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SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT

AUDIT REPORT

JUNE 30, 2024

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OTHER INDEPENDENT AUDITORS' REPORTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
San José/Evergreen Community College District
San José, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the fiduciary activities of San José/Evergreen Community College District (the "District"), as of and for the years ended June 30, 2024, and 2023 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the fiduciary activities of the District as of June 30, 2024, and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years 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 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.

Other Matters

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 Information
Management is responsible for the other information included in the annual report. The other information comprises the Management's Discussion and Analysis section and unaudited supplementary information section, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on other work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report

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

CWDL, Certified Public Accountants

San Diego, California
December 23, 2024

In June 1999, the Governmental Accounting Standards Board (GASB) released Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments,* which established new reporting formats for annual statements. In November 1999, GASB released Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*, which applied the new reporting models to public colleges and universities. In its "Accounting Advisory No. 2001-01," the State Chancellor's Office opined that the California Community Colleges would best benefit from, and would therefore implement, the business-type activities (BTA) reporting model, as outlined in GASB Statements No. 34 and No. 35.

Responsibility for the completeness and accuracy of this information rests with the District management.

The reporting model is in some cases an extreme departure from that used prior to GASB Statements No. 34 and No. 35 implementation and, in some cases, has limited value or may even be detrimental to casual readers attempting to understand the financial health of a governmental entity. Because of this, the District has asked its auditors to also present the District's unaudited financial statements using the funds statements format, which continues as the format that the District uses in reporting to the State Chancellor's Office.

As required by generally accepted accounting principles, the annual report consists of three basic financial statements that provide information on the District as a whole: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. These statements are designed to emulate corporate presentation models; whereby, all District activities are consolidated into one total. The focus of the Statement of Net Position is designed to be similar to "bottom line" results of the District. This statement combines and consolidates current financial resources (short-term spendable resources) with capital assets. The Statements of Revenues, Expenses, and Changes in Net Position focus on both the gross and the net cost of District activities, which are supported mainly by local property taxes and student fees. This approach is intended to summarize and simplify the analysis of the cost of various District services to students and the public. The Statement of Cash Flows provides an analysis of the sources and uses of cash within the operations of the District.

The following analysis provides an overview of the District's financial activities. The analysis includes a comparison of current to prior year activity.

Statements of Net Position

The Statements of Net Position includes all assets and liabilities using the full accrual basis of accounting, which is similar to the accounting method used by most private-sector institutions. Net position, the difference between assets and liabilities, is one way to measure the financial health of the District.

	2024	2023	Change	2022	Change
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Total current assets	$ 284,907,090	$ 377,947,878	$ (93,040,788)	$ 177,598,055	$ 200,349,823
Total non-current assets	1,091,161,840	1,020,293,165	70,868,675	965,350,037	54,943,128
Deferred outflows of resources	82,938,621	87,371,545	(4,432,924)	66,365,064	21,006,481
Total Assets and Deferred Outflows of Resources	1,459,007,551	1,485,612,588	(26,605,037)	1,209,313,156	276,299,432
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES					
Current liabilities	136,191,822	140,958,343	(4,766,521)	115,304,216	25,654,127
Non-current liabilities	1,193,793,374	1,237,323,291	(43,529,917)	985,374,274	251,949,017
Deferred inflows of resources	15,845,665	17,586,879	(1,741,214)	60,761,490	(43,174,611)
Total Liabilities and Deferred Inflows of Resources	1,345,830,861	1,395,868,513	(50,037,652)	1,161,439,980	234,428,533
NET POSITION					
Net investment in capital assets	(64,841,704)	(107,432,725)	42,591,021	(208,345,642)	100,912,917
Restricted	270,219,274	297,877,483	(27,658,209)	367,965,671	(70,088,188)
Unrestricted	(92,200,880)	(100,700,683)	8,499,803	(111,746,853)	11,046,170
Total Net Position	$ 113,176,690	$ 89,744,075	$ 23,432,615	$ 47,873,176	$ 41,870,899

June 30, 2024 Compared to June 30, 2023

- Current assets consist of cash and cash equivalents, accounts receivable, and prepaid expenditures and other assets.
    - Cash and cash equivalents consist mainly of cash in the Santa Clara County treasury and investments from the Bond issuance.
    - The decrease of $93 million is primarily due to the decrease in cash and cash equivalents.

- Non-current assets consist of the net OPEB asset, restricted cash and cash equivalents, intangible right of use assets and capital assets.
    - Capital assets (net of depreciation) are the historical value of land, buildings, construction in progress and equipment less depreciation. Net capital assets increased by $110 million due to an increase in construction-in-progress for construction projects related to the General Obligation Bonds.

- Current liabilities consist of accounts payable and accrued expenses, interest payable, unearned revenue, and long-term debt (current portion).
    - Accounts payable and accrued expenses consist mainly of payables to vendors and accrued payroll benefits.
    - Unearned revenue relates to federal, state, and local program funds that were received, but not yet earned, as of the fiscal year end. Most grants are considered earned when spent up to the amount of the award.
    - The current portion of long-term obligations consists of the principal payment to be paid in the next fiscal year for the General Obligation Bonds.
    - The current liabilities decreased by $4.8 million primarily due to a decrease in unearned revenue.
    - In addition, accounts payable increased by $1.7 million, unearned revenues decreased by $6.1 million and long-term debt decreased by $0.4 million.

- Non-current liabilities consist of compensated absences, net pension liability, lease liability and long term debt (non-current portion). It consists of all the long-term debt that is to be paid beyond the next fiscal year.
    - The non-current liabilities decreased by $43.5 million due to principal payments on general obligation bonds. In addition, the net pension liability increased by $0.4 million and compensated absences decreased by $0.5 million.

- The net position increased by $23.4 million due to the results of the changes in assets and liabilities noted above.

June 30, 2023 Compared to June 30, 2022

- Cash and cash equivalents, inclusive of current and non-current assets, are invested primarily in the Santa Clara County investment pool.
  - Cash and investments consist mainly of cash in the Santa Clara County treasury and investments from the Bond issuance.
  - The increase of $200 million is primarily due to the issuance of the Measure-X 2016 Series C ($200 million) & C-1 ($38 million) General Obligation Bonds in the current year.

- Non-current assets consist of the net OPEB asset, lease receivable, intangible right of use assets and capital assets.
  - Capital assets (net of depreciation) are the historical value of land, buildings, construction in progress and equipment less depreciation. Net capital assets increased by $120 million due to an increase in construction-in-progress for construction projects related to the General Obligation Bonds.

- Current liabilities consist of accounts payable and accrued expenses, interest payable, unearned revenue, and long-term debt (current portion).
  - Accounts payable and accrued expenses consist mainly of payables to vendors and accrued payroll benefits.
  - Unearned revenue relates to federal, state, and local program funds that were received, but not yet earned, as of the fiscal year end. Most grants are considered earned when spent up to the amount of the award.
  - The current portion of long-term obligations consists of the principal payment to be paid in the next fiscal year for the General Obligation Bonds.
  - The current liabilities increased by $25 million primarily due attributed to a rise in unearned revenue linked to an augmentation in the Physical Plant Grant, totaling $10.1 million, and the COVID-19 Recovery Block Grant, contributing an additional $6.7 million
  - In addition, unearned revenues increased by $25 million, accounts payable increased by $1.3 million, and long-term debt decreased by $0.6 million.

- Non-current liabilities consist of compensated absences, net pension liability, lease liability and long term debt (non-current portion). It consists of all the long-term debt that is to be paid beyond the next fiscal year.
  - The non-current liabilities increased by $251 million due to the issuance of refunding bonds and the Measure-X 2016 Series C & C-1 General Obligation Bonds. In addition, the net pension liability increased by $49 million and compensated absences increased by $92 thousand.

- The net position increased by $41.9 million due to the results of the changes in assets and liabilities noted above.

Operating results for the Year Ended June 30, 2024

The largest component of the District's total revenue is the receipt of local property taxes, with 44% of total revenues for the District as a whole are reported in the Statement of Revenues, Expenses, and Changes in Net Position on page 12.

- The largest component of the District's total revenue is the receipt of local property taxes, with 44% of total revenue coming from this source. This is followed by capital revenues, which comprise 19% of total revenue, and represents local property taxes state apportionments related to the District's bonds. Tuition and other fees represent 3% of total revenue and State apportionment was also nominal given that the District transitioned into basic aid status in Fiscal Year 2012-13.

- Operating revenues consist of revenues from student tuition/fees and auxiliary enterprises, and decreased from the prior year by $5.6 million. Tuition/fees increased by $2.1 million from increase enrollment. Federal funding decreased by $6.2 million from lower HEERF revenues compared to prior year.

- The largest component of the District's operating expense is the cost associated with employee salaries and benefits. Almost 55% of the total expense is spent for this purpose. "Supplies, materials, and other operating expenses" represent ongoing operating costs such as utilities and supplies. "Financial aid disbursements" represents amounts paid to students primarily for financial aid, a combined of 21% of the total expense.

- Operating expenses consist of salaries/benefits, supplies, materials, other operating expenses, student financial aid disbursements, and depreciation.
  - Salaries and benefits increased from the prior year by $19.0 million due the filling of vacancies.
  - The decrease of $5.3 million for supplies, materials, and other operating expenses is primarily due to capital outlay expenditures.

- Non-operating revenues (expenses) primarily consist of property taxes, State and Federal revenues, and interest.
  - Property taxes increased by $5.9 million due to secure, supplemental property, and other taxes.
  - Grants and contract revenues relate primarily to student financial aid as well as to specific Federal and State grants received for programs serving the students and programs of the District. The revenues are restricted and can only be expensed based on program and increased by $2.6 million from the prior year.
  - Other non-operating revenues consist primarily of local grants and increased by $0.4 million.
  - Interest expense decreased by $6.8 million due to bond debt payments and changes in the fair market value of cash in county as of June 30, 2024.

Economic Factors That May Affect the Future

The fiscal year 2024-25 state budget for community colleges included a 1.07 percent cost of living adjustment. Changes have been made to the SCFF hold harmless provisions (2024-25) whereby the total computational revenue a district receives in 2024-25 becomes the floor for future funding. This new floor will not be automatically increased by COLA unless specifically provided for within future statutes, but it provides districts with predictability and stability moving forward.

The District continues to maintain its status as a "locally funded" or "community supported" district, meaning its primary source of revenue comes from local property taxes, not state apportionment. The fiscal year 2024-25 adopted budget assumes an increase in property tax revenue of 3.5 percent over fiscal year 2023-24 actual receipts. This assumption is based on prior years' history and conservative estimations provided by the county tax assessors office. Property tax receipts have been a stable revenue source with moderate growth in recent years.

In addition, there are other factors that may impact the District such as persistent inflation, layoffs in the Silicon Valley high tech sector, and natural disasters. Despite these uncertainties, the District continues to prioritize fiscal discipline. The most recent actuarial valuation study was completed for the District's other postemployment benefits (OPEB) liability as of June 30, 2024. Based on a discount rate of 5.1 percent, the market value of the plan assets exceeded the actuarial accrued liability by $6.9 million. The District has set aside sufficient funds in an irrevocable trust to cover the actuarially determined contribution for fiscal year 2024-25. The fund balance in the unrestricted general fund for fiscal year 2023-24 is approximately 24% when compared to total expenditures. The District is well-positioned to withstand future economic challenges that may be presented by the unstable economy.

In October 2024, Moody's Investors Service upgraded the bond ratings for the District to Aaa, which is the highest rating possible. Bond ratings measure the credit worthiness of a corporate or government institution and are used by investment professionals to assess the likelihood a debt will be repaid. In its credit opinion, Moody's cited the District's improvement in its financial profile, balanced operations, and financial resources that are supported by favorable enrollment trends.

