

Financial Statements

June 30, 2025

San Bernardino Community College District



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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of San Bernardino Community College District, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Adoption of New Accounting Standard

As discussed in Note 2 and Note 14 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. Accordingly, a restatement has been made to the business-type activities net position as of July 1, 2024, to restate beginning net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10 and other required supplementary schedules as listed in the table of contents on pages 59 through 66 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, including the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and other supplementary information listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Expenditures of Federal Awards and other supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Ontario, California
January 21, 2026



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OVERVIEW OF THE FINANCIAL STATEMENTS

San Bernardino Community College District's financial statements are presented in accordance with Governmental Accounting Standards Board Statements No. 34, *Basic Financial Statements - and Management Discussion and Analysis - for State and Local Governments* and No. 35, *Basic Financial Statements - and Management Discussion and Analysis - for Public College and Universities*. These statements allow for the presentation of financial activity and results of operations which focus on the District as a whole. The government-wide financial statements present the overall results of operations whereby all of the District's activities are consolidated into one total versus the traditional presentation by fund type. The focus of the Statement of Net Position is designed to be similar to the bottom line results of the District. This statement combines and consolidates current financial resources with capital assets and long-term liabilities. The Statement of Revenues, Expenses and Changes in Net Position focuses on the costs of the District's operational activities with revenues and expenses categorized as operating and nonoperating, and expenses are reported by natural classification. The Statement of Cash Flows provides an analysis of the sources and uses of cash within the operations of the District.

The California Community Colleges Chancellor's Office has recommended that all State community colleges follow the Business-Type Activity (BTA) model for financial statement reporting purposes.

FINANCIAL HIGHLIGHTS

- The District's primary funding source is apportionment received from the State of California. The District's apportionment amount is determined by the number and size of colleges in the District and the number of Full-Time Equivalent Students (FTES). The District FTES for the year ended June 30, 2025 increased to 15,923 from 14,162 in the prior year, as noted below.

	Year Ended June 30,		
	2025	2024	Change
San Bernardino Valley College	11,193	10,002	11.9%
Crafton Hills College	4,730	4,160	13.7%
San Bernardino Community College District	15,923	14,162	12.4%

SBCCD | Mission

SBCCD positively impacts the lives and careers of our students, the well-being of their families, and the prosperity of our community through excellence in educational and training opportunities.



SBCCD | Vision

Inspiring possibilities for bright futures
and a prosperous community

- The District continues to focus on enrollment growth and closely monitors changes in the state budget affecting growth funding.
- The District continues to monitor compliance with the 50 percent law, which requires that at least 50% of the current expense of education be spent on instructional salaries. During the year ended June 30, 2025, the District's rate increased slightly from 50.22% in the prior year to 50.23%.
- The District continues to work on several infrastructure projects funded by the passage of bond Measure M in the 2008 election and bond Measure CC in the 2018 election.

Statement of Net Position

The Statement of Net Position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the District as of the end of the fiscal year and is prepared using the accrual basis of accounting, which is similar to the accounting method used by most private-sector organizations. The Statement of Net Position is a point-of-time financial statement whose purpose is to present to the readers a fiscal snapshot of the District. The Statement of Net Position primarily presents end-of-year data concerning assets (current and noncurrent), liabilities (current and noncurrent), and net position (assets plus deferred outflows of resources minus liabilities and deferred inflows of resources).

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the District. Readers are also able to determine how much the District owes vendors and employees. Finally, the Statement of Net Position provides a picture of the assets and their availability for expenditure by the District.

The difference between the sum of total assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources (net position) is one indicator of the current financial condition of the District. Another indicator is the change in net position which shows whether the overall financial condition has improved or worsened during the year. Assets and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical cost less an allocation for depreciation expense.

The Net Position is divided into three major categories. The first category, net investment in capital assets, provides the equity amount in property, plant, and equipment owned by the District. The second category is expendable restricted assets. These assets are available for expenditure by the District, but must be spent for purposes as determined by external entities and/or donors that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted net position that is available to the District for any lawful purpose of the District.

San Bernardino Community College District
Management's Discussion and Analysis
June 30, 2025

The Statement of Net Position as of June 30, 2025 and June 30, 2024, is summarized below:

	2025	2024*	Change
Assets			
Cash and investments	\$ 660,141,321	\$ 777,316,606	\$ (117,175,285)
Receivables, net	25,836,186	27,461,232	(1,625,046)
Other current assets	5,460,029	2,332,863	3,127,166
Lease receivables	59,952,299	49,556,587	10,395,712
Net other postemployment benefits asset	3,108,915	2,656,706	452,209
Capital assets, net	792,968,020	723,502,774	69,465,246
Total assets	1,547,466,770	1,582,826,768	(35,359,998)
Deferred outflows of resources	97,423,082	105,025,564	(7,602,482)
Liabilities			
Accounts payable and accrued liabilities	78,281,150	93,731,563	(15,450,413)
Current portion of long-term liabilities	36,582,821	43,074,387	(6,491,566)
Noncurrent portion of long-term liabilities	1,137,738,754	1,182,859,263	(45,120,509)
Total liabilities	1,252,602,725	1,319,665,213	(67,062,488)
Deferred inflows of resources	71,744,951	60,200,317	11,544,634
Net Position			
Net investment in capital assets	291,337,457	169,934,318	121,403,139
Restricted	219,457,055	259,768,685	(40,311,630)
Unrestricted deficit	(190,252,336)	(121,716,201)	(68,536,135)
Total net position	\$ 320,542,176	\$ 307,986,802	\$ 12,555,374

* Amounts have not been restated for the effects of the implementation of GASB Statement No. 101. See Note 14 for further information.

Statement of Revenues, Expenses and Changes in Net Position

Changes in total net position are presented in the Statement of Revenues, Expenses and Changes in Net Position. The purpose of this statement is to present the operating and nonoperating revenues earned, whether received or not by the District; the operating and nonoperating expense incurred, whether paid or not by the District; and any other revenues, expenses, gains and/or losses earned or incurred by the District. Thus, this statement presents the District's results of operations.

Generally, operating revenues are earned for providing goods and services to the various customers and constituencies of the District. Operating expenses are those expenses incurred to acquire or produce the goods and services provided in return for the operating revenues and to fulfill the mission of the District. Nonoperating revenues are those received or pledged for which goods and services are not provided. For example, State appropriations are nonoperating because they are provided by the legislature to the District without the legislature directly receiving commensurate goods and services for those revenues.

San Bernardino Community College District
Management's Discussion and Analysis
June 30, 2025

The Statement of Revenues, Expenses and Changes in Net Position for the years ended June 30, 2025 and June 30, 2024, is summarized below:

	2025	2024*	Change
Operating Revenues			
Tuition and fees, net	\$ 7,997,324	\$ 9,093,153	\$ (1,095,829)
Grants and contracts, noncapital	63,437,883	65,893,733	(2,455,850)
Auxiliary enterprise sales and charges	3,355,181	4,060,718	(705,537)
Total operating revenues	<u>74,790,388</u>	<u>79,047,604</u>	<u>(4,257,216)</u>
Operating Expenses			
Salaries and benefits	157,150,165	149,549,943	7,600,222
Supplies, services, equipment, and maintenance	70,750,483	61,211,898	9,538,585
Student financial aid	48,692,216	42,954,823	5,737,393
Depreciation and amortization	18,010,992	19,058,423	(1,047,431)
Total operating expenses	<u>294,603,856</u>	<u>272,775,087</u>	<u>21,828,769</u>
Operating loss	<u>(219,813,468)</u>	<u>(193,727,483)</u>	<u>(26,085,985)</u>
Nonoperating Revenues (Expenses)			
State apportionments, noncapital	80,551,686	80,134,036	417,650
Property taxes	94,153,461	98,351,417	(4,197,956)
Student financial aid grants	42,032,320	29,278,019	12,754,301
State revenues	3,770,851	6,711,091	(2,940,240)
Net interest revenue (expense)	3,379,016	4,555,059	(1,176,043)
Other nonoperating revenues	26,457,695	22,932,132	3,525,563
Total nonoperating revenues (expenses)	<u>250,345,029</u>	<u>241,961,754</u>	<u>8,383,275</u>
Other revenues and (losses)	<u>2,918,998</u>	<u>21,149,018</u>	<u>(18,230,020)</u>
Change in net position	<u>\$ 33,450,559</u>	<u>\$ 69,383,289</u>	<u>\$ (35,932,730)</u>

* Expenses for the year ended June 30, 2024 were not restated for the effects of the implementation of GASB Statement No. 101. See Note 14 for further information.

San Bernardino Community College District
Management's Discussion and Analysis
June 30, 2025

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

Year ended June 30, 2025:

	Salaries and Employee Benefits	Supplies, Material, and Other Expenses and Services	Student Financial Aid	Equipment, Maintenance, and Repairs	Depreciation and Amortization	Total
Instructional activities	\$ 61,136,414	\$ 4,081,464	\$ -	\$ 197,228	\$ -	\$ 65,415,106
Instructional administration	11,869,640	12,879,804	-	10,630	-	24,760,074
Instructional support services	9,223,945	4,226,446	-	35,593	-	13,485,984
Student services	24,342,705	4,280,234	-	35,501	-	28,658,440
Plant operations and maintenance	7,439,635	5,368,676	-	21,161	-	12,829,472
Planning, policymaking, and coordinations	5,096,400	855,337	-	8,799	-	5,960,536
Institutional support services	22,045,525	13,388,067	-	114,938	-	35,548,530
Community services	4,597,081	4,932,652	-	1,329	-	9,531,062
Ancillary services and auxiliary operations	9,910,488	8,667,000	-	160,036	-	18,737,524
Student aid	-	-	48,692,216	-	-	48,692,216
Physical property and related acquisitions	1,488,332	3,850,459	-	7,635,129	-	12,973,920
Unallocated depreciation and amortization	-	-	-	-	18,010,992	18,010,992
Total	\$ 157,150,165	\$ 62,530,139	\$ 48,692,216	\$ 8,220,344	\$ 18,010,992	\$ 294,603,856

Statement of Cash Flows

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

The Statement of Cash Flows reports cash provided by or used in the following activities:

- Operating - consists of cash receipts from enrollment fees, grants and contracts, and cash payments for salaries, benefits, supplies, utilities, and other items related to the instructional program.
- Noncapital financing - primarily State apportionment and property taxes.
- Capital financing - purchase of capital assets (land, buildings, and equipment) and bond interest payments and receipts from Federal and State grants for capital purposes, as well as property tax revenue for bond repayments.
- Investing - consists of investment activities and earnings on those investments.

