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**SAN FRANCISCO
COMMUNITY COLLEGE DISTRICT**

AUDIT REPORT

JUNE 30, 2025

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
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INDEPENDENT AUDITORS' REPORT

Board of Trustees
San Francisco Community College District
San Francisco, California

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and fiduciary activities of San Francisco Community College District (the "District") as of and for the year ended June 30, 2025, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the District as of June 30, 2025, 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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 one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The accompanying supplementary information listed in the table of contents, including the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, is fairly stated in all material respects in relation to the 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 January 28, 2026, 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.



San Diego, California
January 28, 2026

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

The following section, Management's Discussion and Analysis (MD&A), of the San Francisco Community College District's (the "District") Annual Financial Report, is management's narrative overview and analysis of the financial condition and activities of the District for the fiscal year ended June 30, 2025. The District's financial statements are presented based on the Government Accounting Standards Board (GASB) Codification Section (Cod. Sec.) 2200-101 and Code Sec 5 business-type activities model.

DISTRICT OVERVIEW

San Francisco Community College District's financial statements are presented in accordance with GASB Cod. Sec. 2200-101 and Cod. Sec. Co5. These statements allow for the presentation of financial activity and results of operations focusing on the District as a whole. The government-wide financial statements present the overall results of operations whereby all of the District's activities are consolidated into one total versus the presentation by fund type.

The focus of the Statement of Net Position is on assets, deferred outflows of resources, liabilities, deferred inflows of resources, and the difference between these measurement groups and is reported as of June 30, 2025. This statement combines and consolidates current financial resources with capital assets and long-term liabilities.

The Statement of Revenues, Expenses, and Changes in Net Position focuses on the costs of the District's operational activities with revenues and expense categorized as operating and non-operating, and expenses reported by natural classification for fiscal period July 1, 2024 and through June 30, 2025. The Statement of Cash Flows provides an analysis of the sources and uses of cash within the operations of the District for the fiscal period July 1, 2024 through June 30, 2025.

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

ANALYSIS OF NET POSITION – FISCAL YEAR 2025

The Statement of Net Position can serve as a useful indicator of a government agency's financial position. The comparative Statement of Net Position schedule compares the past two years and is based on the business-type activities model.

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	2025	2024	Change
Current assets	\$ 580,702,656	\$ 647,211,425	\$ (66,508,769)
Non-current assets	548,438,266	489,260,940	59,177,326
Deferred outflow of resources	79,520,594	88,794,562	(9,273,968)
Total Assets and Deferred Outflows of Resources	1,208,661,516	1,225,266,927	(16,605,411)
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current liabilities	207,471,227	216,963,281	(9,492,054)
Non-current liabilities	880,543,862	945,075,069	(64,531,207)
Deferred inflows of resources	49,171,049	42,634,411	6,536,638
Total Liabilities and Deferred Inflows of Resources	1,137,186,138	1,204,672,761	(67,486,623)
NET POSITION			
Net investment in capital assets	193,412,744	142,127,696	51,285,048
Restricted	90,403,384	101,587,290	(11,183,906)
Unrestricted	(212,340,750)	(223,120,820)	10,780,070
Total Net Position	\$ 71,475,378	\$ 20,594,166	\$ 50,881,212

Cash, investments, and short-term receivables decreased from the prior year by \$65.6 million, or 10.3%. Individual component changes are as follows: Cash and investments decreased from the prior year by \$64.2 million while receivables decreased by \$1.4 million.

Net capital and right-to-use leased assets increased \$59.2 million or 12.1% from the prior year, primarily due to a \$84.9 million increase in capital assets, offset by depreciation and amortization expense of \$28.0 million.

Accounts payable, unearned revenue and accrued liabilities decreased by \$11.5 million or 7.1%, primarily due to unearned revenue increased due to timing of Federal, State, and local grant expenditures. The remaining current portion of long-term liabilities, which are amounts due within the next fiscal year, increased by \$2.0 million.

Long-term liabilities decreased \$64.5 million or 6.8%. The aggregate net pension liability resulted in a net \$3.5 million increase while General Obligation Bonds payable decreased \$51.5 million as a result of the issuance of the 2025 General Obligation Refunding bonds. The aggregate net OPEB liability decreased by \$4.8 million.

The District's net position for net investment in capital assets increased by \$51.3 million or 36.1% over the prior year, while restricted net position decreased by \$11.2 million, or 11.0%, and unrestricted net position increased by \$10.8 million, or 4.8% over the prior year. Total net position, which combines invested in capital assets, restricted, and unrestricted categories, experienced a net increase of \$50.9 million.

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

ANALYSIS OF STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The following comparative Statement of Revenues, Expenses, and Changes in Net Position presents the operating results of the District, as well as the nonoperating revenues and expenses. Annual State appropriations (apportionments), while budgeted for operations, are considered nonoperating revenues according to generally accepted accounting principles.

Operating Results for the Year

The results of this year's operations for the District as a whole are reported in the Statement of Revenues, Expenses and Changes in Net Position on page 11.

	2025	2024	Change
OPERATING REVENUES			
Tuition and fees, net	\$ 15,863,632	\$ 15,403,769	\$ 459,863
Grants and contracts, non-capital	45,742,405	44,514,766	1,227,639
Total Operating Revenues	61,606,037	59,918,535	1,687,502
OPERATING EXPENSES			
Salaries and employee benefits	222,486,877	214,509,910	7,976,967
Supplies, materials, and other operating expenses	38,255,107	34,888,331	3,366,776
Financial aid	40,267,662	32,161,385	8,106,277
Depreciation and amortization	27,995,158	22,008,053	5,987,105
Total Operating Expenses	329,004,804	303,567,679	25,437,125
Operating Loss	(267,398,767)	(243,649,144)	(23,749,623)
NON-OPERATING REVENUES/(EXPENSES)			
State apportionments, non-capital	102,593,398	96,352,028	6,241,370
Local property taxes, non-capital	60,265,803	62,989,091	(2,723,288)
Parcel taxes levied for specific purpose	19,721,389	19,691,303	30,086
Local sales tax	13,733,132	12,405,161	1,327,971
State taxes and other revenues, non-capital	20,978,044	14,816,249	6,161,795
Federal grants and contracts	23,518,528	17,801,060	5,717,468
Investment income	11,046,546	5,025,041	6,021,505
Other non-operating revenues	14,548,281	8,427,616	6,120,665
Total Non-Operating Revenues/(Expenses)	266,405,121	237,507,549	28,897,572
OTHER REVENUES/(EXPENSES)			
State apportionments, capital	5,031,294	140,851	4,890,443
Local property taxes and revenues, capital	58,412,744	38,968,171	19,444,573
Interest and investment income, capital	16,197,169	10,308,291	5,888,878
Interest expense and costs of issuing capital asset-related debt	(19,586,739)	(11,913,540)	(7,673,199)
Change in Net Position	59,060,822	31,362,178	27,698,644
NET POSITION -- BEGINNING OF YEAR	20,594,166	(10,218,462)	30,812,628
PRIOR PERIOD ADJUSTMENTS (SEE NOTE 13)	(8,179,610)	(549,550)	(7,630,060)
NET POSITION -- END OF YEAR	\$ 71,475,378	\$ 20,594,166	\$ 50,881,212

Tuition and fees, net of scholarships and allowances, increased \$0.5 million or 3.0% from the prior year as a result of slightly higher enrollment. Federal, State, and local grants and contracts increased \$1.2 million or 2.8% from the prior year.

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

ANALYSIS OF STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION, continued

Operating Results for the Year, continued

Consolidated operating expenses increased by \$27.3 million or 9.0% from the prior year. This is primarily due to increases in salaries and benefits of \$9.8 million, or 4.6%, over the prior year. The increase is primarily related to salary increases, increased salary-driven benefit costs, and increases in district operating costs. Depreciation and amortization, a noncash expense, decreased \$6.0 million or 27.2%. Supplies and maintenance expense increased \$3.4 million or 9.7% from prior year.

Total non-operating revenues and expenses increased by \$30.8 million, or 13.0%, over the prior year. During the fiscal year 2025, the District earned \$104.5 million in State Apportionment, an increase of \$8.1 million from prior year, an offset resulting from an adjustment in the Total Computational Revenue (TCR) calculation, which included \$25.1 million in Education Protection Act (EPA) Funds. Local property taxes for general purposes decreased by \$2.7 million, or 4.3%, due to an offset of ERAF overpayments from the City and County. Taxes levied for debt service and for other specific purposes (parcel tax Measure B) increased by \$30.1 thousand, or 0.2%, mainly due to the collection of taxes for scheduled debt payments. State taxes and other revenues increased \$6.2 million, or 41.6%, over the prior year. Net investment income increased \$11.9 million, or 77.7%, primarily due to interest earnings on amounts held in cash in county treasury.

Other non-operating revenues increased by \$6.1 million, or 41.5%, primarily due to contributions to the self-insurance fund.

Statement of Cash Flows

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

CASH PROVIDED BY/(USED IN)	2025	2024	Change
Operating activities	\$ (249,633,509)	\$ (209,821,613)	\$ (39,811,896)
Non-capital financing activities	253,496,422	230,620,358	22,876,064
Capital and related financing activities	(79,070,397)	171,445,359	(250,515,756)
Investing activities	11,046,546	5,025,041	6,021,505
Net Increase/(Decrease) in Cash and Cash Equivalents	(64,160,938)	197,269,145	(261,430,083)
CASH AND CASH EQUIVALENTS -- BEGINNING OF YEAR	607,546,589	410,277,444	197,269,145
CASH AND CASH EQUIVALENTS -- END OF YEAR	\$ 543,385,651	\$ 607,546,589	(64,160,938)

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Capital Assets and Right-to-Use Leased Assets

The capital and right-to-use leased assets of the District as of June 30, 2025, amounted to a total of \$1.1 billion. Of this amount, the non-depreciable portion, composed of land and construction in progress, was \$86.1 million or 7.9% of total cost. Depreciable capital assets totaled \$1.0 billion or 92.1% of total cost. Total accumulated depreciation and amortization was \$541.0 million, resulting in net depreciable capital and right-to-use assets of \$548.4 million.

Note 7 to the financial statements provides additional information on capital and right-to-use leased assets. A summary of capital and right-to-use leased assets is presented below:

	2025	2024	Change
Capital Assets not being depreciated	\$ 86,079,020	\$ 280,510,152	\$ (194,431,132)
Capital Assets being depreciated	997,176,351	717,848,563	279,327,788
Accumulated depreciation	(537,935,965)	(511,150,766)	(26,785,199)
Right-to-use leased assets	6,150,937	3,875,109	2,275,828
Accumulated amortization	(3,032,077)	(1,822,118)	(1,209,959)
Total Capital and Right-of-Use Leased Assets, net	\$ 548,438,266	\$ 489,260,940	\$ 59,177,326

Long-Term Liabilities

Changes for the District's long-term liabilities include a decrease in general obligations bonds payable of \$51.6 million due to the issuance of the 2025 General Obligation Refunding Bonds, a net decrease of the aggregate net OPEB liability of \$4.8 million, and a net increase of \$3.5 million of aggregate net pension liability. Additionally, other long-term liabilities decreased to \$1.9 million primarily due to changes in compensated absences, load banking liability, and claims liability.

Notes 8, 9, 10, and 11 to the financial statements provides additional information on long-term liabilities. A summary of long-term liabilities is presented below:

	2025	2024	Change
General obligation bonds	\$ 590,475,000	\$ 642,020,000	\$ (51,545,000)
Bond premiums	41,624,905	55,189,223	(13,564,318)
Subscription-based IT arrangements	1,328,519	2,257,550	(929,031)
Lease liability	1,956,919	-	1,956,919
Compensated absences	12,203,379	7,836,688	4,366,691
Load banking	2,673,161	3,132,257	(459,096)
Claims liability	4,382,274	3,661,207	721,067
Other long-term liability	9,310,765	11,172,918	(1,862,153)
Net OPEB liability	146,105,213	150,850,722	(4,745,509)
Net pension liability	128,955,826	125,453,663	3,502,163
Total Long-Term Liabilities	\$ 939,015,961	\$ 1,001,574,228	\$ (62,558,267)

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

DEBT FINANCING

The District enjoys strong community support with voters backing three facilities bonds: the 2001 Proposition A for \$195 million which passed with 72.5% voter approval; the 2005 Proposition A of \$246.3 million at 63.9% voter approval; and the 2020 Proposition A \$845 million at 72.4% voter approval, funding capital projects at the CCSF Ocean Campus and its five college centers. These bonds are repaid with proceeds from ad valorem property taxes.

