457	23,127,870
Property taxes	261,003,775	250,417,677	10,586,098
Student financial aid grants	69,358,616	55,722,902	13,635,714
State taxes and other revenues	14,804,882	11,469,852	3,335,030
Net interest expense	(25,189,567)	(40,833,866)	15,644,299
Other nonoperating revenues	9,266,108	11,596,377	(2,330,269)
Total nonoperating revenues (expenses)	483,131,141	419,132,399	63,998,742
Other Revenues (Losses)			
State, local capital income, and losses on disposal of capital assets	2,918,298	44,737	2,873,561
Change in net position	$ 62,159,311	$ 38,828,405	$ 23,330,906

*Balances have been restated. See Note 13.

OPERATING REVENUES AND EXPENSES

Generally, operating revenues are earned for providing educational and programmatic services to the various customers and constituencies of the District. Operating expenses are those expenses incurred to acquire goods or provide services in return for the operating revenues used to fulfill the mission of the District.

The operating revenues are generated by the resident enrollment fees, non-resident, and out-of-State tuition paid by students, including fees such as health fees, parking fees, and other related fees. Since State apportionments, property taxes, sales taxes and other revenues, and investment income are prescribed by GASB as non-operating revenues; operating expenses generally exceeds operating revenues in the Statement of Revenue, Expenses, and Changes in Net Position.

The primary operating expenses of the District are for the salaries and benefits of academic, classified, and administrative personnel, comprising the total operating expenses from a District-wide full accrual perspective. This amount includes the activity from all District funds. The costs increased from the previous fiscal year, from $529 million to $571 million, mainly due to increases in payroll and benefits expenses, changes in actuarially determined assumptions for pension and OPEB expenses, as well as depreciation expenses.

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

Year ended June 30, 2024:

	Salaries and Employee Benefits	Supplies, Material, and Other Expenses and Services	Student Financial Aid	Equipment, Maintenance, and Repairs	Depreciation	Total
Instructional activities	$ 150,233,021	$ 5,826,157	$ -	$ 2,562,721	$ -	$ 158,621,899
Academic support	51,208,203	3,621,335	-	762,387	-	55,591,925
Student services	56,259,761	4,112,929	-	326,743	-	60,699,433
Plant operations and maintenance	13,544,416	11,662,894	-	2,620,144	-	27,827,454
Planning and policymaking	12,863,359	2,262,225	-	163,067	-	15,288,651
Institutional support services	40,043,111	48,669,072	-	2,309,559	-	91,021,742
Community services and economic development	2,419,404	793,093	-	207,679	-	3,420,176
Ancillary services and auxiliary operations	9,003,616	7,046,782	-	1,116,169	-	17,166,567
Student aid	-	-	78,735,310	-	-	78,735,310
Physical property and related acquisitions	12,125,991	1,157,710	-	4,560,670	-	17,844,371
Unallocated depreciation	-	-	-	-	44,649,408	44,649,408
Total	$ 347,700,882	$ 85,152,197	$ 78,735,310	$ 14,629,139	$ 44,649,408	$ 570,866,936

NON-OPERATING REVENUES AND OTHER REVENUES

Non-operating revenues and other State and local revenues are those received or pledged for which goods and services are not provided to the entity providing the revenues. For example, State appropriations are non-operating revenues because the State Legislature provides them to the District without the Legislature directly receiving commensurate goods and services for the revenues. Total non-operating revenues or expenses are an integral component in determining the increases or decreases in net position.

STATEMENT OF CASH FLOWS

The Statement of Cash Flows provides information about cash receipts and cash payments during the fiscal year. This Statement also helps users assess the District's ability to generate positive cash flows, meet obligations as they come due and determine the need for external financing. The Statement of Cash Flows is divided into five parts. The first part reflects operating cash flows and shows the net cash provided by the operating activities of the District. The second part details cash received for nonoperating, non-investing, and non-capital financing purposes. The third part shows cash flows from capital and related financing activities. This deals with the cash used for the acquisition and construction of capital and related items. The fourth section provides information from investing activities and the amount of interest received. The fifth and final section reconciles the net cash provided by operating activities to the operating loss reflected on the Statement of Revenues, Expenses, and Changes in Net Position.

Changes in Cash Position

The Statement of Cash Flows for the year ended June 30, 2024 and 2023, are summarized and presented below:

	2024	2023	Change
Net Cash Flows from			
Operating activities	$ (420,784,715)	$ (266,443,599)	$ (154,341,116)
Noncapital financing activities	400,716,822	355,864,989	44,851,833
Capital financing activities	(251,160,094)	2,885,122	(254,045,216)
Investing activities	253,890,272	353,491	253,536,781
Change in Cash and Cash Equivalents	(17,337,715)	92,660,003	(109,997,718)
Cash and Cash Equivalents, Beginning of Year	378,180,266	285,520,263	92,660,003
Cash and Cash Equivalents, End of Year	$ 360,842,551	$ 378,180,266	$ (17,337,715)

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

As of June 30, 2024, the District had $1.3 billion in net capital assets. Total capital assets consist of land, buildings, and building improvements, construction in progress, vehicles and other equipment. Accumulated depreciation related to these assets is $594.0 million. Depreciation expense of $44.6 million was recorded for the fiscal year. Note 7 to the financial statements provides additional information on capital assets.

	2024	2023
Land and improvements	$ 147,536,327	$ 113,672,403
Buildings and improvements	1,132,363,751	1,169,516,772
Furniture and equipment	8,943,647	6,515,795
Construction in progress	1,818,306	33,007,737
Total capital assets, net	$ 1,290,662,031	$ 1,322,712,707

Long-Term Liabilities Other than OPEB and Pensions

At June 30, 2024, the District had $1.7 billion in outstanding long-term liabilities compared to $2.0 billion at June 30, 2023. We present more detailed information regarding out long-term liabilities in Note 8 to the financial statements.

	2024	2023
General obligation bonds payable	$ 1,373,813,399	$ 1,688,283,084
Claims liability	6,361,062	8,339,978
Compensated absences and load banking	18,685,583	16,828,080
Early retirement incentive	962,810	1,925,620
Aggregate net OPEB liability	43,055,374	35,521,791
Aggregate net pension liability	310,681,693	301,820,446
Total long-term liabilities	1,753,559,921	2,052,718,999
Less current portion	(63,349,665)	(62,391,070)
Total long-term portion	$ 1,690,210,256	$ 1,990,327,929

DISTRICT'S FIDUCIARY RESPONSIBILITY

The District is the trustee, or fiduciary for clubs and donors for student loans and scholarships. These activities are included in the District's financial statements. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

ECONOMIC OUTLOOK AND FACTORS AFFECTING FUTURE BUDGETS

The major economic factors that impact the District and all California community college districts' financial conditions are directly related to the overall economic, budgetary, and fiscal condition of the State of California and any legislation that impacts the funding of all community colleges in the state. Per the Joint Analysis of the State Chancellor's Office (CCCCO), significant revenue shortfalls related to declines in the technology sector and a delay in tax payments have created a budget deficit of $45 billion, which was offset by a series of early actions taken by the Legislature and the Governor in the amount of $17 billion, leaving $28 billion in additional solutions required to address the full deficit for FY 2024-25. The budget also addresses an expected deficit of over $30 billion for FY 2025-26, reflecting the two-year budget planning that the Administration suggested should be the approach going forward.

In addition to state funding and economic outlook uncertainties, another major concern for all districts continues to be the significant increases to the CalSTRS and CalPERS employer pension contribution rates. Employer pension costs have more than doubled since 2013-14, which is a major drain on annual budgets. It is likely that the state and all districts will continue to face budget challenges in the years to come. The most significant risk to the system is always related to the state of the economy. In addition, there are decisions and events outside of the California Legislature's control, for example federal governmental decisions and international conflicts, which could further impact the state budget. The primary focus of the state and districts had to shift from one of only an educational focus for the District's student but also a focus to support the basic needs of our students for food, shelter, and other support services.

In spite of the challenges, the District continues its effort to identify ways by which to minimize its dependency upon the state's economic conditions and state funding. Enrollment management planning, which previously primarily focused on FTES targets (revenue driver) have expanded to include FTEF (full-time equivalent faculty) targets (costs associated with the revenue) in its planning efforts. The District has been realigning its operating expenses based upon SCFF anticipated revenues. The District continued to take steps to reduce operating expenses in order to align them with the highest possible apportionment revenue under the SCFF, as well as a focus on increasing supplemental apportionment revenue through strategic planning.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report was designed to provide a general overview of the District's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Vice Chancellor, Finance and Business Services, San Diego Community College District, 3375 Camino Del Rio South, Room 210, San Diego, CA 92108.

Assets	
Cash and cash equivalents	$ 6,347,717
Investments	355,935,393
Accounts receivable	70,072,484
Student receivables, net	17,139,804
Lease receivables	68,192,257
Prepaid expenses	192,248
Inventories	1,144,778
Capital assets not being depreciated or amortized	83,988,439
Capital assets, net of accumulated depreciation and amortization	1,206,673,592
Total assets	1,809,686,712
Deferred Outflows of Resources	
Deferred outflows of resources related to debt refunding	66,740,102
Deferred outflows of resources related to OPEB	10,714,637
Deferred outflows of resources related to pensions	101,064,131
Total deferred outflows of resources	178,518,870
Liabilities	
Accounts payable	59,123,864
Accrued interest payable	13,226,658
Unearned revenue	92,901,947
Long-term liabilities	
Long-term liabilities other than OPEB and pensions, due within one year	63,349,665
Long-term liabilities other than OPEB and pensions, due in more than one year	1,336,473,189
Aggregate net other postemployment benefits (OPEB) liability	43,055,374
Aggregate net pension liability	310,681,693
Total liabilities	1,918,812,390
Deferred Inflows of Resources	
Deferred inflows of resources related to debt refunding	20,549,831
Deferred inflows of resources related to OPEB	10,221,924
Deferred inflows of resources related to pensions	42,083,267
Deferred inflows of resources related to leases	71,090,870
Total deferred inflows of resources	143,945,892
Net Position	
Net investment in capital assets	3,763,879
Restricted for	
Debt service	91,168,891
Capital projects	51,653,681
Educational programs	33,832,665
Other activities	4,658,420
Unrestricted (deficit)	(259,630,236)
Total net position (deficit)	$ (74,552,700)

Operating Revenues	
Tuition and fees	$ 75,653,403
Less: Scholarship discounts and allowances	(53,754,705)
Net tuition and fees	21,898,698
Grants and contracts, noncapital	
Federal	12,374,288
State	106,016,885
Local	490,547
Total grants and contracts, noncapital	118,881,720
Auxiliary enterprise sales and charges	
Bookstore	5,555,191
Other enterprise	641,199
Total auxiliary enterprise sales and charges	6,196,390
Total operating revenues	146,976,808
Operating Expenses	
Salaries	268,517,822
Employee benefits	79,183,060
Supplies, materials, and other operating expenses and services	85,152,197
Student financial aid	78,735,310
Equipment, maintenance, and repairs	14,629,139
Depreciation	44,649,408
Total operating expenses	570,866,936
Operating Loss	(423,890,128)
Nonoperating Revenues (Expenses)	
State apportionments, noncapital	153,887,327
Local property taxes, levied for general purposes	165,744,789
Taxes levied for other specific purposes	95,258,986
Federal and state financial aid grants	69,358,616
State taxes and other revenues	14,804,882
Investment income, net	14,532,107
Interest expense on capital related debt	(44,147,762)
Investment income on capital asset-related debt, net	4,426,088
Other nonoperating revenues	9,266,108
Total nonoperating revenues (expenses)	483,131,141
Income Before Other Revenues	59,241,013
Other Revenues	
State revenues, capital	2,918,298
Change In Net Position	62,159,311
Net Position (Deficit), Beginning of Year, as originally stated	(152,940,518)
Adjustments (See Note 13)	16,228,507
Net Position (Deficit), Beginning of Year, as restated	(136,712,011)
Net Position (Deficit), End of Year	$ (74,552,700)

Operating Activities	
Tuition and fees	$ 24,279,702
Federal, state, and local grants and contracts, noncapital	115,051,403
Payments to or on behalf of employees	(354,645,463)
Payments to vendors for supplies and services	(132,931,437)
Payments to students for scholarships and grants	(78,735,310)
Other operating receipts	6,196,390
Net cash flows from operating activities	(420,784,715)
Noncapital Financing Activities	
State apportionments	147,231,902
Federal and state financial aid grants	66,007,869
Property taxes - nondebt related	165,744,789
State taxes and other apportionments	11,527,174
Other nonoperating activities	10,205,088
Net cash flows from noncapital financing activities	400,716,822
Capital Financing Activities	
Purchase of capital assets	(13,477,310)
Proceeds from sale of capital debt	189,193,928
State revenue, capital	219,791
Property taxes - related to capital debt	95,258,986
Principal paid on capital debt	(501,048,079)
Interest paid on capital debt	(25,733,498)
Interest received on capital asset-related debt	4,426,088
Net cash flows from capital financing activities	(251,160,094)
Investing Activities	
Proceeds from sales and maturities of investments	241,574,447
Change in fair market value of cash in county treasury	4,930,906
Interest received from investments	7,384,919
Net cash flows from investing activities	253,890,272
Change In Cash and Cash Equivalents	(17,337,715)
Cash and Cash Equivalents, Beginning of Year	378,180,266
Cash and Cash Equivalents, End of Year	$ 360,842,551