San Bernardino Community College District
Management's Discussion and Analysis
June 30, 2025

The Statement of Cash Flows for the years ended June 30, 2025 and June 30, 2024, is summarized below:

	2025	2024*	Change
Net Cash Flows from			
Operating activities	\$ (219,620,831)	\$ (181,245,448)	\$ (38,375,383)
Noncapital financing activities	196,789,619	179,104,317	17,685,302
Capital financing activities	(138,283,370)	149,304,138	(287,587,508)
Investing activities	93,758,008	30,115,052	63,642,956
Change in Cash and Cash Equivalents	(67,356,574)	177,278,059	(244,634,633)
Cash and Cash Equivalents, Beginning of Year	610,537,657	433,259,598	177,278,059
Cash and Cash Equivalents, End of Year	<u>\$ 543,181,083</u>	<u>\$ 610,537,657</u>	<u>\$ (67,356,574)</u>

* Cash flows from operating activities for the year ended June 30, 2024 were not restated for the effects of the implementation of GASB Statement No. 101. See Note 14 for further information.

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2025, the District had \$1,077.1 million in capital assets, less \$284.1 million accumulated depreciation and amortization for net capital assets of \$793.0 million. The District spent approximately \$87.6 million on capital assets during the year, the majority of which relate to bond proceeds and commercial real estate investment. Depreciation and amortization charges during the year totaled \$18.0 million. Note 7 in the financial statements provides additional information on capital assets. A summary is presented below.

	2025	2024	Change
Land and construction in progress	\$ 262,376,048	\$ 210,107,550	\$ 52,268,498
Buildings and improvements, net	515,223,441	499,681,918	15,541,523
Furniture and equipment, net	10,576,807	9,430,315	1,146,492
Right-to-use leased assets, net	1,678,364	1,838,583	(160,219)
Right-to-use subscription IT assets, net	3,113,360	2,444,408	668,952
Total capital assets, net	<u>\$ 792,968,020</u>	<u>\$ 723,502,774</u>	<u>\$ 69,465,246</u>

Long-Term Liabilities Including OPEB and Pensions

As of June 30, 2025, the District had \$1,174.3 million in long-term liabilities consisting of \$1,012.1 million from general obligation bonds, \$127.0 million from aggregate net pension liability, \$0.3 million from the net OPEB liability, and \$34.9 million from other long term liabilities.

See Notes 8-11 of the financial statements for additional information regarding the long-term liabilities, including OPEB and pensions, of the District as of June 30, 2025. A summary of long-term liabilities is presented below:

	2025	2024*	Change
General obligation bonds	\$ 1,012,056,587	\$ 1,075,086,043	\$ (63,029,456)
Net OPEB liability	276,115	334,259	(58,144)
Aggregate net pension liability	126,987,462	138,672,362	(11,684,900)
SBITA and leases	4,918,475	5,694,189	(775,714)
Other liabilities	30,082,936	6,146,797	23,936,139
	<u>\$ 1,174,321,575</u>	<u>\$ 1,225,933,650</u>	<u>\$ (51,612,075)</u>
Total long-term liabilities			
	<u>\$ 36,582,821</u>	<u>\$ 43,074,387</u>	<u>\$ (6,491,566)</u>
Amount due within one year			

* Amounts have not been restated for the effects of the implementation of GASB Statement No. 101. See Note 14 for further information.

ECONOMIC FACTORS AFFECTING THE FUTURE OF SAN BERNARDINO COMMUNITY COLLEGE DISTRICT

The financial position of San Bernardino Community College District is closely tied to that of the State of California. The District receives approximately 76% of its combined general fund revenues through State apportionments and local property taxes. These two sources, along with allocations from the Education Protection Account, redevelopment allocations, and student paid enrollment fees, essentially make up the District's general apportionment, the main funding support for California community colleges.

Management continues to closely monitor the State budget information and operating costs of the District and maintains a close watch over resources to help ensure financial stability and retain reserve levels required by Board Policy and the State Chancellor's Office.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Executive Vice Chancellor at San Bernardino Community College District, 550 East Hospitality Lane, San Bernardino, California 92408.

San Bernardino Community College District
Statement of Net Position
June 30, 2025

Assets	
Cash and cash equivalents	\$ 15,502,389
Investments	644,638,932
Accounts receivable	22,931,322
Student receivables, net	2,904,864
Prepaid expenses	4,360,659
Inventories	21,610
Other assets	1,077,760
Lease receivables	59,952,299
Net other postemployment benefits (OPEB) asset - District Plan	3,108,915
Capital assets not being depreciated or amortized	262,376,048
Capital assets, net of accumulated depreciation and amortization	<u>530,591,972</u>
Total assets	<u>1,547,466,770</u>
Deferred Outflows of Resources	
Deferred outflows of resources related to debt refunding	51,966,951
Deferred outflows of resources related to OPEB	1,601,332
Deferred outflows of resources related to pensions	<u>43,854,799</u>
Total deferred outflows of resources	<u>97,423,082</u>
Liabilities	
Accounts payable	32,832,072
Accrued interest payable	12,074,306
Unearned revenue	33,374,772
Long-term liabilities	
Long-term liabilities other than OPEB and pensions, due within one year	36,582,821
Long-term liabilities other than OPEB and pensions, due in more than one year	1,010,475,177
Net OPEB liability - Medicare Premium Payment Program	276,115
Aggregate net pension liability	<u>126,987,462</u>
Total liabilities	<u>1,252,602,725</u>
Deferred Inflows of Resources	
Deferred inflows of resources related to leases	52,340,911
Deferred inflows of resources related to OPEB	5,779,990
Deferred inflows of resources related to pensions	<u>13,624,050</u>
Total deferred inflows of resources	<u>71,744,951</u>
Net Position	
Net investment in capital assets	291,337,457
Restricted for	
Debt service	55,546,696
Capital projects	16,416,484
Educational programs	20,097,614
Other activities	127,396,261
Unrestricted deficit	<u>(190,252,336)</u>
Total net position	<u>\$ 320,542,176</u>

San Bernardino Community College District
Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2025

Operating Revenues	
Tuition and fees	\$ 18,172,546
Less: scholarship discounts and allowances	<u>(10,175,222)</u>
Net tuition and fees	<u>7,997,324</u>
Grants and contracts, noncapital	
Federal	3,418,677
State	58,679,471
Local	<u>1,339,735</u>
Total grants and contracts, noncapital	<u>63,437,883</u>
Auxiliary enterprise sales and charges	
Cafeteria	583,276
Other enterprise	<u>2,771,905</u>
Total operating revenues	<u>74,790,388</u>
Operating Expenses	
Salaries	120,601,929
Employee benefits	36,548,236
Supplies, materials, and other operating expenses and services	62,530,139
Student financial aid	48,692,216
Equipment, maintenance, and repairs	8,220,344
Depreciation and amortization	<u>18,010,992</u>
Total operating expenses	<u>294,603,856</u>
Operating Loss	<u>(219,813,468)</u>
Nonoperating Revenues (Expenses)	
State apportionments, noncapital	80,551,686
Local property taxes, levied for general purposes	47,263,092
Taxes levied for other specific purposes	46,890,369
Federal and State financial aid grants	42,032,320
State taxes and other revenues	3,770,851
Investment income, net	42,846,739
Interest expense on capital related debt	(43,123,444)
Investment income on capital asset-related debt, net	3,655,721
Other nonoperating revenues	<u>26,457,695</u>
Total nonoperating revenues (expenses)	<u>250,345,029</u>
Income Before Other Revenues and (Losses)	<u>30,531,561</u>
Other Revenues and (Losses)	
State revenues, capital	3,052,743
Loss on disposal of capital assets, net	<u>(133,745)</u>
Total other revenues and (losses)	<u>2,918,998</u>
Change In Net Position	33,450,559
Net Position, Beginning of Year, as previously reported	307,986,802
Adjustment (Note 14)	(20,895,185)
Net Position, Beginning of Year, as restated	<u>287,091,617</u>
Net Position, End of Year	<u><u>\$ 320,542,176</u></u>

San Bernardino Community College District

Statement of Cash Flows

Year Ended June 30, 2025

Operating Activities	
Tuition and fees	\$ 2,228,821
Federal, state, and local grants and contracts, noncapital	59,516,354
Auxiliary sales	3,355,181
Payments to or on behalf of employees	(162,439,142)
Payments to vendors for supplies and services	(73,589,829)
Payments to students for scholarships and grants	(48,692,216)
Net cash flows from operating activities	(219,620,831)
Noncapital Financing Activities	
State apportionments	79,515,569
Federal and state financial aid grants	42,032,320
Property taxes - nondebt related	47,263,092
State taxes and other apportionments	4,219,409
Other nonoperating	23,759,229
Net cash flows from noncapital financing activities	196,789,619
Capital Financing Activities	
Purchase of capital assets	(84,221,726)
State revenue, capital	3,052,743
Property taxes - related to capital debt	46,890,369
Principal paid on capital debt	(75,545,966)
Interest paid on capital debt	(30,983,335)
Interest received on capital asset-related debt	2,524,545
Net cash flows from capital financing activities	(138,283,370)
Investing Activities	
Change in fair market value of Cash in County treasury	19,477,266
Interest received from investments	74,280,742
Net cash flows from investing activities	93,758,008
Change In Cash and Cash Equivalents	(67,356,574)
Cash and Cash Equivalents, Beginning of Year	610,537,657
Cash and Cash Equivalents, End of Year	\$ 543,181,083

San Bernardino Community College District

Statement of Cash Flows

Year Ended June 30, 2025

Reconciliation of Net Operating Loss to Net Cash Flows from Operating Activities	
Operating Loss	<u>\$ (219,813,468)</u>
Adjustments to reconcile operating loss to net cash flows from operating activities	
Depreciation and amortization expense	18,010,992
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources	
Receivables	(612,774)
Student receivables, net	(792,721)
Inventories and other assets	(1,079,503)
Prepaid expenses	(2,047,663)
Lease receivables	(10,395,712)
Net OPEB asset - District Plan	(452,209)
Deferred outflows of resources related to OPEB	569,973
Deferred outflows of resources related to pensions	3,159,659
Accounts payable	(633,489)
Unearned revenue	(8,376,460)
Claims liability	26,342
Compensated absences	3,014,612
Net OPEB liability - Medicare Premium Payment Program	(58,144)
Aggregate net pension liability	(11,684,900)
Deferred inflows of resources related to leases	10,487,635
Deferred inflows of resources related to OPEB	(651,318)
Deferred inflows of resources related to pensions	<u>1,708,317</u>
Total adjustments	<u>192,637</u>
Net cash flows from operating activities	<u><u>\$ (219,620,831)</u></u>
Cash and Cash Equivalents Consist of the Following:	
Cash on hand and in banks	\$ 15,502,389
Cash in county treasury	<u>527,678,694</u>
Total cash and cash equivalents	<u><u>\$ 543,181,083</u></u>
Noncash Transactions	
Amortization of deferred outflows of resources related to debt refunding	\$ 3,872,850
Amortization of debt premiums	\$ 2,173,954
Accretion of interest on capital appreciation bonds	\$ 11,534,498
Recognition of lease liabilities arising from obtaining right-to-use leased assets	\$ 711,064
Recognition of subscription based IT arrangement liabilities arising from obtaining right-to-use subscription IT assets	\$ 1,669,188