Monitoring the spending of the bonds is the responsibility of the District's Citizens' Bond Oversight Committee (CBOC), as required under Proposition 39, also known as the School Facilities Vote Act of 2000. The CBOC consists of members from key constituencies of the community to serve as an advisory committee to the District's Board of Trustees. These constituencies include the San Francisco Taxpayers Association, the San Francisco Chamber of Commerce, senior citizens groups, City College students, and the Foundation of the San Francisco Community College District. The access of these bond funds enabled the District to successfully qualify for matching funds available from Statewide School Facilities Bonds for several Proposition A projects.

In 2015, the District refinanced about \$241 million of general obligation bonds from the 2001 and 2005 Series bonds saving San Francisco property taxpayers approximately \$48.7 million.

ECONOMIC FACTORS AFFECTING THE FUTURE OF SAN FRANCISCO COMMUNITY COLLEGE DISTRICT

In 2012, San Francisco voters approved a special parcel tax; Proposition A, which was to provide the District with funding of \$79 per parcel until the 2020-21 fiscal year. In 2016 Proposition B replaced Proposition A, which raised the parcel tax from \$79 to \$99 and extended the term of the tax until 2032. The parcel tax is collected via the general property tax billing system, through the San Francisco County Tax Collector's Office, and is updated annually based upon the number of taxable parcels within the City. This special parcel tax provides the District with approximately \$20 million in annual revenue. The District is planning to update and extend Proposition B within the next three to five years.

The District also receives funding from the City in the form of sales tax revenue which approximates \$13.7 million annually. 1.38% of the current sales tax rate is allocated to the District and school districts with the City and County of San Francisco. The sales tax revenue has no end date.

The California Community College Chancellor's Office is changing the Student Centered Funding Formula to a minimum funding floor in 2025/26 of about \$166.7 million annually. As the District is not anticipating any significant new revenue until it pierces the funding floor, inflationary costs increases in future operating costs will need to be addressed to maintain the financial stability of the District.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact San Francisco Community College District, Vice Chancellor Finance and Administration, 50 Frida Kahlo Way, B-707, San Francisco, CA 94112.

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS	
Current Assets:	
Cash and investments	\$ 543,385,651
Accounts receivable, net	28,920,361
Inventory	26,829
Prepaid expenditures and other assets	8,369,815
Total Current Assets	<u>580,702,656</u>
Non-current Assets:	
Right-to-use leased assets, net	3,118,860
Capital assets, net	545,319,406
Total Non-current Assets	<u>548,438,266</u>
TOTAL ASSETS	<u>1,129,140,922</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to debt refundings	3,527,279
Deferred outflows related to OPEB	15,093,523
Deferred outflows related to pensions	60,899,792
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>79,520,594</u>
 LIABILITIES	
Current Liabilities:	
Accounts payable and accrued expenses	48,245,326
Accrued interest	871,716
Unearned revenue	93,306,833
Due to others	6,575,253
Long-term debt, current portion	58,472,099
Total Current Liabilities	<u>207,471,227</u>
Noncurrent Liabilities:	
Net OPEB liability	146,105,213
Net pension liability	128,955,826
Long-term debt, non-current portion	605,482,823
Total Noncurrent Liabilities	<u>880,543,862</u>
TOTAL LIABILITIES	<u>1,088,015,089</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to debt refundings	11,766,332
Deferred inflows related to OPEB	4,375,787
Deferred inflows related to pensions	33,028,930
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>49,171,049</u>
 NET POSITION	
Net investment in capital assets	193,412,744
Restricted for:	
Debt service	57,382,367
Capital projects	17,423,070
Educational programs	11,538,327
Other special purpose	4,059,620
Unrestricted	(212,340,750)
TOTAL NET POSITION	<u>\$ 71,475,378</u>

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

OPERATING REVENUES

Tuition and fees, gross	\$ 22,853,309
Less: Scholarship discounts and allowances	(6,989,677)
Tuition and fees, net	<u>15,863,632</u>
Grants and contracts, non-capital:	
Federal	3,606,352
State	37,978,858
Local	<u>4,157,195</u>
TOTAL OPERATING REVENUES	<u>61,606,037</u>

OPERATING EXPENSES

Salaries	147,522,955
Employee benefits	74,963,922
Supplies, materials, and other operating expenses	38,255,107
Financial aid	40,267,662
Depreciation and amortization	<u>27,995,158</u>
TOTAL OPERATING EXPENSES	<u>329,004,804</u>

OPERATING LOSS

(267,398,767)

NON-OPERATING REVENUES/(EXPENSES)

State apportionments and EPA, non-capital	102,593,398
Local property taxes, non-capital	60,265,803
Parcel taxes levied for specific purpose	19,721,389
Local sales tax	13,733,132
State taxes and other revenues, non-capital	20,978,044
Federal and State financial aid grants	23,518,528
Interest and investment income/(loss), noncapital	11,046,546
Other non-operating income	<u>14,548,281</u>
TOTAL NON-OPERATING REVENUES/(EXPENSES)	<u>266,405,121</u>

LOSS BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES

(993,646)

OTHER REVENUES, EXPENSES, GAINS AND LOSSES

State revenues, capital	5,031,294
Local property taxes and revenues, capital	58,412,744
Interest and investment income/(loss), capital	16,197,169
Interest expense, capital	<u>(19,586,739)</u>
TOTAL OTHER REVENUES, EXPENSES, GAINS AND LOSSES	<u>60,054,468</u>

CHANGE IN NET POSITION

59,060,822

NET POSITION -- BEGINNING OF YEAR

20,594,166

PRIOR PERIOD ADJUSTMENTS (SEE NOTE 13)

(8,179,610)

NET POSITION -- END OF YEAR

\$ 71,475,378

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and fees	\$ 15,863,632
Grants and contracts	50,604,717
Payments to or on behalf of employees	(217,275,084)
Payments to vendors for supplies and services	(58,559,112)
Payment to students	(40,267,662)
Net Cash Provided by/(Used in) Operating Activities	<u>(249,633,509)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

State apportionments	100,731,245
Local property taxes	60,265,803
State taxes and other revenues	20,978,044
Federal and state financial aid grants	23,518,528
Proceeds from parcel tax	19,721,389
Proceeds from sales tax	13,733,132
Other non-operating revenues	14,548,281
Net Cash Provided by/(Used in) Non-capital Financing Activities	<u>253,496,422</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchase and sale of capital assets	(84,896,656)
Proceeds from debt issuance	95,831,586
State revenue, capital projects	5,031,294
Local property taxes on capital related debt	58,412,744
Interest earned on capital related debt	16,197,169
Principal paid on capital debt	(130,437,940)
Interest paid on capital debt	(39,208,594)
Net Cash Provided by/(Used in) Capital and Related Financing Activities	<u>(79,070,397)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income/(expense)	11,046,546
Net Cash Provided by/(Used in) Investing Activities	<u>11,046,546</u>

NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(64,160,938)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>607,546,589</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 543,385,651</u>

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025**

**RECONCILIATION OF OPERATING LOSS TO NET CASH
USED BY OPERATING ACTIVITIES**

Operating loss	\$ (267,398,767)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation and amortization expense	27,995,158
Prior year adjustments	(8,179,610)
Changes in Assets and Liabilities:	
Accounts receivable, net	1,397,446
Inventory	(367)
Prepaid expenditures and other assets	950,752
Deferred outflows related to pensions	(8,258,846)
Deferred outflows related to OPEB	16,919,374
Accounts payable and accrued liabilities	(21,254,757)
Due to others	6,575,253
Unearned revenue	3,465,233
Compensated absences and load banking	3,907,595
Supplemental Employee Retirement Plan	-
Claims liability	721,067
Net OPEB liability	(4,745,509)
Net pension liability	3,502,163
Deferred inflows related to pensions	(8,124,400)
Deferred inflows related to OPEB	2,894,706
Total Adjustments	<u>17,765,258</u>
Net Cash Flows From Operating Activities	<u>\$ (249,633,509)</u>

COMPONENTS OF CASH AND CASH EQUIVALENTS

Cash and cash equivalents	\$ 543,385,651
Total Cash and Cash Equivalents	<u>\$ 543,385,651</u>

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
 FIDUCIARY FUND
 STATEMENT OF NET POSITION
 JUNE 30, 2025**

	Retiree OPEB Trust
ASSETS	
Cash and cash equivalents	\$ 719,132
Investments	55,307,874
Receivables	56,403
Total Assets	<u>56,083,409</u>
LIABILITIES	
Investment purchases and other	<u>51,374</u>
NET POSITION	
Restricted for OPEB	<u>\$ 56,032,035</u>

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
 FIDUCIARY FUND
 STATEMENT OF CHANGES IN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2025**

	Retiree OPEB Trust
ADDITIONS	
Contributions	\$ 14,148,070
Interest and investment income	5,000,588
Total additions	<u>19,148,658</u>
DEDUCTIONS	
Benefit payments	10,512,661
Total deductions	<u>10,512,661</u>
CHANGE IN NET POSITION	8,635,997
NET POSITION -- BEGINNING OF YEAR	47,396,038
NET POSITION -- END OF YEAR	<u>\$ 56,032,035</u>

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – ORGANIZATION

San Francisco Community College District (the "District") was established in 1935 as a political subdivision of the State of California and is a comprehensive, public, two-year institution offering educational services to residents of the surrounding area. The District operates under a locally elected seven-member Board of Trustees form of government, which establishes the policies and procedures by which the District operates. The Board must approve the annual budgets for the General Fund, special revenue funds, and capital project funds, but these budgets are managed at the department level. Currently, the District operates one campus and several centers located within the City of San Francisco, California. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61. The District is classified as a Public Educational Institution under Internal Revenue Code Section 115, and is, therefore, exempt from Federal taxes.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The District has adopted accounting policies to determine whether certain organizations, for which the District is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the District, as defined by accounting principles generally accepted in the United States of America and established by the Governmental Accounting Standards Board (GASB). The financial reporting entity consists of the primary government (the District). The District has identified no component units.

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.

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Accounting, continued

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. Nonexchange transactions, in which the District receives value without directly giving equal value in return, include State apportionments, property taxes, federal and state financial aid 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 student (FTES) attendance. The corresponding apportionment revenue is recognized in the period the FTES are generated. Revenue from federal and state financial aid grants are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements may include time and/or purpose requirements.

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

Cash and Cash Equivalents

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

Investments

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

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

Accounts Receivable

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. The District provides for an allowance for uncollectible accounts as an estimation of amounts that may not be received. This allowance is based upon management's estimates and analysis. The allowance was estimated at approximately \$8.2 million for the year ended June 30, 2025.

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.

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Inventories

Inventories consist primarily of cafeteria food and supplies held for resale to the students and faculty of the colleges. Inventories are stated at cost, utilizing the weighted average method. The cost is recorded as an expense as the inventory is consumed rather than when purchased.

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

Depreciation of capital assets is computed and recorded utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 25 to 50 years; improvements, 10 to 15 years; equipment, 5 to 10 years; vehicles, 3 years.

The District records the value of intangible right-to-use assets based on the underlying leased asset in accordance with GASB Statement No. 87, *Leases*. The right-to-use asset is amortized each year for the term of the contract or useful life of the underlying asset.

The District records the value of right-to-use subscription IT assets based on the underlying subscription asset in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The right-to-use subscription IT asset is amortized each year for the term of the contract or useful life of the underlying asset.

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, 2025.

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.

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Compensated Absences and Load Banking, continued

GASB Statement No. 101 requires that liabilities for compensated absences be recognized for [1] leave that has not been used and [2] leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if [a] the leave is attributable to services already rendered, [b] the leave accumulates, and [c] the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.)

Flow Assumption: When determining the Amounts Due within One Year for sick leave, accumulated sick leave as of June 30, 2025 is assumed to be used before future sick leave accruals (i.e. First In, First Out). The Amount Due within One Year for vacation leave is based on the expected accumulated vacation leave to be cashed out upon the end of employment in the following year.

Sick leave is accumulated without limit for each employee based upon negotiated contracts. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, retirement credit for unused sick leave is applicable to all classified members who retire after January 1, 1999. At retirement, each member will receive 0.004 year of service credit for each day of unused sick leave. Retirement credit for unused sick leave is applicable to all academic employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last 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 so 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 contributions subsequent to the measurement date, change in proportion and differences between contributions made and the District's proportionate share of contributions, differences between expected and actual earnings on plan investments, changes of assumptions, and other OPEB and pension related changes.