Reconciliation of Operating Loss to Net Cash Flows from Operating Activities	
Operating Loss	$ (423,890,128)
Adjustments to reconcile operating loss to net cash flows from operating activities	
Depreciation expense	44,649,408
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources	
Accounts receivable	(12,236,128)
Student receivables, net	4,866,011
Lease receivables	2,307,908
Prepaid expenses	(105,226)
Inventories	(350,915)
Deferred outflows of resources related to OPEB	(3,576,076)
Deferred outflows of resources related to pensions	(14,175,176)
Accounts payable	(28,450,064)
Unearned revenue	4,699,269
Compensated absences	1,793,640
Load banking	63,863
Early retirement incentive	(962,810)
Claims liability	(1,978,916)
Aggregate net OPEB liability	7,533,583
Aggregate net pension liability	8,861,247
Deferred inflows of resources related to leases	(1,086,373)
Deferred inflows of resources related to OPEB	(1,453,806)
Deferred inflows of resources related to pensions	(7,294,026)
Total adjustments	3,105,413
Net cash flows from operating activities	$ (420,784,715)
Cash and Cash Equivalents consist of the following:	
Cash on hand and in banks	$ 6,347,717
Cash in county treasury	354,494,834
Total cash and cash equivalents	$ 360,842,551
Noncash Transactions	
Recognition of deferred inflows of resources related to debt refunding	$ 20,549,831
Amortization of deferred outflows of resources related to debt refunding	$ 3,295,888
Amortization of debt premiums	$ 4,968,271
Accretion of interest on capital appreciation bonds	$ 2,352,737

	Retiree OPEB Trust
Assets	
Investments	$ 8,309,008
Net Position	
Restricted for postemployment benefits other than pensions	$ 8,309,008

	Retiree OPEB Trust
Additions	
District contributions	$ 1,919,061
Interest and investment income	861,229
Total additions	2,780,290
Deductions	
Benefit payments	1,919,061
Administrative expenses	10,034
Total deductions	1,929,095
Change in Net Position	851,195
Net Position - Beginning of Year	7,457,813
Net Position - End of Year	$ 8,309,008

Note 1 - Organization

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

The District considered its financial and operational relationships with potential component units under the reporting entity definition of Governmental Accounting Standards Board (GASB). The basic, but not the only, criterion for including another organization in the District's reporting entity for financial reports is the ability of the District's elected officials to exercise oversight responsibility over such agencies. Oversight responsibility implies that one entity is dependent on another and a financial benefit or burden relationship is present and that the dependent unit should be reported as part of the other.

Oversight responsibility is derived from the District's power and includes, but is not limited to: financial interdependency; selection of governing authority; designation of management; ability to significantly influence operations; and accountability for fiscal matters.

Due to the nature and significance of their relationship with the District, including ongoing financial support of the District or its other component units, certain organizations warrant inclusion as part of the financial reporting entity. A legally separate, tax-exempt organization should be reported as a component unit of the District if all of the following criteria are met:

- The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the District, its component units, or its constituents;
- The District, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; and
- The economic resources received or held by an individual organization that the District, or its component units, is entitled to, or has the ability to otherwise access, are significant to the District.

The following entity met the criterion for inclusion as a "blended" component unit and is consolidated within the financial statements of the District:

San Diego Community College Auxiliary Organization

The San Diego Community College Auxiliary Organization (the Organization) was created to further support the District's mission and goals beyond state available funding. The Organization has its own Board of Directors comprised of District faculty and administrators; however, the District maintains oversight responsibility for the Organization as carried out by the District Chancellor in accordance with the provisions of Section 72670 of the California *Education Code*. Since the District significantly influences its operations, the Organization has been included in the District's financial statements as a blended component unit. Should the Organization be dissolved, its assets remaining after payment of liabilities would be distributed to the District.

Condensed Statement of Net Position

Assets	
Cash and cash equivalents	$ 487,977
Investments	1,440,559
Accounts receivables	32,786
Total assets	$ 1,961,322
Liabilities	
Accounts payable	1,258,974
Unearned revenue	69,266
Total liabilities	1,328,240
Net Position	
Unrestricted	$ 633,082

Condensed Statement of Revenues, Expenses, and Changes in Net Position

Operating Revenues	
Local contributions	$ 65,807
Operating Expenses	
Contract services and operating expenses	103,774
District support and Promise scholarships	683,200
Supplies, materials and minor equipment	668
Total operating expenses	787,642
Total operating loss	(721,835)
Nonoperating Revenues	
Transfer from the San Diego Foundation	430,734
Income from investments	66,943
Total nonoperating revenues	497,677
Change in Net Position	(224,158)
Net Position, Beginning of Year	857,240
Net Position, End of Year	$ 633,082

Note 2 - Summary of Significant Accounting Policies

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. For the District, operating revenues consist primarily of student fees, noncapital grants and contracts, and auxiliary enterprise sales and charges. 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 an 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 the county treasury balances for purposes of the Statement of Cash Flows.

Investments

Investments 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 investments held by the District's component unit, the San Diego Community College Auxiliary Organization (the Organization) are stated at 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 are 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 at $1,100,000 for the year ended June 30, 2024.

Prepaid Expenses

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

Inventories

Inventories consist primarily of bookstore and cafeteria merchandise held for resale to the students and faculty of the colleges. Inventories are stated at the lower of cost or market value, utilizing the first-in, first-out method. The cost is recorded as an expense as the inventory is consumed rather than when purchased.

Capital Assets, Depreciation, and Amortization

Capital assets are long-lived assets of the District as a whole and include land, construction in progress, buildings, building and land improvements, and equipment. The District maintains an initial unit cost capitalization threshold of $250,000 for building and land improvements and $5,000 for all other capital assets. 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, 20 years; equipment, 5 to 15 years; and vehicles, 8 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, 2024.

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 a 0.004 year of service credit for each day of unused sick leave. Retirement credit for unused sick leave is also applicable to all academic employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full time.

Debt Premiums

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

Deferred Outflows of Resources 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 will not be recognized as an expense until then. The District reports deferred outflows of resources related to debt refunding, 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 debt refunding, leases, OPEB and pension related items.

Leases

The District recognizes a lease receivable and a deferred inflow of resources in the government-wide financial statements. At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Pensions

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

Unearned Revenue

Unearned revenues arise when resources are received by the District before it has a legal claim to them, such as when certain grants are received prior to the occurrence of qualifying expenditures. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the Statement of Net Position and the revenue is recognized. Unearned revenue is primarily comprised 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 general obligation bonds, claims liability, compensated absences, load banking, early retirement incentive, aggregate net OPEB liability, and aggregate net pension liability with maturities greater than one year.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position related to net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on 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 $181,313,657 of restricted net position and the fiduciary fund financial statements report $8,309,008 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, noncapital 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 and are recorded in the District's financial records when received. When known and measurable, these recalculations and corrections are accrued in the year in which the FTES are generated.

Property Taxes

Property taxes are assessed and levied by the County of San Diego on the fourth Monday of September of each year, and they become an enforceable lien on real property on January 1 of the same year. Secured taxes are payable to the District in two installments, on November 15 and March 15. Unsecured property taxes are payable in one installment on or before August 31. Tax remittances are paid net of a County administrative charge.

The District has reported property tax revenue only for taxes levied and due within the fiscal year. The District participates in the San Diego County Teeter Plan and is paid all current year taxes in the year levied. The Teeter Plan allows the County to follow the accrual method of accounting to allocate property tax revenues based on the total amount of property taxes billed, but not yet collected. A receivable has not been recognized in the basic financial statements for property taxes due to the fact that any receivable would be offset by a payable to the State for State apportionment purposes.

The voters of the District passed General Obligation Bonds in June 2002 and June 2006 for the acquisition, construction, and rehabilitation of facilities. As a result of the passage of the Bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are assessed, billed, and collected by the County of San Diego and remitted to the District.

Scholarship Discounts and Allowances

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

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* 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.

Adoption of New Accounting Standard

Implementation of GASB Statement No. 100

As of July 1, 2023, the District adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*. The implementation of this standard requires additional presentation and disclosure requirements for accounting changes and error corrections. The financial statements have been updated to conform to the presentation requirements related to the error correction in the financial statements for the year ended June 30, 2024. The additional disclosures required by this standard are included in Note 13.

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.

Certificates of deposits are held to maturity and therefore are recorded on an 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	30%	10%
Registered State Bonds, Notes, Warrants	5 years	30%	10%
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	35%
Banker's Acceptance	180 days	40%	5%
Commercial Paper	270 days	40%	10%
Negotiable Certificates of Deposit	5 years	30%	10%
Repurchase Agreements	1 year	40%	10%
Reverse Repurchase Agreements	92 days	20% of base	10%
Medium-Term Corporate Notes	5 years	30%	10%
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	10%
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	5%	None
Local Government Investment Pools (LGIPs)	N/A	5%	None

Authorized Under Debt Agreements

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

Summary of Deposits and Investments

Deposits and investments as of June 30, 2024, consisted of the following:

	Primary Government	Fiduciary Fund
Cash on hand and in banks	$ 6,347,717	$ -
Investments	355,935,393	8,309,008
Total deposits and investments	$ 362,283,110	$ 8,309,008

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's investment policy does not limit 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 San Diego County Treasury Investment Pool, U.S. Treasury notes, Mutual funds and certificates of deposit.

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

Investment Type	Fair Value	Weighted Average Maturity in Days	Credit Rating
Mutual funds	$ 8,309,008	N/A	Not rated
San Diego County Treasury Investment pool	354,494,834	449	AA+
Total	$ 362,803,842		

The District's investment in certificates of deposit in the amount of $1,440,559 are stated at amortized cost and therefore not included in the table above.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in mutual funds and certificates of deposit are not required to be rated, nor have they been rated as of June 30, 2024. San Diego County Treasury Investment was rated AA+ by Fitch Ratings, Inc. as of June 30, 2024.

Custodial Credit Risk

Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California *Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% 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, 2024, the District's bank balance of approximately $5.1 million was exposed to custodial credit risk because it was collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

Investments

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. As of June 30, 2024, the District's investment balance of approximately $7.8 million was exposed to custodial credit risk because it exceeded Securities Investor Protection Corporation (SIPC) insurance of $500,000. The District does not have a policy limiting the amount of securities that can be held by counterparties.

Note 4 - Fair Value Measurements

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

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

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

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

The District's fair value measurements are as follows at June 30, 2024:

Investment Type	Fair Value	Fair Value Measurement Using Level 1 Inputs
Mutual funds	$ 8,309,008	$ 8,309,008

All assets have been valued using a market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets or group of assets.

Note 5 - Accounts Receivable

Accounts receivable as of June 30, 2024 consisted of the following:

	Primary Government
Federal Government	
Categorical aid	$ 24,149,899
State Government	
Apportionment	26,742,431
Categorical aid	4,827,061
Lottery	2,756,178
Local Sources	
Interest	4,065,466
Other local sources	7,531,449
Total accounts receivable	$ 70,072,484
Student receivables	18,239,804
Less: allowance for bad debt	(1,100,000)
Total student receivables, net	$ 17,139,804

Note 6 - Lease Receivables

The District has entered into lease agreements with various lessees. The lease receivables are summarized below:

Lease Receivables	Balance, July 1, 2023	Additions	Deductions	Balance, June 30, 2024
Veritas Urban	$ 5,758,080	$ -	$ (111,088)	$ 5,646,992
Urban Discovery Centre City	24,375,692	-	(729,888)	23,645,804
Urban Discovery Half Block	4,882,536	-	(154,461)	4,728,075
Mar City X Urban Sub Lease	1,628,425	-	(51,268)	1,577,157
Le Lycée	8,718,686	-	(198,657)	8,520,029
San Diego Unified MET Program	2,327,460	-	(181,130)	2,146,330
Lowe Enterprises - IDEA One	22,013,144	-	(697,919)	21,315,225
SDUSD East Village High School	40,083	-	(37,047)	3,036
Family Health Center	215,773	-	(109,502)	106,271
Dish Wireless	540,286	-	(36,948)	503,338
Total	$ 70,500,165	$ -	$ (2,307,908)	$ 68,192,257

Veritas Urban

The District leases a portion of its grounds for property development. The agreement is for a term of ninety-nine years. During the fiscal year, the District recognized $111,089 in lease revenue and $8,849 in interest revenue related to this agreement. At June 30, 2024, the District recorded $5,646,992 in lease receivables and $5,784,733 in deferred inflows of resources for this agreement. The District used an interest rate of 3.00% based on rates available to finance over the same time periods. The lessee is responsible for developing and maintaining the grounds.

Urban Discovery Centre City

The District leases a portion of its facilities to a California nonprofit corporation. The agreement is for a term of ninety-nine years. During the fiscal year, the District recognized $729,888 in lease revenue and $58,008 in interest revenue related to this agreement. At June 30, 2024, the District recorded $23,645,804 in lease receivables and $24,338,384 in deferred inflows of resources for this agreement. The District used an interest rate of 3.00% based on rates available to finance over the same time periods. The lessee is responsible for maintenance of the facilities in possession for the period of the lease agreement.

Urban Discovery Half Block

The District leases a portion of its grounds for property development. The agreement is for a period of ninety-nine years. During the fiscal year, the District recognized $154,461 in lease revenue and $12,216 in interest revenue related to this agreement. At June 30, 2024, the District recorded $4,728,075 in lease receivables and $5,036,405 in deferred inflows of resources for this agreement. The District used an interest rate of 3.00% based on rates available to finance over the same time periods. The lessee is responsible for developing and maintaining the grounds.

Mar City X Urban Sub Lease

The District has a sublease for a portion of its grounds for property development. The agreement is for a term of ninety-nine years. During the fiscal year, the District recognized $51,268 in lease revenue and $4,055 in interest revenue related to this agreement. At June 30, 2024, the District recorded $1,577,157 in lease receivables and $1,680,633 in deferred inflows of resources for this agreement. The District used an interest rate of 3.00% based on rates available to finance over the same time periods. The lessee is responsible for developing and maintaining the grounds.