San Bernardino Community College District

Fiduciary Fund

Statement of Net Position

June 30, 2025

	Retiree OPEB Trust
	<hr/>
Assets	
Investments	<u>\$ 11,739,012</u>
Net Position	
Restricted for postemployment benefits other than pensions	<u>\$ 11,739,012</u>

San Bernardino Community College District

Fiduciary Fund

Statement of Changes in Net Position

Year Ended June 30, 2025

	Retiree OPEB Trust
	<u> </u>
Additions	
District contributions	\$ 473,038
Interest and investment income	473,914
Net realized and unrealized gains	<u>716,116</u>
Total additions	<u>1,663,068</u>
Deductions	
Benefit payments	473,038
Administrative expenses	<u>89,732</u>
Total deductions	<u>562,770</u>
Change in Net Position	1,100,298
Net Position - Beginning of Year	<u>10,638,714</u>
Net Position - End of Year	<u><u>\$ 11,739,012</u></u>

Note 1 - Organization

San Bernardino Community College District (the District) was established in 1926 as a political subdivision of the State of California and is a comprehensive, public, two-year institution offering educational services to residents of the surrounding area. The District operates under a locally elected seven-member Board of Trustees form of government, which establishes the policies and procedures by which the District operates. The Board must approve the annual budgets for the General Fund, special revenue funds, and capital project funds, but these budgets are managed at the department level. Currently, the District operates two colleges, a Professional Development Center, and a television and radio station located within San Bernardino County. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61. The District is classified as a Public Educational Institution under *Internal Revenue Code* Section 115 and is, therefore, exempt from Federal taxes.

Note 2 - Summary of Significant Accounting Policies**Financial Reporting Entity**

The District has adopted accounting policies to determine whether certain organizations, for which the District is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the District, as defined by accounting principles generally accepted in the United States of America and established by the Governmental Accounting Standards Board (GASB). The financial reporting entity consists of the primary government (the District), and the following component unit:

- Inland Futures Foundation

The Inland Futures Foundation is a legally separate, tax-exempt component unit of the District. The Inland Futures Foundation's primary focus is to develop resources and philanthropic support for the advancement of the economic and workforce development and student success efforts of the San Bernardino Community College District. Because of the types of activities and the restricted resources held by the Inland Futures Foundation can only be used by, or for the benefit of, the District, the Inland Futures Foundation is considered a component unit of the District with the inclusion of the statements as a blended component unit.

The District has analyzed the financial and accountability relationships with the Crafton Hills College Foundation, and the San Bernardino Valley College Foundation (the College Foundations) in conjunction with GASB Statement No. 61 criteria. The Foundations are separate, not for profit organizations, and the District does provide and receive direct benefits to and from the College Foundations. However, it has been determined that all criteria under GASB Statement No. 61 have not been met to require inclusion of the Foundations' financial statements in the District's annual report. Information on the College Foundations may be requested through each respective Foundation.

Basis of Accounting

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

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

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

Cash and Cash Equivalents

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

Investments

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

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

Accounts Receivable

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. The District has recorded an allowance for uncollectible accounts as an estimation of amounts that may not be received related to student receivables. This allowance is based upon management's estimates and analysis. The allowance was estimated at \$5,926,441 for the year ended June 30, 2025.

Prepaid Expenses

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

Inventories

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

Lease Receivables

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

Capital Assets, Depreciation, and Amortization

Capital assets are long-lived assets of the District as a whole and include land, construction in progress, buildings, building and land improvements, and equipment. The District's capitalization policy includes all items with a unit cost of \$5,000 for furniture and equipment and an estimated useful life of greater than one year. Buildings, renovations to buildings, infrastructure, and building and land improvements that cost more than \$25,000, significantly increase the value, or extend the useful life of the structure, are capitalized. Routine repair and maintenance costs are charged to operating expenses in the year in which the expense is incurred. Assets are recorded at historical cost, or estimated historical cost, when purchased or constructed. The District does not possess any infrastructure. Donated capital assets are recorded at acquisition value at the date of donation. Depreciation of equipment and vehicles, facilities, and other physical properties is provided using the straight-line method over the estimated useful lives of the respective assets, or in the case of assets acquired under capital leases, the shorter of the lease term or useful life. Costs for construction in progress are capitalized when incurred.

Depreciation is computed and recorded utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 40 to 50 years; improvements, 25 to 50 years; equipment, 5 to 10 years.

Right-to-use leased assets are recognized at the lease commencement date and represent the District's right to use an underlying asset for the lease term. Right-to-use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the leased asset into service. Right-to-use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method.

Right-to-use subscription IT assets are recognized at the subscription commencement date and represent the District's right to use the underlying IT asset for the subscription term. Right-to-use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right-to-use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method.

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 2025.

Compensated Absences

Compensated absences are accrued as a liability as the benefits are earned for leave balances that are more likely than not to be used for compensated leave or settled through cash or noncash means. The entire compensated absence liability is reported on the Statement of Net Position. Compensated absences include vacation leave and sick leave.

Sick leave is accumulated without limit for each employee based upon negotiated contracts. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are not paid for any sick leave balance at termination of employment or at any other time. Therefore, only the portion of accumulated sick leave that is more likely than not to be used by the employee for paid leave is recognized as a liability in the District's financial statements. Retirement credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive 0.004 year of service credit for each day of unused sick leave. Retirement credit for unused sick leave is applicable to all academic employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full time. The portion of sick leave that is more likely than not to be settled through conversion to service credit for employee retirement plans is not included in the District's liability for compensated absences.

Debt Premiums

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

Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

Lease Liabilities

Lease liabilities represent the District's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments is discounted based on a borrowing rate determined by the District.

Subscription-based IT Arrangements (SBITA) Liabilities

SBITA liabilities represent the District's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of the subscription payments is discounted based on a borrowing rate determined by the District.

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Unearned Revenue

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

Noncurrent Liabilities

Noncurrent liabilities include general obligation bonds payable, lease liability, subscription-based IT arrangements, compensated absences, claims liability, net OPEB liability, and the aggregate net pension liability with maturities greater than one year.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position related to net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The financial statements report \$219,457,055 of restricted net position, and the fiduciary fund financial statements report \$11,739,012 of restricted net position.

Operating and Nonoperating Revenues and Expenses

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

- **Operating revenues** - Operating revenues include activities that have the characteristics of exchange transactions such as tuition and fees, net of scholarship discounts and allowances, Federal, State, and local grants and contracts, and sales and services of auxiliary enterprises.
- **Nonoperating revenues** - Nonoperating revenues include activities that have the characteristics of nonexchange transactions such as State apportionments, property taxes, investment income, and other revenue sources defined by GASB.

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

- **Operating expenses** - Operating expenses are necessary costs to provide the services of the District and include employee salaries and benefits, supplies, operating expenses, and student financial aid.
- **Nonoperating expenses** - Nonoperating expenses include interest expense and other expenses not directly related to the services of the District.

State Apportionments

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

Property Taxes

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

The voters of the District passed General Obligation Bonds in November 2002, February 2008, and November 2018 for the acquisition, construction, and remodeling of certain District property. As a result of the passage of the Bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are assessed, billed, and collected as noted above and remitted to the District when collected.

Scholarships Discounts and Allowances

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

Financial Assistance Programs

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

Estimates

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

Interfund Activity

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

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

Adoption of New Accounting Standard

Implementation of GASB Statement No. 101

As of June 30, 2025, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. The effect of the implementation of this standard on beginning net position is disclosed in Note 14.

Implementation of GASB Statement No. 102

As of June 30, 2025, the District adopted GASB Statement No. 102, *Certain Risk Disclosures*, which requires management to evaluate whether there are risks related to a government's vulnerabilities due to certain concentrations or constraints that require disclosure. There was not a significant effect on the District's financial statements as a result of the implementation of this standard.

Note 3 - Deposits and Investments

Policies and Practices

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

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

General Authorizations

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

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

Authorized Under Debt Agreements

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

Summary of Deposits and Investments

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

	Primary Government	Fiduciary Fund
Cash on hand and in banks	\$ 14,500,839	\$ -
Cash in revolving	1,001,550	-
Investments	644,638,932	11,739,012
Total deposits and investments	<u>\$ 660,141,321</u>	<u>\$ 11,739,012</u>

Interest Rate Risk and Credit Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Information about the sensitivity of the fair values of the District's investments to interest rate risk and credit risk is provided by the following schedule that shows the distribution of the District's investment by maturity and credit rating:

Investment Type	Fair Value	Weighted Average Maturity in Days	Credit Rating
Mutual funds	\$ 128,699,250	No Maturity	Not rated
San Bernardino County investment pool	527,678,694	729	AAAf/S1
Total	<u>\$ 656,377,944</u>		

Custodial Credit Risk**Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California *Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2025, the District's bank balance of approximately \$16.1 million was fully insured or collateralized with securities, held by the pledging financial institutions trust department in the District's name.

Investments

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. As of June 30, 2025, the District's investment balance of approximately \$127.7 million was exposed to custodial credit risk because it was uninsured, unregistered and held by the brokerage firm which is also the counterparty for these securities. The District does not have a policy limiting the amount of securities that can be held by counterparties.

Note 4 - Fair Value Measurements

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

- Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.
- Level 2 - Observable inputs, other than Level 1 prices, such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.
- Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Level 1 Inputs</u>
Mutual funds	<u>\$ 128,699,250</u>	<u>\$ 128,699,250</u>

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

Note 5 - Accounts Receivable

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

	Primary Government
Federal Government	
Categorical aid	\$ 1,036,236
State Government	
Apportionment	957,056
Categorical aid	6,119,573
Lottery	539,072
Local Sources	
Interest	5,356,216
Other local sources	8,923,169
Total	<u>\$ 22,931,322</u>
Student receivables	\$ 8,831,305
Less: allowance for bad debt	<u>(5,926,441)</u>
Student receivables, net	<u>\$ 2,904,864</u>

Note 6 - Lease Receivables

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

Lease Receivables	Balance, July 1, 2024	Additions	Deductions	Balance, June 30, 2025
Leased Cellular Tower Space	\$ 8,907,131	\$ -	\$ (251,548)	\$ 8,655,583
Leased Office Space	40,649,456	13,564,214	(2,916,954)	51,296,716
Total	<u>\$ 49,556,587</u>	<u>\$ 13,564,214</u>	<u>\$ (3,168,502)</u>	<u>\$ 59,952,299</u>

Cellular Tower Space

The District leases a portion of its facilities for cellular tower antenna sites and space. These licenses are noncancelable for a period of up to 456 months. The agreements allow for 3.00% annual CPI increases to the lease payments. At termination, lessees must remove all equipment and restore the site to its original state. During the fiscal year, the District recognized \$251,548 in lease revenue and \$440,290 in interest revenue related to these agreements. At June 30, 2025, the District recorded \$8,655,583 in lease receivables and \$4,917,776 in deferred inflows of resources for these arrangements. The District used an interest rate of 5.00%, based on the rates available to finance real estate over the same time periods.