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

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Leases

The District recognizes a lease liability and an intangible right-to-use asset in the government-wide financial statements. The District measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The right-to-use asset is initially measured as the initial amount of the lease liability, plus certain initial direct costs. Subsequently, the right-to-use asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Subscription-based IT Arrangements

The District recognizes a subscription-based IT arrangement liability and an intangible right-to-use leased asset (subscription IT asset) in the government-wide financial statements. The District measures the subscription-based IT arrangement liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription-based IT arrangement liability is reduced by the principal portion of subscription payments made. The right-to-use leased asset is initially measured as the initial amount of the subscription-based IT arrangement liability, plus certain initial direct costs. Subsequently, the right-to-use leased asset is amortized on a straight-line basis over the lesser of the subscription term or useful life of the underlying asset.

Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the California State Teachers Retirement System (CalSTRS), the City and County of San Francisco Employees' Retirement System (SFERS), and the California Public Employees' Retirement System (CalPERS) Miscellaneous Risk Pool (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, SFERS, CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value. The aggregate net pension liability attributable to the governmental activities will be paid by the fund in which the employee worked.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's Plan and additions to/deductions from the District's Plan fiduciary net position have been determined on the same basis as they are reported by the District's Plan. For this purpose, the District's Plan 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.

Noncurrent Liabilities

Noncurrent liabilities include general obligation bonds, capital leases, compensated absences, compensatory time, load banking, PARS supplemental retirement plan, the aggregate net OPEB liability, and the aggregate net pension liability with maturities greater than one year.

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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 balance sheet and the revenue is recognized. Unearned revenue is primarily composed of (1) amounts received for tuition and fees prior to the end of the fiscal year that are related to the subsequent fiscal year and (2) amounts received from federal, state, and local grants and contracts received before the eligibility requirements are met.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position related to net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding 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 reported \$90.4 million of restricted net position.

Operating and Nonoperating Revenues and Expenses

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

Operating revenues - Operating revenues include activities that have the characteristics of exchange transactions such as tuition and fees, net of scholarship discounts and allowances, federal, state, and local grants and contracts.

Non-operating revenues - Non-operating 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.

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

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

State Apportionments

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

Property Taxes

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

The voters of the District passed General Obligation Bonds in 2001, 2005, and 2020 for the acquisition, construction, and remodeling of certain District property. As a result of the passage of the Bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are billed and collected as noted above and remitted to the District when collected.

The voters of the District passed a Parcel Tax in 2012, with updated levies and duration passed in 2016, for the general revenues of the District. The Parcel tax levies \$99 per parcel until 2032 to provide for core academic programs, training, and education of student attending the District and transferring to university. The taxes are assessed, billed, and collected as noted above, and remitted to the District when collected.

Scholarship Discounts and Allowances

Tuition and fee revenue is reported net of scholarships discount 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 Changes in Net Position. Scholarship discounts and allowances represent the difference between stated charges for enrollment fees and the amount that is paid by students or third parties making payments on the students' behalf.

Financial Assistance Programs

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

Estimates

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

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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 Standards

The following GASB Pronouncements were adopted by the District during the year ended June 30, 2024:

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for periods beginning after December 15, 2023.

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with information about risks related to a government’s vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. A government should disclose in notes to financial statements the information if the following criteria have been met; (a) a concentration or constraint is known to the government prior to the issuance of the financial statements and makes the reporting unit vulnerable to the risk of a substantial impact, (b) an event or events associated with the concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This statement is effective for periods beginning after June 15, 2024.

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Upcoming GASB Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the District.

GASB Statement No. 103 – In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues. This statement is effective for periods beginning after June 15, 2025.

GASB Statement No. 104 – In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*. This Statement also requires additional disclosures for capital assets held for sale. This statement is effective for periods beginning after June 15, 2025.

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 – CASH 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

In accordance with the California Community Colleges’ Budget and Accounting Manual, the District maintains substantially all of its cash in the County Treasury as part of the common investment pool. The District is considered to be an involuntary participant in an external investment pool. The fair value of the District’s investment in the pool is reported in the accompanying financial statements at amounts based upon the District’s pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

General Authorizations

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

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

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 – CASH AND INVESTMENTS, continued

Authorized Under Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of 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 Cash and Investments

Cash and investments as of June 30, 2025, consist of the following:

	Primary Government	Fiduciary Fund
Cash on hand and in banks	\$ 13,682,028	\$ 719,132
Cash held in escrow	7,145,750	-
Investments	522,557,873	55,307,874
Total Cash and Investments	\$ 543,385,651	\$ 56,027,006

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by primarily investing in the City and County of San Francisco Investment Pool, San Francisco Retiree Health Care Trust Fund Investment Pool, and certificates of deposit.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the City and County of San Francisco Investment Pool, San Francisco Retiree Health Care Trust Fund Investment Pool, and certificates of deposit are not required to be rated, nor have they been rated as of June 30, 2025.

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 Days to Maturity	Credit Rating
City and County of San Francisco Investment Pool	\$ 522,557,873	487 days	Not rated
San Francisco Retiree Health Care Trust Fund	55,307,874	No maturity	Not rated
Total	\$ 577,865,747		

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 – CASH AND INVESTMENTS, continued

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, 2025, the District's bank balance of approximately \$13.7 million was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

Custodial Credit Risk - 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, 2025, the District's investment balance of approximately \$54.8 million was exposed to custodial credit risk because it was uninsured, unregistered and held by the brokerage firm which is also the counterparty for these securities. 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.

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 – FAIR VALUE MEASUREMENTS, continued

Uncategorized – Investments in the San Francisco Retiree Health Care Trust Fund Investment Pool not measured using the input levels above because the District’s transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

The District's fair value measurements are as follows at June 30, 2025:

Investment Type	Fair Value	Level 1 Inputs	Level 2 Inputs	Uncategorized
San Francisco Retiree Health Care Trust Fund	\$ 55,307,874	\$ -	\$ -	\$ 55,307,874

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

NOTE 5 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2025 consisted of the following:

	Primary Government
Federal Government	
Categorical aid	\$ 2,685,803
State Government	
Categorical aid	2,590,519
Other state sources	3,296,007
Local Sources	
Sales tax	2,304,289
Other local sources	11,867,191
Subtotal	22,743,809
Student receivables	14,336,459
Less: allowance for bad debt	(8,159,907)
Total accounts receivable, net	\$ 28,920,361

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 – PREPAID EXPENSES

In 2003, the District entered into a 75 year operating contract with San Francisco Unified School District to lease real property located at 106 Bartlett Street, San Francisco, California with a lump sum payment of \$7,500,000. This amount was recorded as prepaid expenses and is being amortized as annual operating lease expense of \$100,000 over the 75 year period. On June 9, 2006, the District entered into a second lease agreement with San Francisco Unified School District for additional property at 106 Bartlett Street with a lump sum payment of \$4,000,000. This amount was recorded as prepaid expense and is being amortized as annual operating lease expense of \$155,556 over the remaining life of the original lease.

As of June 30, 2025, the prepaid expenses were as follows:

Prepaid rent	\$	8,088,888
Other prepaid expenses		280,927
Total	\$	<u>8,369,815</u>

NOTE 7 – CAPITAL ASSETS AND RIGHT-TO-USE LEASED ASSETS

Capital and right-to-use asset activity for the District for the year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
Capital Assets Not Being Depreciated				
Land	\$ 29,211,619	\$ -	\$ -	\$ 29,211,619
Construction in progress	251,298,533	82,727,843	277,158,975	56,867,401
Total Capital Assets Not Being Depreciated	<u>280,510,152</u>	<u>82,727,843</u>	<u>277,158,975</u>	<u>86,079,020</u>
Capital Assets Being Depreciated				
Land improvements	161,270,048	55,072	-	161,325,120
Buildings and improvements	509,208,517	276,968,321	-	786,176,838
Furniture and equipment	46,316,695	2,096,605	-	48,413,300
Vehicles	1,053,303	207,790	-	1,261,093
Total Capital Assets Being Depreciated	<u>717,848,563</u>	<u>279,327,788</u>	<u>-</u>	<u>997,176,351</u>
Total Capital Assets	<u>998,358,715</u>	<u>362,055,631</u>	<u>277,158,975</u>	<u>1,083,255,371</u>
Less: Accumulated Depreciation				
Land improvements	156,182,951	1,263,974	-	157,446,925
Buildings and improvements	312,897,112	23,855,270	-	336,752,382
Furniture and equipment	41,038,364	1,638,701	-	42,677,065
Vehicles	1,032,339	27,254	-	1,059,593
Total Accumulated Depreciation	<u>511,150,766</u>	<u>26,785,199</u>	<u>-</u>	<u>537,935,965</u>
Capital Assets, net	<u>487,207,949</u>	<u>335,270,432</u>	<u>277,158,975</u>	<u>545,319,406</u>
Right-to-Use Assets				
Leased equipment	-	2,275,828	-	2,275,828
Subscription-based IT arrangements	3,875,109	-	-	3,875,109
Total Right-to-Use Assets	<u>3,875,109</u>	<u>2,275,828</u>	<u>-</u>	<u>6,150,937</u>
Less: Accumulated Amortization				
Leased equipment	-	341,374	-	341,374
Subscription-based IT arrangements	1,822,118	868,585	-	2,690,703
Total Accumulated Amortization	<u>1,822,118</u>	<u>1,209,959</u>	<u>-</u>	<u>3,032,077</u>
Right-to-Use Assets, net	<u>2,052,991</u>	<u>1,065,869</u>	<u>-</u>	<u>3,118,860</u>
Capital Assets and Right-to-Use Assets, net	<u>\$ 489,260,940</u>	<u>\$ 336,336,301</u>	<u>\$ 277,158,975</u>	<u>\$ 548,438,266</u>

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025 consisted of the following:

	Balance July 1, 2024	Restatement	Additions	Reductions	Balance June 30, 2025
General obligation bonds	\$ 642,020,000	\$ -	\$ 77,645,000	\$ 129,190,000	\$ 590,475,000
Bond premiums	55,189,223	-	6,420,254	19,984,572	41,624,905
Subscription-based IT arrangements	2,257,550	-	-	929,031	1,328,519
Lease liability	-	-	2,275,828	318,909	1,956,919
Compensated absences	7,836,688	3,135,361	1,231,330	-	12,203,379
Load banking	3,132,257	-	-	459,096	2,673,161
Claims liability	3,661,207	-	721,067	-	4,382,274
Other long-term liability	11,172,918	-	-	1,862,153	9,310,765
Total	<u>\$ 725,269,843</u>	<u>\$ 3,135,361</u>	<u>\$ 88,293,479</u>	<u>\$ 152,743,761</u>	<u>\$ 663,954,922</u>

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. Payments for subscription-based IT arrangements will be made by the fund for which the software was intended. The compensated absences and load banking liabilities will be paid by the fund for which the employee worked. The claims liability will be paid from the self-insurance fund. The supplemental early retirement plan payments are made by the general fund. The other long-term liability related to the apportionment repayment liability will be paid as a reduction in state apportionment each year.

General Obligation Bonds

2015, Series D Refunding Bonds

On March 24, 2015, \$241,290,000 of San Francisco Community College District, 2015 General Obligation Refunding Bonds were issued with a final maturity date of June 15, 2031, and interest rates of 2.0% to 5.0%, depending on the maturity of the related bonds. Interest is payable semiannually on June 15 and December 15 of each year commencing on June 15, 2015. The outstanding principal balance of the 2015 General Obligation Refunding Bonds was fully refunded in 2024-25 with the 2025 Refunding Bonds.

Election of 2020, Series A and A-1 Bonds

On December 1, 2020, \$110,000,000 of San Francisco Community College District, Election of 2020, Series A Bonds and \$190,000,000 of San Francisco Community College District, Election of 2020, Series A-1 Bonds were issued with final maturity dates of June 15, 2045 and June 15, 2041, respectively. Interest rates are 2.3% to 5.0% for the Series A bonds, and 0.8% to 3.2% for the Series A-1 bonds, depending on the maturity of the related bonds. Interest is payable semiannually on June 15 and December 15 of each year commencing on June 15, 2021. The outstanding principal balances of the Series A and A-1 bonds at June 30, 2025, were \$87,580,000 and \$166,000,000, respectively.

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 – LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS, continued

General Obligation Bonds, continued

2020 General Obligation Refunding Bonds

On December 1, 2020, \$23,500,000 of San Francisco Community College District, 2020 General Obligation Refunding Bonds were issued with a final maturity date of June 15, 2034, and interest rates of 4.0% to 5.0%, depending on the maturity of the related bonds. Interest is payable semiannually on June 15 and December 15 of each year commencing on June 15, 2021. The bonds were issued to advance refund and defease the District's Election of 2005 General Obligation Bonds, Series D, and to pay all legal, financial, and contingent costs in connection with the issuance of the Bonds. Because the transaction qualified as a legal defeasance, the obligation for the defeased bonds has been removed from the District's financial statements. The outstanding principal balance of the 2020 General Obligation Refunding Bonds at June 30, 2025, was \$16,520,000.