Le Lycée

The District leases a portion of its facilities to a private elementary school. The agreement is for a period of ninety-nine years. During the fiscal year, the District recognized $198,657 in lease revenue and $15,843 in interest revenue related to this agreement. At June 30, 2024, the District recorded $8,520,029 in lease receivables and $8,673,347 in deferred inflows of resources for this agreement. The District used an interest rate of 3.00% based on rates available to finance over the same time periods. The lessee is responsible for maintenance of the facilities in possession for the term of the lease agreement.

San Diego Unified – MET Program

The District leases a portion of its facilities to the San Diego Unified School District MET Program. The agreement is for a term of twenty-five years. During the fiscal year, the District recognized $181,130 in lease revenue and $14,326 in interest revenue related to this agreement. At June 30, 2024, the District recorded $2,146,330 in lease receivables and $2,253,248 in deferred inflows of resources for this agreement. The District used an interest rate of 3.00% based on rates available to finance over the same time periods. The lessee is responsible for maintenance of the facilities in possession for the term of the lease agreement.

Lowe Enterprises – IDEA One

The District leases a portion of its grounds for property development. The agreement is for a term of ninety-nine years. During the fiscal year, the District recognized $697,919 in lease revenue and $55,198 in interest revenue related to this agreement. At June 30, 2024, the District recorded $21,315,225 in lease receivables and $22,701,585 in deferred inflows of resources for this agreement. The District used an interest rate of 3.00% based on rates available to finance over the same time periods. The lessee is responsible for developing and maintaining the grounds.

SDUSD East Village High School

The District leases a portion of its facilities to the San Diego Unified School District East Village High School. The agreement is for a term of three years. During the fiscal year, the District recognized $37,231 in lease revenue and $2,744 in interest revenue related to this agreement. At June 30, 2024, the District recorded $3,036 in lease receivables and $3,178 in deferred inflows of resources for this agreement. The District used an interest rate of 3.00% based on rates available to finance over the same time periods. The lessee is responsible for maintenance of the facilities in possession for the term of the lease agreement.

Family Health Center

The District leases a portion of its facilities to the Family Health Center. The agreement is for a period of four years. During the fiscal year, the District recognized $109,503 in lease revenue and $8,661 in interest revenue related to this agreement. At June 30, 2024, the District recorded $106,271 in lease receivables and $111,218 in deferred inflows of resources for this agreement. The District used an interest rate of 3.00% based on rates available to finance over the same time periods. The lessee is responsible for maintenance of the facilities in possession for the term of the lease agreement.

Dish Wireless

The District licenses (leases) a portion of its facilities for satellite dish sites. These licenses are noncancelable for a period of fifteen years, with one renewal period of ten years. The District believes the licensees will exercise the renewal option with reasonable certainty. The agreements allow for 3% annual increases to the license payments. At termination, lessees must remove all equipment and restore the site to its original state. During the fiscal year, the District recognized $36,948 in lease revenue and $984 in interest revenue related to these agreements. At June 30, 2024, the District recorded $503,338 in lease receivables and $508,139 in deferred inflows of resources for this arrangement. The District used an interest rate of 3.00% based on rates available to finance over the same time periods.

Note 7 - Capital Assets

Capital asset activity for the District for the year ended June 30, 2024, was as follows:

	Balance, July 1, 2023	Additions	Deductions	Balance, June 30, 2024
Capital Assets Not Being Depreciated or Amortized				
Land	$ 82,170,133	$ -	$ -	$ 82,170,133
Construction in progress	33,007,737	6,566,713	(37,756,144)	1,818,306
Total capital assets not being depreciated	115,177,870	6,566,713	(37,756,144)	83,988,439
Capital Assets Being Depreciated and Amortized				
Land improvements	45,147,220	35,430,552	-	80,577,772
Buildings and improvements	1,618,641,620	3,690,077	-	1,622,331,697
Furniture and equipment	93,073,402	4,667,534	-	97,740,936
Total capital assets being depreciated	1,756,862,242	43,788,163	-	1,800,650,405
Total capital assets	1,872,040,112	50,354,876	(37,756,144)	1,884,638,844
Less Accumulated Depreciation				
Land improvements	(13,644,950)	(1,566,628)	-	(15,211,578)
Buildings and improvements	(449,124,848)	(40,843,098)	-	(489,967,946)
Furniture and equipment	(86,557,607)	(2,239,682)	-	(88,797,289)
		-		
Total accumulated depreciation	(549,327,405)	(44,649,408)	-	(593,976,813)
Total capital assets, net	$ 1,322,712,707	$ 5,705,468	$ (37,756,144)	$ 1,290,662,031

Note 8 - Long-Term Liabilities other than OPEB and Pensions

Summary

The changes in the District's long-term liabilities other than OPEB and pensions during the year ended June 30, 2024 consisted of the following:

	Balance, July 1, 2023	Additions	Deductions	Balance, June 30, 2024	Due in One Year
General obligation bonds	$ 1,657,910,342	$ 170,247,737	$ (501,048,079)	$ 1,327,110,000	$ 61,100,000
Bond premium	30,372,742	21,298,928	(4,968,271)	46,703,399	-
Claims liability	8,339,978	416,792	(2,395,708)	6,361,062	-
Compensated absences	16,749,866	1,793,640	-	18,543,506	1,286,855
Load banking	78,214	63,863	-	142,077	-
Early retirement incentive	1,925,620	-	(962,810)	962,810	962,810
Total	$ 1,715,376,762	$ 193,820,960	$ (509,374,868)	$ 1,399,822,854	$ 63,349,665

Description of Long-Term Liabilities

Payments on the general obligation bonds are made by the bond interest and redemption fund with local property tax revenues. The claims liability will be paid by the internal service fund. The compensated absences and load banking will be paid by the fund for which the employee worked. The early retirement incentive will be paid by the general fund.

General Obligation Bonds

In July 2011, the District issued General Obligation Bonds, Election of 2002, Series 2011 of the Proposition S bond authorization, which consisted of current interest serial bonds and capital appreciation serial bonds with an initial par amount of $99,999,859, and interest rates of 1.50% to 6.69% maturing through August 1, 2041. The outstanding balance as of June 30, 2024, was $36,625,000.

In July 2013, the District issued General Obligation Bonds, Election of 2002, Series 2013 of the Proposition S bond authorization, which consisted of current interest serial bonds with an initial par amount of $103,705,000, and interest rates of 1.00% to 5.00% maturing through August 1, 2024. The outstanding balance as of June 30, 2024, was $20,000.

In July 2013, the District issued General Obligation Bonds, Election of 2006, Series 2013 of the Proposition N bond authorization, which consisted of current interest serial bonds, current interest term bonds, and capital appreciation bonds with an initial par amount of $272,996,022, and interest rates of 1.34% to 6.23% maturing through August 1, 2041. The outstanding balance as of June 30, 2024, was defeased.

In November 2016, the District issued General Obligation Bonds, Election of 2006, Series 2016 of the Proposition N bond authorization, which consisted of current interest serial bonds with an initial par amount of $122,005,000, and interest rates of 3.00% to 5.00% maturing through August 1, 2034. The outstanding balance as of June 30, 2024, was $60,795,000.

In November 2016, the District issued 2016 General Obligation Refunding Bonds, which consisted of current interest serial bonds and current interest term bonds with an initial par amount of $504,030,000, and interest rates of 3.00% to 5.00% maturing through August 1, 2028. The Bonds were authorized to advance refund portions of the District's outstanding bonds. The outstanding balance as of June 30, 2024, was $103,470,000.

In October 2019, the District issued 2019 General Obligation Refunding Bonds, Series A, which consisted of current interest serial bonds and current interest term bonds with an initial par amount of $437,965,000, and interest rates of 1.94% to 3.34% maturing through August 1, 2043. The Bonds were authorized to advance refund portions of the District's outstanding bonds. The outstanding balance as of June 30, 2024, was $261,600,000.

In October 2019, the District issued 2019 General Obligation Refunding Bonds, Series B, which consisted of current interest serial and term crossover bonds with an initial par amount of $255,470,000, and interest rates of 2.41% to 3.32% maturing through August 1, 2041. The crossover date is August 1, 2023. The bonds remain as a District obligation and will continue to accrete interest until the crossover date. The Bonds were authorized to advance refund portions of the District's outstanding bonds. The outstanding balance as of June 30, 2024, was $195,635,000.

In December 2021, the District issued 2021 General Obligation Refunding Bonds, which consisted of current interest serial bonds and current interest term bonds with an initial par amount of $523,210,000, and interest rates of 0.50% to 2.76% maturing through August 1, 2041. The Bonds were authorized to advance refund portions of the District's outstanding bonds. The outstanding balance as of June 30, 2024, was $501,070,000.

In February 2024, the District authorized the sale and issuance of the 2024 General Obligation Refunding Bonds (Tender Refinancing) in the amounts of $167,895,000. Proceeds from the sale of the bonds were used to advance refund a portion of the District's General Obligation Bonds, Election of 2006, Series 2016, General Obligation Refunding Bonds, Series 2016, 2019 General Obligation Refunding Bonds, Series A (Taxable), 2019 General Obligation Refunding Bonds, Series B (Taxable) and to pay costs of issuing the bonds. Interest is payable February 1 and August 1 at interest rates ranging from 4.00% to 5.00%. The bonds mature through August 1, 2043. The refunding resulted in an economic gain of $22,321,207 based on the difference between the present value of the existing debt service requirements and the new debt service requirements discounted at 2.78%. The outstanding balance as of June 30, 2024, was $167,895,000.

The following table summarizes the outstanding General Obligation Bonds at June 30, 2024:

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding, July 1, 2023	Issued/ Accretion	Redeemed	Bonds Outstanding, June 30, 2024
Election 2002, Series 2011	7/21/2011	8/1/2041	1.50%-6.69%	$ 99,999,859	$ 34,272,263	$ 2,352,737	$ -	$ 36,625,000
Election 2002, Series 2013	7/17/2013	8/1/2024	1.00%-5.00%	103,705,000	2,295,000	-	(2,275,000)	20,000
Election 2006, Series 2013	7/17/2013	8/1/2041	1.34%-6.23%	272,996,022	235,828,079	-	(235,828,079)	-
Election 2006, Series 2016	11/3/2016	8/1/2034	3.00%-5.00%	122,005,000	75,060,000	-	(14,265,000)	60,795,000
2016 Refunding	11/3/2016	8/1/2028	3.00%-5.00%	504,030,000	134,035,000	-	(30,565,000)	103,470,000
2019 Refunding, Series A	10/16/2019	8/1/2043	1.94%-3.34%	437,965,000	411,630,000	-	(150,030,000)	261,600,000
2019 Refunding, Series B	10/16/2019	8/1/2041	2.41%-3.32%	255,470,000	255,470,000	-	(59,835,000)	195,635,000
2021 Refunding	12/08/2021	8/1/2041	0.50%-2.76%	523,210,000	509,320,000	-	(8,250,000)	501,070,000
2024 Refunding	2/7/2024	8/1/2043	4.00%-5.00%	167,895,000	-	167,895,000	-	167,895,000
					$ 1,657,910,342	$ 170,247,737	$ (501,048,079)	$ 1,327,110,000

Debt Service Requirements to Maturity

The bonds mature through fiscal year 2044 as follows:

Fiscal Year	Principal (Including Accreted Interest to date)	Accreted Interest	Current Interest to Maturity	Total
2025	$ 61,100,000	$ -	$ 38,187,005	$ 99,287,005
2026	63,655,000	-	36,568,685	100,223,685
2027	68,325,000	-	34,313,262	102,638,262
2028	74,565,000	-	31,792,364	106,357,364
2029	81,855,000	-	29,053,619	110,908,619
2030-2034	507,440,000	31,818,378	107,049,338	646,307,716
2035-2039	244,416,620	23,541,618	54,241,385	322,199,623
2040-2044	225,753,380	-	18,115,193	243,868,573
Total	$ 1,327,110,000	$ 55,359,996	$ 349,320,851	$ 1,731,790,847

Early Retirement Incentive

The District has entered into an agreement to provide certain benefits to employees participating in the early retirement incentive plan. The District will pay a total of $962,180 on behalf of the retirees in accordance with the following schedule:

Fiscal Year	
2025	$ 962,810

Note 9 - Aggregate Net Other Postemployment Benefits (OPEB) Liability

For the fiscal year ended June 30, 2024, the District reported an aggregate net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Aggregate Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 42,215,696	$ 10,714,637	$ 10,221,924	$ 2,563,121
Medicare Premium Payment (MPP) Program	839,678	-	-	(59,420)
Total	$ 43,055,374	$ 10,714,637	$ 10,221,924	$ 2,503,701

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 San Diego Community College District Retirement Board of Authority, which consists of appointed Plan members.

Plan Membership

At June 30, 2024, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	108
Active employees	2,323
Total	2,431

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 San Diego Community College District Retirement Board of Authority as directed by the investment alternative choice selected by the District. The District retains the responsibility to oversee the management of the Trust, including the requirement that investments and assets held within the Trust continually adhere to the requirements of the California *Government Code* Section 53600.5 which specifies that the trustee's primary role is to preserve capital, to maintain investment liquidity, and to protect investment yield. As such, the District acts as the fiduciary of the Trust. The financial activity of the Trust has been discretely presented. Separate financial statements are not prepared for the Trust.

Benefits Provided

The District provides postemployment health care benefits for retired employees in accordance with negotiated contracts with the various bargaining units of the District. The District provides medical benefits to its employees through the Kaiser HMO, four United Healthcare HMO options, United Healthcare Signature Value Alliance, United Healthcare CA Select Plus PPO plan, and three United Healthcare Out of Area PPO options. The District also provides dental (Delta Dental) and vision (Vision Service Plan) benefits.