San Bernardino Community College District

Notes to Financial Statements

June 30, 2025

Office Space

The District leases a portion of its facilities for commercial office space under several lease agreements. These leases are noncancelable for a period of up to 120 months. Many of the agreements allow for 3.00% annual CPI increases to the lease payments. At termination, lessees must restore the site to its original state. During the fiscal year, the District recognized \$2,916,954 in lease revenue and \$2,074,847 in interest revenue related to these agreements. At June 30, 2025, the District recorded \$51,296,716 in lease receivables and \$47,423,135 in deferred inflows of resources for these arrangements. The District used interest rates of 4.09% to 5.00%, based on the rates available to finance real estate over the same time periods.

Note 7 - Capital Assets

Capital asset activity for the District for the year ended June 30, 2025, was as follows:

	Balance, July 1, 2024	Additions	Deductions	Balance, June 30, 2025
Capital Assets Not Being Depreciated or Amortized				
Land	\$ 25,450,084	\$ 1,952,401	\$ -	\$ 27,402,485
Construction in progress	184,657,466	82,836,420	(32,520,323)	234,973,563
Total capital assets not being depreciated or amortized	210,107,550	84,788,821	(32,520,323)	262,376,048
Capital Assets Being Depreciated and Amortized				
Land improvements	85,911,791	2,058,969	-	87,970,760
Buildings and improvements	641,560,029	27,404,416	-	668,964,445
Furniture and equipment	44,111,337	3,497,848	(744,103)	46,865,082
Right-to-use leased real property	1,279,675	-	-	1,279,675
Right-to-use leased equipment	2,570,504	711,064	(1,198,061)	2,083,507
Right-to-use subscription IT assets	6,396,418	1,669,188	(536,571)	7,529,035
Total capital assets being depreciated or amortized	781,829,754	35,341,485	(2,478,735)	814,692,504
Less Accumulated Depreciation and Amortization				
Land improvements	(75,916,505)	(1,241,468)	-	(77,157,973)
Buildings and improvements	(151,873,397)	(12,680,394)	-	(164,553,791)
Furniture and equipment	(34,681,022)	(2,349,793)	742,540	(36,288,275)
Right-to-use leased real property	(991,804)	(91,821)	-	(1,083,625)
Right-to-use leased equipment	(1,019,792)	(779,462)	1,198,061	(601,193)
Right-to-use subscription IT assets	(3,952,010)	(868,054)	404,389	(4,415,675)
Total accumulated depreciation and amortization	(268,434,530)	(18,010,992)	2,344,990	(284,100,532)
Total capital assets, net	\$ 723,502,774	\$ 102,119,314	\$ (32,654,068)	\$ 792,968,020

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

The changes in the District's long-term liabilities other than OPEB and pensions during the year ended June 30, 2025, consisted of the following:

	Balance, July 1, 2024 as Restated	Additions	Deductions	Balance, June 30, 2025	Due in One Year
General obligation bonds	\$ 1,053,218,905	\$ 11,534,498	\$ (72,390,000)	\$ 992,363,403	\$ 31,125,000
Bond premium	21,867,138	-	(2,173,954)	19,693,184	-
Compensated absences	26,353,268	3,014,612	-	29,367,880	3,208,131
Claims liability	688,714	26,342	-	715,056	-
Lease liability	2,029,425	711,064	(858,205)	1,882,284	619,833
Subscription-based IT arrangements	3,664,764	1,669,188	(2,297,761)	3,036,191	1,629,857
Total	\$ 1,107,822,214	\$ 16,955,704	\$ (77,719,920)	\$ 1,047,057,998	\$ 36,582,821

The change in compensated absences is presented as a net change.

Description of Long-Term Liabilities

Payments on the general obligation bonds are made by the bond interest and redemption fund with local property tax revenues. The claims liability will be paid by the Internal Service Fund. The lease liability will be paid from the fund for which the equipment is being used for. Subscription-based IT arrangements will be paid from the fund for which the software is being used for.

General Obligation Bonds**The San Bernardino Community College District Election of 2002**

General obligation bonds were approved by a local election in November 2002. The total amount approved by the voters was \$190,000,000. Interest rates on the bonds range from 6.02% to 6.79%. As of June 30, 2025, \$189,999,797 had been issued, and \$15,945,172 was outstanding.

The San Bernardino Community College District Election of 2008

General obligation bonds were approved by a local election in February 2008. The total amount approved by the voters was \$500,000,000. Interest rates on the bonds range from 2.00% to 7.63%. As of June 30, 2025, \$346,849,349 had been issued, and \$243,173,231 was outstanding.

The San Bernardino Community College District 2015 Refunding Bonds

In September 2015, the District issued \$55,975,000 in general obligation bonds to advance refund the 2002 Series C and a portion of 2005 Refunding Bonds. Interest rates on the bonds range from 2.00% to 5.00%. The proceeds were deposited into an escrow account to pay future principal and interest amounts on the refunded bonds. The assets and liabilities for the defeased bonds are not included on the District's financial statements. As of June 30, 2025, the outstanding balance was \$11,305,000.

The San Bernardino Community College District 2017 Refunding (Crossover) Series A Bonds

In December 2017, the District issued the 2017 General Obligation Refunding (Crossover) Series A Bonds in the amount of \$14,145,000. The bonds will be redeemed at the Crossover date of August 1, 2024; therefore, the refunding is not considered a current refunding. Interest rates on the bonds range from 4.00% to 5.00%. Amounts paid to the refunded bond escrow agent in excess of outstanding debt at the time of payment are recorded as deferred charges on refunding on the Statement of Net Position and are amortized to interest expense over the life of the liability. The net proceeds from the issuance were used to advance refund, on a crossover basis at the crossover date, a portion of the District's outstanding general obligation bonds. As of June 30, 2025, the outstanding balance was \$14,145,000.

The San Bernardino Community College District 2017 Refunding (Crossover) Series B Bonds Series

In December 2017, the District issued the 2017 General Obligation Refunding (Crossover) Series B Bonds in the amount of \$32,070,000. The bonds will be redeemed at the Crossover date of August 1, 2024; therefore, the refunding is not considered a current refunding. Interest rates on the bonds range from 4.00% to 5.00%. Amounts paid to the refunded bond escrow agent in excess of outstanding debt at the time of payment are recorded as deferred charges on refunding on the Statement of Net Position and are amortized to interest expense over the life of the liability. The net proceeds from the issuance were used to advance refund, on a crossover basis at the crossover date, a portion of the District's outstanding general obligation bonds. As of June 30, 2025, the outstanding balance was \$32,070,000.

The San Bernardino Community College District Election of 2018

General obligation bonds were approved by a local election in November 2018. The total amount approved by the voters was \$470,000,000. Interest rates on the bonds range from 1.754% to 5.00%. As of June 30, 2025, \$470,000,000 had been issued, and \$247,865,000 was outstanding.

The San Bernardino Community College District 2019 Refunding Bonds

In December 2019, the District issued the 2019 General Obligation Refunding Bonds in the amount of \$143,520,000. Interest rates on the bonds range from 1.754% to 3.121%. Amounts paid to the refunded bond escrow agent in excess of outstanding debt at the time of payment are recorded as deferred charges on refunding on the Statement of Net Position and are amortized to interest expense over the life of the liability. The net proceeds from the issuance were used to advance refund a portion of the District's outstanding 2008 Series D General Obligation bonds, a portion of the 2013 Refunding Series A bonds, and a portion of the 2015 Refunding bonds. As of June 30, 2025, the outstanding balance was \$135,370,000.

The San Bernardino Community College District 2020 Refunding Bonds

In July 2020, the District issued the 2020 General Obligation Refunding Bonds in the amount of \$129,400,000. Interest rates on the bonds range from 0.499% to 1.898%. Amounts paid to the refunded bond escrow agent in excess of outstanding debt at the time of payment are recorded as deferred charges on refunding on the Statement of Net Position and are amortized to interest expense over the life of the liability. The net proceeds from the issuance were used to advance refund a portion of the District's outstanding 2008 Series D General Obligation bonds, a portion of the 2013 Refunding Series A bonds, and a portion of the 2015 Refunding bonds. As of June 30, 2025, the outstanding balance was \$99,685,000.

The San Bernardino Community College District 2021 Refunding Bonds

In August 2021, the District issued the 2021 General Obligation Refunding Bonds in the amount of \$214,680,000. Interest rates on the bonds range from 0.225% to 2.856%. Amounts paid to the refunded bond escrow agent in excess of outstanding debt at the time of payment are recorded as deferred charges on refunding on the Statement of Net Position and are amortized to interest expense over the life of the liability. The net proceeds from the issuance were used to advance refund the remaining balance of the District's outstanding 2018 Series A General Obligation bonds. As of June 30, 2025, the outstanding balance was \$192,805,000.