Election of 2020, Series B

On May 30, 2025, \$270,000,000 of San Francisco Community College District, Election of 2020 General Obligation Bonds, Series B were issued with final maturity date of June 15, 2049 and an interest rates of 5.0% to 5.25%. Interest is payable semiannually on June 15 and December 15 of each year commencing on June 15, 2025. The outstanding principal balances of the 2020 General Obligation Bonds, Series B at June 30, 2025 was \$243,800,000.

2025 General Obligation Refunding Bonds

On February 25, 2025, \$77,645,000 of San Francisco Community College District, 2025 General Obligation Refunding Bonds were issued with a final maturity date of June 15, 2031, and interest rate of 5.0%. Interest is payable semiannually on June 15 and December 15 of each year commencing on June 15, 2025. The bonds were issued to advance refund and defease the District's 2015 General Obligation Refunding Bonds, and to pay all legal, financial, and contingent costs in connection with the issuance of the Bonds. Because the transaction qualified as a legal defeasance, the obligation for the defeased bonds has been removed from the District's financial statements. The outstanding principal balance of the 2020 General Obligation Refunding Bonds at June 30, 2025, was \$76,575,000.

Debt Maturity

General Obligation Bonds

Description	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance July 1, 2024	Issued	Redeemed	Balance June 30, 2025
2015, Series D Refunding	2015	2031	2.00% - 5.00%	\$ 241,290,000	\$ 96,280,000	\$ -	\$ 96,280,000	\$ -
2020, Series A	2020	2045	2.25% - 5.00%	110,000,000	87,580,000	-	-	87,580,000
2020, Series A-1	2020	2041	0.82% - 3.17%	190,000,000	170,210,000	-	4,210,000	166,000,000
2020 Refunding	2020	2034	4.00% - 5.00%	23,500,000	17,950,000	-	1,430,000	16,520,000
2020, Series B	2024	2049	5.00% - 5.25%	270,000,000	270,000,000	-	26,200,000	243,800,000
2025 Refunding	2025	2031	5.00%	77,645,000	-	77,645,000	1,070,000	76,575,000
					\$ 642,020,000	\$ 77,645,000	\$ 129,190,000	\$ 590,475,000

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 – LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS, continued

Debt Maturity, continued

The General Obligation Bonds mature through 2049 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2026	\$ 42,160,000	\$ 24,749,932	\$ 66,909,932
2027	18,640,000	22,814,606	41,454,606
2028	20,095,000	22,061,814	42,156,814
2029	21,635,000	21,241,880	42,876,880
2030	23,250,000	20,351,659	43,601,659
2031-2035	79,480,000	90,316,045	169,796,045
2036-2040	91,590,000	77,166,417	168,756,417
2041-2045	137,460,000	57,447,162	194,907,162
2046-2049	156,165,000	21,348,338	177,513,338
Total	\$ 590,475,000	\$ 357,497,853	\$ 947,972,853

Subscriptions-based Information Technology Arrangements (SBITAs)

The District entered into SBITAs for the use of various software. At June 30, 2025, the District has recognized a right-to-use subscriptions IT asset, net of accumulated amortization of \$1,184,406, and a SBITA liability of \$1,328,519 related to these agreements. Under the terms of the SBITAs, the District makes payments ranging from \$65,714 to \$586,551 annually, which amounted to total principal and interest costs of \$1,007,265 for the year ending June 30, 2025. During the fiscal year, the District recorded \$868,585 in amortization expense and \$78,234 in interest expense for the SBITAs. The District used discount rate of 5% based on the estimated incremental borrowing rate for financing over a similar time period.

The remaining principal and interest payment requirements for the SBITA obligation debt as of June 30, 2025 are as follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 636,681	\$ 36,466	\$ 673,147
2027	691,838	2,883	694,721
Total	\$ 1,328,519	\$ 39,349	\$ 1,367,868

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 – LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS, continued

Lease Liability

The District entered into agreement to lease copiers for 5 years, beginning in October 2024. Under the terms of the lease, the District currently pays monthly payments of \$41,056, which amounted to total principal and interest costs of \$369,501. The annual interest rate charged on the lease is 3.16%. At June 30, 2025, the District recognized a right-to-use leased asset of \$1,934,454 net of accumulated amortization and a lease liability of \$1,956,919 related to this agreement. During the fiscal year, the District recorded \$341,374 in amortization expense and \$50,593 in interest expense for the right to use of the copiers.

The remaining principal and interest payment requirements for the lease obligation debt as of June 30, 2025 are as follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 437,124	\$ 55,544	\$ 492,668
2027	451,139	41,529	492,668
2028	465,603	27,064	492,667
2029	480,531	12,136	492,667
2030	122,522	646	123,168
Total	<u>\$ 1,956,919</u>	<u>\$ 136,919</u>	<u>\$ 2,093,838</u>

Other Long-Term Liabilities

The other long-term liabilities balance of \$9,310,765 is related to an apportionment repayment liability to be repaid over an original period 10 years. Future repayments are due through 2030 as follows:

Fiscal Year	
2026	\$ 1,862,153
2027	1,862,153
2028	1,862,153
2029	1,862,153
2030	1,862,153
Total	<u>\$ 9,310,765</u>

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 – AGGREGATE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY

For the fiscal year ended June 30, 2025, the District reported an aggregate net OPEB liability/(asset), deferred outflows of resources, deferred inflows of resources, and OPEB expense/(benefit) for the following plans:

OPEB Plan	Net OPEB Liability/(Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense/(Benefit)
District Plan	\$ 144,058,261	\$ 15,093,523	\$ 4,375,787	\$ 20,399,221
Bookstore Plan	2,046,952	-	-	(394,442)
Total	\$ 146,105,213	\$ 15,093,523	\$ 4,375,787	\$ 20,004,779

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 City and County of San Francisco Retiree Health Care Trust Fund Board.

Plan Membership

At June 30, 2023, the valuation date, the Plan membership consisted of the following:

Inactive employees currently receiving benefit payments	Number of Participants
	<u>1,348</u>
Active employees	<u>1,153</u>
	<u>2,501</u>

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 Francisco Retiree Health Care Trust Fund. 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.

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 – AGGREGATE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

Benefits Provided

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

Contributions

The contribution requirements of Plan members and the District are established and may be amended by the District and the bargaining units. The voluntary contributions are based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined by the District. For the measurement period ending June 30, 2025, the District contributed \$4,936,208 to the Plan, all of which was used for current premiums.

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, 2025:

<u>Asset Class</u>	<u>Target Allocation</u>
Equities	75%
Fixed Income	25%

Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 16.53%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability/(Asset) of the District

The District’s net OPEB liability/(asset) of \$144,058,261 was measured as of June 30, 2024, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of June 30, 2023. The components of the net OPEB liability/(asset) of the District at June 30, 2024, were as follows:

Total OPEB liability	\$ 191,454,299
Plan fiduciary net position	47,396,038
Net OPEB liability/(asset)	<u>\$ 144,058,261</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>25%</u>

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 – AGGREGATE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

Actuarial Assumptions

The total OPEB liability as of June 30, 2024 was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2023 and rolling forward the total OPEB liability to June 30, 2024. The following assumptions were applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Actuarial cost methods	Entry-age actuarial cost method
Inflation rate	2.50%
Discount/Investment rate of return	6.75%
Health care cost trend rate	4.00%
Payroll increase	2.75%

The discount rate was based on the assumed long-term return on employer assets, using the building block method.

Mortality rates were based on the 2020 CalSTRS Mortality Table for certificated employees and the 2020 SFERS Mortality table for classified and miscellaneous employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The 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. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2024, (see the discussion of the Plan’s investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Equities	7.50%
Fixed Income	4.50%

Discount Rate

The discount rate used to measure the net OPEB liability/(asset) was 6.75%. 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.

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 – AGGREGATE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

Changes in the Net OPEB Liability/(Asset)

	Increase/(Decrease)		
	Total OPEB Liability	Total Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(a) - (b)
Balance July 1, 2023	\$ 185,514,827	\$ 37,105,499	\$ 148,409,328
Changes for the year:			
Service cost	4,376,251	-	4,376,251
Interest on total OPEB liability	12,307,335	-	12,307,335
Employer contributions	-	14,173,992	(14,173,992)
Expected investment income	-	2,644,874	(2,644,874)
Investment gains/(losses)	-	3,490,040	(3,490,040)
Benefit payments	(10,744,114)	(10,018,367)	(725,747)
Net change	5,939,472	10,290,539	(4,351,067)
Balance June 30, 2024	\$ 191,454,299	\$ 47,396,038	\$ 144,058,261

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

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate

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

	Current		
	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
Net OPEB liability/(asset)	\$ 164,149,668	\$ 144,058,261	\$ 127,044,690

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability/(asset) of the District, as well as what the District's net OPEB liability/(asset) would be if it were calculated using a healthcare cost trend rate that is one percent lower or higher than the current healthcare costs trend rate:

	Healthcare Cost		
	1% Decrease (3.0%)	Trend Rate (4.0%)	1% Increase (5.0%)
Net OPEB liability/(asset)	\$ 123,046,470	\$ 144,058,261	\$ 169,236,215

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 – AGGREGATE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

Deferred Outflows/Inflows of Resources Related to OPEB

At June 30, 2025, 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 projected and actual earnings on plan investments	\$ -	\$ 3,814,983
Differences between expected and actual experience	8,602,084	560,804
Change in assumptions	1,555,231	-
District contributions subsequent to the measurement date	4,936,208	-
	<u>\$ 15,093,523</u>	<u>\$ 4,375,787</u>

The deferred outflows of resources related to OPEB resulting from the District’s contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the subsequent fiscal year. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense/(benefit) as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ 5,231,569
2027	2,361,676
2028	(1,047,734)
2029	(763,983)
	<u>\$ 5,781,528</u>

Bookstore Plan

Plan Administration

The District’s governing board administers the Bookstore 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. No assets are accumulated in a trust that meets criteria in paragraph 4 of GASB Statement No. 75. Management of the plan is vested in the District management.

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 – AGGREGATE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

Plan Membership

At June 30, 2023, the valuation date, the Plan membership consisted of the following:

	Number of Participants
Inactive employees currently receiving benefit payments	13
Active employees	-
	<u>13</u>

Benefits Provided

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

The contribution requirements of Plan members and the District are established and may be amended by the District and the bargaining units. The voluntary contributions are based on projected pay-as-you-go financing requirements. For the measurement period ending June 30, 2025, the District contributed \$187,743 to the Plan, all of which was used for current premiums.

Total OPEB Liability of the District

The District’s total OPEB liability of \$2,046,952 was measured as of June 30, 2025, and the total OPEB liability was determined by an actuarial valuation as of June 30, 2024.

Actuarial Assumptions

The total OPEB liability as of June 30, 2025 was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2024 and rolling forward the total OPEB liability to June 30, 2025. The following assumptions were applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2024
Measurement date	June 30, 2025
Actuarial cost methods	Entry-age actuarial cost method
Inflation rate	2.50%
Discount/Investment rate of return	5.20%
Health care cost trend rate	4.00%
Payroll increase	2.75%

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

Mortality rates were based on the 2021 CalPERS Retiree Mortality for miscellaneous and school employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 – AGGREGATE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

Changes in the Net OPEB Liability/(Asset)

	Increase/(Decrease)		
	Total OPEB Liability (a)	Total Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance July 1, 2024	\$ 2,441,394	\$ -	\$ 2,441,394
Changes for the year:			
Interest on total OPEB liability	92,166	-	92,166
Employer contributions	-	192,382	(192,382)
Changes of assumption	(294,226)	-	(294,226)
Benefit payments	(192,382)	(192,382)	-
Net change	(394,442)	-	(394,442)
Balance June 30, 2025	\$ 2,046,952	\$ -	\$ 2,046,952

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

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate

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

	Current Discount Rate		
	1% Decrease (4.20%)	(5.20%)	1% Increase (6.20%)
Net OPEB liability/(asset)	\$ 2,276,166	\$ 2,046,952	\$ 1,881,405

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability/(asset) of the District, as well as what the District's net OPEB liability/(asset) would be if it were calculated using a healthcare cost trend rate that is one percent lower or higher than the current healthcare costs trend rate:

	Healthcare Cost Trend Rate		
	1% Decrease (3.0%)	(4.0%)	1% Increase (5.0%)
Net OPEB liability/(asset)	\$ 1,835,302	\$ 2,046,952	\$ 2,270,508

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 – RISK MANAGEMENT

The District is exposed to various risks of loss related to property, general liability, and employee benefits. These risks are addressed through a combination of participation in public entity risk pools, commercial insurance, and self-insurance. The District is fully self-insured for workers' compensation.