The District maintains the same medical plans for its early retirees (those under age 65) as for its active employees, as well as their Medicare counterparts for Medicare eligible retirees (age 65+) (United Healthcare Senior Advantage and Kaiser Senior Advantage). The District's share of retiree premium depends on classification, age, years of service (YOS) and the applicable cap. For the 2024 calendar year, the cap is $1,617 per month.

Under the early retirement program instituted in 2003, the District pays medical premiums for five years (or until age 65, if later, for faculty.) Supervisory and Professional, and Office Technical employees may delay the five years of District-paid benefits until age 60 by participating in the District plan at their own expense during the deferral period. District-paid dental premiums are provided only to retirees with lifetime benefits.

For 2024, the District cap is $1,617 per month and is assumed to grow at the medical trend rates shown in the Assumptions section of this report.

The District also pays Medicare Part B premiums for a small group of Lifetime Manager Retirees and their spouses. Survivor benefits are provided for the spouses of those retirees eligible for lifetime benefits. Benefits are paid for one year following the retiree's death and are limited to medical and dental premiums only.

Contributions

The contribution requirements of Plan members and the District are established and may be amended by the District and the District's bargaining units. Voluntary contributions are based on projected pay-as-you-go financing requirements. For the measurement period ending June 30, 2024, the District paid $1,919,061 in benefits, of which $1,332,404 was used for current premiums and $586,657 represents the effect of the implicit rate subsidy.

Investment

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the governing board by a majority vote of its members. It is the policy of the District to pursue an investment strategy that reduces risks through the prudent diversification for the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocation over short time spans. The following was the governing board's adopted asset allocation policy as of June 30, 2024:

Asset Class	Target Allocation
Broad U.S. Equity	50%
U.S. Fixed	50%

Rate of Return

For the year ended June 30, 2024, the annual money-weighed rate of return on investments, net of investment expense, was 11.54%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the District

The District's net OPEB liability of $42,215,696 was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The components of the net OPEB liability of the District at June 30, 2024, were as follows:

Total OPEB liability	$ 50,524,704
Plan fiduciary net position	(8,309,008)
Net OPEB liability	$ 42,215,696
Plan fiduciary net position as a percentage of the total OPEB liability	16.45%

Actuarial Assumptions

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified**:**

Inflation	2.50%
Salary increases	3.00%
Investment rate of return	6.50%, net of OPEB plan investment expense
Discount rate	4.30%
Healthcare cost trend rates	7.50% for 2024, 5.40% for 2029, 5.25% for 2030-2034, 4.60% for 2035-2049, 4.50% for 2050-2064, 4.25% for 2065-2074, and 4.50% for 2070 and later years

The discount rate was based on the assumed long-term expected rate of return on plan assets.

Preretirement mortality rates for certificated employees were based on CalSTRS Experience Analysis (2015-2018), for classified mortality rates were based on CalPERS Experience Study (2000-2019), and for safety employees mortality rates were based on Public Agency Police and Fire from CalPERS Experience Study (2000-2019). Postretirement mortality rates for certificated employees who retired members and their beneficiaries were based on CalSTRS Experience Analysis (2015-2018), for classified employees mortality rates for healthy recipients were based on CalPERS Experience Study (2000-2019), and for safety employees mortality rates were based on Public Agency Police and Fire from CalPERS Experience Study (2000-2019).

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actual experience as of that date.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. The calculated investment rate of return was set equal to the expected ten-year compound (geometric) real return plus inflation (rounded to the nearest 25 basis points, where appropriate). The best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan's target asset allocation as of June 30, 2024, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Broad U.S. Equity	4.40%
U.S. Fixed	1.80%

Discount Rate

The discount rate used to measure the total OPEB liability was 4.30%. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance, June 30, 2023	$ 42,080,506	$ 7,457,813	$ 34,622,693
Service cost	2,393,847	-	2,393,847
Interest	2,019,593	-	2,019,593
Difference between expected and actual experience	2,627,287	-	2,627,287
Contributions - employer	-	1,919,061	(1,919,061)
Net investment income	-	861,229	(861,229)
Changes of assumptions	3,322,532	-	3,322,532
Benefit payments	(1,919,061)	(1,919,061)	-
Administrative expense	-	(10,034)	10,034
Net change in total OPEB liability	8,444,198	851,195	7,593,003
Balance, June 30, 2024	$ 50,524,704	$ 8,309,008	$ 42,215,696

Changes of economic assumptions reflect a change in the healthcare costs trend rates from 5.50% for 2023, 5.20% for 2024-2069, and 4.50% for year 2070 and later in the previous valuation, to 7.50% for 2024, 5.40% for 2029, 5.25% for 2030-2034, 4.60% for 2035-2049, 4.50% for 2050-2064, 4.25% for 2065-2074, and 4.50% for 2070 and later years in the current valuation. Additionally, the discount rate changed from 4.64% in the previous valuation to 4.30% in the current valuation.

There were no changes in benefit terms since the previous valuation.

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

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

Discount Rate	Net OPEB Liability
1% decrease (3.30%)	$ 46,320,811
Current discount rate (4.30%)	42,215,696
1% increase (5.30%)	38,381,922

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend 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 healthcare cost trend rate that is one percent lower or higher than the current healthcare cost trend rate:

Healthcare Cost Trend Rate	Net OPEB Liability
1% decrease (6.50%)	$ 36,886,566
Current healthcare cost trend rate (7.50%)	42,215,696
1% increase (8.50%)	48,459,220

Deferred Outflows/Inflows of Resources Related to OPEB

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB for the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,924,181	$ 5,008,153
Changes of assumptions	7,740,294	5,213,771
Net difference between projected and actual earnings on OPEB plan investments	50,162	-
Total	$ 10,714,637	$ 10,221,924

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ 21,442
2026	199,328
2027	(95,249)
2028	(75,359)
Total	$ 50,162

The deferred outflows/(inflows) of resources related to differences between expected and actual experience in the measurement of the total OPEB liability and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits as of the beginning of the measurement period. The EARSL for the measurement period is 6.8 years and will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ 493,863
2026	493,863
2027	65,681
2028	(407,573)
2029	(407,572)
Thereafter	204,289
Total	$ 442,551

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, 2022 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

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

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

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

Net OPEB Liability and OPEB Expense

At June 30, 2024, the District reported a liability of $839,678 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating entities, actuarially determined. The District's proportionate share for the measurement periods ending June 30, 2023 and June 30, 2022, was 0.2767% and 0.2729%, respectively, resulting in a net increase in the proportionate share of 0.0038%.

For the year ended June 30, 2024, the District recognized OPEB expense of ($59,420).

Actuarial Methods and Assumptions

The June 30, 2023 total OPEB liability was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total OPEB liability to June 30, 2023, using the assumptions listed in the following table:

Measurement Date	June 30, 2023
Valuation Date	June 30, 2022
Experience Study	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	3.65%
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, 2022, 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 members. The projection scale was 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 179 or an average of 0.13% of the potentially eligible population (138,780).

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, 2023, 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

As the MPP Program is funded on a pay-as-you-go basis, the OPEB plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, the MPP Program used the Bond Buyer's 20-Bond GO Index from Bondbuyer.com as of June 30, 2023, as the discount rate, which was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate as of June 30, 2023, was 3.65%, which is an increase of 0.11% from 3.54% as of June 30, 2022.

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

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

Discount Rate	Net OPEB Liability
1% decrease (2.65%)	$ 912,557
Current discount rate (3.65%)	839,678
1% increase (4.65%)	776,309

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

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

Medicare Costs Trend Rates	Net OPEB Liability
1% decrease (3.50% Part A and 4.40% Part B)	$ 772,587
Current Medicare costs trend rates (4.50% Part A and 5.40% Part B)	839,678
1% increase (5.50% Part A and 6.40% Part B)	915,421

Note 10 - Risk Management

Property/Liability

The District is self-insured for losses arising from public liability, auto, and property claims. Self-insurance amounts are $100,000 per individual claim for property and $200,000 for auto and public liability. The District is covered for losses in excess of these amounts by outside insurance carriers.

The District maintains a Liability insurance policy for California whereby the District pays the first $200,000 per occurrence with coverage up to $50 million including excess liability with no self-retention between the coverage ranges of $1 - $20 million. The District also maintains a Crime policy with a deductible of $2,500 with a $5 million limit.

Health/Dental/Vision/Life

These programs are fully insured.

Student Accident

This program is fully insured and provides coverage for up to $25,000 per accident.

Claims Liabilities

The District establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represent the changes in approximate aggregate liabilities for the District from July 1, 2022 to June 30, 2024:

	Workers' Compensation
Liability Balance, July 1, 2022	$ 6,307,333
Claims and changes in estimates	3,490,243
Claims payments	(1,457,598)
Liability Balance, June 30, 2023	8,339,978
Claims and changes in estimates	416,792
Claims payments	(2,395,708)
Liability Balance, June 30, 2024	$ 6,361,062
Assets available to pay claims at June 30, 2024	$ 37,737,901

Note 11 - Employee Retirement Systems

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers' Retirement System (CalSTRS), classified employees are members of the California Public Employees' Retirement System (CalPERS) Schools Pool Plan, and campus police employees are members of the California Public Employees' Retirement System (CalPERS) Safety Pool Plan or the California Public Employees' Retirement System (CalPERS) PERPA Safety Pool Plan.

For the fiscal year ended June 30, 2024, 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	$ 142,485,542	$ 43,278,737	$ 22,088,165	$ 16,658,446
CalPERS - Schools Pool Plan	167,222,557	56,944,281	19,091,844	19,382,548
CalPERS - Safety Pool Plan	973,594	841,113	903,258	1,124,361
Total	$ 310,681,693	$ 101,064,131	$ 42,083,267	$ 37,165,355

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, 2022, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that may 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% 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 non-employer contributing entity to the STRP.

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

The STRP Defined Benefit Program provisions and benefits in effect at June 30, 2024, 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	19.10%	19.10%
Required State contribution rate	10.828%	10.828%

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 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, 2024, are presented above, and the District's total contributions were $24,510,884.

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

At June 30, 2024, 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	$ 142,485,542
State's proportionate share of net pension liability associated with the District	68,268,830
Total	$ 210,754,372

The net pension liability was measured as of June 30, 2023. 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, as actuarially determined. The District's proportionate share for the measurement periods of June 30, 2023 and June 30, 2022, was 0.1871% and 0.1819%, respectively, resulting in a net increase in the proportionate share of 0.0052%.

For the year ended June 30, 2024, the District recognized pension expense of $16,658,446. In addition, the District recognized pension expense and revenue of $9,286,447, for support provided by the State. At June 30, 2024, 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	$ 24,510,884	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	6,135,898	14,464,465
Differences between projected and actual earnings on pension plan investments	609,896	-
Differences between expected and actual experience in the measurement of the total pension liability	11,197,016	7,623,700
Changes of assumptions	825,043	-
Total	$ 43,278,737	$ 22,088,165

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ (4,482,705)
2026	(7,025,184)
2027	11,544,839
2028	572,946
Total	$ 609,896

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
2025	$ (2,740,764)
2026	(2,710,829)
2027	(788,691)
2028	(1,309,874)
2029	982,368
Thereafter	2,637,582
Total	$ (3,930,208)

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
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% 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 as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS independent consulting actuary reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2023, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public equity	38%	5.25%
Private equity	14%	6.75%
Real estate	15%	4.05%
Inflation sensitive	7%	3.65%
Fixed income	14%	2.45%
Risk mitigating strategies	10%	2.25%
Cash/liquidity	2%	0.05%

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. 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% and assuming that contributions, benefit payments, and administrative expense occurred mid-year. 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%)	$ 239,008,127
Current discount rate (7.10%)	142,485,542
1% increase (8.10%)	62,312,285

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, 2022, annual actuarial valuation report, and the Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that may 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 Employee Pool provisions and benefits in effect at June 30, 2024, 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%	8.00%
Required employer contribution rate	26.68%	26.68%

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, 2024, are presented above and the total District contributions were $25,262,426.

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

As of June 30, 2024, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $167,222,557. The net pension liability was measured as of June 30, 2023. 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 districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2023, and June 30, 2022, was 0.4620% and 0.5085%, respectively, resulting in a net decrease in the proportionate share of 0.0465%.

For the year ended June 30, 2024, the District recognized pension expense of $19,382,548. At June 30, 2024, 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	$ 25,262,426	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	13,794	16,523,551
Differences between projected and actual earnings on pension plan investments	17,861,760	-
Differences between expected and actual experience in the measurement of the total pension liability	6,102,424	2,568,293
Changes of assumptions	7,703,877	-
Total	$ 56,944,281	$ 19,091,844

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ 3,331,915
2026	1,973,910
2027	12,000,062
2028	555,873
Total	$ 17,861,760

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and the 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 3.8 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ (2,601,648)
2026	(1,612,983)
2027	(1,057,118)
Total	$ (5,271,749)

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	6.90%
Investment rate of return	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. 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 - cap-weighted	30%	4.54%
Global equity - non-cap-weighted	12%	3.84%
Private equity	13%	7.25%
Treasury	5%	0.27%
Mortgage-backed securities	5%	0.50%
Investment grade corporates	10%	1.56%
High yield	5%	2.27%
Emerging market debt	5%	2.48%
Private debt	5%	3.57%
Real assets	15%	3.21%
Leverage	(5%)	(0.59%)

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on 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 expected rate of return on the School Employer Pool investments 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 (5.90%)	$ 241,760,593
Current discount rate (6.90%)	167,222,557
1% increase (7.90%)	105,618,567

California Public Employees' Retirement System (CalPERS) – Safety Pool Plan

Plan Description

Qualified employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Plan under CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The Public Agency Cost-Sharing Multiple-Employer Plan is comprised of a Miscellaneous Risk Pool and a Safety Risk Pool. The District sponsors one Safety Pool Plan (the Plan) for employees of the District Police Department. The Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

Benefits Provided

The Plan provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members who must be sworn police officers and beneficiaries. Benefits are based on years of service credit, a benefit factor, and the member's final compensation. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for employment-related disability benefits regardless of length of service and non-duty disability benefits after five years of service. Disability benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. The Post-Retirement Death Benefit is a one-time payment made to a retiree's designated survivor or estate upon the retiree's death. 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 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The Special Death Benefit is provided to an employee's eligible survivors if the member dies while actively employed and the death is job-related. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS provisions and benefits in effect at June 30, 2024, are summarized as follows:

Hire date	On or before December 31, 2012	On or after January 1, 2013
Benefit formula	3% 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	2.4% - 3.0%	1.0% - 2.5%
Required employee contribution rate	15.00%	14.50%
Required employer contribution rate	15.20%	14.50%
Required unfunded liability payment to CalPERS	$0	$0

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are 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 determined annually 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 percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2024, are presented above, and the total District contributions were $579,578.