General Obligation Bonds

Issue Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2024	Issued	Accreted Interest	Redeemed	Bonds Outstanding June 30, 2025
2002 D Refunding	6/9/2009	8/1/2033	6.02%-6.79%	\$ 4,999,797	\$ 14,905,156	\$ -	\$ 1,180,016	\$ (140,000)	\$ 15,945,172
2008 B	6/9/2009	8/1/2048	2.600%-7.190%	73,102,389	173,412,217	-	10,278,427	(32,240,000)	151,450,644
2008 C	6/9/2009	8/1/2044	7.430%-7.63%	45,210,000	45,210,000	-	-	-	45,210,000
2008 D	9/22/2015	8/1/2048	2.000%-5.000%	37,536,960	2,876,532	-	76,055	(420,000)	2,532,587
2008 E Refunding	12/28/2023	8/1/2049	4.125%-5.000%	51,000,000	51,000,000	-	-	(7,020,000)	43,980,000
2015 Refunding	9/22/2015	8/1/2031	2.00%-5.00%	55,975,000	11,305,000	-	-	-	11,305,000
2017 Series A Refunding	12/12/2017	8/1/2033	4.00%-5.00%	14,145,000	14,145,000	-	-	-	14,145,000
2017 Series B	12/12/2017	8/1/2034	4.00%-5.00%	32,070,000	32,070,000	-	-	-	32,070,000
2018 A-1	12/12/2019	8/1/2039	1.754-4.000%	100,000,000	81,640,000	-	-	(3,775,000)	77,865,000
2018 B Refunding	12/28/2023	8/1/2049	4.125%-5.000%	170,000,000	170,000,000	-	-	-	170,000,000
2019 Refunding	12/12/2019	8/1/2048	1.754-3.121%	143,520,000	136,730,000	-	-	(1,360,000)	135,370,000
2020 Refunding	7/7/2020	8/1/2030	0.499%-1.898%	129,400,000	119,020,000	-	-	(19,335,000)	99,685,000
2021 Refunding	8/5/2021	8/1/2049	0.225%-2.856%	214,680,000	200,905,000	-	-	(8,100,000)	192,805,000
					<u>\$1,053,218,905</u>	<u>\$ -</u>	<u>\$11,534,498</u>	<u>\$ (72,390,000)</u>	<u>\$992,363,403</u>

San Bernardino Community College District

Notes to Financial Statements

June 30, 2025

Debt Service Requirement to Maturity

The Election 2002 General Obligation Bonds mature through August 1, 2033, as follows:

<u>Fiscal Year</u>	<u>Principal (Including accreted interest to date)</u>	<u>Accreted Interest</u>	<u>Total</u>
2026	\$ 242,550	\$ 7,450	\$ 250,000
2027	328,199	31,801	360,000
2028	401,900	68,100	470,000
2029	476,446	118,554	595,000
2030	546,439	183,561	730,000
2031-2034	<u>13,949,638</u>	<u>12,395,362</u>	<u>26,345,000</u>
Total	<u>\$ 15,945,172</u>	<u>\$ 12,804,828</u>	<u>\$ 28,750,000</u>

The Election 2008 General Obligation Bonds mature through August 1, 2049, as follows:

<u>Fiscal Year</u>	<u>Principal (Including accreted interest to date)</u>	<u>Accreted Interest</u>	<u>Current Interest to Maturity</u>	<u>Total</u>
2026	\$ 3,395,470	\$ 49,530	\$ 5,273,466	\$ 8,718,466
2027	4,076,548	203,452	5,146,339	9,426,339
2028	1,643,392	386,608	5,082,591	7,112,591
2029	1,836,104	618,896	5,082,591	7,537,591
2030	1,076,183	703,817	5,082,591	6,862,591
2031-2035	3,476,638	773,362	25,245,080	29,495,080
2036-2040	88,787,028	81,237,972	23,500,625	193,525,625
2041-2045	70,839,106	146,110,894	11,677,361	228,627,361
2046-2050	<u>68,042,762</u>	<u>161,587,238</u>	<u>4,893,488</u>	<u>234,523,488</u>
Total	<u>\$ 243,173,231</u>	<u>\$ 391,671,769</u>	<u>\$ 90,984,132</u>	<u>\$ 725,829,132</u>

The Election 2018 General Obligation Bonds mature through August 1, 2049, as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Current Interest to Maturity</u>	<u>Total</u>
2026	\$ 3,855,000	\$ 10,428,673	\$ 14,283,673
2027	3,945,000	10,337,272	14,282,272
2028	4,035,000	10,238,725	14,273,725
2029	4,140,000	10,104,682	14,244,682
2030	4,305,000	9,965,055	14,270,055
2031-2035	34,395,000	46,906,402	81,301,402
2036-2040	61,450,000	37,763,039	99,213,039
2041-2045	50,470,000	25,203,967	75,673,967
2046-2050	<u>81,270,000</u>	<u>9,861,573</u>	<u>91,131,573</u>
Total	<u>\$ 247,865,000</u>	<u>\$ 170,809,388</u>	<u>\$ 418,674,388</u>

San Bernardino Community College District

Notes to Financial Statements

June 30, 2025

The General Obligation Refunding Bonds mature through August 1, 2049, as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Current Interest to Maturity</u>	<u>Total</u>
2026	\$ 23,575,000	\$ 13,023,697	\$ 36,598,697
2027	24,895,000	12,590,720	37,485,720
2028	26,550,000	12,080,870	38,630,870
2029	26,595,000	11,404,059	37,999,059
2030	29,765,000	10,630,294	40,395,294
2031-2035	146,320,000	41,279,605	187,599,605
2036-2040	20,070,000	28,163,321	48,233,321
2041-2045	78,100,000	21,562,755	99,662,755
2046-2050	109,510,000	8,139,153	117,649,153
Total	<u>\$ 485,380,000</u>	<u>\$ 158,874,474</u>	<u>\$ 644,254,474</u>

Leases

The District has entered into agreements to lease various facilities and equipment. The District's liability for lease agreements is summarized below:

<u>Leases</u>	<u>Balance, July 1, 2024</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2025</u>
Real Property	\$ 519,967	\$ -	\$ (132,617)	\$ 387,350
Equipment	1,509,458	711,064	(725,588)	1,494,934
Total	<u>\$ 2,029,425</u>	<u>\$ 711,064</u>	<u>\$ (858,205)</u>	<u>\$ 1,882,284</u>

Real Property Leases

The District entered into various agreements to lease sites and real property for periods up to 25 years, through the 2032-2033 fiscal year. Under the terms of the leases, the District pays monthly and annual payments, which increase based on a set schedule in the individual lease agreements, which amounted to principal and interest costs of \$157,493 for the 2024-2025 fiscal year. The annual interest rate charged on the leases is 5.00%.

At June 30, 2025, the District has recognized right to use assets, net of accumulated amortization, of \$196,050 and a lease liability of \$387,350 related to these agreements. During the fiscal year, the District recorded \$91,821 in amortization expense and \$24,876 in interest expense for the right to use of the properties.

Equipment Leases

The District entered into various agreements to lease copiers and other equipment for period up to 10 years, through the 2028-2029 fiscal year. Under the terms of the leases, the District pays monthly and annual payments, which increase based on a set schedule in the individual lease agreements, which amounted to principal and interest costs of \$806,341. The annual interest rates charged on the leases is between 3.82% - 5.00%. At June 30, 2025, the District has recognized right to use assets, net of accumulated amortization, of \$1,482,314 and a lease liability of \$1,494,934 related to these agreements. During the fiscal year, the District recorded \$779,462 in amortization expense and \$80,753 in interest expense for the right to use of the equipment.

The District's liability on lease agreements is summarized below:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 619,833	\$ 69,114	\$ 688,947
2027	545,333	42,814	588,147
2028	512,165	20,453	532,618
2029	95,732	7,966	103,698
2030	30,083	4,782	34,865
2031-2033	79,138	4,909	84,047
Total	<u>\$ 1,882,284</u>	<u>\$ 150,038</u>	<u>\$ 2,032,322</u>

Subscriptions-Based IT Arrangements (SBITAs)

The District entered into various SBITAs for the use of technological needs of the District and its students. At June 30, 2025, the District has recognized right-to-use subscriptions IT assets of \$3,113,360, net of accumulated amortization and SBITA liabilities of \$3,036,191 related to these agreement. During the fiscal year, the District recorded \$868,054 in amortization expense. The District is required to make total principal and interest payments of \$3,292,185 through May 2033. The subscriptions have an interest rates of 3.89 - 5.00%.

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,629,857	\$ 144,485	\$ 1,774,342
2027	671,413	65,013	736,426
2028	515,565	33,352	548,917
2029	182,963	9,537	192,500
2030	8,584	1,416	10,000
2031-2033	27,809	2,191	30,000
Total	<u>\$ 3,036,191</u>	<u>\$ 255,994</u>	<u>\$ 3,292,185</u>

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

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

OPEB Plan	Aggregate Net OPEB Asset (Liability)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	\$ 3,108,915	\$ 1,601,332	\$ 5,779,990	\$ (533,554)
Medicare Premium Payment (MPP) Program	(276,115)	-	-	(58,144)
Total	<u>\$ 2,832,800</u>	<u>\$ 1,601,332</u>	<u>\$ 5,779,990</u>	<u>\$ (591,698)</u>

The details of each plan are as follows:

District Plan**Plan Administration**

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

Management of the Plan is vested in District management. Management of the trust assets is vested with the Benefits Trust Company.

Plan Membership

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

Inactive employees or beneficiaries currently receiving benefits payments	28
Active employees	669
Total	<u>697</u>

San Bernardino Community College District Futuris Trust

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

Benefits Provided

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

Contributions

The contribution requirements of Plan members and the District are established and may be amended by the District, the California Teachers Association (CTA), the local California Service Employees Association (CSEA), and unrepresented groups. Voluntary contributions are based on projected pay-as-you-go financing requirements, and any additional amounts to prefund benefits as determined annually through the agreements with the District, CTA, CSEA, and the unrepresented groups are based on availability of funds. For the year ended June 30, 2025, the District contributed \$473,038 to the Plan, all of which was used for current year premiums.

Investments**Investment Policy**

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

The following was the governing board's adopted asset allocation policy as of June 30, 2024:

<u>Asset Class</u>	<u>Target Allocation</u>
Fixed Income	55%
Real Estate Investment Trusts	4%
Domestic Equities	22%
International Equities	19%

Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 11.38%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Asset of the District

The District's net OPEB asset of \$3,108,915 was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2023. The components of the net OPEB asset of the District at June 30, 2024, were as follows:

Total OPEB liability	\$ 7,529,799
Plan fiduciary net position	<u>(10,638,714)</u>
Net OPEB asset	<u>\$ (3,108,915)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>141.29%</u>

Actuarial Assumptions

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

Inflation	2.50%
Salary increases	2.75%, average, including inflation
Discount rate	5.60%
Investment rate of return	5.60%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rate	4.00%

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

Mortality rates were based on the 2020 CalSTRS Mortality Table for certificated employees and the 2021 CalPERS Active Mortality for Miscellaneous Employees Table for classified employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actual experience study as of June 2023.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2024, (see the discussion of the Plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Fixed Income	4.25%
Real Estate Investment Trusts	7.25%
Domestic Equities	7.25%
International Equities	7.25%

Discount Rate

The discount rate used to measure the total OPEB liability was 5.60%. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Asset

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Asset (a) - (b)
Balance, July 1, 2023	\$ 6,974,216	\$ 9,630,922	\$ (2,656,706)
Service cost	435,824	-	435,824
Interest	395,051	-	395,051
Difference between expected and actual experience	87,248	-	87,248
Contributions - employer	-	362,540	(362,540)
Investment income	-	1,089,861	(1,089,861)
Changes of assumptions	-	-	-
Benefit payments	(362,540)	(362,540)	-
Administrative expense	-	(82,069)	82,069
Net change in total OPEB liability	555,583	1,007,792	(452,209)
Balance, June 30, 2024	\$ 7,529,799	\$ 10,638,714	\$ (3,108,915)

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

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

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

Discount Rate	Net OPEB Asset
1% decrease (4.60%)	\$ 2,547,507
Current discount rate (5.60%)	3,108,915
1% increase (6.60%)	3,629,562

Sensitivity of the Net OPEB Asset to Changes in the Healthcare Cost Trend Rate

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

Healthcare Cost Trend Rate	Net OPEB Asset
1% decrease (3.00%)	\$ 3,924,395
Current healthcare cost trend rate (4.00%)	3,108,915
1% increase (5.00%)	2,157,600

Deferred Outflows/Inflows of Resources Related to OPEB

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB for the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 473,038	\$ -
Differences between expected and actual experience	79,726	5,507,332
Changes of assumptions	845,987	272,658
Net difference between projected and actual earnings on OPEB plan investments	202,581	-
Total	<u>\$ 1,601,332</u>	<u>\$ 5,779,990</u>

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ 75,081
2027	383,131
2028	(145,068)
2029	(110,563)
	<u> </u>
Total	<u>\$ 202,581</u>

The deferred outflows/(inflows) of resources related to differences between expected and actual experience in the measurement of the total OPEB liability and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits as of the beginning of the measurement period. The EARSL for the measurement period is 11.6 years and will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (529,473)
2027	(529,473)
2028	(529,473)
2029	(529,473)
2030	(529,473)
Thereafter	(2,206,912)
	<u> </u>
Total	<u>\$ (4,854,277)</u>

Medicare Premium Payment (MPP) Program

Plan Description

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

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/forms-publications>.