To enhance the accuracy of our financial statements, particularly in managing and reporting IT-related expenses over subscription terms, management and CWDL are actively reviewing all applicable contracts to ensure alignment with GASB 96 requirements. Additionally, we are working to ensure compliance with GASB 34, focusing on maintaining robust and effective procedures for managing capital assets. This includes updating our processes to reflect current standards and prioritizing the accuracy of asset inventories and capital asset records.

These efforts are critical to ensuring the reliability and transparency of our financial reporting.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, students, 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 any questions about this report or need any additional financial information, please contact the District at: San José/Evergreen Community College District, 40 South Market Street, San José, CA 95113 or visit the District's website at http://www.sjeccd.edu/.vfb

FINANCIAL SECTION

SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2024 AND 2023

ASSETS	**2024**	**2023**
Current Assets:		
Cash and cash equivalents	$ 262,966,004	$ 357,284,666
Accounts receivable, net	21,292,532	20,024,091
Prepaid expenditures and other assets	648,554	639,121
Total Current Assets	284,907,090	377,947,878
Non-current Assets:		
Restricted cash and cash equivalents	261,380,080	298,971,226
Net OPEB asset	6,892,935	8,001,595
Right-of-use, net	16,303,816	16,793,288
Capital assets, net	806,585,009	696,527,056
Total Non-current Assets	1,091,161,840	1,020,293,165
TOTAL ASSETS	1,376,068,930	1,398,241,043
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on refunding	29,861,881	31,947,490
Deferred outflows - pensions	43,039,348	43,017,112
Deferred outflows - OPEB	10,037,392	12,406,943
TOTAL DEFERRED OUTFLOWS OF RESOURCES	82,938,621	87,371,545
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 1,459,007,551	$ 1,485,612,588
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued expenses	$ 48,894,181	$ 47,150,657
Unearned revenue	40,832,410	46,957,420
Lease Liability	82,880	40,204
Long-term debt, current portion	46,382,351	46,810,062
Total Current Liabilities	136,191,822	140,958,343
Non-current Liabilities:		
Compensated absences	4,246,660	4,651,094
Banked overload	3,483,696	3,345,333
Lease Liability	12,787,758	12,889,839
Net pension liability	135,518,780	135,074,503
Long-term debt - non-current portion	1,037,756,480	1,081,362,522
Total Non-current Liabilities	1,193,793,374	1,237,323,291
TOTAL LIABILITIES	1,329,985,196	1,378,281,634
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - pensions	13,499,792	13,536,608
Deferred inflows - OPEB	2,345,873	4,050,271
TOTAL DEFERRED INFLOWS OF RESOURCES	15,845,665	17,586,879
NET POSITION		
Net investment in capital assets	(64,841,704)	(107,432,725)
Restricted for:		
Debt service	61,228,984	73,808,773
Capital projects	207,098,109	222,476,659
Educational programs	1,892,181	1,592,051
Unrestricted	(92,200,880)	(100,700,683)
TOTAL NET POSITION	113,176,690	89,744,075
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 1,459,007,551	$ 1,485,612,588

See accompanying notes to financial statements.

SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024 AND 2023

	2024	2023
OPERATING REVENUES		
Tuition and fees, gross	$ 17,875,491	$ 15,808,639
Less: Scholarship discounts and allowances	(8,005,545)	(6,744,528)
Tuition and fees, net	9,869,946	9,064,111
Grants and contracts, non-capital:		
Federal	12,472,012	18,678,729
State	25,032,835	24,822,990
Local	1,807,365	2,197,010
Auxiliary enterprise sales, net	9,353	3,001
TOTAL OPERATING REVENUES	49,191,511	54,765,841
OPERATING EXPENSES		
Salaries	110,748,878	101,536,836
Employee benefits	54,655,646	44,886,652
Supplies, materials, and other operating expenses and services	40,090,000	44,454,579
Student aid	22,718,767	22,130,287
Depreciation	35,165,236	31,887,365
TOTAL OPERATING EXPENSES	263,378,527	244,895,719
OPERATING INCOME/(LOSS)	(214,187,016)	(190,129,878)
NON-OPERATING REVENUES/(EXPENSES)		
State apportionments, non-capital	16,551,258	12,584,372
Local property taxes	141,461,039	135,533,996
State taxes and other revenues	7,643,973	8,604,030
Pell grants	18,426,208	15,838,642
Investment income	17,115,263	11,411,598
Interest expense on capital asset-related debt	(34,306,350)	(27,600,396)
Other non-operating revenues	9,242,128	8,809,504
TOTAL NON-OPERATING REVENUES/(EXPENSES)	176,133,519	165,181,746
INCOME/(LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	(38,053,497)	(24,948,132)
OTHER REVENUES/(EXPENSES) AND GAINS/(LOSSES)		
State apportionments, capital	206,472	233,449
Local property taxes and revenues, capital	61,279,640	66,585,582
TOTAL OTHER REVENUES/(EXPENSES) AND GAINS/(LOSSES)	61,486,112	66,819,031
INCREASE/(DECREASE) IN NET POSITION	23,432,615	41,870,899
NET POSITION -- BEGINNING OF YEAR	89,744,075	47,873,176
NET POSITION -- END OF YEAR	$ 113,176,690	$ 89,744,075

See accompanying notes to financial statements.

SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	$ 9,869,946	$ 9,064,111
Grants and contracts	32,220,869	67,081,122
Payments to or on behalf of employees	(163,489,321)	(139,537,407)
Payments to vendors for supplies and services	(39,572,382)	(40,089,195)
Payment to students	(23,043,111)	(33,649,718)
Other receipts	9,353	3,001
Net Cash Provided by/(Used in) Operating Activities	(184,004,646)	(137,128,086)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
State apportionments	16,551,258	12,584,372
Grants and contracts, non-capital	18,426,208	15,838,642
Property taxes	141,461,039	135,533,996
State taxes and other revenues	7,643,973	8,604,030
Other non-operating	9,242,128	8,809,504
Net Cash Provided by/(Used in) Non-Capital Financing Activities	193,324,606	181,370,544
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(144,793,122)	(152,307,800)
Proceeds from debt issuance	493,945,000	493,945,000
State revenue, capital projects	206,472	233,449
Local revenue, capital	61,279,640	66,585,582
Principal paid on capital debt	(537,978,753)	(292,560,581)
Interest paid on capital debt	(31,004,268)	(28,924,873)
Net Cash Provided by/(Used in) Capital Financing Activities	(158,345,031)	86,970,777
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	17,115,263	11,411,598
Net Cash Provided by Investing Activities	17,115,263	11,411,598
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	(131,909,808)	142,624,833
CASH & CASH EQUIVALENTS, BEGINNING OF YEAR	656,255,892	513,631,059
CASH & CASH EQUIVALENTS, END OF YEAR	$ 524,346,084	$ 656,255,892

See accompanying notes to financial statements.

SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024 AND 2023

RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	**2024**	**2023**
Operating income/(loss)	$ (214,187,016)	$ (190,129,878)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used in)		
Operating Activities:		
Depreciation	35,165,236	31,887,365
Changes in Assets and Liabilities:		
Accounts receivable, net	(1,268,441)	(4,209,935)
Prepaid expenditures and other assets	(9,433)	(375,184)
Net OPEB Asset	1,108,660	12,286,430
Deferred outflows of resources	2,347,315	(23,092,090)
Accounts payable and accrued expenses	527,051	4,740,568
Unearned revenue	(6,125,010)	25,290,220
Compensated absences	(266,071)	295,395
Net pension liability	444,277	49,353,634
Deferred inflows of resources	(1,741,214)	(43,174,611)
Total Adjustments	30,182,370	53,001,792
Net Cash Flows From Operating Activities	$ (184,004,646)	$ (137,128,086)

See accompanying notes to financial statements.

SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2024

	OPEB Irrevocable Trust Fund	Agency Fund
ASSETS		
Investments	$ 38,978,399	$ -
Accounts receivable	-	53,653
Total Assets	38,978,399	53,653
LIABILITIES		
Accounts payable	-	16,723
Deferred Revenue	-	36,930
Total Liabilities	-	53,653
NET POSITION		
Held in Trust	38,978,399	-
Total Net Position Held in Trust	$ 38,978,399	$ -

See accompanying notes to financial statements.

SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	OPEB Irrevocable Trust Fund
ADDITIONS	
Net investment income/(losses)	$ 3,625,807
Total Additions	3,625,807
DEDUCTIONS	
Retiree benefits	2,529,232
Total Deductions	2,529,232
Excess additions over deductions	1,096,575
NET POSITION HELD IN TRUST	
Beginning of Year	37,881,824
End of Year	$ 38,978,399

See accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

San José/Evergreen Community College District (the "District") is a political subdivision of the State of California and provides educational services to the local residents of the surrounding area. While the District is a political subdivision of the State, it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Codification Section (Cod. Sec.) 2100.101. The District is classified as a state instrumentality under Internal Revenue Code Section 115.

The decision to include potential component units in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America and GASB Cod. Sec. 2100. The three criteria for requiring a legally separate, tax-exempt organization to be presented as a component unit are the "direct benefit" criterion, the "entitlement/ability to access" criterion, and the "significance" criterion. The District has no component units.

Basis of Presentation and Accounting

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

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

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

Cash and Cash Equivalents

For the purposes of the financial statements, cash equivalents are defined as financial instruments with an original maturity of three months or less. Funds invested in the Santa Clara County Treasury are considered cash equivalents and are stated at fair value.

Restricted Cash

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Investments

Investments held by the OPEB Irrevocable Trust Fund are reported at fair value using quoted market prices and unrealized and realized gains and losses are included in the Statement of Changes in Fiduciary Net Position.

Restricted Assets

Restricted assets arise when restrictions on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other government or imposed by enabling legislation. Restricted assets represent investments required by debt covenants to be set aside by the District for the purpose of satisfying certain requirements of the bonded debt.

Accounts Receivable

Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff, the majority of each residing in the State of California. Receivables also include amounts due from the federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. The District provides for an allowance for uncollectible accounts as an estimation of amounts they may not receive. The allowance is based upon management's estimates and analysis. The allowance was estimated at $6,224,197 for the year ended June 30, 2024.

Prepaid Expenditures and Other Assets

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 expenses when consumed rather than when purchased.

Capital Assets

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

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings, 15 years for portable buildings, 10 years for land improvements, 8 years for most equipment and vehicles, and 3 years for technology equipment such as computers. Land and construction in progress are considered non-depreciable capital assets; therefore, no depreciation is computed.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Right of Use Assets

The District has recorded right of use assets as a result of implementing GASB 87. The right of use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right of use assets are amortized on a straight-line basis over the life of the related lease.

Accounts Payable

All payables, accrued liabilities, and long-term liabilities are reported in the District and fiduciary fund financial statements. In general, accounts payable and accrued liabilities that, once incurred, are paid in a timely manner and in full, from current financial resources are reported as liabilities of the District.

Compensated Absences

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

Accumulated Sick Leave

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

Banked Overload

A regular teaching load is considered by a schedule which yields one Full Time Equivalent (FTE). An overload is defined as a schedule which yields more than one FTE. The excess load is recorded as a liability in the Statement of Net Position.

Unearned Revenue

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Deferred Outflows/Inflows of Resources

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

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

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability/(asset), deferred outflows/inflows of resources related to OPEB, and OPEB expense/(benefit), information about the fiduciary net position of the District OPEB Plan and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the District OPEB Plan. For this purpose, the District OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The Plan is included in the District's financial statements and separately presented as a fiduciary fund.

Net Position

The District's net position are classified as follows:

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Net Position, continued

Restricted net position: Restricted expendable net position includes resources in which the District is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties. Nonexpendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. At June 30, 2024, there is no balance of nonexpendable restricted net position.