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

As of June 30, 2024, the District reported net pension liabilities for its proportionate share of the Safety Risk Pool net pension liability totaling $973,594. The net pension liability was measured as of June 30, 2023. 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 employers, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2023 and June 30, 2022, was 0.0130% and 0.0069%, respectively, resulting in a net increase in the proportionate share of 0.0061%.

For the year ended June 30, 2024, the District recognized pension expense of $1,124,361. At June 30, 2024, 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	$ 579,578	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	-	897,139
Differences between projected and actual earnings on pension plan investments	133,235	-
Differences between expected and actual experience in the measurement of the total pension liability	71,480	6,119
Changes of assumptions	56,820	-
Total	$ 841,113	$ 903,258

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ 24,516
2026	15,067
2027	89,934
2028	3,718
Total	$ 133,235

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and the District's proportionate share of contributions, and differences between expected and actual experience in the measurement of the total pension liability 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 3.8 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ (267,809)
2026	(282,547)
2027	(224,602)
Total	$ (774,958)

Actuarial Methods and Assumptions

Total pension liability for the Plan was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	6.90%
Investment rate of return	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. 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 - cap-weighted	30%	4.54%
Global equity - non-cap-weighted	12%	3.84%
Private equity	13%	7.25%
Treasury	5%	0.27%
Mortgage-backed securities	5%	0.50%
Investment grade corporates	10%	1.56%
High yield	5%	2.27%
Emerging market debt	5%	2.48%
Private debt	5%	3.57%
Real assets	15%	3.21%
Leverage	(5%)	(0.59%)

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine 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 (5.90%)	$ 1,505,134
Current discount rate (6.90%)	973,594
1% increase (7.90%)	539,022

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 in the amount of $10,919,704 (10.828% of annual payroll). 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. 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.

Social Security Alternative Plan

Plan Description

The Social Security Alternative plan is a single employer defined contribution plan covering most employees of the San Diego Community College District who are not eligible for membership in CalPERS, CalSTRS or another plan. Upon employment and any re-employment, part-time employees may become a member of the Social Security Alternative Plan. The Social Security Alternative Plan is an alternative plan to social security, and unit members would not contribute to social security under the Omnibus Budget Reconciliation Act of 1991.

Funding Policy

Contributions to the Social Security Alternative Plan are shared between the employee and the District. The District contributes 3.75% of eligible wages as defined under Internal Revenue Service regulations, and 3.75% of eligible wages are withheld from the employee's checks for deposit under the plan. The District's contribution to the Social Security Alternative Plan for the fiscal year ended June 30, 2024 were $722,300.

The Social Security Alternative Plan is a qualified pension plan under the Internal Revenue Code 401 and is thereby exempt from all federal income and California franchise taxes.

Note 12 - 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, 2024. Additionally, the District is currently working with the U.S. Department of Education regarding outstanding drawdowns in the amount of approximately $16.3 million related to the COVID-19 Higher Education Emergency Relief Grants.

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, 2024.

Construction Commitments

As of June 30, 2024, the District had committed under various capital expenditure purchase agreements for various projects totaling approximately $1.7 million to be funded through a combination of capital project apportionments from the California State Chancellor's Office and other capital and general sources.

Note 13 - Correction of Error

Correction of Error in Previously Issued Financial Statements

During fiscal year 2023-2024, San Diego Community College District's management determined that there were certain errors in amounts previously reported in the 2022-2023 financial statements resulting in a restatement of the beginning net position. The corrections consist of grant revenue that should have been recognized in the prior year, which resulted in adjustments to and restatements of beginning net position (deficit) as follows:

Business-Type Activities	
Net Position (Deficit) - Beginning	$ (152,940,518)
Unearned revenue	16,228,507
Net Position - Beginning (Deficit), as Restated	$ (136,712,011)

If this amount had been properly recorded in the prior year, the change in net position for the business-type activities would have increased by $8,938,867 from the amount previously reported.

Required Supplementary Information

June 30, 2024

San Diego Community College District

	2024	2023	2022	2021	2020
Total OPEB Liability					
Service cost	$ 2,393,847	$ 1,699,711	$ 2,368,534	$ 2,533,668	$ 2,253,692
Interest	2,019,593	1,876,295	1,541,220	1,593,707	1,705,646
Difference between expected and actual experience	2,627,287	-	-	-	-
Changes of assumptions	3,322,532	(452,955)	(14,085,091)	1,163,826	4,375,997
Benefit payments	(1,919,061)	(2,053,976)	(1,797,005)	(2,021,220)	(1,680,106)
Net change in total OPEB liability	8,444,198	1,069,075	(11,972,342)	3,269,981	6,655,229
Total OPEB Liability - Beginning	42,080,506	41,011,431	52,983,773	49,713,792	43,058,563
Total OPEB Liability - Ending (a)	$ 50,524,704	$ 42,080,506	$ 41,011,431	$ 52,983,773	$ 49,713,792
Plan Fiduciary Net Position					
Contributions - employer	$ 1,919,061	$ 2,053,976	$ 1,797,005	$ 2,021,220	$ 1,680,106
Net investment income	861,229	558,401	(950,702)	1,332,470	282,216
Benefit payments	(1,919,061)	(2,053,976)	(1,797,005)	(2,021,220)	(1,680,106)
Administrative expense	(10,034)	(9,849)	(10,588)	(16,967)	(12,843)
Net change in plan fiduciary net position	851,195	548,552	(961,290)	1,315,503	269,373
Plan Fiduciary Net Position - Beginning	7,457,813	6,909,261	7,870,551	6,555,048	6,285,675
Plan Fiduciary Net Position - Ending (b)	$ 8,309,008	$ 7,457,813	$ 6,909,261	$ 7,870,551	$ 6,555,048
Net OPEB Liability - Ending (a) - (b)	$ 42,215,696	$ 34,622,693	$ 34,102,170	$ 45,113,222	$ 43,158,744
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	16.45%	17.72%	16.85%	14.85%	13.19%
Covered Payroll	$ 267,080,724	$ 238,912,085	$ 220,431,224	$ 214,097,303	$ 227,670,372
Net OPEB Liability as a Percentage of Covered Payroll	15.81%	14.49%	15.47%	21.07%	18.96%
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020

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

	2019	2018
Total OPEB Liability		
Service cost	$ 1,016,369	$ 986,766
Interest	2,160,432	2,094,028
Difference between expected and actual experience	-	-
Changes of assumptions	7,684,732	-
Benefit payments	(2,048,523)	(2,069,538)
Net change in total OPEB liability	8,813,010	1,011,256
Total OPEB Liability - Beginning	34,245,553	33,234,297
Total OPEB Liability - Ending (a)	$ 43,058,563	$ 34,245,553
Plan Fiduciary Net Position		
Contributions - employer	$ 2,048,523	$ 2,069,538
Net investment income	708,941	1,323,364
Benefit payments	(16,748,523)	(2,069,538)
Administrative expense	(16,610)	(500)
Net change in plan fiduciary net position	(14,007,669)	1,322,864
Plan Fiduciary Net Position - Beginning	20,293,344	18,970,480
Plan Fiduciary Net Position - Ending (b)	$ 6,285,675	$ 20,293,344
Net OPEB Liability - Ending (a) - (b)	$ 36,772,888	$ 13,952,209
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	14.60%	59.26%
Covered Payroll	$ 229,715,106	$ 226,093,712
Net OPEB Liability as a Percentage of Covered Payroll	16.01%	6.17%
Measurement Date	June 30, 2019	June 30, 2018

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

	2024	2023	2022	2021	2020
Actuarially determined contribution	$ 2,805,727	$ 2,724,007	$ 2,724,007	$ 3,081,054	$ 3,052,870
Contribution in relation to the actuarially determined contribution	(1,919,061)	(2,053,976)	(1,322,689)	(1,487,723)	(1,230,036)
Contribution deficiency (excess)	$ 886,666	$ 670,031	$ 1,401,318	$ 1,593,331	$ 1,822,834
Covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Contributions as a percentage of covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]	N/A[1]

	2019	2018
Actuarially determined contribution	$ 1,575,911	$ 1,775,405
Contribution in relation to the actuarially determined contribution	(1,505,824)	(1,521,272)
Contribution deficiency (excess)	$ 70,087	$ 254,133
Covered payroll	N/A[1]	N/A[1]
Contributions as a percentage of covered payroll	N/A[1]	N/A[1]

[1] 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.

	2024	2023	2022	2021	2020
Annual money-weighted rate of return, net of investment expense	11.54%	7.94%	(19.35%)	23.00%	3.90%
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020

	2019	2018
Annual money-weighted rate of return, net of investment expense	4.60%	6.50%
Measurement Date	June 30, 2019	June 30, 2018

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

Year ended June 30,	2024	2023	2022
Proportion of the net OPEB liability	0.2767%	0.2729%	0.2871%
Proportionate share of the net OPEB liability	$ 839,678	$ 899,098	$ 1,334,319
Covered payroll	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]
Plan fiduciary net position as a percentage of the total OPEB liability	(0.96%)	(0.94%)	(0.80%)
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021

[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. Information is not available prior to June 30, 2022.

	2024	2023	2022	2021	2020
CalSTRS					
Proportion of the net pension liability	0.1871%	0.1819%	0.1910%	0.2000%	0.2070%
Proportionate share of the net pension liability	$ 142,485,542	$ 126,370,141	$ 86,920,280	$ 193,818,000	$ 186,954,120
State's proportionate share of the net pension liability associated with the District	68,268,830	63,285,673	43,735,824	99,912,393	101,996,777
Total	$ 210,754,372	$ 189,655,814	$ 130,656,104	$ 293,730,393	$ 288,950,897
Covered payroll	$ 120,367,277	$ 112,162,961	$ 109,768,167	$ 115,389,550	$ 118,845,964
Proportionate share of the net pension liability as a percentage of its covered payroll	118.38%	112.67%	79.19%	167.97%	157.31%
Plan fiduciary net position as a percentage of the total pension liability	81%	81%	87%	72%	73%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
CalPERS - Schools Pool Plan					
Proportion of the net pension liability	0.4620%	0.5085%	0.5493%	0.5644%	0.5689%
Proportionate share of the net pension liability	$ 167,222,557	$ 174,972,930	$ 111,697,035	$ 173,175,281	$ 165,801,646
Covered payroll	$ 80,105,743	$ 71,207,385	$ 78,850,237	$ 81,395,132	$ 78,909,966
Proportionate share of the net pension liability as a percentage of its covered payroll	208.75%	245.72%	141.66%	212.76%	210.11%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	81%	70%	70%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019

	2019	2018	2017	2016	2015
CalSTRS					
Proportion of the net pension liability (asset)	0.2080%	0.2140%	0.2020%	0.2100%	0.1950%
Proportionate share of the net pension liability (asset)	$ 191,166,560	$ 197,907,200	$ 163,779,231	$ 139,938,870	$ 113,952,150
State's proportionate share of the net pension liability (asset) associated with the District	109,452,333	117,081,181	93,250,321	74,012,037	68,809,228
Total	$ 300,618,893	$ 314,988,381	$ 257,029,552	$ 213,950,907	$ 182,761,378
Covered payroll	$ 117,562,509	$ 114,818,386	$ 104,157,241	$ 82,277,905	$ 88,422,180
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	162.61%	172.37%	157.24%	170.08%	128.87%
Plan fiduciary net position as a percentage of the total pension liability	71%	69%	70%	74%	77%
Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS - Schools Pool Plan					
Proportion of the net pension liability (asset)	0.5640%	0.5642%	0.5610%	0.5650%	0.5720%
Proportionate share of the net pension liability (asset)	$ 150,380,156	$ 134,682,269	$ 110,824,235	$ 83,290,413	$ 64,981,337
Covered payroll	$ 74,642,579	$ 62,441,280	$ 45,786,013	$ 58,413,916	$ 60,093,558
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	201.47%	215.69%	242.05%	142.59%	108.13%
Plan fiduciary net position as a percentage of the total pension liability	71%	72%	74%	79%	83%
Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

	2024	2023	2022	2021	2020
CalPERS - Safety Pool Plan					
Proportion of the net pension liability	0.0130%	0.0069%	0.0147%	N/A	N/A
Proportionate share of the net pension liability	$ 973,594	$ 477,375	$ 517,029	N/A	N/A
Covered payroll	$ 3,708,280	$ 3,999,835	$ 3,598,702	N/A	N/A
Proportionate share of the net pension liability as a percentage of its covered payroll	26.25%	11.93%	14.37%	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	75%	76%	87%	N/A	N/A
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019

N/A: Information is not available for years prior to June 30, 2022.