Benefits Provided

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

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

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

Net OPEB Liability and OPEB Expense

At June 30, 2025, the District reported a liability of \$276,115 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating entities, actuarially determined. The District's proportionate share for the measurement period June 30, 2024 and June 30, 2023, was 0.1036% and 0.1102%, respectively, resulting in a net decrease in the proportionate share of 0.0066%.

For the year ended June 30, 2025, the District recognized OPEB expense of \$(58,144).

Actuarial Methods and Assumptions

The June 30, 2024 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023, and rolling forward the total OPEB liability to June 30, 2024, using the assumptions listed in the following table:

Measurement Date	June 30, 2024
Valuation Date	June 30, 2023
Experience Study	July 1, 2007 through June 30, 2022
Actuarial Cost Method	Entry age normal
Investment Rate of Return	3.93%
Medicare Part A Premium Cost Trend Rate	5.00%
Medicare Part B Premium Cost Trend Rate	6.50%

For the valuation as of June 30, 2023, CalSTRS uses a generational mortality assumption, which is based off generational mortality tables that reflect expected future improvements in mortality and includes a base table and a projection table. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among members. The projection table reflects the expected annual reduction in mortality rates at each age. The current mortality assumption uses a base year of 2023, and projected improvement is based on the MP-2021 Ultimate Projection Scale.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 154 or an average of 0.12% of the potentially eligible population (132,333).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2024, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

As the MPP Program is funded on a pay-as-you-go basis, the OPEB plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, the MPP Program used the Bond Buyer's 20-Bond GO Index from Bondbuyer.com as of June 30, 2024, as the discount rate, which was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate as of June 30, 2024, was 3.93%, which is an increase of 0.28% from 3.65% as of June 30, 2023.

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

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

Discount Rate	Net OPEB Liability
1% decrease (2.93%)	\$ 297,921
Current discount rate (3.93%)	276,115
1% increase (4.93%)	256,940

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

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

Medicare Costs Trend Rates	Net OPEB Liability
1% decrease (4.00% Part A and 5.50% Part B)	\$ 255,791
Current Medicare costs trend rates (5.00% Part A and 6.50% Part B)	276,115
1% increase (6.00% Part A and 7.50% Part B)	298,806

Note 10 - Risk Management

Property and Liability Insurance Coverages

The District is exposed to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year ended June 30, 2025, the District contracted with the Statewide Association for Excess Risks (SAFER) for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2024-2025, the District participated in the Schools Alliance for Workers' Compensation Excess (SAWCX II) Joint Powers Authority (JPA), an insurance purchasing pool. The District is self-insured for the first \$500,000 of each workers' compensation claim. The intent of the JPA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the JPA. The workers' compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in the JPA. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated, and each participant's individual performance is compared to the overall saving. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the JPA. Participation in the JPA is limited to K-12 and community college districts that can meet the JPA's selection criteria.

Insurance Program / Company Name	Type of Coverage	Limits
Schools Alliance for Workers' Compensation Excess (SAWCX II)	Excess Workers' Compensation	\$ 50,500,000
Schools Association for Excess Risk (SAFER)	Property	\$ 250,000,000
Schools Association for Excess Risk (SAFER)	Liability	\$ 25,000,000

Claims Liabilities

The District establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represents the changes in approximate liabilities for the District from July 1, 2023 to June 30, 2025:

	Workers' Compensation
Liability Balance, July 1, 2023	\$ 2,194,047
Claims and changes in estimates	(945,460)
Claims payments	(559,873)
Liability Balance, June 30, 2024	688,714
Claims and changes in estimates	438,565
Claims payments	(412,223)
Liability Balance, June 30, 2025	\$ 715,056
Assets available to pay claims at June 30, 2025	\$ 7,262,678

Note 11 - Employee Retirement Systems

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

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

Pension Plan	Aggregate Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	\$ 47,692,236	\$ 19,670,383	\$ 10,382,666	\$ 4,961,810
CalPERS	79,295,226	24,184,416	3,241,384	11,662,658
Total	\$ 126,987,462	\$ 43,854,799	\$ 13,624,050	\$ 16,624,468

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)**Plan Description**

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/forms-publications>.

Benefits Provided

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

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

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

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

Hire date	On or before December 31, 2012	On or after January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	19.10%	19.10%
Required State contribution rate	10.828%	10.828%

Contributions

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and are detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with California Assembly Bill 1469, employer contributions into the CalSTRS will be increasing to a total of 19.10% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2025, are presented above, and the District's total contributions were \$10,737,576.

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

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

Total net pension liability, including State share:

District's proportionate share of net pension liability	\$ 47,692,236
State's proportionate share of net pension liability associated with the District	<u>21,881,362</u>
Total	<u><u>\$ 69,573,598</u></u>

The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating member districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2024 and June 30, 2023, was 0.0710% and 0.0745%, respectively, resulting in a net decrease in the proportionate share of 0.0035%.

For the year ended June 30, 2025, the District recognized pension expense of \$4,961,810. In addition, the District recognized pension expense and revenue of \$1,992,042 for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 10,737,576	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	3,329,433	4,847,462
Differences between projected and actual earnings on pension plan investments	-	192,436
Differences between expected and actual experience in the measurement of the total pension liability	5,394,606	2,085,554
Changes of assumptions	<u>208,768</u>	<u>3,257,214</u>
Total	<u><u>\$ 19,670,383</u></u>	<u><u>\$ 10,382,666</u></u>

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (3,197,152)
2027	3,850,559
2028	(314,158)
2029	(531,685)
Total	<u>\$ (192,436)</u>

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ 338,510
2027	(339,770)
2028	(933,722)
2029	(286,547)
2030	465,319
Thereafter	(501,213)
Total	<u>\$ (1,257,423)</u>

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2024 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. The assumed asset allocation and best estimates of the expected rates of return for each major asset class for the year ended June 30, 2024, 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%

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	\$ 84,828,882
Current discount rate (7.10%)	47,692,236
1% increase (8.10%)	16,681,596

California Public Employees' Retirement System (CalPERS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023, 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-publication>.

Benefits Provided

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

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

	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	8.00%
Required employer contribution rate	27.05%	27.05%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2025, are presented above, and the total District contributions were \$12,703,816.

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

As of June 30, 2025, the District reported a net pension liability for its proportionate share of the CalPERS net pension liability totaling \$79,295,226. The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2024 and June 30, 2023, was 0.2219% and 0.2264%, respectively, resulting in a net decrease in the proportionate share of 0.0045%.

San Bernardino Community College District

Notes to Financial Statements

June 30, 2025

For the year ended June 30, 2025, the District recognized pension expense of \$11,662,658. At June 30, 2025, the District reported deferred outflows of resources, and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 12,703,816	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	-	2,673,871
Differences between projected and actual earnings on pension plan investments	3,080,162	-
Differences between expected and actual experience in the measurement of the total pension liability	6,647,746	567,513
Changes of assumptions	<u>1,752,692</u>	<u>-</u>
Total	<u>\$ 24,184,416</u>	<u>\$ 3,241,384</u>

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (26,553)
2027	4,788,951
2028	(707,626)
2029	<u>(974,610)</u>
Total	<u>\$ 3,080,162</u>

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and the District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.9 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ 2,185,978
2027	1,775,694
2028	<u>1,197,382</u>
Total	<u><u>\$ 5,159,054</u></u>

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023, and rolling forward the total pension liability to June 30, 2024. The financial reporting actuarial valuation as of June 30, 2023, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	6.90%
Investment rate of return	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and service

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

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

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity - cap-weighted	30%	4.54%
Global equity - non-cap-weighted	12%	3.84%
Private equity	13%	7.28%
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%)

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the SEP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on the School Employer Pool investments was applied to all periods of projected benefit payments to determine total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (5.90%)	\$ 117,793,720
Current discount rate (6.90%)	79,295,226
1% increase (7.90%)	47,492,405

CalSTRS/CalPERS Irrevocable Trust

During the 2017-2018 fiscal year, the District established an IRS Section 115 irrevocable trust through Public Agency Retirement Services (PARS) for the purpose of funding future employer contributions associated with the CalSTRS and CalPERS pension plans. Funds deposited into this trust are not considered “plan assets” for GASB Statement No. 68 reporting; therefore, the balance of the irrevocable trust is not netted against the net pension liability shown on the Statement of Net Position. The balance and activity of the trust is recorded as a special revenue fund of the District. As of June 30, 2025, the balance of the trust was \$116,583,766.

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$4,418,308 (10.828% of annual payroll). Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Note 12 - Participation in Public Entity Risk Pools and Joint Powers Authorities

The District is a member of several JPAs. The relationship between the District and the JPAs is such that they are not considered component units of the District for financial reporting purposes. The following is summary of these arrangements:

Schools Association for Excess Risk (SAFER)

SAFER’s excess property and liability insurance program was established in 2002 to meet the needs of California K-12 schools and community college districts. The program provides their members with comprehensive coverage and competitive rates. SAFER’s membership consists of one individual member district and three joint powers authority members, which represent approximately 500 school and college districts. A board comprised of two representatives from each member with an average daily attendance (ADA) of over 100,000, or one representative for ADAs with less than 100,000, governs SAFER. Each member is allowed votes based on a weighted system based on ADA.