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

When an expense is incurred that can be paid using either restricted or unrestricted resources, the District's policy is to first apply the expense toward restricted resources, and then towards unrestricted resources.

State Apportionments

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

Classification of Revenue and Expenses

The District has classified its revenues as either operating or non-operating revenues. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenues, as defined by GASB Cod. Sec. Co5.101 including State appropriations, local property taxes, and investment income. Nearly all the District's expenses are from exchange transactions. Revenues and expenses are classified according to the following criteria:

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

Non-operating revenues and expenses: Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as Pell grants, State apportionments, taxes, gifts and contributions, investment income and other revenue sources described in GASB. Interest expense on capital related debt is the only non-operating expense.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Scholarship Discounts and Allowances

Student tuition and fee revenues are reported net of the Board of Governors fee waivers and allowances in the statement of revenues, expenses and change in net position. Certain governmental grants, and other federal, state and nongovernmental programs are recorded as operating revenues, while Federal Pell Grants are classified as non-operating revenues in the District's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the District has recorded a scholarship discount and allowance.

Estimates

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

New Accounting Pronouncements

Adoption of New Accounting Standards

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

GASB Statement No. 100 – In June 2022, GASB issued GASB Statement No. 100 which focuses on accounting changes and error corrections, providing clarity and guidance on how these should be handled in financial statements. It aims to improve the consistency and transparency of reporting such changes. This statement is effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The District has implemented the requirements and did not have a material effect on the financial statements of the District.

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. 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

New Accounting Pronouncements, continued

Upcoming GASB Pronouncements

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.

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 it effectiveness in providing information that is essential for decision making and assessing a government' accountability. This Statement also addresses certain application issues. This statement is effective for periods beginning after June 15, 2025.

Comparative Financial Information

Comparative financial information for the prior year has been presented for additional analysis; certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

NOTE 2 - CASH AND CASH EQUIVALENTS

District cash and cash equivalents at June 30, 2024, consisted of the following:

	Primary Government
Cash in county treasury	$ 460,386,098
Investments	62,941,188
Cash on hand and in banks	1,018,798
Total Cash and Cash Equivalents	$ 524,346,084

	Fiduciary Funds
Investments	$ 38,978,399
Total Cash and Cash Equivalents	$ 38,978,399

Cash in County Treasury

In accordance with *Education Code* Section 41001, the District maintains substantially all of its cash in the Santa Clara County Treasury for the purpose of increasing interest earning through County investment activities. The County pools and invests the cash. Those pooled funds are carried at fair value which approximates cost.

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

The District's deposits in the fund are considered to be highly liquid. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool. The Santa Clara County Treasurer has indicated that there are no derivatives in the pool as of June 30, 2024.

NOTE 2 - CASH AND CASH EQUIVALENTS, continued

Custodial Credit Risk

The *California Government Code* requires California banks and savings and loan associations to secure the District's deposits by pledging government securities as collateral. The market value of pledged securities must equal 110 percent of an agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of 150 percent of an agency's total deposits and collateral is considered to be held in the name of the District. All cash held by financial institutions that is not insured is collateralized.

In accordance with Sections 53601 and 53602 of the *California Government Code*, the District may invest in the following types of investments:

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

The District limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC) and are collateralized by the respective financial institution. At June 30, 2024, the carrying amount of the District and Fiduciary cash accounts held in banks all of which was insured.

Interest Rate Risk

The District does not have a formal investment policy that limits cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2024, the District had no significant interest rate risk related to cash held.

California Government Code, Section 53601, limits the District’s investments to maturities of five years. The weighted average days to maturity of the District’s investment of cash in the County treasurer’s investment pool is 548 days. The District does not have an investment policy regarding interest rate risk.

The District's OPEB Trust (the "Trust") investments consisted of open-end mutual funds, therefore, there are no significant interest rate risks related to the investments held, as there are no maturities related to the mutual funds held.

Credit Risk

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

NOTE 2 - CASH AND CASH EQUIVALENTS, continued

The Trust has adopted an internally developed investment policy that requires all fixed income investments to be of investment grade quality or higher at purchase; that is, at the time of purchases, rated no lower than "BBB" by Standard and Poor's. The Retirement Board of Authority ("RBOA"), at their discretion, may impose a higher standard on an individual investment manager basis as circumstances or investment objectives dictate. At June 30, 2024, the Trust investments consisted of open-end mutual funds, therefore there are no credit ratings to disclose.

Concentration of Credit Risk

The District does not place limits on the amount it may invest in any one issuer. At June 30, 2024, the District had no concentration of credit risk.

Trust Investments

The Trust agreement authorizes the use of a broad range of investment choices that have distinctly different risks and return characteristics. In general, investments held in the Trust Fund are for the primary purpose of meeting present and future OPEB liability obligations and may be invested in accordance with *California Government Code* Sections 53600 through 53622 that, subject to applicable legal requirements, may provide greater latitude to increase purchasing power and capital growth potential if deemed prudent to do so.

The Trust Fund's policy is to provide a uniform method of investing contributions and earnings of the trust. In general, assets held in the trust will be for the primary purpose of meeting present and future OPEB liability obligations and are invested with the objective of achieving a target net annual rate of return of 7%. In April 2018, the RBOA amended its investment policy to consolidate its long-term and short-term portfolios.

As stated in the Investment Policy, the Trust will invest predominantly in open-end mutual funds. The fair value of the Trust's individual investments at June 30, 2024 are as follows:

Mutual funds:	
Domestic equity	$ 21,555,742
Fixed income	12,868,892
International equity	2,782,652
Real estate	1,771,113
Total investments	$ 38,978,399

During the fiscal year ended June 30, 2024, the Trust's investments (including gains and losses on investments bought and sold as well as held during the year) appreciated as follows:

Unrealized gains/(losses), net	$ 115,343
Realized gains	197,349
Dividend and other income	108,045
Investment fees	(16,779)
Total investment losses	$ 403,958

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2024 totaled $21.3 million. Significant components of the balance include $10.1 million in student receivables and $6.3 million related to grants and contracts.

The allowance for doubtful accounts is maintained at an amount which management considers sufficient to reserve and provide for the possible un-collectability of other receivable balances.

NOTE 4 – RIGHT OF USE ASSETS

The amount of lease assets by major class of underlying assets as of June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
Intangible Right of Use Assets:				
Leased Land	$ 17,274,361	$ -	$ -	$ 17,274,361
Total Intangible Right of Use Assets	17,274,361	-	-	17,274,361
Less: Accumulated Amortization				
Total Accumulated Amortization	430,067	540,478	-	970,545
Intangible Right of Use Assets, net	$ 16,844,294	$ (540,478)	$ -	$ 16,303,816

NOTE 5 - CAPITAL ASSETS

Capital asset activity consists of the following:

	Beginning Balance July 1, 2023	Additions	Deductions	Ending Balance June 30, 2024
Capital Assets not being Depreciated				
Land	$ 3,441,983	$ -	$ -	$ 3,441,983
Construction in progress	260,354,577	135,915,095	75,035,086	321,234,586
Total Capital Assets not being Depreciated	263,796,560	135,915,095	75,035,086	324,676,569
Capital Assets being Depreciated				
Land improvements	140,733,351	10,701,089	-	151,434,440
Buildings & improvements	601,391,799	62,165,597	-	663,557,396
Furniture and Equipment	73,957,152	11,046,427	-	85,003,579
Total Capital Assets being Depreciated	816,082,302	83,913,113	-	899,995,415
Total Capital Assets	1,079,878,862	219,828,208	75,035,086	1,224,671,984
Less: Accumulated Depreciation				
Land improvements	90,136,354	10,524,384	-	100,660,738
Buildings & improvements	231,815,026	18,688,496	-	250,503,522
Furniture and Equipment	61,400,426	5,522,289	-	66,922,715
Total Accumulated Depreciation	383,351,806	34,735,169	-	418,086,975
Capital Assets, net	$ 696,527,056	$ 185,093,039	$ 75,035,086	$ 806,585,009

NOTE 6 - UNEARNED REVENUE

Unearned revenue for the District as of June 30, 2024 consisted of the following:

State financial awards	$ 33,748,273
Enrollment fees	6,884,122
Other local revenue	200,015
Total unearned revenue	$ 40,832,410

NOTE 7 – LEASE LIABILITY

The District has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The general terms are as follows:

Lease Type	Number of Contracts	Average Rate	Lease Terms	Average Annual Lease Payment
Land	1	3.00%	7/6/2018 - 6/21/2067	$427,182

Future minimum lease payments on non-cancellable leases at June 30, 2024 are as follows:

Fiscal year	Principal	Interest	Total
2025	$ 82,674	$ 386,978	$ 469,652
2026	85,188	384,986	470,174
2027	87,779	382,465	470,244
2028	90,449	379,867	470,316
2029	116,915	377,191	494,106
2030-2034	920,437	1,822,647	2,743,084
2035-2039	1,476,979	1,659,784	3,136,763
2040-2044	1,715,683	1,428,726	3,144,409
2049-2053	1,992,966	1,159,627	3,152,593
2054-2058	2,315,063	847,038	3,162,101
2059-2063	2,689,216	483,929	3,173,145
2063-2067	1,207,289	92,416	1,388,838
Total	$ 12,780,638	$ 9,405,654	$ 22,275,425

NOTE 8 – LONG-TERM LIABILITIES

General Obligation Bonds

In April 2004, the 2004 General Obligation Refunding Bonds were issued in three series and the proceeds were used to refund a portion of the outstanding principal amount of the District's election of the 1998 General Obligation Bonds, Series A, B, C, and D and to pay the costs of issuance associated with the Refunding Bonds. A portion of the bonds were refunded in 2014. Interest on the capital appreciation bonds is compounded semiannually and due only at maturity.

The general long-term liabilities for the 2004 General Obligation Refunding Bonds were paid in full as of June 30, 2022.

In May 2005, the District issued $55,391,474 of the 2004 General Obligation Bonds as Series A under the $185,000,000 bond measure approved by voters on November 2, 2004 for the acquisition, construction and modernization of certain District properties and facilities. A portion of the bonds were refunded in 2014 and the remaining current interest bonds of $5,555,000 and capital appreciation bonds of $4,466,417 were refunded in 2015.

In February 2008, the District issued $97,999,946 of the 2004 General Obligation Bonds as Series B through $74,365,000 of current interest bonds and $23,634,946 of capital appreciation bonds. A portion of the current interest bonds were refunded in 2015. The remaining Bonds mature through September 1, 2032 with interest rates ranging from three to seven percent. Interest on the capital appreciation bonds is compounded semiannually and due only at maturity.

In April 2014, the District issued $31,605,000 of the 2004 General Obligation Bonds as Series C. These current interest bonds mature through September 1, 2032 with interest rates ranging from two to five percent.

NOTE 8 – LONG-TERM LIABILITIES, continued

General Obligation Bonds, continued

The general long-term liabilities maturity schedules for the 2004 General Obligation Bonds Series B and C are as follows:

2004 Series B General Obligation Bonds

Fiscal Year	Principal	Interest	Total
2025	$ -	$ -	$ -
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	2,074,826	4,075,174	6,150,000
2030-2033	8,534,779	23,650,221	32,185,000
Total	$ 10,609,605	$ 27,725,395	$ 38,335,000

2004 Series C General Obligation Bonds

Fiscal Year	Principal	Interest	Total
2025	$ 1,500,000	$ 46,200	$ 1,546,200
2026	-	8,700	8,700
2027	290,000	4,350	294,350
Total	$ 1,790,000	$ 59,250	$ 1,849,250

In May 2012, The District issued $47,450,000 of OPEB Taxable Bonds, Series B. These bonds were issued to advance refund a portion of the District's outstanding 2009 OPEB Taxable Bonds, Series A, and to pay the costs of issuance associated with the Series B bonds. The bonds mature through June 1, 2044 and bear a variable interest rate with an initial LIBOR Index Rate Period ending on April 30, 2027, subsequent to which the District can elect various rate methods with a maximum rate of 12%.