	2019	2018	2017	2016	2015
CalPERS - Safety Pool Plan					
Proportion of the net pension liability	N/A	N/A	N/A	N/A	N/A
Proportionate share of the net pension liability	N/A	N/A	N/A	N/A	N/A
Covered payroll	N/A	N/A	N/A	N/A	N/A
Proportionate share of the net pension liability as a percentage of its covered payroll	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	N/A	N/A	N/A	N/A
Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

N/A: Information is not available for years prior to June 30, 2022.

	2024	2023	2022	2021	2020
CalSTRS					
Contractually required contribution	$ 24,510,884	$ 22,990,150	$ 18,977,973	$ 17,727,559	$ 19,731,613
Contributions in relation to the contractually required contribution	(24,510,884)	(22,990,150)	(18,977,973)	(17,727,559)	(19,731,613)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 128,329,236	$ 120,367,277	$ 112,162,961	$ 109,768,167	$ 115,389,550
Contributions as a percentage of covered payroll	19.10%	19.10%	16.92%	16.15%	17.10%
CalPERS - Schools Pool Plan					
Contractually required contribution	$ 25,262,426	$ 20,322,827	$ 16,313,612	$ 16,321,999	$ 16,051,934
Contributions in relation to the contractually required contribution	(25,262,426)	(20,322,827)	(16,313,612)	(16,321,999)	(16,051,934)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 94,686,754	$ 80,105,743	$ 71,207,385	$ 78,850,237	$ 81,395,132
Contributions as a percentage of covered payroll	26.680%	25.370%	22.910%	20.700%	19.721%
CalPERS - Safety Pool Plan					
Contractually required contribution	$ 579,578	$ 506,551	$ 559,177	N/A	N/A
Contributions in relation to the contractually required contribution	(579,578)	(506,551)	(559,177)	N/A	N/A
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 3,997,090	$ 3,708,280	$ 3,999,835	N/A	N/A
Contributions as a percentage of covered payroll	14.500%	13.660%	13.980%	N/A	N/A

N/A: Information is not available for years prior to June 30, 2022.

	2019	2018	2017	2016	2015
CalSTRS					
Contractually required contribution	$ 19,348,123	$ 16,964,270	$ 14,444,153	$ 11,176,072	$ 7,306,278
Contributions in relation to the contractually required contribution	(19,348,123)	(16,964,270)	(14,444,153)	(11,176,072)	(7,306,278)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 118,845,964	$ 117,562,509	$ 114,818,386	$ 104,157,241	$ 82,277,905
Contributions as a percentage of covered payroll	16.28%	14.43%	12.58%	10.73%	8.88%
CalPERS					
Contractually required contribution	$ 14,252,718	$ 11,592,739	$ 8,671,845	$ 5,424,269	$ 6,875,902
Contributions in relation to the contractually required contribution	(14,252,718)	(11,592,739)	(8,671,845)	(5,424,269)	(6,875,902)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 78,909,966	$ 74,642,579	$ 62,441,280	$ 45,786,013	$ 58,413,916
Contributions as a percentage of covered payroll	18.062%	15.531%	13.888%	11.847%	11.771%
CalPERS - Safety Pool Plan					
Contractually required contribution	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

N/A: Information is not available for years prior to June 30, 2022.

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 benefit terms since the previous valuation.
- *Changes of Assumptions* - Changes of economic assumptions reflect a change in the healthcare costs trend rates from 5.50% for 2023, 5.20% for 2024-2069, and 4.50% for year 2070 and later in the previous valuation, to 7.50% for 2024, 5.40% for 2029, 5.25% for 2030-2034, 4.60% for 2035-2049, 4.50% for 2050-2064, 4.25% for 2065-2074, and 4.50% for 2070 and later years in the current valuation. Additionally, the discount rate changed from 4.64% in the previous valuation to 4.30% in the current valuation.

Schedule of District Contributions for OPEB

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

Schedule of OPEB Investment Returns

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

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

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

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – The plan rate of investment return assumption was changed from 3.54% to 3.65% 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.

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

Changes of Assumptions – There were no changes in economic assumptions for the CalSTRS or CalPERS plans since the previous valuations.

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.

Supplementary Information
June 30, 2024

San Diego Community College District

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San Diego Community College District was established in 1973, and is comprised of an area of approximately 196 square miles located in San Diego County. There were no changes in the boundaries of the District during the current year. The District's 3 credit colleges are each accredited by the Accrediting Commission for Community and Junior Colleges Western Association of Schools and Colleges, and the noncredit College of Continuing Education is accredited by the Accrediting Commission for Schools Western Association of Schools and Colleges.

Board of Trustees as of June 30, 2024

Member	Office	Term Expires
Bernie Rhinerson	President	2024
Mary Graham	Executive Vice President	2024
Geysil Arroyo	Vice President for Public Health Advocacy	2026
Craig Milgrim	Vice President for Diversity, Equity, and Inclusion	2026
Maria Nieto Senour	Vice President for Legislative Advocacy	2026

Administration as of June 30, 2024

Gregory A. Smith	Chancellor
Ricky Shabazz, Ed.D.	President, San Diego City College
Ashanti Hands, Ed.D.	President, San Diego Mesa College
P. Wesley Lundburg, Ph.D.	President, San Diego Miramar College
Tina M. King, Ed.D.	President, San Diego College of Continuing Education
Daniel J. Troy	Vice Chancellor, Finance and Business Services
Susan Topham, Ed.D.	Vice Chancellor, Educational Services
Joel L. A. Peterson, Ph.D.	Vice Chancellor, Operations, Enterprise Services, and Facilities
Jared Burns, Ph.D., J.D.	Vice Chancellor, People, Culture, and Technology Services
Laurie Coskey, Ed.D.	Vice Chancellor, Development and Entrepreneurship
Michelle Fischthal, DBA	Vice Chancellor, Institutional Innovation and Effectiveness
City College - John Parker, DBA	Vice President, Administrative Services
Mesa College - Lorenze Legaspi	Vice President, Administrative Services
Miramar College - Brett Bell	Vice President, Administrative Services
College of Continuing Education - Jacqueline Sabanos	Vice President, Administrative Services
District Office - Nancy Lane	Associate Vice Chancellor, Finance and Business Services

Auxiliary Organizations in Good Standing

San Diego Community College Auxiliary Organization, established 1997
Master Agreement established June 18, 1997
P. Wesley Lundburg, Ph.D., President, San Diego Miramar College

San Diego City College Foundation, established 2014
Master Agreement established April 30, 2014
John Parker, Vice President, Administrative Services

San Diego Continuing Education Foundation, established 2014
Master Agreement established April 30, 2014
Jacqueline Sabanos, Vice President, Administrative Services

San Diego Mesa College Foundation, established 2014
Master Agreement established April 24, 2014
Lorenze Legaspi, Vice President, Administrative Services

San Diego Miramar College Foundation, established 2014
Master Agreement established March 14, 2014
Brett Bell, Vice President, Administrative Services

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Student Financial Assistance Cluster			
Federal Pell Grant Program	84.063		$ 44,388,299
Federal Pell Grant Program Administrative Allowance	84.063		53,835
Federal Direct Student Loans	84.268		4,285,782
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		2,412,345
Federal Work-Study Program	84.033		1,136,678
Subtotal Student Financial Assistance Cluster			52,276,939
TRIO Cluster			
STAR Student Support Services	84.042A		358,116
Upward Bound Program	84.047A		292,072
Subtotal TRIO Cluster			650,188
Passed through California Community Colleges Chancellor's Office			
Career and Technical Education Act (CTEA), Title I, Part C	84.048A	23-C01-070	1,616,853
Perkins V Reserve Innovation Grant	84.048A	G0335, G0336, G0327, G0338, G0339	738,479
Subtotal - Career and Technical Education - Basic Grants to States			2,355,332
Passed through California Department of Education			
Adult Education: Integrated English Literacy and Civics Education (Section 243)	84.002A	14109	399,351
Adult Education: Adult Basic Education, English Language Acquisition, and ELCE (Section 231)	84.002A	14508	1,215,043
Adult Education: Adult Secondary Education (Section 231)	84.002A	13978	238,769
Subtotal			1,853,163
Passed through California Department of Rehabilitation			
College to Career Program	84.126A	31401	304,854
Workability III Program	84.126A	31405	455,054
Subtotal			759,908
Passed through San Diego State University Research Foundation			
HSI STEM; Title III, Part F	84.031C	D8856-03 SA00 5A559A 7802	49,713

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
Title V, Developing Effective Bilingual Educators with Resources	84.031S	D11424-02 SA700 A4 59736E 7803	$ 153,327
Title III, Hispanic Serving Institutions - STEM	84.031C		2,060,883
Title III, Inclusive City Achievement Network Project	84.031L		217,609
Title V, STEM Exito Project	84.031S		383,922
Subtotal - Higher Education Institutional Aid			2,865,454
Asian American and Native American Pacific Islander-serving Institutions Program	84.382B		340,702
Dreamer Support Program	84.116Z		337,547
LGBTQIA+	84.116Z		267,742
IT Systems Upgrades and Modernization Project	84.116Z		500,586
Subtotal			1,105,875
Total U.S. Department of Education			62,207,561
U.S. Department of Agriculture			
Passed through San Diego State University Foundation			
Transnational Approaches to Sustainable Food Futures: Integrated High-Impact Learning Experiences and Pathways to Food Careers	10.223	D9508-02 A0	22,668
Passed through California Department of Social Services			
Child and Adult Care Food Program	10.558	04389-CACFP-37-CC-CS	25,348
Total U.S. Department of Agriculture			48,016
U.S. Department of the Treasury			
Passed through California Community Colleges Chancellor's Office			
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	[1]	3,433,620
Total U.S. Department of the Treasury			3,433,620
Research and Development Cluster			
National Science Foundation			
STEM: HSI Program	47.076		44,452
Passed through the American Association of Geographers			
Computer and Information Science and Engineering	47.070	F7037-SDMC	27,531
U.S. Department of Health and Human Services			
Pass through The Regents of the University of California, San Diego			
Biomedical Research and Research Training	93.859	704575	44,377
Subtotal Research and Development Cluster			116,360

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Veterans Affairs			
Veterans Outreach Program - Administration	64.117		$ 14,137
Total U.S. Department of Veterans Affairs			14,137
U.S. Department of Health and Human Services			
Passed through California Community Colleges Chancellor's Office			
Temporary Assistance for Needy Families (TANF)	93.558	[1]	575,931
Passed through County of San Diego, Health and Human Services Agency, Eligibility Operations			
Temporary Assistance for Needy Families (TANF)	93.558	1601CATANF	69,994
Subtotal			645,925
Total U.S. Department of Health and Human Services			645,925
Corporation for National and Community Service (CNCS)			
AmeriCorps State and National	94.006		25,140
Total Corporation for National and Community Service (CNCS)			25,140
Total Federal Financial Assistance			$ 66,490,759

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

Program	Program Revenues: Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue	Total Revenue	Program Expenditures
AANHPI SAP	$ 840,891	$ -	$ -	$ 814,639	$ 26,252	$ 26,252
AB131- Child Dev Stipend	132,840	-	-	-	132,840	132,840
AB1725 Staff Diversity/Development	324,167	-	-	30,846	293,321	293,321
AB179-CHILD DEV STIPEND	87,567	-	-	-	87,567	87,567
Adult Education Block Grant	9,905,412	-	250,000	3,382,736	6,272,676	6,272,676
Basic Needs	5,477,220	-	-	3,361,817	2,115,403	2,115,403
Basic Skills	880,422	-	-	75,683	804,739	804,739
BFAP	2,080,026	-	-	173,601	1,906,425	1,906,425
Cal Grants	6,049,112	40,332	-	10,154	6,079,290	6,079,290
California College Promise	7,057,651	-	-	1,679,289	5,378,362	5,378,362
California Energy Comm - (ARFVTP)	-	453,602	-	-	453,602	453,602
CalWORKS	4,376,048	-	-	1,867,854	2,508,194	2,508,194
CARE Program	827,118	-	-	165,231	661,887	661,887
Chafee	334,731	-	-	2,500	332,231	332,231
Child Dev CCTR - 1252	651,371	-	-	-	651,371	651,371
Child Dev CSPP - 1472	736,190	-	-	-	736,190	736,190
Child Dev-Food and Nutrition Program	1,391	-	-	-	1,391	1,391
Commission on POST	17,793	-	-	-	17,793	17,793
Cooperative Sub-Min Wage	16,709	213,805	-	-	230,514	230,514
COVID-19 Recovery Block	22,171,800	-	-	10,458,967	11,712,833	11,712,833
CSPP-Block Grant	-	20,000	-	-	20,000	20,000
Cultural Resp Pedagogy and Pract	900,000	-	-	662,663	237,337	237,337
Disabled Student Program and Services (DSPS)	7,463,700	-	-	1,340,941	6,122,759	6,122,759
Dream Resource Liaison Support	398,199	-	-	38,033	360,166	360,166
Equitable Placement and Completion	1,963,343	-	-	1,518,195	445,148	445,148
Extended Opportunity Programs and Services (EOPS)	5,708,534	-	-	1,054,390	4,654,144	4,654,144
Financial Aid Admin Allowance	346,433	-	-	327,616	18,817	18,817