Statewide Association of Community Colleges (SWACC)

SWACC arranges for and provides the broadest possible property and liability protection available to school districts. SWACC’s membership consists of community college districts and two joint powers authority members. A board comprised of one representative from each member governs SWACC. Each member is allowed votes based on a weighted system based on ADA. The board controls the operations of SWACC and elects officers from its members.

Schools Alliance for Workers' Compensation Excess II Self Joint Powers Authority (SAWCX II)

SAWCX II arranges for and provides services necessary for members to establish, operate, and maintain a joint program of workers' compensation protection. SAWCX II membership consists of various educational districts and JPAs statewide. A board comprised of one representative from each member governs SAWCX II.

California Community College Financing Authority (CCCFA)

CCCFA provides short-term financing for members. A board of 16 elected voting members, elected alternates, and two ex-officio members governs CCCFA. Membership consists of community college districts throughout California. A board comprised of one representative from each member governs CCCFA.

San Bernardino Regional Emergency Training Center (SBRETC)

SBRETC was formed to establish a live-fire aircraft, rescue, and fire-fighting training facility in Southern California.

Membership consists of the San Bernardino County Consolidated Fire District, the City of San Bernardino, and the San Bernardino Community College District. The governing board is comprised of representatives from each member agency.

Note 13 - Commitments and Contingencies**Grants**

The District receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2025.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2025.

Construction Commitments

As of June 30, 2025, the District had approximately \$325.0 million in commitments with respect to unfinished capital projects. The projects are funded through a combination of general obligation bonds and capital project apportionments from the California Community Colleges Chancellor's Office.

Note 14 - Restatement

Change in Accounting Principle

As of June 30, 2025, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. Therefore, the current and noncurrent portions of compensated absences were increased by \$3,784,015 and \$17,111,170, respectively, as of July 1, 2024. The effect of this change in accounting principle is described in the following table:

Primary Government	
Net Position - Beginning, as previously reported on July 1, 2024	\$ 307,986,802
Change in accounting principle - adoption of GASB Statement No. 101	<u>(20,895,185)</u>
Net Position - Beginning, as restated on July 1, 2024	<u><u>\$ 287,091,617</u></u>

Note 15 - Subsequent Events

On August 12, 2025, the District issued 2008 Election, Series F General Obligation Bonds in the amount of \$153,146,339.05. The Bond mature through August 1, 2050 at interest rates of 5.00-5.53%. The proceeds from the issuance will be used for to fiancé the acquisition, construction, modernization and equipping of District sites and facilities.

On August 12, 2025, the District issued 2025 General Obligation Refunding Bonds in the amount of \$12,620,000. The Bond mature through August 1, 2028 at an interest rate of 5.00%. The proceeds from the issuance will be used to refinance portions of the District's outstanding 2015 General Obligation Refunding Bonds and Election of 2008 General Obligation Bonds, Series D.

Required Supplementary Information
June 30, 2025

San Bernardino Community College District

San Bernardino Community College District
Schedule of Changes in the District's Net OPEB Liability/(Asset) and Related Ratios
Year Ended June 30, 2025

	2025	2024	2023	2022
Total OPEB Liability				
Service cost	\$ 435,824	\$ 477,515	\$ 464,735	\$ 884,599
Interest	395,051	438,026	407,067	615,762
Difference between expected and actual experience	87,248	(1,207,510)	(9,735)	(3,925,252)
Changes of assumptions	-	(198,059)	-	(153,597)
Benefit payments	(362,540)	(295,647)	(287,475)	(621,671)
Net change in total OPEB liability	555,583	(785,675)	574,592	(3,200,159)
Total OPEB Liability - Beginning	6,974,216	7,759,891	7,185,299	10,385,458
Total OPEB Liability - Ending (a)	<u>\$ 7,529,799</u>	<u>\$ 6,974,216</u>	<u>\$ 7,759,891</u>	<u>\$ 7,185,299</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 362,540	\$ 295,647	\$ 287,475	\$ 621,671
Expected investment income	1,089,861	676,179	(2,019,559)	2,073,272
Differences between projected and actual earnings on OPEB plan investments	-	-	-	-
Benefit payments	(362,540)	(295,647)	(287,475)	(621,671)
Administrative expense	(82,069)	(78,703)	(88,706)	(84,999)
Net change in plan fiduciary net position	1,007,792	597,476	(2,108,265)	1,988,273
Plan Fiduciary Net Position - Beginning	9,630,922	9,033,446	11,141,711	9,153,438
Plan Fiduciary Net Position - Ending (b)	<u>\$ 10,638,714</u>	<u>\$ 9,630,922</u>	<u>\$ 9,033,446</u>	<u>\$ 11,141,711</u>
Net OPEB Liability (Asset) - Ending (a) - (b)	<u>\$ (3,108,915)</u>	<u>\$ (2,656,706)</u>	<u>\$ (1,273,555)</u>	<u>\$ (3,956,412)</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	<u>141.29%</u>	<u>138.09%</u>	<u>116.41%</u>	<u>155.06%</u>
Covered Payroll	<u>\$ 94,365,387</u>	<u>\$ 88,419,993</u>	<u>\$ 80,987,699</u>	<u>\$ 79,049,841</u>
Net OPEB Liability (Asset) as a Percentage of Covered Payroll	<u>(3.29%)</u>	<u>(3.00%)</u>	<u>(1.57%)</u>	<u>(5.00%)</u>
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021

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

San Bernardino Community College District
Schedule of Changes in the District's Net OPEB Liability/(Asset) and Related Ratios
Year Ended June 30, 2025

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 860,924	\$ 693,805	\$ 666,828	\$ 624,455
Interest	568,995	611,659	424,414	519,126
Difference between expected and actual experience	(88,144)	(3,016,752)	-	-
Changes of assumptions	-	1,531,925	-	-
Benefit payments	(592,667)	(287,288)	(287,288)	(386,897)
Net change in total OPEB liability	749,108	(466,651)	803,954	756,684
Total OPEB Liability - Beginning	9,636,350	10,103,001	9,299,047	8,542,363
Total OPEB Liability - Ending (a)	<u>\$ 10,385,458</u>	<u>\$ 9,636,350</u>	<u>\$ 10,103,001</u>	<u>\$ 9,299,047</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 592,667	\$ 287,288	\$ 436,390	\$ 386,897
Expected investment income	512,969	504,803	479,953	749,118
Differences between projected and actual earnings on OPEB plan investments	(89,857)	(74,185)	7,754	-
Benefit payments	(592,667)	(287,288)	(436,390)	(386,897)
Administrative expense	(76,755)	(73,825)	(73,272)	(68,535)
Net change in plan fiduciary net position	346,357	356,793	414,435	680,583
Plan Fiduciary Net Position - Beginning	8,807,081	8,450,288	8,035,853	7,355,270
Plan Fiduciary Net Position - Ending (b)	<u>\$ 9,153,438</u>	<u>\$ 8,807,081</u>	<u>\$ 8,450,288</u>	<u>\$ 8,035,853</u>
Net OPEB Liability (Asset) - Ending (a) - (b)	<u>\$ 1,232,020</u>	<u>\$ 829,269</u>	<u>\$ 1,652,713</u>	<u>\$ 1,263,194</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	88.14%	91.39%	83.64%	86.42%
Covered Payroll	<u>\$ 81,963,320</u>	<u>\$ 76,221,687</u>	<u>\$ 67,303,034</u>	<u>\$ 62,292,241</u>
Net OPEB Liability (Asset) as a Percentage of Covered Payroll	1.50%	1.09%	2.46%	2.03%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

San Bernardino Community College District
Schedule of OPEB Investment Returns
Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Annual money-weighted rate of return, net of investment expense	<u>11.38%</u>	<u>6.74%</u>	<u>(18.27%)</u>	<u>22.25%</u>
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expense	<u>4.58%</u>	<u>5.12%</u>	<u>4.22%</u>	<u>9.90%</u>
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

San Bernardino Community College District
Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program
Year Ended June 30, 2025

Year ended June 30,	2025	2024	2023	2022
Proportion of the net OPEB liability	0.1036%	0.1102%	0.1092%	0.1160%
Proportionate share of the net OPEB liability	\$ 276,115	\$ 334,259	\$ 359,724	\$ 462,640
Covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Plan fiduciary net position as a percentage of the total OPEB liability	(1.02%)	(0.96%)	(0.94%)	(0.80%)
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Year ended June 30,	2021	2020	2019	2018
Proportion of the net OPEB liability	0.1369%	0.1306%	0.1198%	0.1200%
Proportionate share of the net OPEB liability	\$ 580,056	\$ 486,224	\$ 458,578	\$ 504,754
Covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Plan fiduciary net position as a percentage of the total OPEB liability	(0.71%)	(0.81%)	(0.40%)	0.01%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

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

San Bernardino Community College District
Schedule of the District's Proportionate Share of the Net Pension Liability
Year Ended June 30, 2025

	2025	2024	2023	2022	2021
CalSTRS					
Proportion of the net pension liability	0.0710%	0.0745%	0.0728%	0.0772%	0.0786%
Proportionate share of the net pension liability	\$ 47,692,236	\$ 56,720,629	\$ 50,559,989	\$ 35,115,598	\$ 76,124,802
State's proportionate share of the net pension liability associated with the District	21,881,362	27,176,448	25,320,245	17,668,807	39,242,344
Total	\$ 69,573,598	\$ 83,897,077	\$ 75,880,234	\$ 52,784,405	\$ 115,367,146
Covered payroll	\$ 50,182,220	\$ 47,557,963	\$ 44,303,806	\$ 43,334,372	\$ 45,474,871
Proportionate share of the net pension liability as a percentage of its covered payroll	95.04%	119.27%	114.12%	81.03%	167.40%
Plan fiduciary net position as a percentage of the total pension liability	84%	81%	81%	87%	72%
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
CalPERS					
Proportion of the net pension liability	0.2219%	0.2264%	0.2343%	0.2482%	0.2527%
Proportionate share of the net pension liability	\$ 79,295,226	\$ 81,951,733	\$ 80,620,049	\$ 50,462,506	\$ 77,523,785
Covered payroll	\$ 44,183,167	\$ 40,862,030	\$ 36,683,893	\$ 35,715,469	\$ 36,488,449
Proportionate share of the net pension liability as a percentage of its covered payroll	179.47%	200.56%	219.77%	141.29%	212.46%
Plan fiduciary net position as a percentage of the total pension liability	72%	70%	70%	81%	70%
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020

San Bernardino Community College District
Schedule of the District's Proportionate Share of the Net Pension Liability
Year Ended June 30, 2025