The District is a member of the Alliance of School Cooperative Insurance Program (ASCIP) and Schools Excess Liability Fund (SELF). The District is subject to various deductible amounts in addition to payment of premiums assessed by the pools. The pools are responsible for claims beyond the deductible amount and provide high-level umbrella type coverage above certain limits.

The risk pools are operated separately and are independently accountable for their fiscal matters. The risk pools are not component units of the District for financial reporting purposes. A copy of the most recent audited financial statements for the pools can be obtained from the District.

During the fiscal year, the District finances its risk of loss for the following deductible portion of the general liability, automotive liability, property claims, and student professional liability as follows:

Type of Coverage	Deductible
General Liability	\$ 50,000
Automobile Liability	\$ 50,000
Property Liability	\$ 25,000
Student Professional Liability	\$ 50,000

Estimates of liabilities for open claims, both reported and unreported, are established by the District's external administrator for known claims and by periodic actuarial valuations.

As of February 1, 2005, the District became a charter member of the Community College Insurance Group (CCIG). The District's membership is limited to dental insurance. As a result, the District transitioned from a self-insured system to a premium system. Premiums are adjusted annually based upon the previous years' experience. As of June 30, 2025, liability for claims amounted to \$4,382,274, which is recorded in the self-insurance fund.

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 year ending June 30, 2025.

	Balance July 1, 2024	Current Year Claims and Changes in Estimates	Claim Payments	Balance June 30, 2025
Workers' Compensation	\$ 3,661,207	\$ 1,493,963	\$ 772,896	\$ 4,382,274
Assets available to pay claims at June 30, 2025				\$ 7,453,601

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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

For the fiscal year ended June 30, 2025, the District reported its proportionate share of the aggregate net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	\$ 72,166,182	\$ 26,321,017	\$ 27,782,925	\$ (1,160,497)
SFERS	55,334,116	34,027,141	5,086,933	9,616,442
CalPERS Miscellaneous Plan	1,455,528	551,634	159,072	296,807
Total	\$ 128,955,826	\$ 60,899,792	\$ 33,028,930	\$ 8,752,752

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, 2023, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

Benefits Provided

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

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

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS, continued

Benefits Provided, continued

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

The STRP Defined Benefit Program provisions and benefits in effect at June 30, 2025, are summarized as follows:

	STRP Defined Benefit Plan	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	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 the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2025, are presented above, and the District's total contributions were \$12,797,144.

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

At June 30, 2025, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 72,166,182
State's proportionate share of the net pension liability associated with the District	<u>33,110,602</u>
Total	<u>\$ 105,276,784</u>

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS, continued

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

The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2024 and June 30, 2023, was 0.1075% and 0.1024%, respectively, resulting in a net increase in the proportionate share of 0.0051%.

For the year ended June 30, 2025, the District recognized pension expense/(benefit) of (\$1,160,497). In addition, the District recognized pension expense and revenue of \$3,021,799 for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ -	\$ 294,840
Differences between expected and actual experience	8,163,845	3,157,782
Changes in assumptions	315,900	4,928,238
Net changes in proportionate share of net pension liability	5,044,128	19,402,065
District contributions subsequent to the measurement date	12,797,144	-
Total	<u>\$ 26,321,017</u>	<u>\$ 27,782,925</u>

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. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (12,920,708)
2027	(1,971,132)
2028	(241,754)
2029	510,595
2030	717,915
Thereafter	(353,968)
	<u>\$ (14,259,052)</u>

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS, continued

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, 2023, and rolling forward the total pension liability to June 30, 2024. The financial reporting actuarial valuation as of June 30, 2023, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 2007, through June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%
Payroll growth	3.25%
Postretirement benefit increases	2.00%

CalSTRS uses a generational mortality assumption, which is based off generational mortality tables that reflect expected future improvements in mortality and includes a base table and a projection table. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection table reflects the expected annual reduction in mortality rates at each age. The current mortality assumption uses a base year of 2023, and projected improvement is based on the MP– 2021 Ultimate Projection Scale.

The long-term investment rate of return assumption was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class/strategy. Expected real rates of return are net of our 2.75% inflation assumption and are derived from best-estimate ranges of 20- to 30-year geometrically linked expected returns. These best-estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process.

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS, continued

The actuarial investment rate of return assumption was adopted by the board in January 2024 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. The assumed asset allocation and best estimates of the expected rates of return for each major asset class/strategy as of June 30, 2024, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-term Expected Rate of Return*	Long-term Expected Real Rate of Return**
Public Equity	38%	8.00%	5.25%
Real Estate	15%	6.80%	4.05%
Private Equity	14%	9.50%	6.75%
Fixed Income	14%	5.20%	2.45%
Risk Mitigating Strategies	10%	5.00%	2.25%
Inflation Sensitive	7%	6.40%	3.65%
Cash/Liquidity	2%	2.80%	0.05%
	100%		

*20 to 30 year geometric average.

**Real rates of return are net of assumed 2.75% inflation.

Discount Rate

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

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Plan's net pension liability	\$ 128,360,024	\$ 72,166,182	\$ 25,241,993

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS, continued

City and County of San Francisco Employees’ Retirement System (SFERS)

Plan Description

Qualified employees are eligible to participate in the San Francisco Employees’ Retirement System (SFERS); a cost-sharing multiple-employer, public employee, defined benefit pension plan administered by the City and County of San Francisco (the City). SFERS is a separate department of the City, deriving its powers, functions, and responsibility from the City Charter and ordinances of the Board of Supervisors of the City. Substantially all employees of the City and County are members, including most of the District’s classified permanent full-time employees and certain certificated employees hired prior to July 1, 1972. Members are classified according to City bargaining units as police, fire, and miscellaneous. District employees are members of the miscellaneous pool. SFERS issues a separate annual financial report that includes financial statements and required supplementary information. The SFERS annual financial report is available online at www.sfers.org.

Benefits Provided

The retirement system provides service retirement, disability, and death benefits based on specified percentages of defined final average monthly salary and annual cost-of-living adjustments after retirement. Employees with 20 years of service who have attained age 50 or those with 10 years of service who have attained age 60 are eligible for retirement benefits. The City Charter and the Administrative Code are the authorities that establish and amend the benefit provisions of the plan and employer and member obligations to the plan.

The SFERS provisions and benefits in effect at June 30, 2025, are summarized as follows:

	City Employer Pool (Miscellaneous Non-Safety Membership)		
	On or after November 2, 1976 and before July 1, 2010	On or after July 1, 2010 and before July 7, 2012	On or after 7-Jan-12
Hire date			
Benefit formula	2.3% at 62	2.3% at 62	2.3% at 65
Benefit vesting schedule	Age 50 with 20 Years of Credited Service or Age 60 with 10 Years of Credited Service	Age 50 with 20 Years of Credited Service or Age 60 with 10 Years of Credited Service	Age 53 with 20 Years of Credited Service or Age 60 with 10 Years of Credited Service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	62	62	65
Maximum annual benefits	75%	75%	75%
Monthly benefits as a percentage of eligible compensation	1.00% - 2.30%	1.00% - 2.30%	1.00% - 2.30%
Required employee contribution rate	7.50% - 11.00%	7.50% - 11.00%	7.50% - 11.00%
Required employer contribution rate	16.91%	16.91%	16.91%

All retired members receive a benefit adjustment each July 1, which is the basic cost of living adjustment (COLA). The majority of adjustments are determined by changes in the Consumer Price Index with increases capped at 2%. The Plan provides for a supplemental COLA in years when there are sufficient “excess” investment earnings in the Plan and the Plan is fully funded on a market value of assets basis. The maximum benefit adjustment is 3.5% including that Basic COLA. For members hired on or after January 7, 2012, Supplemental COLAs will not be permanent adjustments to retirement benefits.

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS, continued

Contributions

Contributions are made to the plan by both the employers and the participating employees. The basic employer contributions are the amounts deemed necessary, on an actuarial basis using the entry age normal cost method, to provide the plan with assets sufficient to pay the basic benefits that are not provided for by employees' contributions. Employee and employer contributions are mandatory, as required by the City Charter. The District's contributions to SFERS, for the year ended June 30, 2025, were \$8,643,874.

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

As of June 30, 2025, the District reported net pension liability for its proportionate share of the collective SFERS net pension liability totaling \$55,334,116. The net pension liability of the plan is measured as of June 30, 2024, and the total pension liability for the plan used to calculate the net pension liability was determined by an actuarial valuation 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 period June 30, 2024 and June 30, 2023, was 1.3879% and 1.2611%, respectively, resulting in a net increase in the proportionate share of 0.1268%.

For the year ended June 30, 2025, the District recognized pension expense of \$9,616,442, including amortization of deferred outflows of resources and deferred inflows of resources related to pensions. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ 10,223,502	\$ -
Differences between expected and actual experience	8,722,793	-
Changes in assumptions	4,364,112	1,330,816
Net changes in proportionate share of net pension liability	2,072,860	3,756,117
District contributions subsequent to the measurement date	8,643,874	-
Total	<u>\$ 34,027,141</u>	<u>\$ 5,086,933</u>

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS, continued

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

The deferred outflows of resources 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 remaining deferred outflows/(inflows) of resources will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (3,125,897)
2027	18,540,100
2028	3,504,309
2029	1,377,822
	\$ 20,296,334

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2023. The following is a summary of the actuarial methods and assumptions used in the actuarial valuation:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 2009 through June 30, 2014
Actuarial cost method	Entry age normal
Discount rate	7.20%
Investment rate of return	7.20%
Consumer price inflation	2.50%
Wage growth	3.25%, plus merit component based on employee classification and years of service
Administrative expense	0.60% of payroll
Basic COLA	2.00%

The mortality table used was developed based on the PubG-2010 tables, with adjustments made for male and female participants. Mortality rates for active members were based upon adjusted PubG-2010 Employee mortality tables, while mortality rates for retired members were based upon adjusted PubG-2010 Retiree mortality tables.

The probability of a Supplemental COLA as of June 30, 2025, was developed based upon the probability and amount of Supplemental COLA for each future year. Future Supplemental COLAs are assumed to be 0% for the actuarial valuation as of June 30, 2023.

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS, continued

Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2024, was 7.20%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will continue to be made at the rates specified in the Charter. Employer contributions were assumed to be made in accordance with the contribution policy in effect for July 1, 2020, actuarial valuation. That policy includes contributions equal to the employer portion of the entry age normal costs for members as of the valuation data plus an amortization payment on the unfunded actuarial liability.

The plan’s fiduciary net position was projected to be available to make projected future benefit payments for current members until fiscal year end 2096, when only a portion of the projected benefit payments can be made from the projected fiduciary net position. Projected benefit payments are discounted at the long-term expected return on assets of 7.20% to the extent the fiduciary net position is available to make the payments and at the municipal bond rate of 2.16% to the extent they are not available. The single equivalent rate used to determine the total pension liability as of June 30, 2024, is 7.20%.

The long-term expected rate of return on pension plan investments was 7.20%. It was set by the Retirement Board after consideration of both expected future returns and historical returns experienced by the Retirement System. Expected future returns were determined by using a building-block method in which best-estimate ranges of expected future real rates of return were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Target allocation and best estimates of geometric long-term expected real rates of return (net of pension plan investment expense and inflation) 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	37%	4.20%
Treasuries	8%	1.80%
Liquid credit	5%	3.90%
Private credit	10%	5.90%
Private equity	23%	7.20%
Real assets	10%	5.50%
Absolute return	10%	4.40%
Cash	0%	1.20%
Leverage	-3%	1.60%
	100%	

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS, continued

Discount Rate , continued

The following presents the District’s proportionate share of the net pension liability, calculated using the 7.20% discount rate, as well as what the District’s allocation would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Plan's net pension liability	\$ 127,377,409	\$ 55,334,116	\$ (4,028,671)

California Public Employees’ Retirement System (CalPERS)

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. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees’ Retirement Law.