Program	Program Revenues: Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue	Total Revenue	Program Expenditures
Financial Aid Technology	$ 210,966	$ -	$ -	$ 194,367	$ 16,599	$ 16,599
Gateway to College	1,400,000	-	-	700,252	699,748	699,748
Guided Pathways	2,191,386	-	-	1,506,802	684,584	684,584
Homeless and Housing Insecurities	1,949,802	-	-	1,277,141	672,661	672,661
IEPI	166,591	-	-	16,325	150,266	150,266
Instructional Equipment and Library Materials	7,159,295	-	-	4,616,922	2,542,373	2,542,373
Learning Lab Grant	22,304	-	-	-	22,304	22,304
Learning-Aligned Employment Program	6,434,972	-	6,321,931	-	113,041	113,041
LGBTQ	280,397	-	-	97,826	182,571	182,571
LGBTQ+ Support Funding	312,565	-	-	301,695	10,870	10,870
Math ESA/CCCP City	2,761,699	-	-	2,336,094	425,605	425,605
Mental Health Program	2,883,476	-	-	1,826,304	1,057,172	1,057,172
NextUp	1,420,065	-	-	324,714	1,095,351	1,095,351
Nursing Grants	196,477	-	-	-	196,477	196,477
Proposition 20 Lottery funds	1,628,117	2,749,226	-	-	4,377,343	2,621,351
Puente Program	-	44,689	-	-	44,689	44,689
REACH Initiative	-	35,000	-	10,491	24,509	24,509
RERP Regional Equity & Recover	34,321	-	-	17,612	16,709	16,709
Rising Scholars Network Grant	570,833	-	-	229,650	341,183	341,183
SD Early Middle College	176,597	-	-	27,285	149,312	149,312
SFRF Emergency Supplemental	534,722	-	-	322,466	212,256	212,256
State Chancellors Relief	600	-	-	600	-	-
State Schedule Maintenance	5,900,160	-	-	2,981,862	2,918,298	2,918,298
Strong Workforce	12,577,105	-	-	6,418,334	6,158,771	6,158,771

Program	Program Revenues: Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue	Total Revenue	Program Expenditures
Strong Workforce - Regional	$ 1,300,638	$ 1,270,407	$ -	$ -	$ 2,571,045	$ 2,571,045
Student Equity Plan	23,104,418	-	-	6,220,216	16,884,202	16,884,202
Student Retention & Enrollment Outreach	5,127,988	-	-	2,179,603	2,948,385	2,948,385
Student S & S Program	2,155,162	-	-	-	2,155,162	2,155,162
Student Success Completion Grant	7,958,086	-	-	1,057,129	6,900,957	6,900,957
Student Transfer Achievement Reform	1,695,651	-	-	1,685,170	10,481	10,481
Systemwide Tech and Data Security	1,393,797	-	-	641,853	751,944	751,944
Veterans Resource Centers	5,592,919	-	-	5,086,034	506,885	506,885
Zero Textbook Cost Program	1,214,849	-	-	1,129,061	85,788	85,788
Total state programs	$ 177,104,626	$ 4,827,061	$ 6,571,931	$ 68,170,963	$ 107,188,793	$ 105,432,801

CATEGORIES	Reported Data**	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2023 only)			
1. Noncredit*	1,405.05	-	1,405.05
2. Credit	2,843.85	-	2,843.85
B. Summer Intersession (Summer 2024 - Prior to July 1, 2024)			
1. Noncredit*	9.08	-	9.08
2. Credit	66.80	-	66.80
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	9,648.73	-	9,648.73
(b) Daily Census Contact Hours	1,745.53	-	1,745.53
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit*	2,462.32	-	2,462.32
(b) Credit	1,086.86	-	1,086.86
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Procedure Courses	6,674.86	-	6,674.86
(b) Daily Census Procedure Courses	6,203.28	-	6,203.28
(c) Noncredit Independent Study/Distance Education Courses	6,363.00	-	6,363.00
D. Total FTES	38,509.36	-	38,509.36
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. Inservice Training Courses (FTES)	1,527.03	-	1,527.03
F. Basic Skills Courses and Immigrant Education			
1. Noncredit*	5,615.71	-	5,615.71
2. Credit	505.63	-	505.63
CCFS-320 Addendum			
CDCP Noncredit FTES	7,834.28	-	7,834.28
Centers FTES			
1. Noncredit*	10,082.33	-	10,082.33
2. Credit	-	-	-

*Including Career Development and College Preparation (CDCP) FTES.
**The District's attendance numbers were revised on November 1, 2024.

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Academic Salaries							
Instructional Salaries							
Contract or Regular	1100	$ 44,860,963	$ -	$ 44,860,963	$ 44,860,963	$ -	$ 44,860,963
Other	1300	52,509,504	-	52,509,504	52,509,504	-	52,509,504
Total Instructional Salaries		97,370,467	-	97,370,467	97,370,467	-	97,370,467
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	30,699,783	-	30,699,783
Other	1400	-	-	-	1,916,878	-	1,916,878
Total Noninstructional Salaries		-	-	-	32,616,661	-	32,616,661
Total Academic Salaries		97,370,467	-	97,370,467	129,987,128	-	129,987,128
Classified Salaries							
Noninstructional Salaries							
Regular Status	2100	-	-	-	56,007,007	-	56,007,007
Other	2300	-	-	-	1,830,092	-	1,830,092
Total Noninstructional Salaries		-	-	-	57,837,099	-	57,837,099
Instructional Aides							
Regular Status	2200	7,697,021	-	7,697,021	7,614,114	-	7,614,114
Other	2400	952,688	-	952,688	952,081	-	952,081
Total Instructional Aides		8,649,709	-	8,649,709	8,566,195	-	8,566,195
Total Classified Salaries		8,649,709	-	8,649,709	66,403,294	-	66,403,294
Employee Benefits	3000	48,049,524	-	48,049,524	94,818,533	-	94,818,533
Supplies and Material	4000	-	-	-	2,715,589	-	2,715,589
Other Operating Expenses	5000	1,132,387	-	1,132,387	27,789,511	-	27,789,511
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures Prior to Exclusions		155,202,087	-	155,202,087	321,714,055	-	321,714,055

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Exclusions							
Activities to Exclude							
Instructional Staff - Retirees' Benefits and Retirement Incentives	5900	$ 721,791	$ -	$ 721,791	$ 721,791	$ -	$ 721,791
Student Health Services Above Amount Collected	6441	-	-	-	379,840	-	379,840
Student Transportation	6491	-	-	-	1,875	-	1,875
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	6740	-	-	-	1,978,424	-	1,978,424
Objects to Exclude							
Rents and Leases	5060	-	-	-	2,744,917	-	2,744,917
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	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	-	-	-

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Other Operating Expenses and Services	5000	$ -	$ -	$ -	$ 8,311,427	$ -	$ 8,311,427
Capital Outlay	6000						
Library Books	6300	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	7,672	-	7,672
Total Equipment		-	-	-	7,672	-	7,672
Total Capital Outlay		-	-	-	7,672	-	7,672
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		721,791	-	721,791	14,145,946	-	14,145,946
Total for ECS 84362, 50% Law		$ 154,480,296	$ -	$ 154,480,296	$ 307,568,109	$ -	$ 307,568,109
% of CEE (Instructional Salary Cost/Total CEE)		50.23%		50.23%	100.00%		100.00%
50% of Current Expense of Education					$ 153,784,055		$ 153,784,055

Activity Classification	Object Code			Unrestricted
EPA Revenues:	8630			$ 33,655,274
Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	1000-5900	$ 33,655,274	$ -	$ -	$ 33,655,274
Total Expenditures for EPA		$ 33,655,274	$ -	$ -	$ 33,655,274
Revenues Less Expenditures					$ -

Amounts reported for governmental activities in the Statement of Net Position are different because		
Total fund balance and retained earnings		
General Funds	$ 112,964,589	
Special Revenue Funds	6,106,927	
District auxiliary organization	633,082	
Capital Project Funds	51,653,681	
Debt Service Funds	104,395,549	
Proprietary Funds	(14,168,174)	
Internal Service Funds	34,374,773	
Fiduciary Fund	8,309,008	
Total fund balance and retained earnings - all District funds		$ 304,269,435
Amounts held in trust on behalf of others (OPEB Trust)		(8,309,008)
The District's investment in the San Diego County treasury investment pool is reported at fair market value in the Statement of Net Position.		(1,557,405)
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	1,884,638,844	
Accumulated depreciation is	(593,976,813)	
Less: Capital assets already recorded in proprietary funds	(63,795)	
Total capital assets, net		1,290,598,236
Lease receivables and deferred inflows of resources related to leases are reported in the Statement of Net Position, but were not reported on the District's CCFS-311 report.		
Lease receivables	68,192,257	
Deferred inflows of resources related to leases	(71,090,870)	
Total		(2,898,613)
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 debt refunding	66,740,102	
Deferred outflows of resources related to OPEB	10,714,637	
Deferred outflows of resources related to pensions	101,064,131	
Total deferred outflows of resources		178,518,870
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.		(13,226,658)

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	$ (1,353,638,254)	
Claims liability	(6,361,062)	
Less: claims liability already recorded in the internal service fund	3,180,531	
Compensated absences	(18,543,506)	
Less: current portion already recorded in the general fund	1,286,855	
Load banking	(142,077)	
Early retirement incentive	(962,810)	
Aggregate net OPEB liability	(43,055,374)	
Aggregate net pension liability	(310,681,693)	
In addition, the District has issued 'capital appreciation' general obligation bonds. The accretion of interest unmatured on the general obligation bonds to date is	(20,175,145)	
Total long-term liabilities		$ (1,749,092,535)
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 debt refunding	(20,549,831)	
Deferred inflows of resources related to OPEB	(10,221,924)	
Deferred inflows of resources related to pensions	(42,083,267)	
Total deferred inflows of resources		(72,855,022)
Total net position (deficit)		$ (74,552,700)

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 at June 30, 2024.

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, 2024. 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. 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. No federal financial assistance has been provided to a subrecipient.

Indirect Cost Rate
The District 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

Education Code Section 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 revenues and summarized expenditures of EPA revenues.

Reconciliation of the Governmental 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, 2024

San Diego Community College District

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

To the Board of Trustees
San Diego Community College District
San Diego, 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 (*Government Auditing Standards*), the financial statements of the business-type activities and fiduciary activities of San Diego Community College District (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 23, 2024.

Correction of Error

As discussed in Note 13 to the financial statements, certain errors resulting in an overstatement of amounts previously reported for unearned revenue as of June 30, 2023, were discovered by management of the District during the current year. Accordingly, a restatement has been made to the business-type activities net position as of July 1, 2023, to correct the error. Our opinions are not modified with respect to that matter.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

District’s Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District’s response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The District’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Eide Bailly LLP

Rancho Cucamonga, California
December 23, 2024

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

To the Board of Trustees
San Diego Community College District
San Diego, California

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited San Deigo Community College District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. 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.

Qualified Opinion on Career and Technical Education Act – Basic Grants to States and Higher Education Institutional Act

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Career and Technical Education Act – Basic Grants to States (CTEA) and Higher Education Institutional Act for the year ended June 30, 2024.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2024.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Matter Giving Rise to Qualified Opinion on Career and Technical Education Act – Basic Grants to States and Higher Education Institutional Act

As described in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding Assistance Listing Numbers 84.048A and 84.031 as described in finding number 2024-002 for Activities Allowed and Allowable Costs.

Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed another instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2024-003. Our opinion on the major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a material weakness.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-003 to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

Eide Bailly LLP

Rancho Cucamonga, California
December 23, 2024

Independent Auditor's Report on State Compliance

To the Board of Trustees
San Diego Community College District
San Diego, California

Report on State Compliance

Opinion on State Compliance

We have audited San Diego Community College District's (the District) compliance with the types of compliance requirements described in the 2023-2024 California Community Colleges Chancellor's Office *Contracted District Audit Manual* applicable to the state laws and regulations identified below for the year ended June 30, 2024.

In our opinion, San Diego Community College District complied, in all material respects, with the compliance requirements referred to above that are applicable to the state laws and regulations identified below that were audited for the year ended June 30, 2024.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), and the 2023-2024 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements listed in the table below has occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the 2023-2024 California Community Colleges Chancellor's Office *Contracted District Audit Manual* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements listed in the table below.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the 2023-2024 California Community Colleges Chancellor's Office *Contracted District Audit Manual*, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any material noncompliance that we identify during the audit.

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	Student Centered Funding Formula Base Allocation: FTES
Section 425	Residency Determination for Credit Courses
Section 426	Students Actively Enrolled
Section 427	Dual Enrollment (CCAP)
Section 430	Scheduled Maintenance Program
Section 431	Gann Limit Calculation
Section 444	Apprenticeship Related and Supplemental Instruction (RSI) Funds
Section 475	Disabled Student Programs and Services (DSPS)
Section 490	Proposition 1D and 51 State Bond Funded Projects
Section 491	Education Protection Account Funds
Section 492	Student Representation Fee
Section 494	State Fiscal Recovery Fund
Section 499	COVID-19 Response Block Grant Expenditures

The District received no funding through Propositions 1D and 51 State Bond Funded Projects; therefore, the compliance tests within this section were not applicable.

The State Fiscal Recovery Fund was included as a major federal program, as described in the summary of auditor's results; therefore, the compliance requirements within this section were not performed.

The final expenditure report for the COVID-19 Response Block Grant was submitted in the prior fiscal year; therefore, the compliance requirements within this section were not performed.

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the 2023-2024 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Rancho Cucamonga, California
December 23, 2024

Schedule of Findings and Questioned Costs
June 30, 2024

San Diego Community College District

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	Yes
Type of auditor's report issued on compliance for major programs	Unmodified for all major programs except for 84.048 and 84.031 which were qualified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a):	Yes

Identification of major programs:

Name of Federal Program or Cluster	Federal Financial Assistance Listing
Student Financial Assistance Cluster	84.063, 84.268, 84.007, 84.033
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027
Career and Technical Education Act (CTEA), Title I, Part C	84.048A
Perkins V Reserve Innovation Grant	84.048A
HSI STEM; Title III, Part F	84.031C
Title V, Developing Effective Bilingual Educators with Resources	84.031S
Title III, Hispanic Serving Institutions - STEM	84.031C
Title III, Inclusive City Achievement Network Project	84.031L
Title V, STEM Exito Project	84.031S

Dollar threshold used to distinguish between type A and type B programs	$1,994,723
Auditee qualified as low-risk auditee?	No

STATE COMPLIANCE

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

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

2024-001 Financial Reporting and Closing Process

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

Condition
Material Weakness - Year-end adjustments were identified during the audit that resulted in changes in certain accounts from the client prepared trial balance.