NOTE 8 – LONG-TERM LIABILITIES, continued

General Obligation Bonds, continued

The general long-term liabilities maturity schedules for the OPEB Taxable Bonds are as follows:

OPEB Taxable Bonds

Fiscal Year	Principal	Interest	Total
2025	$ 405,000	$ 2,443,781	$ 2,848,781
2026	530,000	2,419,278	2,949,278
2027	645,000	2,390,122	3,035,122
2028	780,000	2,353,693	3,133,693
2029	915,000	2,310,613	3,225,613
2030-2034	7,250,000	10,588,301	17,838,301
2035-2039	13,570,000	7,918,149	21,488,149
2040-2044	22,840,000	3,218,725	26,058,725
Total	$ 46,935,000	$ 33,642,662	$ 80,577,662

In February 2012, the District issued $70,000,000 and $20,000,000 of General Obligation Bonds as Series A and Series B under the $268,000,000 bond measure approved by voters on November 2, 2010 to finance the acquisition, construction, and modernization of certain District property and facilities. All of the 2010 Series A bonds and 2010 Series B bonds were refunded by the 2019 General Obligation Refunding Bonds during 2019-20.

In April 2014, the District issued $120,000,000 of 2010 General Obligation Bonds as Series C. The Series C Bonds mature through September 1, 2043 with interest rates ranging from two to five percent.

In May 2016, the District issued $58,000,000 of 2010 General Obligation Bonds as Series D. The Series D Bonds mature through September 1, 2037 with interest rates ranging from two to five percent.

NOTE 8 – LONG-TERM LIABILITIES, continued

General Obligation Bonds, continued

The general long-term liabilities maturity schedules for the 2010 General Obligation Bonds Series C and D are as follows:

2010 Series C General Obligation Bonds

Fiscal Year	Principal	Interest	Total
2025	$ 1,540,000	$ 38,500	$ 1,578,500
Total	$ 1,540,000	$ 38,500	$ 1,578,500

2010 Series D General Obligation Bonds

Fiscal Year	Principal	Interest	Total
2025	$ 1,640,000	$ 1,551,131	$ 3,191,131
2026	1,850,000	1,473,131	3,323,131
2027	2,065,000	1,394,831	3,459,831
2028	2,290,000	1,307,731	3,597,731
2029	2,525,000	1,211,431	3,736,431
2030-2034	16,735,000	4,544,391	21,279,391
2035-2038	19,585,000	1,275,328	20,860,328
Total	$ 46,690,000	$ 12,757,974	$ 59,447,974

NOTE 8 – LONG-TERM LIABILITIES, continued

General Obligation Bonds, continued

In April 2014, the District issued $50,850,000 and $48,275,000 of 2014 General Obligation Refunding Bonds as Series A and Series B. The proceeds from the sale of the bonds were used to advance refund a portion of the District's outstanding 2004 General Obligation Refunding Bonds, 2004 General Obligation Bonds, Series A and to pay the costs of issuing the 2014 Refunding Bonds. At June 30, 2015, $52,410,000 of the 2004 General Obligation Refunding Bonds and $44,000,057 of the 2004 General Obligation, Series A bonds were considered defeased through the 2014 Refunding Bonds. The 2014 General Obligation Refunding Bonds Series A mature through September 1, 2023 with interest rates ranging from one to five percent.

The general long-term liabilities maturity schedule for the 2014 General Obligation Refunding Bonds Series A is as follows:

2014 Refunding Bond Series A

Fiscal Year	Principal	Interest	Total
2025	$ 5,210,000	$ 130,250	$ 5,340,250
Total	$ 5,210,000	$ 130,250	$ 5,340,250

In June 2015, the District issued $81,765,000 of 2015 General Obligation Refunding Bonds as Series A and Series B. The proceeds from the sale of the bonds were used to advance refund the District's outstanding 2004 General Obligation Bonds, Series A, a portion of the 2004 General Obligation Bonds, Series B and to pay the costs of issuing the 2015 Refunding Bonds. At June 30, 2015, $10,021,418 of the 2004 General Obligation Bonds, Series A and $71,265,000 of the 2004 General Obligation, Series B bonds were considered defeased through the 2015 Refunding Bonds. The 2015 Refunding Bonds mature through September 1, 2029, with interest rates ranging from two to five percent.

NOTE 8 – LONG-TERM LIABILITIES, continued

General Obligation Bonds, continued

There was no accrued interest or sinking fund resources related to the new debt proceeds.

The general long-term liabilities maturity schedules for the 2015 General Obligation Refunding Bonds are as follows:

2015 Refunding Bonds

Fiscal Year	Principal	Interest	Total
2025	$ 11,390,000	$ 1,448,750	$ 12,838,750
2026	11,310,000	894,350	12,204,350
2027	6,230,000	500,100	6,730,100
2028	6,815,000	239,200	7,054,200
2029	1,420,000	78,050	1,498,050
2030	1,520,000	26,600	1,546,600
Total	$ 38,685,000	$ 3,187,050	$ 41,872,050

In May 2018, the District issued $39,000,000 and $46,000,000 of 2016 General Obligation Refunding Bonds as Series A and Series A-1. The proceeds from the sale of the bonds were used to finance the repair, upgrading, acquisition, construction and equipping of certain District property and facilities, including technology projects. The 2016 Series A and Series A-1 Bonds mature through September 1, 2038 and September 1, 2033, respectively, with interest rates ranging from one to five percent.

The general long-term liabilities maturity schedules for the 2016 General Obligation Bonds Series A and A-1 are as follows:

2016 Series A General Obligation Bonds

Fiscal Year	Principal	Interest	Total
2025	$ 640,000	$ 960,894	$ 1,600,894
2026	725,000	926,769	1,651,769
2027	815,000	888,269	1,703,269
2028	915,000	849,594	1,764,594
2029	1,010,000	811,094	1,821,094
2030-2034	6,650,000	3,361,776	10,011,776
2035-2039	14,785,000	1,465,221	16,250,221
Total	$ 25,540,000	$ 9,263,617	$ 34,803,617

NOTE 8 – LONG-TERM LIABILITIES, continued

General Obligation Bonds, continued

2016 Series A-1 General Obligation Bonds

Fiscal Year	Principal	Interest	Total
2025	$ 340,000	$ 221,179	$ 561,179
2026	380,000	203,179	583,179
2027	425,000	183,055	608,055
2028	465,000	163,762	628,762
2029	510,000	145,461	655,461
2030-2034	3,345,000	367,390	3,712,390
Total	$ 5,465,000	$ 1,284,026	$ 6,749,026

In October 2019, the District issued $68,945,000 of 2019 General Obligation Refunding Bonds. The proceeds from the sale of the bonds were used to advance refund a portion of the outstanding 2010 Series A and the remainder of the 2010 Series B bonds, as well as to pay the costs of issuing the bonds. The 2019 Refunding Bonds mature through August 1, 2041, with interest rates ranging from 1.814% to 3.137%.

The general long-term liabilities maturity schedule for the 2019 General Obligation Refunding Bonds is as follows:

2019 Refunding Bond

Fiscal Year	Principal	Interest	Total
2025	$ 1,640,000	$ 1,784,781	$ 3,424,781
2026	1,805,000	1,750,725	3,555,725
2027	1,975,000	1,710,490	3,685,490
2028	2,160,000	1,663,934	3,823,934
2029	2,355,000	1,611,530	3,966,530
2030-2034	14,995,000	7,012,475	22,007,475
2035-2039	21,255,000	4,431,662	25,686,662
2040-2042	17,020,000	825,813	17,845,813
Total	$ 63,205,000	$ 20,791,410	$ 83,996,410

NOTE 8 – LONG-TERM LIABILITIES, continued

General Obligation Bonds, continued

In June 2020, the District issued $225,000,000 and $200,000,000 of 2016 General Obligation Bonds as Series B and Series B-1. The proceeds from the sale of the bonds were used to finance the acquisition, construction, modernization, and equipping of District sites and facilities, as well as to pay the costs of issuing the bonds. The 2016 Series B and Series B-1 Bonds mature through September 1, 2045, with interest rates ranging from 2.5% to 4.0%.

The general long-term liabilities maturity schedules for the 2016 General Obligation Bonds Series B and B-1 are as follows:

2016 Series B General Obligation Bonds

Fiscal Year	Principal	Interest	Total
2025	$ -	$ 5,595,626	$ 5,595,626
2026	-	5,595,625	5,595,625
2027	-	5,595,625	5,595,625
2028	-	5,595,625	5,595,625
2029	-	5,595,625	5,595,625
2030-2034	28,975,000	25,319,224	54,294,224
2035-2039	45,515,000	18,982,499	64,497,499
2040-2044	76,320,000	10,105,686	86,425,686
2045-2046	37,990,000	963,999	38,953,999
Total	$ 188,800,000	$ 83,349,534	$ 272,149,534

2016 Series B-1 General Obligation Bonds

Fiscal Year	Principal	Interest	Total
2025	$ -	$ 4,910,128	$ 4,910,128
2026	-	4,910,128	4,910,128
2027	-	4,910,128	4,910,128
2028	-	4,910,128	4,910,128
2029	-	4,910,128	4,910,128
2030-2034	28,460,000	23,230,327	51,690,327
2035-2039	42,075,000	19,109,759	61,184,759
2040-2044	70,660,000	11,140,294	81,800,294
2045-2046	35,690,000	1,111,102	36,801,102
Total	$ 176,885,000	$ 79,142,122	$ 256,027,122

NOTE 8 – LONG-TERM LIABILITIES, continued

General Obligation Bonds, continued

In November 2020, the District issued $190,045,000 of 2020 general obligation refunding bonds. The proceeds from the sale of the bonds were used to advance refund a portion of the outstanding 2004 C, 2010 C, and 2014 Refunding A. The 2020 Refunding Bond mature through September 1, 2043, with interest rates ranging from 0.301% to 3.038%.

The general long-term liabilities maturity schedule for the 2020 General Obligation Refunding Bonds is as follows:

2020 General Obligation Refunding Bonds

Fiscal Year	Principal	Interest	Total
2025	$ 3,015,000	$ 3,890,706	$ 6,905,706
2026	12,325,000	3,823,080	16,148,080
2027	12,800,000	3,689,203	16,489,203
2028	13,930,000	3,515,618	17,445,618
2029	15,100,000	3,292,615	18,392,615
2030-2034	44,860,000	13,250,773	58,110,773
2035-2039	32,545,000	9,264,524	41,809,524
2040-2044	45,140,000	3,588,249	48,728,249
Total	$ 179,715,000	$ 44,314,768	$ 224,029,768

In March 2022, the District issued $200,000,000 and $38,000,000 of 2016 General Obligation Bonds as Series C and Series C-1. The 2016 Series C and Series C-1 Bonds mature through September 2046 and September 2029, respectively, with interest rates ranging from 0.301% to 2.446%.