The Public Agency Cost-Sharing Multiple-Employer Plan is comprised of a Miscellaneous Risk Pool and a Safety Risk Pool. Individual employers may sponsor more than one Miscellaneous or Safety plan. The District sponsors one Miscellaneous Risk Pool plan (the Plan). 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 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 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 cost-of-living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS, continued

Benefits Provided, continued

The CalPERS School Employer Pool provisions and benefits in effect at June 30, 2025, are summarized as follows:

	CalPERS - Miscellaneous Employer Pool	
	On or Before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2.5% at 55	2.0% 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
Required employee contribution rates	N/A	N/A
Required employer contribution rates:	N/A	N/A

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, 2025, are presented above, and the total District contributions were \$192,817.

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

As of June 30, 2025, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$1,455,528. The net pension liability was measured as of June 30, 2024. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts, actuarially determined. The District’s proportionate share for the measurement periods of June 30, 2024 and June 30, 2023, was 0.0301% and 0.0306%, respectively, resulting in a net decrease in the proportionate share of 0.0005%.

For the year ended June 30, 2025, the District recognized pension expense of \$296,807. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ 91,022	\$ -
Differences between expected and actual experience	125,851	4,911
Changes in assumptions	37,412	-
Net changes in proportionate share of net pension liability	104,532	154,161
Auxiliary contributions subsequent to the measurement date	192,817	-
Total	\$ 551,634	\$ 159,072

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS, continued

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

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

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ 86,902
2027	187,455
2028	(47,701)
2029	(26,911)
	\$ 199,745

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, 2023, and rolling forward the total pension liability to June 30, 2024. The financial reporting actuarial valuation as of June 30, 2023, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Measurement period	July 1, 2022 to June 30, 2023
Actuarial cost method	Entry-Age Normal
Actuarial assumptions:	
Discount rate	6.90%
Investment Rate of Return	6.90%
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.

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS, continued

Actuarial Methods and Assumptions, continued

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

Asset Class*	Assumed Asset Allocation	Real Return Years 1 - 10* **
Global equity - cap-weighted	30%	4.45%
Global equity - non-cap-weighted	12%	3.84%
Private equity	13%	7.28%
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%
	100%	

* An expected inflation of 2.30% used for this period

** Figures are based on the 2021-22 Asset Liability Management study.

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 Miscellaneous Risk Pool plan fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Plan's net pension liability	\$ 2,357,843	\$ 1,455,528	\$ 715,664

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS, continued

Social Security

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use the Social Security as its alternative plan. Contributions made by the District and an employee vest immediately. The District contributes 6.20% of an employee's gross earnings. An employee is required to contribute 6.20% of his or her gross earnings to the pension plan.

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 \$6,685,625. 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.

Deferred Compensation

The District offers its employees a CalPERS administered 457 Deferred Compensation Program (the Program). The Program, available to all permanent employees, permits them to defer a portion of pre-tax salary into investment of an individual's own choosing until future years. The deferred compensation is not available to the employees or their beneficiaries until termination, retirement, death, or an unforeseeable emergency. The CalPERS Board controls the investment and administrative functions of the CalPERS 457 Deferred Compensation Program. The Board for the exclusive benefit of participating employees, which adds security, holds the assets in trust.

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 is 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, 2025.

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, 2025.

Construction Commitments

The District had several commitments with respect to the unfinished capital projects. These projects are funded through a combination of general obligation bonds and capital project apportionments from the California State Chancellor's Office. As of June 30, 2025, the total amount committed was approximately \$30.2 million.

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 13 – PRIOR PERIOD ADJUSTMENTS

The beginning net position decreased by \$8.2 million due to District identified adjustments and implementation of GASB 101, *Compensated Absences*.

NOTE 14 – SUBSEQUENT EVENTS

The District evaluated subsequent events from June 30, 2025 through January 28, 2026, the date the financial statements were issued. The District concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements

REQUIRED SUPPLEMENTARY INFORMATION

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2025**

	2025	2024	2023	2022
Total OPEB liability				
Service cost	\$ 4,376,251	\$ 4,203,396	\$ 4,090,896	\$ 3,839,775
Interest	12,307,335	11,254,104	10,884,511	9,457,502
Assumption changes	-	-	-	9,331,399
Experience (gains)/losses	-	10,796,253	941,870	14,160,110
Benefit payments	(10,744,114)	(10,262,634)	(10,258,412)	(10,387,903)
Net change in total OPEB liability	5,939,472	15,991,119	5,658,865	26,400,883
Total OPEB liability, beginning of year	185,514,827	169,523,708	163,864,843	137,463,960
Total OPEB liability, end of year (a)	\$ 191,454,299	\$ 185,514,827	\$ 169,523,708	\$ 163,864,843
Plan fiduciary net position				
Employer contributions	\$ 14,173,992	\$ 23,243,217	\$ 16,617,650	\$ 3,004,927
Expected investment income	2,644,874	1,569,174	1,424,496	1,063,705
Investment gains/(losses)	3,490,040	5,831,312	(8,901,094)	5,423,018
Administrative expense	-	(64,596)	(35,290)	(98,690)
Benefit payments	(10,018,367)	(10,262,634)	(10,258,412)	(10,387,903)
Change in plan fiduciary net position	10,290,539	20,316,473	(1,152,650)	(994,943)
Fiduciary trust net position, beginning of year	37,105,499	16,789,026	17,941,676	18,936,619
Fiduciary trust net position, end of year (b)	\$ 47,396,038	\$ 37,105,499	\$ 16,789,026	\$ 17,941,676
Net OPEB liability/(asset), ending (a) - (b)	\$ 144,058,261	\$ 148,409,328	\$ 152,734,682	\$ 145,923,167
Covered payroll	\$ 135,484,761	\$ 125,016,430	\$ 112,808,955	\$ 125,512,265
Plan fiduciary net position as a percentage of the total OPEB liability	25%	20%	10%	11%
Net OPEB liability/(asset) as a percentage of covered payroll	106%	119%	135%	116%
Measurement date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021

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

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2025**

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 3,737,007	\$ 4,715,900	\$ 4,761,606	\$ 5,382,732
Interest	9,144,014	9,938,445	9,533,290	9,134,663
Assumption changes	-	-	-	-
Experience (gains)/losses	2,015,002	(16,416,531)	(1,314,630)	-
Benefit payments	(10,369,665)	(8,900,749)	(7,692,202)	(8,144,914)
Net change in total OPEB liability	4,526,358	(10,662,935)	5,288,064	6,372,481
Total OPEB liability, beginning of year	132,937,602	143,600,537	138,312,473	131,939,992
Total OPEB liability, end of year (a)	\$ 137,463,960	\$ 132,937,602	\$ 143,600,537	\$ 138,312,473
Plan fiduciary net position				
Employer contributions	\$ 3,952,839	\$ 12,187,894	\$ 13,966,777	\$ 11,983,985
Expected investment income	1,515,343	1,440,540	1,080,198	1,243,581
Investment gains/(losses)	(62,602)	318,531	(22,427)	-
Administrative expense	(62,507)	(37,145)	(30,000)	-
Expected benefit payments	(10,369,665)	(8,900,749)	(9,006,832)	(8,144,914)
Change in plan fiduciary net position	(5,026,592)	5,009,071	5,987,716	5,082,652
Fiduciary trust net position, beginning of year	23,963,211	18,954,140	12,966,424	7,883,772
Fiduciary trust net position, end of year (b)	\$ 18,936,619	\$ 23,963,211	\$ 18,954,140	\$ 12,966,424
Net OPEB liability/(asset), ending (a) - (b)	\$ 118,527,341	\$ 108,974,391	\$ 124,646,397	\$ 125,346,049
Covered payroll	\$ 140,596,160	\$ 137,659,895	\$ 129,610,167	\$ 131,979,430
Plan fiduciary net position as a percentage of the total OPEB liability	14%	18%	13%	9%
Net OPEB liability/(asset) as a percentage of covered payroll	84%	79%	96%	95%
Measurement date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF OPEB INVESTMENT RETURNS
FOR THE YEAR ENDED JUNE 30, 2025**

	2025	2024	2023	2022
Annual money-weighted rate of return, net of investment expense	16.53%	16.10%	-10.53%	24.91%
Measurement date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
	2021	2020	2019	2018
Annual money-weighted rate of return, net of investment expense	5.12%	8.64%	6.42%	12.17%
Measurement date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS –
BOOKSTORE PLAN
FOR THE YEAR ENDED JUNE 30, 2025**

	2025	2024	2023	2022
Total OPEB liability				
Interest	\$ 92,166	\$ 80,130	\$ 72,484	\$ 73,822
Assumption changes	(294,226)	19,938	(28,742)	(420,938)
Experience (gains)/losses	-	237,410	-	(369,222)
Benefit payments	(192,382)	(182,826)	(168,781)	(183,816)
Net change in total OPEB liability	(394,442)	154,652	(125,039)	(900,154)
Total OPEB liability, beginning of year	2,441,394	2,286,742	2,411,781	3,311,935
Total OPEB liability, end of year (a)	\$ 2,046,952	\$ 2,441,394	\$ 2,286,742	\$ 2,411,781
Plan fiduciary net position				
Employer contributions	\$ 192,382	\$ 182,826	\$ 168,781	\$ 183,816
Benefit payments	(192,382)	(182,826)	(168,781)	(183,816)
Change in plan fiduciary net position	-	-	-	-
Fiduciary trust net position, beginning of year	-	-	-	-
Fiduciary trust net position, end of year (b)	\$ -	\$ -	\$ -	\$ -
Net OPEB liability/(asset), ending (a) - (b)	\$ 2,046,952	\$ 2,441,394	\$ 2,286,742	\$ 2,411,781
Covered payroll	\$ 135,484,761	\$ 125,016,430	\$ 112,808,955	\$ 125,512,265
Plan fiduciary net position as a percentage of the total OPEB liability	N/A*	N/A*	N/A*	N/A*
Net OPEB liability/(asset) as a percentage of covered payroll	N/A*	N/A*	N/A*	N/A*
Measurement date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022

**As of the 2017 fiscal year, there was no covered payroll associated with employees covered by the Bookstore OPEB plan*

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

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS –
BOOKSTORE PLAN
FOR THE YEAR ENDED JUNE 30, 2025**

	2021	2020	2019
Total OPEB liability			
Interest	\$ 74,872	\$ 96,622	\$ 1,724,354
Assumption changes	18,074	502,174	111,669
Experience (gains)/losses	-	(67,419)	-
Benefit payments	(187,741)	(184,020)	(176,650)
Net change in total OPEB liability	(94,795)	347,357	1,659,373
Total OPEB liability, beginning of year	3,406,730	3,059,373	1,400,000
Total OPEB liability, end of year (a)	\$ 3,311,935	\$ 3,406,730	\$ 3,059,373
Plan fiduciary net position			
Employer contributions	\$ 187,741	\$ 184,020	\$ 176,650
Expected benefit payments	(187,741)	(184,020)	(176,650)
Change in plan fiduciary net position	-	-	-
Fiduciary trust net position, beginning of year	-	-	-
Fiduciary trust net position, end of year (b)	\$ -	\$ -	\$ -
Net OPEB liability/(asset), ending (a) - (b)	\$ 3,311,935	\$ 3,406,730	\$ 3,059,373
Covered payroll	\$ 140,596,160	\$ 137,659,895	\$ 129,610,167
Plan fiduciary net position as a percentage of the total OPEB liability	N/A*	N/A*	N/A*
Net OPEB liability/(asset) as a percentage of covered payroll	N/A*	N/A*	N/A*
Measurement date	June 30, 2021	June 30, 2020	June 30, 2019

*As of the 2017 fiscal year, there was no covered payroll associated with employees covered by the Bookstore OPEB plan

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

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2025**

	Reporting Fiscal Year (Measurement Date)				
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
CalSTRS					
District's proportion of the net pension liability	0.1074%	0.1024%	0.1064%	0.1384%	0.1400%
District's proportionate share of the net pension liability	\$ 72,166,182	\$ 77,962,289	\$ 73,955,834	\$ 62,971,699	\$ 135,713,911
State's proportionate share of the net pension liability associated with the District	33,110,602	37,354,600	37,036,793	31,684,917	69,960,537
Total	\$ 105,276,784	\$ 115,316,889	\$ 110,992,627	\$ 94,656,616	\$ 205,674,448
District's covered - employee payroll	\$ 73,391,890	\$ 62,661,157	\$ 62,193,972	\$ 73,848,916	\$ 85,192,801
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	98%	124%	119%	85%	159%
Plan fiduciary net position as a percentage of the total pension liability	84%	81%	81%	87%	72%

	Reporting Fiscal Year (Measurement Date)				
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
SFERS					
District's proportion of the net pension liability	1.3879%	1.2611%	1.3904%	1.3967%	1.4256%
District's proportionate share of the net pension liability	\$ 55,334,116	\$ 45,959,617	\$ 37,417,263	\$ (36,105,659)	\$ 77,136,465
District's covered - employee payroll	\$ 49,350,521	\$ 43,456,599	\$ 50,614,983	\$ 51,663,349	\$ 55,403,359
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	112%	106%	74%	-70%	139%
Plan fiduciary net position as a percentage of the total pension liability	90%	90%	92%	108%	83%

	Reporting Fiscal Year (Measurement Date)				
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
CalPERS - Miscellaneous Employer Plan (Auxiliary)					
Auxiliary's proportion of the net pension liability	0.0301%	0.0306%	0.0326%	0.0496%	0.0334%
Auxiliary's proportionate share of the net pension liability	\$ 1,455,528	\$ 1,531,757	\$ 1,523,817	\$ 942,648	\$ 1,406,918
Auxiliary's covered - employee payroll*	N/A	N/A	N/A	N/A	N/A
Auxiliary's proportionate Share of the net pension liability as percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	80%	75%	70%	81%	78%

*The Auxiliary plan is a closed plan to new entrants with no ongoing payroll.