- Interest revenue for third and fourth quarter were not properly accrued, resulting in an understatement of interest revenue of approximately $2.3 million.
- District management identified corrections to the fiscal year ended June 30, 2023, for balances of unearned revenues for grant revenues that should have been previously recognized. A restatement to government-wide net position was made. See Note 13 for additional information on the restatement.
- Certain grant balances were not properly deferred in the current year, resulting in a net overstatement of grant revenues of approximately $4.6 million.
- Capital asset balances in the District's general ledger did not agree to agree to subsidiary ledgers by an overstatement of approximately $7.3 million. We have proposed an adjustment to management to correct these to agree the general ledger with the capital asset detail subsidiary ledger.

Questioned Costs
There are no questioned costs associated with the condition identified.

Context
Account balances associated with the above mentioned accounts required adjustments in order to be in accordance with the BAM and GAAP.

Effect
Material adjustments to the general ledger, as well as a restatement to beginning net position as noted in Note 13 to the financial statements, were proposed as a result of audit procedures. These adjustments, except for the proposed adjustment related to capital assets, were accepted by management to ensure the financial statements were presented in accordance with generally accepted accounting principles.

Cause
The oversight and monitoring controls over the closing process were not effective in preventing or detecting errors. Turnover in staff who oversaw the capital asset general and subsidiary ledger reconciliation contributed to this deficiency.

Repeat Finding: (Yes or No)
Yes. See item 2023-001 in the Summary Schedule of Prior Audit Findings.

Recommendation
The District should establish policies and procedures to ensure account balances are fairly stated and reported in accordance with BAM and GAAP.

Views of Responsible Officials and Corrective Action Plan
The District concurs with the findings and will continue implementing the cleanup process. General Accounting has arranged for access to the necessary County reports for the interest accrual, and Grants & Contracts has set up processes to ensure proper revenue recognition in the Restricted funds. Capital assets reporting will be streamlined and cross-training will take place to ensure knowledge transfer takes place.

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

2024-002 **Activities Allowed or Unallowed and Allowable Costs**
Material Weakness in Internal Control over Compliance and Material Noncompliance

Program Name: Career and Technical Education Act, Title I, Part C
Federal Assistance Listing Numbers: 84.048A
Federal Agency: U.S. Department of Education (ED)
Pass-Through Entity: California Community Colleges Chancellor's Office

Program Name: Title III, Hispanic Serving Institutions – STEM
Federal Assistance Listing Numbers: 84.031C
Federal Agency: U.S. Department of Education (ED)
Direct funded by the U.S. Department of Education (ED)

Program Name: HSI STEM and Articulation Program, Title III, Part F
Federal Assistance Listing Numbers: 84.031C
Federal Agency: U.S. Department of Education (ED)
Pass-Through Entity: San Diego State University Research Foundation

Program Name: Title III, Inclusive City Achievement Network Project
Federal Assistance Listing Numbers: 84.031L
Federal Agency: U.S. Department of Education (ED)
Direct funded by the U.S. Department of Education (ED)

Program Name: Title V, Developing Effective Bilingual Educators with Resources
Federal Assistance Listing Numbers: 84.031S
Federal Agency: U.S. Department of Education (ED)
Pass-Through Entity: San Diego State University Research Foundation

Program Name: Title V, STEM Exito Project
Federal Assistance Listing Numbers: 84.031S
Federal Agency: U.S. Department of Education (ED)
Direct funded by the U.S. Department of Education (ED)

Criteria or Specific Requirements
The Uniform Guidance states that allowable personnel costs charged to federal programs may include reasonable amounts for activities contributing and directly related to work under an agreement (2 CFR 200.430(i)(1)(i)). Charges to federal awards for salaries and wages must be based on records that accurate reflect the work performed (2 CFR 200.430(g)(1)).

Condition
Material Weakness in Internal Control over Compliance – Time-and-effort reporting, or another similar internal control activity to retroactively verify employee time spent on the program was not reviewed and approved or not performed for the year ending June 30, 2024. During testing over Activities Allowed or Unallowed and Allowable Cost requirements, the following deficiencies were noted:

- For the Career and Technical Education program, 14 out of 14 employees selected for testing do not have time-and-effort record reflecting the distribution of the employee’s salary and wages for the federal program.
- For the Title III and V programs, we noted the following –
    - 25 out of 30 employees selected for testing did not have time-and-effort record reflecting the distribution of the employee’s salary and wages for the federal program.
    - 5 out of 30 employees selected for testing had time-and-effort records, however, there were no evidence of review and approval. 2 of the 5 employees also had incomplete time-and-effort reports (i.e. only for half of the fiscal year, or a few months).

Questioned Costs
Career Technical Education – Basic Grants to States known questioned costs: $749,547.
Higher Education Institutional Aid programs known questioned costs: $1,431,770.

Context
The Career Technical Education program reference above had a total of $2,355,332 in expenditures for the year ended June 30, 2024, of which $1,108,453 were associated with salaries and benefits. There was a total population of 66 employees charged to the program in the fiscal year ended June 30, 2024.

The Title III and V programs referenced above had a total of $2,865,454 in expenditures for the year ended June 30, 2024, of which $2,248,191 associated with salaries and benefits. There was a total population of 148 employees charged to the program in the fiscal year ended June 30, 2024.

Effect
Without effective internal controls in place over personnel costs, the District risks noncompliance for program costs that could be material.

Cause
The District does not have policies and procedures in place to review personnel charges to identify the employee costs that should and should not be charged to the federal program referenced above.

Repeat Finding (Yes or No)
No

Recommendation
The District should monitor personnel costs charged to federal programs in accordance with the Uniform Guidance. The District should review personnel costs on a regular basis to ensure that costs charged are supported by allowable activities directly related to the program. Additionally, adequate supporting documentation should be retained for personnel costs charged to the federal programs.

Views of Responsible Officials and Corrective Action Plan
The District and campus staff will work together to develop processes to capture proper and relevant time and effort activities. This will ensure documentation can be provided regarding personnel expenses to identify employee costs charged to federal programs.

2024-003 Special Tests and Provisions – Enrollment Reporting

Program Name: Student Financial Assistance Cluster
Federal Assistance Listing Numbers: 84.007, 84.033, 84.063, and 84.268
Federal Agency: U.S. Department of Education (ED)
Direct funded by the U.S. Department of Education (ED)
Significant Deficiency in Internal Control over Compliance and Noncompliance

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

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

Condition
Significant Deficiency in Internal Control over Compliance – The following deficiencies were noted:

- 2 of 60 students' effective dates were not accurately reported in NSLDS (status per student accounts do not agree to status per NSLDS) for Mesa College.
- 1 of 60 students' change in enrollment status was not reported in NSLDS for Mesa College.

Questioned Costs
There are no questioned costs associated with the condition identified.

Context
We tested a nonstatistical sample of 60 students of the approximately 1,159 students that required student enrollment and program enrollment reporting to NSLDS.

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

Cause
The District did not report enrollment information for students under the Pell Grant and Direct Loan Programs via NSLDS accurately. The reporting extract from Campus Solutions was not properly reviewed and corrected before transmitting to the National Clearing House.

Repeat Finding (Yes or No)
Yes. See item 2023-002 in the Summary Schedule of Prior Audit Findings.

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

View of Responsible Officials and Corrective Action Plan
Processes will be implemented to review, update and verify data captured by NSLDS and ensure such data has been accurately reported in a timely manner.

None reported.

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

Financial Statement Findings

2023-001 Financial Reporting and Closing Process

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

Condition
Material Weakness - Several year-end adjustments were identified during the audit that resulted in changes in certain accounts from the client prepared trial balance.

- General Fund accounts payable was overstated by $4,518,342 due to the recording of an apportionment payable in the prior year that was not reversed in the current year.
- A reclassification and adjustment from the Bond Interest and Redemption Fund to the Other Debt Service Fund was required in order to conform to the BAM and GAAP. The net adjustment to the other net service fund was a reduction in fund balance of $3,978,658, for amounts related to the District's crossover bonds.
- The Bookstore Fund inventory per the District's general ledger was overstated by $1,295,903 because the balance had not been adjusted to the subsidiary ledger/inventory management system utilized by Enterprise Services. A restatement to government-wide net position was made. See Note 13 for additional information on the restatement. Additionally, current year activity for the inventory balance was not recorded.
- District management identified corrections to the fiscal year ended June 30, 2022 for balances of grant revenues that were not properly deferred. A restatement to government-wide net position was made. See Note 13 for additional information on the restatement. Grant revenues recorded in the Restricted General Fund and Capital Outlay projects were not properly reduced at year end to reflect unearned revenue or accounts payable balances for reduction of funding.
- The current portion of compensated absences recorded in the District's general ledger has remained unchanged from the prior year.
- Reclassification entries were necessary to balance due to/from, as well as interfund transfers accounts for elimination in the government-wide financial statements.

Questioned Costs
There are no questioned costs associated with the condition identified.

Context
Account balances associated with the above mentioned accounts required adjustments in order to be in accordance with the BAM and GAAP.

Effect
Material adjustments to the general ledger, as well as a restatement to beginning net position as noted in Note 13 to the financial statements, were proposed as a result of audit procedures. These adjustments were accepted by management to ensure the financial statements were presented in accordance with generally accepted accounting principles.

Cause
The oversight and monitoring controls over the closing process were not effective in preventing or detecting errors.

Repeat Finding: (Yes or No)
No.

Recommendation
The District should establish policies and procedures to ensure account balances are fairly stated and reported in accordance with BAM and GAAP.

Current Status
Not implemented. See current year finding 2024-001.

Federal Awards Findings

2023-002 Special Tests and Provisions – Enrollment Reporting

Program Name: Student Financial Assistance Cluster
Federal Assistance Listing Numbers: 84.007, 84.033, 84.063, 84.268, and 84.408
Federal Agency: U.S. Department of Education (ED)
Direct funded by the U.S. Department of Education (ED)

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

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

Condition
Significant Deficiency in Internal Control over Compliance – During testing over the NSLDS reporting requirements, the following deficiencies were noted:

- 1 of 60 students' CIP code was not accurately reported (enrolled program in NSLDS does not agree with the student's record) for Miramar College.
- 21 of 60 students' effective dates were not accurately reported in NSLDS (date of change do not agree to effective dates).
    - 4 students from City College
    - 14 students from Mesa College
    - 3 students from Miramar College
- 2 of 60 students' enrollment statuses were not accurately reported on NSLDS (status per student accounts do not agree to status per NSLDS).
    - 1 student from City College
    - 1 student from Miramar College

Questioned Costs
There are no questioned costs associated with the noncompliance.

Context
The District disbursed financial aid to approximately 9,462 students that required student enrollment and program enrollment reporting to NSLDS.

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

Cause
The District did not report enrollment information for students under the Pell Grant and Direct Loan Programs via NSLDS timely or accurately.

- For the student with enrolled program inaccurately reported, the student's program was tied to the wrong CIP code in the District system's academic plan table.
- For the students with dates of change not agreeing to the effective dates –
  - The District's system automatically modified the withdrawal date to the beginning of the term for students who withdrew from all their classes.
  - Students with changes in April 2023 were done in batches and did not match with the actual dates of change in April 2023.
- For the students with enrollment status not accurately reported, the reporting extract from Campus Solutions was not properly reviewed and corrected before transmitting to the National Clearing House.

Repeat Finding (Yes or No)
Yes. See 2022-001 in the Summary Schedule of Prior Audit Findings.

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

Current Status
Not implemented. See current year finding 2024-003.

2023-003 **Reporting**

Program Name: COVID-19: Higher Education Emergency Relief Funds, Institutional Portion
Federal Financial Assistance Listing Numbers: 84.425F
Federal Agency: U.S. Department of Education (ED)
Direct funded by the U.S. Department of Education (ED)

Criteria or Specific Requirement
There are three components to reporting for HEERF: 1) public reporting on the (a)(1) Student Aid; 2) public reporting on the (a)(1) Institutional Portion (a)(2) and (a)(3) subprograms (Quarterly Reporting Form), as applicable; and 3) the annual report.

The CARES Act 18004(e) and the CRRSAA 314(e) requires an institution receiving funds under HEERF I and HEERF II to submit a report to the secretary, at such time in such a manner as the secretary may require. While ARP does not explicitly identify procedures by which institutions must report on their uses of HEERF grant funds, ED exercises this reporting authority under 2 CFR section 200.328 and 2 CFR section 200.329.

ED collected an annual report for HEERF grantees in March 2023 covering calendar year 2022 expenditures.

On June 17, 2022, ED announced an updated format for the HEERF Quarterly Report effective for Q2 2022, report to be posted July 10, 2022. The quarterly portion reporting requirements involve publicly posting completed forms conspicuously on the institution's website.

Condition
Significant Deficiency in Internal Control over Compliance - The quarters ended September 30, 2022 and December 31, 2022 quarterly public report were selected for testing. 5 of the 6 reports selected for testing were not made publicly available on the District's website.

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

Context
The District has 3 colleges that were required to post forms covering the aggregate amounts spent for HEERF I, II, and III quarterly, as well as one annual report per college.

Effect
The quarterly reports were not publicly posted on the District's website. In addition, the supporting documentation was not available for review.

Cause
The District did not have internal controls in place to ensure quarterly reports were made publicly available and completed accurately with sufficient supporting documentation.

Repeat Finding (Yes or No)
No.

Recommendation
The District should implement internal controls to ensure that reporting requirements and deadlines are clearly communicated to all staff.

Current Status
Implemented.

State Compliance Findings

None reported.