The general long-term liabilities maturity schedules for the 2016 General Obligation Refunding Bonds Series C and C-1 are as follows:

2016 Series C General Obligation Bonds

Fiscal Year	Principal	Interest	Total
2025	$ 8,520,000	$ 8,907,800	$ 17,427,800
2026	530,000	8,681,550	9,211,550
2027	1,070,000	8,641,550	9,711,550
2028	1,660,000	8,573,300	10,233,300
2029	2,295,000	8,474,425	10,769,425
2030-2034	25,660,000	39,222,500	64,882,500
2035-2039	46,290,000	30,370,000	76,660,000
2040-2044	74,700,000	16,100,875	90,800,875
2045-2046	39,275,000	1,600,500	40,875,500
Total	$ 200,000,000	$ 130,572,500	$ 330,572,500

NOTE 8 – LONG-TERM LIABILITIES, continued

General Obligation Bonds, continued

2016 Series C-1 General Obligation Bonds

Fiscal Year	Principal	Interest	Total
2025	$ 5,995,000	$ 1,721,139	$ 7,716,139
2026	6,750,000	1,398,809	8,148,809
2027	7,555,000	1,048,991	8,603,991
2028	8,400,000	669,666	9,069,666
2029	9,300,000	235,755	9,535,755
Total	$ 38,000,000	$ 5,074,360	$ 43,074,360

Change in Long-Term Liabilities:

A schedule of changes in long-term liabilities for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
General Obligation Bonds					
General obligation bonds	$ 1,070,739,605	$ -	$ 41,670,000	$ 1,029,069,605	$ 41,835,000
Unamortized premium	43,586,615	-	4,547,351	39,039,264	4,547,351
Accreted interest	13,846,364	2,183,598	-	16,029,962	-
Total general obligation bonds	1,128,172,584	2,183,598	46,217,351	1,084,138,831	46,382,351
Other Long-Term Liabilities					
Compensated absences	4,651,094	-	404,434	4,246,660	-
Banked overload	3,345,333	138,363	-	3,483,696	-
Lease liability	12,930,043	-	59,405	12,870,638	82,880
Total other long-term liabilities	20,926,470	138,363	463,839	20,600,994	82,880
Total Long-Term Liabilities	$ 1,149,099,054	$ 2,321,961	$ 46,681,190	$ 1,104,739,825	$ 46,465,231

NOTE 9 - PROPERTY TAXES

All property taxes are levied and collected by the Tax Assessor of the County of Santa Clara and paid upon collection to the various taxing entities including the District. Secured taxes are levied on July 1 and are due in two installments on November 1 and February 1, and become delinquent on December 10 and April 10, respectively. The lien date for secured and unsecured property taxes is March 1 of the preceding fiscal year. The County of Santa Clara has elected the optional alternative method for allocating delinquent property tax revenues, the Teeter Plan. Under this plan property tax revenues are based on the total amount of property taxes billed, but not yet collected.

NOTE 10 - NET PENSION LIABILITY

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, 2024, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	$ 58,098,438	$ 16,871,767	$ 6,914,998	$ 8,589,012
CalPERS	77,420,342	26,167,581	6,584,794	12,134,885
Total	$ 135,518,780	$ 43,039,348	$ 13,499,792	$ 20,723,897

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

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

NOTE 10 - NET PENSION LIABILITY, continued

California State Teachers' Retirement System (CalSTRS), continued

Benefits Provided, continued

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

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

The STRP provisions and benefits in effect at June 30, 2024, 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 contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the District's total contributions were $9,766,227.

NOTE 10 - NET PENSION LIABILITY, continued

California State Teachers' Retirement System (CalSTRS), continued

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

At June 30, 2024, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	$	58,098,438
State's proportionate share of the net pension liability associated with the District		27,837,098
Total	$	85,935,536

The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively was 0.076 percent and 0.077 percent, resulting in a decrease of 0.001 percent in the proportionate share.

For the year ended, June 30, 2024, the District recognized pension expense of $8,589,012. In addition, the District recognized pension expense and revenue of $404,247 for support provided by the State. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	$ 245,787	$ -
Differences between expected and actual experience	4,565,910	3,107,798
Changes in assumptions	336,411	-
Net changes in proportionate share of net pension liability	1,957,432	3,807,200
District contributions subsequent to the measurement date	9,766,227	-
Total	$ 16,871,767	$ 6,914,998

NOTE 10 - NET PENSION LIABILITY, continued

California State Teachers' Retirement System (CalSTRS), 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
2025	$ (1,099,708)
2026	(4,082,371)
2027	3,691,288
2028	341,681
2029	578,667
Thereafter	760,985
	$ 190,542

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 2015, through June 30, 2018
Actuarial cost method	Entry Age Normal
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

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

NOTE 10 - NET PENSION LIABILITY, continued

California State Teachers' Retirement System (CalSTRS), continued

Actuarial Methods and Assumptions, continued

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 (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2023, are summarized in the following table:

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

*20-year average. Real rates of return of 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	$ 97,455,494	$ 58,098,438	$ 25,407,816

NOTE 10 - NET PENSION LIABILITY, continued

California State Teachers' Retirement System (CalSTRS), continued

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalSTRS CAFR at http://www.calstrs.com/comprehensive-annual-financial-report.

California Public Employees' Retirement System (CalPERS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022 annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/forms-publications.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 55 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 65 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 55 (or 65 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

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

	School Employer Pool (CalPERS)	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	26.68%	26.68%

NOTE 10 - NET PENSION LIABILITY, continued

California Public Employees' Retirement System (CalPERS), continued

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 the 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 contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the total District contributions were $10,572,445.

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

As of June 30, 2024, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $77,420,342. The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively was 0.214 percent and 0.237 percent, resulting in a net decrease in the proportionate share of 0.023 percent.

For the year ended June 30, 2024, the District recognized pension expense of $12,134,885. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	$ 8,269,601	$ -
Differences between expected and actual experience	2,825,287	1,189,063
Changes in assumptions	3,566,724	-
Net changes in proportionate share of net pension liability	933,524	5,395,731
District contributions subsequent to the measurement date	10,572,445	-
Total	$ 26,167,581	$ 6,584,794

NOTE 10 - NET PENSION LIABILITY, continued

California Public Employees' Retirement System (CalPERS), 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
2025	$ 3,082,881
2026	1,842,098
2027	5,141,414
2028	(1,056,051)
	$ 9,010,342

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

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

The mortality table 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.

NOTE 10 - NET PENSION LIABILITY, continued

California Public Employees' Retirement System (CalPERS), continued

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

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class*	Assumed Asset Allocation	Real Return Years 1 - 10**
Global Equity - cap-weighted	30%	4.54%
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 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Plan's net pension liability	$ 111,929,802	$ 77,420,342	$ 48,899,058

NOTE 10 - NET PENSION LIABILITY, continued

California Public Employees' Retirement System (CalPERS), continued

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS CAFR at https://www.calpers.ca.gov.

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS

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

OPEB Plan	Net OPEB Liability/(Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense/(Benefit)
District Plan	$ (6,892,935)	$ 10,037,392	$ 2,345,873	$ (272,109)

In addition to the pension benefits described in Note 10, the District provides postemployment health care benefits to eligible employees who retire from the District and their spouses. The Postemployment Benefit Plan (the "Plan") is a single-employer defined benefit healthcare plan. The Plan is administered by the District. In May 2009, the District issued OPEB Taxable Bonds for the purpose of financing the Plan. There are no required funding rates to the Plan. The OPEB Trust fund is separately presented as a fiduciary fund of the District. Separate financial statements are prepared for the Plan and may be obtained by contacting the District on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Cod. Sec. P50. 108 -109. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Employees Covered by Benefit Term

The following is a table of plan participants at June 30, 2024:

	Number of Participants
Inactive Employees Receiving Benefits	195
Active Employees	594
	789

Contributions: Eligible employees are not permitted to make contributions to the Trust. The Plan administrator shall, on behalf of the employer, make all contribution to the Trustee. All contributions shall be paid to the Trustee for investment and reinvestment pursuant to the terms of the trust agreement. The District does not have contractually required contributions rates, but contributes in an amount sufficient to fully fund the Net OPEB obligation over a period not to exceed 30 years. There were no contributions to the Trust from the District for the year ended June 30, 2024.

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS, continued

OPEB Plan Investments

The plan discount rate of 5.10% was determined using the following asset allocation and assumed rate of return:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	55.0%	3.80%
Domestic Equities	45.0%	6.70%
Total	100.00%	

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Fiscal year	July 1st to June 30th
Actuarial cost methods	Entry age normal cost method
Inflation rate	2.75%
Investment rate of return	5.10%
Discount rate	5.10%
Health care cost trend rate	4.50%

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, 2023	$ 30,215,054	$ 38,216,649	$ (8,001,595)
Changes for the year:			
Service cost	402,753	-	402,753
Interest	1,465,950	-	1,465,950
Changes of assumptions	973,151	-	973,151
Experience gains/(losses)	561,679	-	561,679
Net Investment income	-	2,491,283	(2,491,283)
Administrative expense	-	(196,410)	196,410
Expected benefit payments	(2,629,697)	(2,629,697)	-
Net change	773,836	(334,824)	1,108,660
Balance June 30, 2024	$ 30,988,890	$ 37,881,825	$ (6,892,935)

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS, continued

Sensitivity of the Net Pension Liability/(Asset) to Assumptions

The following presents the net OPEB liability/(asset) calculated using the discount rate of 5.10 percent. The schedule also shows what the net OPEB liability/(asset) would be if it were calculated using a discount rate that is 1 percent lower (4.10 percent) and 1 percent higher (6.10 percent):

	Discount Rate 1% Lower (4.10%)	Current Discount Rate 5.10%	Discount Rate 1% Higher (6.10%)
Net OPEB liability/(Asset)	$ (4,698,734)	$ (6,892,935)	$ (8,869,871)

The following table presents the net OPEB liability/(asset) calculated using the heath care cost trend rate of 4.5 percent. The schedule also shows what the net OPEB liability/(asset) would be if it were calculated using a health care cost trend rate that is 1 percent lower (3.5 percent) and 1 percent higher (5.5 percent):

	Trend Rate 1% Lower (3.50%)	Healthcare Cost Trend Rate (4.50%)	Trend Rate 1% Higher (5.50%)
Net OPEB liability/(Asset)	$ (9,071,157)	$ (6,892,935)	$ (4,447,376)

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss. For differences between projected and actual earnings on OPEB plan investments; the recognition period is 5 years. All other sources are recognized over the expected average remaining service lifetime.

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS, continued

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

For the fiscal year ended June 30, 2024, the District recognized OPEB benefit of $272,109. As of the year ended June 30, 2024, the District reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings on plan investments	$ -	$ 2,345,873
Differences between expected and actual experience	4,261,393	-
Change in assumptions	3,462,929	-
District contributions subsequent to the measurement date	2,313,070	-
	$ 10,037,392	$ 2,345,873

The deferred outflows/(inflows) of resources related to OPEB will be recognized as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ 3,439,018
2026	1,262,137
2027	2,813,448
2028	176,916
	$ 7,691,519

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Contingent Liabilities

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

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

Construction Commitments

As of June 30, 2024, the District has approximately $96.93 million in outstanding encumbered commitments on construction contracts.

NOTE 13 - JOINT POWERS AGREEMENTS

The District is a participant in public entity risk pool joint powers agreements (JPAs). The District is a member of Bay Area Community Colleges Districts JPA (BACCD) and Northern California Community College Pool (NCCCP). The District pays annual premiums for property and liability and workers' compensation coverage commensurate with the level of coverage requested. There have been no significant reductions in insurance coverage from coverage in the prior year. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

The JPAs are governed by boards consisting of representatives from member districts. The boards control the operations of the JPAs, including the selection of management and approval of operating budgets, independent of any influence by the member district beyond their representation on the governing board.

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

The relationship between San José/Evergreen Community College District and the joint powers authorities is such that the JPAs are not component units of the District for financial reporting purposes.