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2025**

	Reporting Fiscal Year (Measurement Date)				
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
CaSTRS					
District's proportion of the net pension liability	0.1559%	0.1472%	0.1588%	0.1578%	0.1637%
District's proportionate share of the net pension liability	\$ 140,845,704	\$ 135,303,355	\$ 146,856,856	\$ 127,669,976	\$ 110,236,539
State's proportionate share of the net pension liability associated with the District	76,840,735	77,467,499	86,879,275	72,680,240	58,302,977
Total	\$ 217,686,439	\$ 212,770,854	\$ 233,736,131	\$ 200,350,216	\$ 168,539,516
District's covered - employee payroll	\$ 84,911,413	\$ 82,254,089	\$ 88,682,576	\$ 77,235,937	\$ 73,432,379
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	166%	164%	166%	165%	150%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%

	Reporting Fiscal Year (Measurement Date)				
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
SFERS					
District's proportion of the net pension liability	1.5814%	1.5714%	1.5403%	1.4766%	1.5795%
District's proportionate share of the net pension liability	\$ 70,690,622	\$ 67,726,628	\$ 76,912,801	\$ 85,831,480	\$ 36,265,841
District's covered - employee payroll	\$ 52,748,482	\$ 47,356,078	\$ 43,296,854	\$ 39,223,199	\$ 40,264,153
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	134%	143%	178%	219%	90%
Plan fiduciary net position as a percentage of the total pension liability	85%	85%	82%	77%	90%

	Reporting Fiscal Year (Measurement Date)				
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
CalPERS - Miscellaneous Employer Plan (Auxiliary)					
Auxiliary's proportion of the net pension liability	0.0343%	0.0340%	0.0330%	0.0321%	0.0301%
Auxiliary's proportionate share of the net pension liability	\$ 1,375,292	\$ 1,282,902	\$ 1,300,751	\$ 1,115,251	\$ 2,626,907
Auxiliary's covered - employee payroll*	N/A	N/A	N/A	\$ 1,850,556	\$ 1,973,862
Auxiliary's proportionate Share of the net pension liability as percentage of covered-employee payroll	N/A	N/A	N/A	60%	133%
Plan fiduciary net position as a percentage of the total pension liability	78%	78%	75%	76%	80%

*The Auxiliary plan is a closed plan to new entrants with no ongoing payroll.

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2025**

CaSTRS	Reporting Fiscal Year				
	2025	2024	2023	2022	2021
Statutorily required contribution	\$ 12,797,144	\$ 14,017,851	\$ 11,968,281	\$ 10,523,220	\$ 11,926,600
District's contributions in relation to the statutorily required contribution	12,797,144	14,017,851	11,968,281	10,523,220	11,926,600
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 70,159,781	\$ 73,391,890	\$ 62,661,157	\$ 62,193,972	\$ 73,848,916
District's contributions as a percentage of covered-employee payroll	18.24%	19.10%	19.10%	16.92%	16.15%
	Reporting Fiscal Year				
SFERS	2025	2024	2023	2022	2021
Statutorily required contribution	\$ 8,643,874	\$ 9,001,535	\$ 8,439,298	\$ 10,240,571	\$ 11,776,207
District's contributions in relation to the statutorily required contribution	8,643,874	9,001,535	8,439,298	10,240,571	11,776,207
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 51,116,937	\$ 49,350,521	\$ 43,456,599	\$ 50,614,983	\$ 51,663,349
District's contributions as a percentage of covered-employee payroll	16.91%	18.24%	19.42%	20.23%	22.79%
	Reporting Fiscal Year				
CaPERS - Miscellaneous Employer Plan (Bookstore)	2025	2024	2023	2022	2021
Statutorily required contribution	\$ 192,817	\$ 111,666	\$ 161,471	\$ 154,895	\$ 145,513
Auxiliary's contributions in relation to the statutorily required contribution	192,817	111,666	161,471	154,895	145,513
Auxiliary's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Auxiliary's covered-employee payroll*	N/A	N/A	N/A	N/A	N/A
Auxiliary's contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A

*N/A - As of the 2017 fiscal year, there was no covered payroll associated with employees covered by the CaPERS Miscellaneous Plan.

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2025**

CaISTRS	Reporting Fiscal Year				
	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 14,567,969	\$ 13,823,578	\$ 11,869,265	\$ 11,156,268	\$ 8,287,416
District's contributions in relation to the statutorily required contribution	14,567,969	13,823,578	11,869,265	11,156,268	8,287,416
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 85,192,801	\$ 84,911,413	\$ 82,254,089	\$ 88,682,576	\$ 77,235,937
District's contributions as a percentage of covered-employee payroll	17.10%	16.28%	14.43%	12.58%	10.73%

SFERS	Reporting Fiscal Year				
	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 10,587,582	\$ 9,474,507	\$ 9,219,890	\$ 8,192,668	\$ 7,819,687
District's contributions in relation to the statutorily required contribution	10,587,582	9,474,507	9,219,890	8,192,668	7,819,687
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 55,403,359	\$ 52,748,482	\$ 47,356,078	\$ 43,296,854	\$ 39,223,199
District's contributions as a percentage of covered-employee payroll	19.11%	17.96%	19.47%	18.92%	19.94%

CaPERS - Miscellaneous Employer Plan (Bookstore)	Reporting Fiscal Year				
	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 131,064	\$ 93,234	\$ 60,954	\$ 49,922	\$ 424,160
Auxiliary's contributions in relation to the statutorily required contribution	131,064	93,234	60,954	49,922	424,160
Auxiliary's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Auxiliary's covered-employee payroll*	N/A	N/A	N/A	N/A	\$ 1,850,556
Auxiliary's contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	22.92%

*N/A - As of the 2017 fiscal year, there was no covered payroll associated with employees covered by the CaPERS Miscellaneous Plan.

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Changes in the District's Net OPEB Liability/(Asset) and Related Ratios

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

- *Changes in Benefit Terms* - There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* - There were no changes in economic assumptions since the previous valuations.

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/(Asset) - Bookstore Plan

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* - There were no changes in economic assumptions since the previous valuations.

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 positions 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 since the previous valuations for either CalSTRS, SFERS, or CalPERS.
- *Changes of Assumptions* - There were no changes in economic assumptions since the previous valuations for either CalSTRS, SFERS, or CalPERS.

Schedule of District Contributions – 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

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
DISTRICT ORGANIZATION
JUNE 30, 2025**

San Francisco Community College District was established in 1935 and is located in San Francisco County. There were no changes in the boundaries of the District during the current year. The District's college is accredited by the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges, which is one of six regional associations that accredit public and private schools, colleges, and universities in the United States.

GOVERNING BOARD

NAME	OFFICE	TERM EXPIRES
Anita Martinez	President	2027
Luiz Zamora	Vice President	2029
Aliyah Chisti	Member	2029
Vick Van Chung	Member	2027
Susan Solomon	Member	2027
Heather McCarty	Member	2029
Alan Wong	Member	2029
Angelica Campos	Student Trustee	2025

ADMINISTRATION

Dr. Kimberlee S. Messina
Chancellor

Dr. Yulian Ligioso
Vice Chancellor, Finance and Administration

Dr. David Yee
*Interim Vice Vice Chancellor, Academic and Institutional
Affairs*

Dr. Lisa Cooper-Wilkins
Vice Chancellor, Student Affairs

AUXILIARY ORGANIZATIONS IN GOOD STANDING

AUXILIARY NAME	DIRECTOR'S NAME	ESTABLISHMENT AND MASTER AGREEMENT DATE
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The District does not have any auxiliary organizations.

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Grant Number	Total Program Expenditures
U.S. DEPARTMENT OF EDUCATION			
<i>Direct Program</i>			
Student Financial Assistance Cluster			
Federal Pell Grant Program	84.063	n/a	\$ 21,248,017
Federal Pell Grant Program Administrative Allowance	84.063	n/a	4,295
Federal Supplemental Educational Opportunity Grant (FSEOG)	84.007	n/a	496,771
Federal Work Study (FWS)	84.033	n/a	551,858
Federal Direct Student Loans	84.268	n/a	1,727,557
Subtotal Student Financial Aid Cluster			<u>24,028,498</u>
TRIO Cluster			
Student Support Services	84.042A	n/a	489,487
Project TRANSLATES	84.031L	n/a	255,777
<i>Passed through California Community Colleges Chancellor's Office</i>			
Career and Technical Education Act (CTEA), Title I - Part C	84.048A	23-C01-048	932,292
<i>Passed through California Department of Education</i>			
Adult Basic Education & Family Act	84.002A	n/a	254,226
Total U.S. Department of Education			<u>25,960,280</u>
NATIONAL SCIENCE FOUNDATION			
<i>Direct Program</i>			
Research and Development Cluster			
Biolink Next Gen	47.076	DUE-2055309	43,851
Total National Science Foundation			<u>43,851</u>
U.S. DEPARTMENT OF VETERAN AFFAIRS			
<i>Direct Program</i>			
Veterans Education	64.120	n/a	3,760
Total U.S. Department of Veteran Affairs			<u>3,760</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed through California Department of Social Services</i>			
Temporary Assistance for Needy Families	93.558	n/a	56,369
Foster and Kinship Care Education	93.658	n/a	19,729
Subtotal Child Care Development Cluster			<u>76,098</u>
<i>Passed through County of Sonoma</i>			
Community Health Workers for Public Health and Response	93.495	2021-1142-A00	73,142
<i>Passed through City and County of San Francisco</i>			
Foster Care Title IV-E	93.658	n/a	871,095
<i>Passed through Contra Costa County Office of Education:</i>			
Medical Assistance Program	93.778	n/a	508
Total Department of Health and Human Services			<u>1,020,843</u>
Total Federal Programs			<u>\$ 27,028,734</u>

n/a - Pass-through entity identifying number not applicable.