NOTE 14 – SUBSEQUENT EVENTS

The District evaluated subsequent events from June 30, 2024 through December 23, 2024, the date the financial statements were available to be issued. No subsequent events occurred requiring accrual or disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	$ 402,753	$ 265,183	$ 249,651	$ 258,952	$ 128,188	$ 124,454	$ 115,771
Interest	1,465,950	1,976,298	2,093,197	2,218,010	2,298,096	2,475,240	2,596,426
Changes of assumptions	-	-	587,251	-	10,372,629	-	-
Experience gains/(losses)	973,151	4,030,534	665,220	-	576,580	1,165,117	-
Net Investment income	561,679	(2,628,624)	(2,443,562)	(1,203,087)	(11,412,942)	-	-
Benefit payments	(2,629,697)	(2,745,534)	(2,925,970)	(3,165,226)	(3,363,104)	(4,520,486)	(4,152,914)
Net change in total OPEB liability	773,836	897,857	(1,774,213)	(1,891,351)	(1,400,553)	(755,675)	(1,440,717)
Total OPEB liability, beginning of year	30,215,054	29,317,197	31,091,410	32,982,761	34,383,314	35,138,989	36,579,706
Total OPEB liability, end of year (a)	$ 30,988,890	$ 30,215,054	$ 29,317,197	$ 31,091,410	$ 32,982,761	$ 34,383,314	$ 35,138,989
Plan fiduciary net position							
Assumption changes	-	(8,410,837)	-	-	-	-	-
Investment income	2,491,283	-	8,937,378	2,491,787	3,325,947	4,003,226	5,815,202
Investment gains/(losses)	-	(232,202)	-	-	-	-	-
Administrative expense	(196,410)	(2,745,534)	(232,362)	(220,570)	(222,279)	(229,919)	(224,967)
Expected benefit payments	(2,629,697)	-	(2,925,970)	(3,165,226)	(3,363,104)	(4,520,486)	(4,152,914)
Change in plan fiduciary net position	(334,824)	(11,388,573)	5,779,046	(894,009)	(259,436)	(747,179)	1,437,321
Fiduciary trust net position, beginning of year	38,216,649	49,605,222	43,826,176	44,720,185	44,979,621	45,726,800	44,289,479
Fiduciary trust net position, end of year (b)	$ 37,881,825	$ 38,216,649	$ 49,605,222	$ 43,826,176	$ 44,720,185	$ 44,979,621	$ 45,726,800
Net OPEB liability/(asset), ending (a) - (b)	$ (6,892,935)	$ (8,001,595)	$ (20,288,025)	$ (12,734,766)	$ (11,737,424)	$ (10,596,307)	$ (10,587,811)
Covered payroll	$ 70,397,003	$ 58,570,581	$ 56,864,642	$ 59,488,680	$ 57,756,000	$ 35,025,000	$ 35,025,000
Plan fiduciary net position as a percentage of the total OPEB liability/(asset)	122%	126%	169%	141%	136%	131%	130%
Net OPEB asset as a percentage of covered payroll	-10%	14%	-36%	-21%	-20%	-30%	-30%

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

SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CONTRIBUTIONS - OPEB
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	$ 3,275,806	$ 2,886,579	$ 2,284,756	$ 3,275,806	$ 3,268,797	$ 3,557,370	$ 4,717,951
Contributions in relations to the actuarially determined contribution	2,313,070	-	-	-	3,000,000	-	-
Contribution deficiency/(excess)	$ 962,736	$ 2,886,579	$ 2,284,756	$ 3,275,806	$ 268,797	$ 3,557,370	$ 4,717,951
Covered-employee payroll	$ 70,397,003	$ 58,570,581	$ 56,864,642	$ 59,488,680	$ 57,756,000	$ 35,025,000	$ 35,025,000
Contribution as a percentage of covered-employee payroll	4.65%	4.93%	4.02%	5.51%	5.66%	10.16%	13.47%

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

SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Reporting Fiscal Year (Measurement Date)				
	2024	2023	2022	2021	2020
CalSTRS	(2023)	(2022)	(2021)	(2020)	(2019)
District's proportion of the net pension liability	0.076%	0.077%	0.083%	0.078%	0.071%
District's proportionate share of the net pension liability	$ 58,098,438	$ 53,681,976	$ 37,953,563	$ 75,644,082	$ 64,533,558
State's proportionate share of the net pension liability associated with the District	27,837,098	26,884,091	19,097,159	38,994,218	35,207,648
Total	$ 85,935,536	$ 80,566,067	$ 57,050,722	$114,638,300	$ 99,741,206
District's covered-employee payroll	$ 53,021,348	$ 46,151,005	$ 43,593,028	$ 41,092,582	$ 43,593,028
District's proportionate share of the net pension liability as percentage of covered-employee payroll	110%	116%	87%	184%	148%
Plan fiduciary net position as a percentage of the total pension liability	81%	81%	87%	72%	73%

	Reporting Fiscal Year (Measurement Date)				
	2024	2023	2022	2021	2020
CalPERS	(2023)	(2022)	(2021)	(2020)	(2019)
District's proportion of the net pension liability	0.214%	0.237%	0.235%	0.239%	0.227%
District's proportionate share of the net pension liability	$ 77,420,342	$ 81,392,527	$ 47,767,306	$ 73,280,885	$ 66,067,584
District's covered-employee payroll	$ 40,537,041	$ 36,437,202	$ 34,623,026	$ 35,654,116	$ 34,623,026
District's proportionate share of the net pension liability as percentage of covered-employee payroll	191%	223%	138%	206%	191%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	81%	70%	70%

SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Reporting Fiscal Year (Measurement Date)				
CalSTRS	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
District's proportion of the net pension liability	0.073%	0.072%	0.065%	0.086%	0.072%
District's proportionate share of the net pension liability	$ 66,670,574	$ 66,746,495	$ 52,429,400	$ 57,846,104	$ 42,112,000
State's proportionate share of the net pension liability associated with the District	38,173,857	39,486,984	29,851,517	30,594,131	25,268,362
Total	$104,844,431	$106,233,479	$ 82,280,917	$ 88,440,235	$ 67,380,362
District's covered-employee payroll	$ 42,319,244	$ 41,560,859	$ 55,036,542	$ 26,985,380	$ 32,097,000
District's proportionate share of the net pension liability as percentage of covered-employee payroll	158%	161%	95%	214%	131%
Plan fiduciary net position as a percentage of the total pension liability	71%	69%	70%	74%	77%

	Reporting Fiscal Year (Measurement Date)				
CalPERS	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
District's proportion of the net pension liability	0.217%	0.212%	0.203%	0.200%	0.187%
District's proportionate share of the net pension liability	$ 57,915,548	$ 50,588,670	$ 40,024,330	$ 29,463,496	$ 22,140,000
District's covered-employee payroll	$ 32,866,859	$ 34,411,706	$ 27,232,628	$ 24,615,273	$ 20,472,000
District's proportionate share of the net pension liability as percentage of covered-employee payroll	176%	147%	147%	120%	108%
Plan fiduciary net position as a percentage of the total pension liability	71%	72%	74%	79%	83%

SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CONTRIBUTIONS - PENSIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Reporting Fiscal Year				
CalSTRS	2024	2023	2022	2021	2020
Statutorily required contribution	$ 9,766,227	$ 8,971,212	$ 7,808,750	$ 6,636,452	$ 7,903,416
District's contributions in relation to the statutorily required contribution	9,766,227	8,971,212	7,808,750	6,636,452	7,903,416
District's contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 51,132,079	$ 53,021,348	$ 46,151,005	$ 41,092,582	$ 43,593,028
District's contributions as a percentage of covered-employee payroll	19.10%	16.92%	16.92%	16.15%	18.13%

	Reporting Fiscal Year				
CalPERS	2024	2023	2022	2021	2020
Statutorily required contribution	$ 10,572,445	$ 9,287,036	$ 8,347,763	$ 7,380,402	$ 6,828,007
District's contributions in relation to the statutorily required contribution	10,572,445	9,287,036	8,347,763	7,380,402	6,828,007
District's contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 39,626,855	$ 40,537,041	$ 36,437,202	$ 35,654,116	$ 34,623,026
District's contributions as a percentage of covered-employee payroll	26.68%	22.91%	22.91%	20.70%	19.72%

	Reporting Fiscal Year				
CalSTRS	2019	2018	2017	2016	2015
Statutorily required contribution	$ 6,889,573	$ 5,997,232	$ 6,923,597	$ 6,588,927	$ 3,070,323
District's contributions in relation to the statutorily required contribution	6,889,573	5,997,232	6,923,597	6,588,927	3,070,323
District's contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 42,319,244	$ 41,560,859	$ 55,036,542	$ 61,406,589	$ 32,097,000
District's contributions as a percentage of covered-employee payroll	16.28%	14.43%	12.58%	10.73%	9.57%

	Reporting Fiscal Year				
CalPERS	2019	2018	2017	2016	2015
Statutorily required contribution	$ 5,936,412	$ 4,779,786	$ 3,782,612	$ 2,900,278	$ 2,611,383
District's contributions in relation to the statutorily required contribution	5,936,412	4,779,786	3,782,612	2,900,278	2,611,383
District's contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 32,866,859	$ 34,411,706	$ 27,232,628	$ 24,615,273	$ 20,472,000
District's contributions as a percentage of covered-employee payroll	18.06%	13.89%	13.89%	11.78%	12.76%

NOTE 1 – PURPOSE OF SCHEDULES

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

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

Schedule of Contributions – OPEB

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

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

The Schedule of the District's Proportionate Share of the Net Pension Liability is presented to illustrate the elements of the District's Net Pension Liability. There is a requirement to show information for 10 years.

Schedule of the District's Contributions - Pensions

The Schedule of the District's Contributions is presented to illustrate the District's required contributions relating to the pensions. There is a requirement to show information for 10 years.

Changes of Benefit Terms

The required employer contribution rate for CalPERS changed from 25.37 percent to 26.68 percent since the previous valuation. There were no changes in the benefit terms since the previous valuation for CalSTRS and OPEB.

Changes of Assumptions

The investment rate of return changed from 3.50 percent to 5.10 percent, the discount rate changed from 7.00 percent to 5.10 percent and the health care cost trend rate changed from 6.50 percent to 4.50 percent since the previous valuation for OPEB. The consumer price inflation changed from 2.50 percent to 2.30 percent since the previous valuation for CalPERS. There are no changes in assumptions reported since previous valuation for CalSTRS.

SUPPLEMENTARY INFORMATION

San José/Evergreen Community College District was established on July 1, 1964, and is comprised of an area of approximately 303 square miles in Santa Clara County, California. There were no changes in the boundaries of the District during the current year. The District's two colleges are each accredited by the Western Association of Schools and Colleges.

The Board of Trustees and Administration for the fiscal year ended June 30, 2024 were composed of the following members:

BOARD OF TRUSTEES

MEMBERS	OFFICE	TERM EXPIRES
Mr. Bob Livengood	President	December 2024
Ms. Maria Fuentes	Vice President	December 2024
Ms. Wendy Ho	Member	December 2024
Mr. Tony Alexander	Member	December 2026
Ms. Karen Martinez	Member	December 2026
Mr. Clay Hale	Member	December 2026

DISTRICT ADMINISTRATION

Dr. Beatriz Chaidez
Chancellor

Edwin Chandrasekar
Vice Chancellor, Administrative Services

Shairon Zingsheim
Interim Vice Chancellor, Human Resources

Vacant
Associate Vice Chancellor, ITSS

Dr. Rowena Tomaneng
President, San José City College

Dr. Denise Noldon
Interim President, Evergreen Valley College

Mr. Joseph Chesmore
Executive Director, Fiscal Services

AUXILIARY ORGANIZATIONS IN GOOD STANDING

AUXILIARY NAME	DIRECTOR'S NAME	ESTABLISHMENT AND MASTER AGREEMENT DATE
San Jose Evergreen Community College District Foundation	Rosalie Ledesma, Interim Executive Director, SJECCD Foundation and Executive Director of Government & External Affairs, SJECCD	Organized as an auxiliary organization in 1983 and has a signed master agreement dated October 16, 2018.

SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT
COMBINING FUND BALANCE SHEET
JUNE 30, 2024

(UNAUDITED)

	General Fund - Unrestricted	General Fund - Restricted	Debt Service Funds: Bond Interest and Redemption Fund	Debt Service Funds: Other Debt Service Fund	Balance Forward
ASSETS					
Cash and cash equivalents	$ 85,405,983	$ 30,325,547	$ 60,869,010	$ 6,389,879	$ 182,990,419
Accounts receivable	11,012,646	6,396,176	359,974	-	17,768,796
Prepaid expenses	22,603	-	-	625,951	648,554
Other current assets	-	-	-	-	-
Total Assets	96,441,232	36,721,723	61,228,984	7,015,830	201,407,769
LIABILITIES					
Accounts payable	31,606,289	1,599,222	-	-	33,205,511
Accrued expenses	3,476,349	-	-	-	3,476,349
Deferred revenue	6,884,122	33,748,273	-	4,936	40,637,331
Long-term liabilities	3,513,694	-	-	-	3,513,694
Total Liabilities	45,480,454	35,347,495	-	4,936	80,832,885
FUND EQUITY					
Fund Balance	50,960,778	1,374,228	61,228,984	7,010,894	120,574,884
Total Fund Equity	50,960,778	1,374,228	61,228,984	7,010,894	120,574,884
Total Liabilities and Fund Equity	$ 96,441,232	$ 36,721,723	$ 61,228,984	$ 7,015,830	$ 201,407,769

SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT
COMBINING FUND BALANCE SHEET
JUNE 30, 2024

(UNAUDITED)

		Capital Project Funds						
	Balance Forward	Capital Outlay Projects Fund	Measure G-2010 Fund	Measure X Fund	Associated Student Body	Student Representative Fund	Financial Aid Fund	Total Governmental Funds
ASSETS								
Cash and cash equivalents	$ 182,990,419	$ 23,256,389	$ 22,698,087	$ 19,184,925	$ 554,744	$ 38,784	$ -	$ 248,723,348
Accounts receivable	17,768,796	832,334	393,531	2,081,542	51,339	6	164,987	21,292,535
Prepaid expenses	648,554	-	-	-	-	-	-	648,554
Other current assets	-	55,069,793	38,962,432	180,534,636	-	-	-	274,566,861
Total Assets	201,407,769	79,158,516	62,054,050	201,801,103	606,083	34,155	164,987	545,231,298
LIABILITIES								
Accounts Payable	33,205,511	-	323	-	88,130	38,790	8,106	33,340,860
Accrued Expenses	3,476,349	-	-	-	-	-	-	3,476,349
Deferred Revenue	40,637,331	-	-	-	-	-	122,524	40,759,855
Long-Term Obligations	3,513,694	-	-	-	-	-	34,357	3,548,051
Total Liabilities	80,832,885	-	323	-	88,130	34,155	164,987	81,125,115
FUND EQUITY								
Fund Balance	120,574,884	79,158,516	62,053,727	201,801,103	517,953	-	-	464,106,183
Total Fund Equity	120,574,884	79,158,516	62,053,727	201,801,103	517,953	-	-	464,106,183
Total Liabilities and Fund Equity	$ 201,407,769	$ 79,158,516	$ 62,054,050	$ 201,801,103	$ 606,083	$ 34,155	$ 164,987	$ 545,231,298

Total Fund Equity - District Funds Included in the Reporting Entity		
General Fund	$ 52,335,006	
Capital Project Funds	343,013,346	
Bond Interest and Redemption Funds	61,228,984	
Other Debt Service Funds	9,010,894	
Student funds	517,953	$ 466,106,183
Assets recorded within the statement of net position not included in the District fund financial statements:		
Nondepreciable capital assets	$ 324,676,569	
Intangible right of use asset	4,344,318	
Depreciable capital assets	899,995,415	
Accumulated amortization	(846,785)	
Accumulated depreciation	(418,086,975)	810,082,542
Unmatured Interest		(12,076,972)
Fair Market Value - Cash in County Investments		(1,016,683)
Liabilities recorded within the statement of net position not recorded in the District fund financial statements:		
Net pension liability		(135,518,780)
Compensated absences		(4,246,660)
Long-term debt		(1,084,138,831)
Deferred outflows and inflows of resources:		
Deferred loss on refunding		29,861,881
Deferred outflows of resources - pensions		43,039,348
Deferred outflows of resources - OPEB		10,037,392
Deferred inflows of resources - pensions		(13,499,792)
Deferred inflows of resources - OPEB		(2,345,873)
Net OPEB Asset		6,892,935
Net Position Reported Within the Statement of Net Position		$ 113,176,690

SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	AL NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER*	FEDERAL EXPENDITURES
U.S. Department of Education			
Direct			
Student Financial Aid Cluster			
Federal Pell Grant Programs (PELL)	84.063	*	$ 18,426,208
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007	*	702,472
Federal College Work Study Program (FWS)	84.033	POO033A90065	741,743
Direct Loans	84.268	*	665,608
Subtotal Student Financial Aid Cluster			20,536,031
TRIO Cluster:			
Talent Search	84.044	*	296,861
Upward Bound	84.047	*	292,583
Subtotal TRIO Cluster			589,444
CARES Act Higher Education Emergency Relief Funds (HEERF)			
COVID-19 HEERF Institutional Portion	84.425F	*	14,353
COVID-19 HEERF Minority Serving Institutions	84.425L	*	917
COVID-19 HEERF II Institutional Portion	84.425F	*	1,258,633
COVID-19 HEERF II Minority Serving Institutions	84.425L	*	517,075
COVID-19 HEERF III Institutional Portion	84.425F	*	4,843,219
COVID-19 HEERF III' Minority Serving Institutions	84.425L	*	947,170
Subtotal Higher Education Emergency Relief Funds (HEERF)			7,581,367
Title V, Ganas	84.031	*	754,990
Title V Si Se Puede	84.031	*	87,747
Subtotal Title V			842,737
AANAPISI-Asian American Nat American	84.031L	*	293,123
Passed through California Community Colleges Chancellor's Office:			
Career and Technical Education Program:			
VTEA	84.048A	*	460,836
Subtotal Career and Technical Education Program			460,836
Total U.S. Department of Education			30,303,538
U.S. Department of Health and Human Services			
Passed through Foundation for California Community Colleges:			
YESS - Independent Living Program	93.674	*	14,381
Passed through California Community Colleges Chancellor's Office:			
Temporary Assistance for Needy Families (TANF)	93.558	*	89,404
Total U.S. Department of Health and Human Services			103,785
U.S. Department of Labor			
Direct Program:			
Veterans' Administrative Reporting Fee	17.802	*	1,921
Total U.S. Department of Labor			1,921
U.S. Department of Agriculture			
Direct Program:			
Calfresh (CSU Chico)	10.561	*	144,240
Total U.S. Department of Agriculture			144,240
NATIONAL SCIENCE FOUNDATION			
Passed through Saddleback College			
NSF Alliance	47.076	*	199,494
Passed through Regents of U.C. Santa Cruz			
NSF Teacher Recruit, Prep Induction Pathway	47.076	*	91,228
Total National Science Foundation			290,722
Total Federal Programs			$ 30,844,206

SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF STATE FINANCIAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Program Revenues					
Program Title	Cash Received	Accounts Receivable	Accounts Payable	Deferred Revenue	Total Revenue	Total Program Expenditures
Extended Opportunity Programs & Services	$ 3,283,133	$ -	$ -	$ (697,849)	$ (2,585,284)	2,585,284
NextUp	1,102,554	-	-	(608,801)	(493,752)	493,752
Learning Aligned Employment Prog	3,116,266	-	(987,451)	(1,864,733)	(264,082)	264,082
Equitable Placement, Planning	786,362	-		(653,071)	(133,291)	133,291
Disabled Students Program	2,610,172	-	-	(692,043)	(1,918,129)	1,918,129
LGBTQ+	268,360	-	-	(222,261)	(46,099)	46,099
Student Transfer Achievement	1,130,434	-	-	(1,051,739)	(78,695)	78,695
A2MEND	57,024	-	-	(7,610)	(49,414)	49,414
Transfer Articulation Ethnic Study	97,390	-	-	(40,985)	(56,405)	56,405
Student Equity and Achievement	6,368,463	98	-	(1,525,263)	(4,843,298)	4,843,298
Hunger Free Campus Support	(22,503)	22,730	-		(227)	227
Zero Textbook Cost Degree	449,517	-	-	(386,616)	(62,901)	62,901
Veteran Resource Center (SSSP)	247,170	-	-	(105,504)	(141,666)	141,666
Dream Resource Liaison	260,793	-	-	(75,988)	(184,805)	184,805
Basic Needs Centers	891,505	-	-	(318,441)	(573,063)	573,063
Student Food Housing Support-Basic Needs	1,022,121	-	-	(458,458)	(563,663)	563,663
Student Housing (Planning)	470,000	-	-	(308,224)	(161,776)	161,776
Asian Amer HI Pcfc Islnd Stud	560,594	-	-	(520,554)	(40,040)	40,040
IEPI Innovation and Effectiveness	266,524	-	-	(186,134)	(80,390)	80,390
Umoja Community Education Foundation	265,916	-	-	(176,169)	(89,748)	89,748
MESA State 22-23 Y1	797,224	-	-	(569,797)	(227,427)	227,427
Apprenticeship	2,197,840	-	(537,493)	(1,190,069)	(470,278)	470,278
CA Apprenticeship Initiative	2,174	94,725	-	-	(96,899)	96,899
CA Apprenticeship Initiative-Google Elmw ood	9,922	38,031	-	-	(47,953)	47,953
CA Appentice Init-CARE	-	276,927	-	-	(276,927)	276,927
CA Apprentice Init Teacher	-	219,296	-	-	(219,296)	219,296
CALWORKS County	230,848	60,702	-	-	(291,551)	291,551
CALWORKS State	802,893	-	-	(259,897)	(542,996)	542,996
Financial Aid Administration Allow ance (B-FAP)	879,483	-	-	(85,435)	(619,586)	619,586
Financial Aid Technology	87,724	-	-	(131,885)	(2,289)	2,289
Instructional Equipment	389,477	-	-	(1,509,970)	(257,592)	257,592
Physical Plant 18-19	1,509,970	-	-	-	-	-
Physical Plant 21-22	792,335	-	-	-	(792,335)	792,335
Physical Plant 22-23	3,512,628	-	-	(2,018,682)	(1,493,946)	1,493,946
Physical Plant 23-24	66,195	-	-	(56,195)	(10,000)	10,000
COVID-19 Recovery Block Grant	6,713,613	-	-	(4,502,135)	(2,211,478)	2,211,478
California Student Aid Commission (F48)	2,690,585	44,451	-	(618)	(2,734,418)	2,734,418
Guided Pathw ays Allocation	462,805	160,567	-	(220,176)	(403,195)	403,195
Student Success Completion Grant	3,543,419	-	-	(48,689)	(3,494,730)	3,494,730
Disaster Relief Emergency Financial Aid	148	-	-	(148)	-	-
Immediate Action-Retention/Outreach	834,721	-	-	(563,777)	(270,945)	270,945
SFRF Emergency Financial Aid (F48)	5,397	-	-	(5,397)	-	-
Emergency Fin Aid Supplement (F48)	134,008	-	-	(116,508)	(17,500)	17,500
Chafee Grant (F48)	210,000	-	-	-	(210,000)	210,000
CARE	344,058	-	-	(38,832)	(305,225)	305,225
Rising Scholars Netw ork	172,125	57,375	-	(137,528)	(91,972)	91,972
Rising Scholars Juvenile	607,954	-	-	(607,954)	-	-
Restricted Lottery	4,086,040	-	-	(3,694,207)	(391,833)	391,833
Library Services Platform	1,822	-	-	(1,822)	-	-
Classified Professional Development	62,664	-	-	(62,664)	-	-
Cultural Competent Faculty Prof Dev	50,435	-	-	(50,435)	-	-
Culturally Competent Faculty PD	136,817	11,481	-		(148,298)	148,298
EEO Best Practices	167,959	-	-	(150,740)	(17,219)	17,219
Equal Employment Opportunity	345,603	-	-	(273,288)	(72,315)	72,315
Nursing Retention-Asso Degree	201,733	-	-		(201,733)	201,733
Systemw ide Tech Data Security	1,617,000	-	-	(1,554,343)	(62,658)	62,658
Nursing Faculty and Recruitment	16,316	-	-	-	(16,316)	16,316
Entrepreneurship Course Offering	8,515	-	-	(8,515)	-	-
Adult Education Block Grant	1,864,957	-	-	(444,288)	(1,420,669)	1,420,669
Healthcare Vocation-Adult Ed	1,118,499	-	-	(719,749)	(398,750)	398,750
California College Promise	1,828,476	-	-	(721,624)	(1,106,852)	1,106,852
Strong Workforce Local Yr3	293,108	-	-	-	(293,108)	293,108
Strong Workforce Local Yr2	2,710,982	-	-	-	(2,710,982)	2,710,982
Strong Workforce Local Yr1	2,577,140	-	-	(2,504,860)	(72,280)	72,280
Strong Workforce Regional Yr1	(36,191)	148,955	-	-	(112,764)	112,764
Strong Workforce Regional Yr2	(152,660)	1,454,239	-	-	(1,301,579)	1,301,579
Strong Workforce Regional Yr3	(1)	21,290	-	-	(21,289)	21,289
Strong Workforce Regional RJV Yr1	(27,092)	27,092	-	-	-	-
Strong Workforce Regional RJV Yr2	(162,998)	162,998	-	-	-	-
Strong Workforce Regional RJV Yr3	-	38,030	-	-	(38,030)	38,030
College Specific Allocation	1,000,000	-	-	(1,000,000)	-	-
Campus Safety & Sexual Assault	11,744	-	-	-	(11,744)	11,744
Retail-Hsptlty-Tourism (ISPIC)	11,156	-	-	(11,156)	-	-
Cal Pathw ay to Law	(11,526)	40,138	-	-	(28,611)	28,611
Mental Health Support Funds	749,792	-	-	(294,454)	(455,338)	455,338
	$ 68,699,631	$ 2,879,125	$ (1,524,944)	$ (33,456,280)	$ (36,337,634)	$ 36,337,634

SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

CATEGORIES	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2023 only)			
1. Noncredit	18.80	-	18.80
2. Credit	738.15	-	738.15
B. Summer Intersession (Summer 2024- Prior to July 1, 2024)			
1. Noncredit	-	-	-
2. Credit	426.48	-	426.48
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	3,064.57	-	3,064.57
(b) Daily Census Contact Hours	566.57	-	566.57
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	109.14	-	109.14
(b) Credit	109.03	-	109.03
3. Independent Study/Work Experience			
(a) Weekly Census Contact Hours	3,375.12	-	3,375.12
(b) Daily Census Contact Hours	1,492.95	-	1,492.95
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	9,900.81	-	9,900.81

Supplemental Information (subset of above information)

Basic Skills Courses and Immigrant Education	Reported Data	Audit Adjustments	Audited Data
1. Credit	158.22	-	158.22
2. Noncredit	207.69	-	207.69
Total Basic Skills FTES	365.91	-	365.91

SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF EDUCATION CODE SECTION 84362 (50 PERCENT LAW) CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

		Activity (ESCA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6100			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
	Object/ TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Academic Salaries							
Instructional Salaries							
Contract or Regular	1100	$ 24,044,265	$ -	$ 24,044,265	$ 24,612,836	$ -	$ 24,612,836
Other	1300	24,370,514	-	24,370,514	24,370,938	-	24,370,938
Total Instructional Salaries		48,414,779	-	48,414,779	48,983,774	-	48,983,774
Non-Instructional Salaries							
Contract or Regular	1200	-	-	-	11,080,393	-	11,080,393
Other	1400	-	-	-	1,488,906	-	1,488,906
Total Non-Instructional Salaries		-	-	-	12,569,299	-	12,569,299
Total Academic Salaries		48,414,779	-	48,414,779	61,553,073	-	61,553,073
Classified Salaries							
Non-Instructional Salaries							
Regular Status	2100	-	-	-	26,333,873	-	26,333,873
Other	2300	-	-	-	1,181,015	-	1,181,015
Total Non-Instructional Salaries		-	-	-	27,514,888	-	27,514,888
Instructional Aides							
Regular Status	2200	2,533,722	-	2,533,722	2,533,722	-	2,533,722
Other	2400	601,871	-	601,871	601,871	-	601,871
Total Instructional Aides		3,135,593	-	3,135,593	3,135,593	-	3,135,593
Total Classsified Salaries		3,135,593	-	3,135,593	30,650,481	-	30,650,481
Employee Benefits	3000	20,976,824	-	20,976,824	41,654,897	-	41,654,897
Supplies and Materials	4000	-	-	-	1,193,501	-	1,193,501
Other Operating Expenses	5000	505,194	-	505,194	13,871,352	-	13,871,352
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures Prior to Exclusions		73,032,390	-	73,032,390	148,923,304	-	148,923,304
Exclusions							
Activities to Exclude							
Inst. Staff-Retirees' Benefits and Incentives	5900	-	-	-	-	-	-
Std. Health Srvcs. Above Amount Collected	6441	-	-	-	109,921	-	109,921
Student Transportation	6491	-	-	-	-	-	-
Non-inst.Staff-Retirees' Benefits and Incentives	6740	-	-	-	-	-	-
Object to Exclude							
Rents and Leases	5060	-	-	-	-	-	-
Lottery Expenditures							
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	1,059,130	-	1,059,130
Employee Benefits	3000	-	-	-	771,773	-	771,773
Supplies and Materials	4000						
Software	4100	-	-	-	-	-	-
Books, Magazines & Periodicals	4200	-	-	-	-	-	-
Instructional Supplies & Materials	4300	-	-	-	71,650	-	71,650
Non-inst. Supplies & Materials	4400	-	-	-	1,095,768	-	1,095,768
Total Supplies and Materials		-	-	-	1,167,418	-	1,167,418
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		$ -	$ -	$ -	$ 3,108,242	$ -	$ 3,108,242
Total for ECS 84362, 50% Law		$ 73,032,390	$ -	$ 73,032,390	$ 145,815,062	$ -	$ 145,815,062
Percent of CEE (Instructional Salary Cost/Total CEE)		50.09%	0.00%	50.09%	100.00%	0.00%	100.00%
50% of Current Expense of Education		$ -	$ -	$ -	$ 72,907,531	$ -	$ 72,907,531

SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT
DISTRICT PROP 30 EDUCATION PROTECTION ACCOUNT EXPENDITURE REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

EPA Revenue	$ 1,068,322

Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	0100-5900	$ 1,068,322	$ -	$ -	$ 1,068,322
Total		$ 1,068,322	$ -	$ -	$ 1,068,322

NOTE 1 – PURPOSE OF SCHEDULES

Organization

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

Combining Fund Balance Sheet

These statements report the financial position and operational results of the individual funds of the District and the reconciling adjusting entries under GASB. The information is presented at the request of District management and has been derived from audited information.

Reconciliation from Fund Balance to 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 entity-wide full accrual basis financial statements required under GASB Statements No. 34 and No. 35 business-type activities reporting model.

Schedule of Expenditure of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented 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. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Schedule of State Financial 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

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

Reconciliation of the ECS 84362 (50 Percent Law) Calculation

ECS 84362 requires the District to expend a minimum of 50 percent 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.

NOTE 1 – PURPOSE OF SCHEDULES, continued

District Prop 30 EPA Expenditure Report

This schedule provides the District's summary of receipts and uses of the monies received through the EPA.

OTHER INDEPENDENT AUDITORS' REPORTS

CWDL

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

The Board of Trustees
San José/Evergreen Community College District
San José, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the San José/Evergreen Community College District, as of and for the year ended June 30, 2024, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 23, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

CWDL, Certified Public Accountants

San Diego, California
December 23, 2024

CWDL

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

The Board of Trustees
San José/Evergreen Community College District
San José, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited San José/Evergreen 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, 2024. 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, 2024.

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; 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 Auditors' 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 Auditors' 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.

CWDL, Certified Public Accountants

San Diego, California
December 23, 2024

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROSL OVER COMPLIANCE FOR STATE PROGRAMS

Board of Trustees
San José/Evergreen Community College District
San José, California

Report on State Compliance

Opinion on State Compliance

We have audited San José/Evergreen Community College District's (the "District") compliance with the types of compliance requirements as identified in the 2023-24 California Community Colleges Chancellor's Office *Contracted District Audit Manual*, published by the California Community Colleges Chancellor's Office, for the year ended June 30, 2024. The applicable state compliance requirements are identified in the table below.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the programs noted below that were audited for the year ended June 30, 2024.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the compliance requirements described in the 2023-24 California Community Colleges Chancellor's Office *Contracted District Audit Manual*, issued by the California Community Colleges Chancellor's Office. Our responsibilities under those standards and the compliance requirements are further described in the Auditors' 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 described in the 2023-24 California Community Colleges Chancellor's Office *Contracted District Audit Manual*.

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 2023-24 California Community Colleges Chancellor's Office *Contracted District Audit Manual* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements listed in the table below.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the 2023-24 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.

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.

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

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 Instructional Service Agreements/Contracts
Section 424 – Student Centered Funding Formula Base Allocation: FTES
Section 425 – Residency Determination for Credit Courses
Section 426 – Students Actively Enrolled
Section 427 – Dual Enrollment (CCAP and Non-CCAP)
Section 430 – Scheduled Maintenance Program
Section 431 – Gann Limit Calculation
Section 435 – Open Enrollment
Section 444 – Apprenticeship Related and Supplemental Instruction (RSI) Funds
Section 475 – Disabled Student Programs and Services (DSPS)
Section 479 – To Be Arranged Hours (TBA)
Section 490 – Proposition 1D State Bond Funded Projects
Section 491 – Proposition 55 Education Protection Account Funds
Section 499 – COVID-19 Response Block Grant Expenditures

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing over state laws and regulations based on the requirements described in the 2023-24 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

CWDL, Certified Public Accountants

San Diego, California
December 23, 2024

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

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

Assitance Listing Numbers	Name of Federal Program of Cluster
84.007, 84.033, 84.063, 84.268	Student Financial Aid Cluster
84.425F, 84.425L	Higher Education Emergency Relief Fund
84.031	Title V, Higher Education - Institutional Aid

Dollar threshold used to distinguish between Type A and Type B programs:	$ 925,326
Auditee qualified as low-risk auditee?	Yes

STATE AWARDS

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

Section II – Financial Statement Findings

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

There were no financial statement findings identified during 2023-24.

Section III – Federal Award Findings and Questioned Costs

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

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

Section IV – State Award Findings and Questioned Costs

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 2023-24.

Section V – Prior Year Audit Findings Summary

This section identifies the audit findings and questioned related to the basic financial statements, federal awards or state awards for prior year.

There were no findings or questioned costs identified during 2022-23.