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

	Program Revenues				Program Expenditures
	Cash Received	Accounts Receivable (Payable)	Deferred Income	Total Revenue	
AB 1290 Sch Def Maint & Rep	\$ 10,637,682	\$ -	\$ 5,631,682	\$ 4,935,777	\$ 4,935,777
Adult Education Program	8,988,351	-	4,989,053	3,999,298	3,999,298
Apprenticeship Innovation Funding-Support	35,583	-	27,166	8,417	8,417
Asian American, Native Hawaiian and Pacific Islander Studer	448,598	-	405,827	42,771	42,771
Basic Needs Center	1,778,799	-	1,357,556	421,243	371,243
Board of Fin Aid Progam	944,380	-	-	944,380	944,380
Building Critical Mass for Data Sci	6,711	29,647	-	36,358	36,358
CA College Promise	2,141,776	-	624,764	1,517,012	1,517,012
CA Institute for Reg Medicine	722,693	-	301,524	421,169	421,169
CAI New and Innovative Grant	17,071	432,000	-	449,071	449,071
Cal Grant	3,216,160	41,888	-	3,258,048	3,258,048
CalWORKS	488,916	-	16,674	472,242	472,242
CARE	160,573	-	64,759	95,814	95,814
CCAP Due Enrollment Program	13,088	-	13,088	-	-
CCC Equitable Placement & Completion Grant	614,527	-	578,426	36,101	36,101
Center of Excellence	257,976	-	257,976	-	-
Child Development Program	1,644,269	130,230	787,652	986,847	986,847
Classified Professional Development	121,677	-	121,677	-	-
Common Course Numbering System	913,043	-	910,918	2,125	2,125
COVID 19 Response Block Grant State	10,198,628	-	10,197,046	1,582	1,582
Disabled Student Program	5,728,346	-	3,122,317	2,606,029	2,606,029
EEO Innovative Best Practice	421,696	-	192,360	229,336	229,336
ELL Healthcare Pathways	733,426	120,390	722,437	131,379	131,379
Emergency Financial Assistance Supplemental	223,308	-	5,190	218,118	46,800
EOPS	3,167,589	-	87,668	3,079,921	3,079,921
Equal Employment Opportunity	449,293	-	377,052	72,241	72,241
Financial Aid Technology	359,360	-	345,382	13,978	13,978
Foster Care Education	38,485	-	9,240	29,245	29,245
FT Student Success Grant Fund	5,764,827	-	569,260	5,195,567	5,195,567
Guided Pathways	606,793	-	541,414	65,379	65,379
Hire Up	2,137,569	-	47,459	2,090,110	2,090,110
i3 Pilot	7,610	-	-	7,610	7,610
Innovation in Higher Education	1,025,225	-	1,012,306	12,919	12,919
LGBTQ Support Center	448,851	-	423,094	25,757	25,757
Library Services Platform	20,645	-	20,645	-	-
Mathematics, Engineering, Science Achievement	869,964	-	535,654	334,310	334,310
Mental Health Support Program	1,236,497	-	829,765	406,732	406,732
Next Up Foster Youth Support Program	3,165,564	-	2,412,686	752,878	752,878
Regional Equity and Recovery Partnership	61,939	-	3,216	58,723	58,723
Registered Nurse Retention Program	246,597	-	11,016	235,581	235,581
Restricted Lottery Allocation	7,025,078	627,348	6,071,910	1,580,516	1,580,516
Retention and Enroll Outreach SB 85	4,385,658	-	3,772,976	612,682	612,682
Rising Scholars Network	1,120,107	-	770,182	349,925	349,925
SFDPH Mental Health Certificate Program	-	433,907	-	433,907	433,907
Strong Workforce Program-Local	1,066,291	976,875	361,616	1,681,550	1,681,550
Strong Workforce Program-State	5,784,889	-	2,527,047	3,257,842	3,105,482
Student Equity and Achievement(SEA)	17,758,001	-	8,549,693	9,208,308	9,208,308
Student Food and Housing Support	852,127	-	701,479	150,648	150,648
Student Transfer Achievement Reform	565,217	-	553,416	11,801	11,801
Systemwide Technology and Data Secu	1,200,057	-	1,024,354	175,703	175,703
The Puente Project	225,000	-	198,737	26,263	26,263
Transfer Ed and Articulation	1,423	-	-	1,423	1,423
Umoja Campus Program	145,848	-	84,363	61,485	61,485
Undocumented Resource Liaisons	215,844	-	107,089	108,755	108,755
Veterans Resource Center	776,698	-	361,400	415,298	415,298
Zero Textbook Cost Program	597,673	-	554,353	43,320	43,320
	\$ 111,783,996	\$ 2,792,285	\$ 63,192,564	\$ 51,313,494	\$ 50,939,816

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT –
ANNUAL/ACTUAL ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2025**

CATEGORIES	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2024 only)			
1. Noncredit	357.86	-	357.86
2. Credit	240.41	-	240.41
B. Summer Intersession (Summer 2025 - Prior to July 1, 2025)			
1. Noncredit	1.94	-	1.94
2. Credit	837.31	-	837.31
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	4,231.80	-	4,231.80
(b) Daily Census Contact Hours	871.23	-	871.23
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	2,056.88	-	2,056.88
(b) Credit	538.13	-	538.13
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Contact Hours	1,259.95	-	1,259.95
(b) Daily Census Contact Hours	3,589.70	-	3,589.70
(c) Noncredit Independent Study/Distance Education Courses	1,260.46	-	1,260.46
D. Total FTES	15,245.67	-	15,245.67
Supplemental Information (subset of above information)			
E. In-service Training Courses	562.35	-	562.35
F. Basic Skills Courses and Immigrant Education			
1. Credit*	37.10	-	37.10
2. Noncredit*	3,096.25	-	3,096.25
Total Basic Skills FTES	3,133.35	-	3,133.35
CCFS 320 Addendum			
CDCP Noncredit FTES	2,724.31	-	2,724.31
Centers FTES			
1. Credit*	1,065.12	-	1,065.12
2. Noncredit*	1,815.60	-	1,815.60
Total Centers FTES	2,880.72	-	2,880.72

*Including Career Development and College Preparation (CDCP) FTES

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF THE ECS 84362 (50 PERCENT LAW) CALCULATION
FOR THE YEAR ENDED JUNE 30, 2025**

	Object/ TOP Codes	Activity (ESCA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6100			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Academic Salaries</u>							
Instructional Salaries							
Contract or Regular	1100	\$ 34,599,891	\$ -	\$ 34,599,891	\$ 34,983,191	\$ -	\$ 34,983,191
Other	1300	21,763,825	-	21,763,825	22,231,146	-	22,231,146
Total Instructional Salaries		56,363,716	-	56,363,716	57,214,337	-	57,214,337
Non-Instructional Salaries							
Contract or Regular	1200	-	-	-	12,917,385	-	12,917,385
Other	1400	-	-	-	2,754,971	-	2,754,971
Total Non-Instructional Salaries		-	-	-	15,672,356	-	15,672,356
Total Academic Salaries		56,363,716	-	56,363,716	72,886,693	-	72,886,693
<u>Classified Salaries</u>							
Non-Instructional Salaries							
Regular Status	2100	-	-	-	32,242,467	-	32,242,467
Other	2300	-	-	-	3,311,480	-	3,311,480
Total Non-Instructional Salaries		-	-	-	35,553,947	-	35,553,947
Instructional Aides							
Regular Status	2200	3,059,627	-	3,059,627	3,059,627	-	3,059,627
Other	2400	390,141	-	390,141	390,141	-	390,141
Total Instructional Aides		3,449,768	-	3,449,768	3,449,768	-	3,449,768
Total Classified Salaries		3,449,768	-	3,449,768	39,003,715	-	39,003,715
Employee Benefits	3000	26,927,954	-	26,927,954	54,477,746	-	54,477,746
Supplies and Materials	4000	-	-	-	896,033	-	896,033
Other Operating Expenses	5000	-	-	-	14,883,364	-	14,883,364
Equipment Replacement	6420	-	-	-	550,134	-	550,134
Total Expenditures Prior to Exclusions		86,741,438	-	86,741,438	182,697,685	-	182,697,685
<u>Exclusions</u>							
Activities to Exclude							
Inst. Staff-Retirees' Benefits and Incentives	5900	-	-	-	10,781,736	-	10,781,736
Std. Health Srvc. Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	-	-	-
Non-inst.Staff-Retirees' Benefits and Incentives	6740	-	-	-	-	-	-
Object to Exclude							
Rents and Leases	5060	-	-	-	206,155	-	206,155
Lottery Expenditures							
Academic Salaries	1000	-	-	-	3,120,416	-	3,120,416
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines & Periodicals	4200	-	-	-	-	-	-
Instructional Supplies & Materials	4300	-	-	-	-	-	-
Non-inst. Supplies & Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	-	-	-
Other Operating Expenses and Services	5000	-	-	-	-	-	-
Capital Outlay	6000	-	-	-	-	-	-
Library Books	6300	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay		-	-	-	-	-	-
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		\$ -	\$ -	\$ -	\$ 14,108,307	\$ -	\$ 14,108,307
Total for ECS 84362, 50% Law		\$ 86,741,438	\$ -	\$ 86,741,438	\$ 168,589,378	\$ -	\$ 168,589,378
Percent of CEE (Instructional Salary Cost/Total CEE)		51.45%	0.00%	51.45%	100.00%	0.00%	100.00%
50% of Current Expense of Education		\$ -	\$ -	\$ -	\$ 84,294,689	\$ -	\$ 84,294,689

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
 DETAILS OF THE EDUCATION PROTECTION ACCOUNT EXPENDITURES
 FOR THE YEAR ENDED JUNE 30, 2025**

EPA Revenue	\$25,093,389
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Activity Classification	Activity Code	Salaries and Benefits	Operating Expenses	Capital Outlay	Total
		(Obj 1000-3000)	(Obj 4000-5000)	(Obj 6000)	
Instructional Activities	0100-5900	\$ 25,093,389	\$ -	\$ -	\$ 25,093,389
Total		\$ 25,093,389	\$ -	\$ -	\$ 25,093,389

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

Total Fund Balance - District Funds Included in the Reporting Entity

General Funds	\$	57,366,969	
Debt Service Funds		57,382,367	
Capital Project Funds		17,423,070	
Bond Funds		278,402,902	
Special Revenue Funds		17,479	
Self-Insurance Funds		4,297,425	
Other Student and Trust Funds		11,520,848	
Student Financial Aid Fund		192,588	
Total fund balances as reported in the CCFS-311			\$ 426,804,052

Assets recorded within the statements of net position not included in the District fund financial statements:

Capital assets	\$	1,083,088,706	
Accumulated depreciation		(537,771,075)	
Right-of-use leased assets		6,150,937	
Accumulated amortization		(3,032,077)	548,436,491

Unmatured Interest (871,716)

Cash in County Fair Market Value Adjustment (656,259)

Deferred outflows recorded within the statement of net position not included in the District fund financial statements:

Deferred outflows related to debt refunding			3,527,279
Deferred outflows related to OPEB			15,093,523
Deferred outflows related to pensions			60,899,792

Liabilities recorded within the statements of net position not recorded in the District fund financial statements:

General obligation bonds	\$	590,475,000	
Bond premiums		41,624,905	
Subscription-based IT arrangements		1,328,519	
Lease liability		1,956,919	
Compensated absences		12,203,379	
Load banking		2,673,161	
Other long-term liability		9,310,765	
Net OPEB liability/(asset)		144,058,261	
Net pension liability		128,955,826	(932,586,735)

Deferred inflows recorded within the statement of net position not included in the District fund financial statements:

Deferred inflows related to debt refunding			(11,766,332)
Deferred inflows related to OPEB			(4,375,787)
Deferred inflows related to pensions			(33,028,930)

Net Assets Reported Within the Statements of Net Position \$ 71,475,378

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 – PURPOSE OF SCHEDULES

District Organization

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

Schedule of Expenditures of Federal Awards

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2025. 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 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 the ECS 84362 (50 Percent Law) Calculation

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

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 – PURPOSE OF SCHEDULES, continued

Details of the Education Protection Account Expenditures

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

Reconciliation of 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.

OTHER INDEPENDENT AUDITORS' REPORTS



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Trustees
San Francisco Community College District
San Francisco, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and fiduciary activities of San Francisco Community College District (the "District") as of and for the year ended June 30, 2025, and the related notes to financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 26, 2026.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

San Diego, California
January 28, 2026



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

Board of Trustees
San Francisco Community College District
San Francisco, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited San Francisco Community College District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' 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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

San Diego, California
January 28, 2026



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Trustees
San Francisco Community College District
San Francisco, California

Report on State Compliance

Opinion on State Compliance

We have audited San Francisco Community College District's (the "District") compliance with the types of compliance requirements described in the *2024-2025 California Community Colleges Chancellor's Office Contracted District Audit Manual* applicable to the state laws and regulations listed in the table below for the year ended June 30, 2025.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the State programs noted in the table below that were audited for the year ended June 30, 2025.

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; and the compliance requirements described in the *2024-2025 California Community Colleges Chancellor's Office Contracted District Audit Manual*. Our responsibilities under those standards and the compliance requirements are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' 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 *2024-2025 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 *2024-2025 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, 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 material noncompliance with the requirements listed in the table below that we identified 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 – Propositions 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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing over state laws and regulations based on the requirements described in the *2024-2025 California Community Colleges Chancellor's Office Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

San Diego, California
January 28, 2026

FINDINGS AND QUESTIONED COSTS SECTION

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
SUMMARY OF AUDITORS' RESULTS
JUNE 30, 2025**

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

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

<u>CFDA Numbers</u>	<u>Name of Federal Program of Cluster</u>
84.007, 84.033 84.063, 84.268	Student Financial Aid Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 810,862</u>
Auditee qualified as low-risk auditee?	<u>No</u>

STATE AWARDS

Internal control over State programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None Reported</u>
Type of auditors' report issued on compliance for State programs:	<u>Unmodified</u>

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS
JUNE 30, 2025**

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

There were no financial statement findings or recommendations identified during 2024-25.

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025**

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

There were no federal award findings or questioned costs identified during 2024-25.

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
STATE COMPLIANCE FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025**

This section identifies the audit findings pertaining to noncompliance with state program rules and regulations.

There were no state award findings or questioned costs identified during 2024-25.

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2025**

There were no findings or questioned costs identified during 2023-24.