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
CalSTRS					
Proportion of the net pension liability	<u>0.0738%</u>	<u>0.0667%</u>	<u>0.0663%</u>	<u>0.0682%</u>	<u>0.0779%</u>
Proportionate share of the net pension liability	<u>\$ 66,659,738</u>	<u>\$ 61,345,890</u>	<u>\$ 61,286,649</u>	<u>\$ 55,196,567</u>	<u>\$ 52,472,482</u>
State's proportionate share of the net pension liability associated with the District	<u>36,367,337</u>	<u>35,123,391</u>	<u>36,256,664</u>	<u>31,422,421</u>	<u>27,752,159</u>
Total	<u>\$ 103,027,075</u>	<u>\$ 96,469,281</u>	<u>\$ 97,543,313</u>	<u>\$ 86,618,988</u>	<u>\$ 80,224,641</u>
Covered payroll	<u>\$ 41,214,318</u>	<u>\$ 37,332,356</u>	<u>\$ 35,577,170</u>	<u>\$ 34,885,918</u>	<u>\$ 33,717,601</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>161.74%</u>	<u>164.32%</u>	<u>172.26%</u>	<u>158.22%</u>	<u>155.62%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>73%</u>	<u>71%</u>	<u>69%</u>	<u>70%</u>	<u>74%</u>
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
CalPERS					
Proportion of the net pension liability	<u>0.2439%</u>	<u>0.2252%</u>	<u>0.2131%</u>	<u>0.2204%</u>	<u>0.1032%</u>
Proportionate share of the net pension liability	<u>\$ 71,082,778</u>	<u>\$ 60,052,342</u>	<u>\$ 50,863,523</u>	<u>\$ 21,155,192</u>	<u>\$ 32,474,152</u>
Covered payroll	<u>\$ 35,007,369</u>	<u>\$ 29,970,678</u>	<u>\$ 26,715,071</u>	<u>\$ 27,478,113</u>	<u>\$ 24,617,297</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>203.05%</u>	<u>200.37%</u>	<u>190.39%</u>	<u>76.99%</u>	<u>131.92%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>70%</u>	<u>71%</u>	<u>72%</u>	<u>74%</u>	<u>79%</u>
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015

San Bernardino Community College District
Schedule of the District Contributions for Pensions
Year Ended June 30, 2025

	2025	2024	2023	2022	2021
CalSTRS					
Contractually required contribution	\$ 10,737,576	\$ 9,584,804	\$ 9,083,571	\$ 7,496,204	\$ 6,998,501
Contributions in relation to the contractually required contribution	<u>(10,737,576)</u>	<u>(9,584,804)</u>	<u>(9,083,571)</u>	<u>(7,496,204)</u>	<u>(6,998,501)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 56,217,675</u>	<u>\$ 50,182,220</u>	<u>\$ 47,557,963</u>	<u>\$ 44,303,806</u>	<u>\$ 43,334,372</u>
Contributions as a percentage of covered payroll	<u>19.10%</u>	<u>19.10%</u>	<u>19.10%</u>	<u>16.92%</u>	<u>16.15%</u>
CalPERS					
Contractually required contribution	\$ 12,703,816	\$ 11,788,069	\$ 10,366,697	\$ 8,404,280	\$ 7,393,102
Contributions in relation to the contractually required contribution	<u>(12,703,816)</u>	<u>(11,788,069)</u>	<u>(10,366,697)</u>	<u>(8,404,280)</u>	<u>(7,393,102)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 46,964,200</u>	<u>\$ 44,183,167</u>	<u>\$ 40,862,030</u>	<u>\$ 36,683,893</u>	<u>\$ 35,715,469</u>
Contributions as a percentage of covered payroll	<u>27.050%</u>	<u>26.680%</u>	<u>25.370%</u>	<u>22.910%</u>	<u>20.700%</u>

San Bernardino Community College District
Schedule of the District Contributions for Pensions
Year Ended June 30, 2025

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
CalSTRS					
Contractually required contribution	\$ 7,776,203	\$ 6,709,691	\$ 5,387,059	\$ 4,475,608	\$ 3,743,259
Contributions in relation to the contractually required contribution	<u>(7,776,203)</u>	<u>(6,709,691)</u>	<u>(5,387,059)</u>	<u>(4,475,608)</u>	<u>(3,743,259)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 45,474,871</u>	<u>\$ 41,214,318</u>	<u>\$ 37,332,356</u>	<u>\$ 35,577,170</u>	<u>\$ 34,885,918</u>
Contributions as a percentage of covered payroll	<u>17.10%</u>	<u>16.28%</u>	<u>14.43%</u>	<u>12.58%</u>	<u>10.73%</u>
CalPERS					
Contractually required contribution	\$ 7,195,887	\$ 6,323,031	\$ 4,654,746	\$ 3,710,189	\$ 3,255,332
Contributions in relation to the contractually required contribution	<u>(7,195,887)</u>	<u>(6,323,031)</u>	<u>(4,654,746)</u>	<u>(3,710,189)</u>	<u>(3,255,332)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 36,488,449</u>	<u>\$ 35,007,369</u>	<u>\$ 29,970,678</u>	<u>\$ 26,715,071</u>	<u>\$ 27,478,113</u>
Contributions as a percentage of covered payroll	<u>19.721%</u>	<u>18.062%</u>	<u>15.531%</u>	<u>13.888%</u>	<u>11.847%</u>

Note 1 - Purpose of Schedules**Schedule of Changes in the District's Net OPEB Liability/(Asset) and Related Ratios**

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

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

Schedule of OPEB Investment Returns

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

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

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

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – The plan rate of investment return assumption was changed from 3.65% to 3.93% since the previous valuation. The Medicare Part A premium cost trend rate assumption was changed from 4.50% to 5.00%, while the Medicare Part B premium cost trend rate assumption was changed from 5.40% to 6.50% since the previous valuation.

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

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net positions and, when applicable, the State's proportionate share of the NPL associated with the District.

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

Schedule of the District's Contributions for Pensions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution.

Supplementary Information
June 30, 2025

San Bernardino Community College District

San Bernardino Community College District was established in 1926 and is located in San Bernardino County. There were no changes in the boundaries of the District during the current year. The District's colleges are accredited by the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges, which is one of six regional associations that accredit public and private schools, colleges, and universities in the United States.

Board of Trustees as of June 30, 2025

Member	Office	Term Expires
Dr. Nathan Gonzales	Chair	2026
Joseph Williams	Vice Chair	2026
Dr. Cherina Betters	Clerk	2028
Carlos Aguilera	Trustee	2028
Dr. Stephanie Houston	Trustee	2026
John Longville	Trustee	2028
Frank Reyes	Trustee	2028
Jazmyn Garcia	Student Trustee, CHC	2026
Christian Espinoza	Student Trustee, SBVC	2026

Administration as of June 30, 2025

Dr. Diana Rodriguez	Chancellor
Dr. Gilbert Contreras	President - San Bernardino Valley College
Dr. Kevin Horan	President - Crafton Hills College

Auxiliary Organizations in Good Standing

Crafton Hills College Foundation, established 1987
 Master Agreement signed 2019
 Michelle Riggs, Director, Institutional Advancement

San Bernardino Valley College Foundation, established 1973
 Master Agreement signed 2019
 Michael Layne, Development Director

Inland Futures Foundation, established 2013
 Master Agreement signed 2019
 Jose Torres, Executive Vice Chancellor

San Bernardino Community College District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Student Financial Assistance Cluster			
Federal Pell Grant Program	84.063		\$ 30,944,095
Federal Pell Grant Program - Administrative Allowance	84.063		34,960
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		665,625
FSEOG - Administrative Allowance	84.007		33,431
Federal Direct Student Loans	84.268		487,760
Federal Work-Study Program	84.033		532,310
Federal Work-Study Program - Administrative Allowance	84.033		26,616
Subtotal Student Financial Assistance Cluster			<u>32,724,797</u>
TRIO Cluster			
TRIO Student Support Services	84.042A		187,001
Subtotal TRIO Cluster			<u>187,001</u>
Congressionally Funded Community Projects	84.116Z		133,735
Passed through California Community Colleges Chancellor's Office			
Career and Technical Education Act (CTEA), Title I, Part C	84.048A	24-C01-009	721,714
Passed through State of California Department of Rehabilitation			
Workability III Program	84.126A	31962	89,954
Passed through University Enterprises Corporation at			
CSU San Bernardino			
Pathway To Success: Creating Opportunities In The			
Arts And Humanities	84.031S	SA 22150	21,380
Total U.S. Department of Education			<u>33,878,581</u>
U.S. Department of Commerce			
Economic Development Cluster			
Public Works and Economic Development Facilities Program	11.300		57,609
Subtotal Economic Development Cluster			<u>57,609</u>
Passed through California Manufacturers and Technology Consulting (CMTc)			
Manufacturing Extension Partnership	11.611	70NANB21H146	277,887
Total U.S. Department of Commerce			<u>335,496</u>
U.S. Department of Agriculture			
Forest Service Schools and Roads Cluster			
Passed through San Bernardino Superintendent of Schools			
Forest Reserve	10.665	[1]	218,913
Subtotal Forest Service Schools and Roads Cluster			<u>218,913</u>
Passed through California Department of Social Services			
Child and Adult Care Food Program	10.558	04375-CACFP- 36-CC-CS	200,860
SNAP Cluster			
Passed through Foundation for California Community Colleges			
State Administrative Matching Grants for the Supplemental			
Nutrition Assistance Program	10.561	00008077	30,245
Passed through California State University, Chico			
State Administrative Matching Grants for the Supplemental			
Nutrition Assistance Program	10.561	A22-0055-S035	44,122
Subtotal SNAP Cluster			<u>74,367</u>
Total U.S. Department of Agriculture			<u>494,140</u>

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

San Bernardino Community College District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Transportation Aviation Maintenance Technical Workforce Grant Program	20.112		\$ 172,939
U.S. Department of the Treasury Passed through California Community Colleges Chancellor's Office COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	[1]	3,180
U.S. Department of Health and Human Services Passed through California Community Colleges Chancellor's Office Temporary Assistance for Needy Families (TANF)	93.558	[1]	112,064
Foster and Kinship Care Education	93.658	[1]	39,205
Child Care and Development Fund (CCDF) Cluster Passed through California Department of Social Services Child Care and Development Block Grant	93.575	24568	42,265
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	25136	452,210
Passed through Yosemite CCD Child Development Consortium Child Care and Development Block Grant	93.575	24-25-2500SBVC	22,739
Subtotal CCDF Cluster			517,214
Total U.S. Department of Health and Human Services			668,483
Total Federal Financial Assistance			\$ 35,552,819

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

San Bernardino Community College District

Schedule of Expenditures of State Awards

Year Ended June 30, 2025

Program	Program Revenues				Program Expenditures
	Cash Received	Accounts Receivable	Unearned Revenue/ Accounts Payable	Total Revenue	
3C Media Solutions	\$ 5,775	\$ -	\$ 5,775	\$ -	\$ -
A2MEND African American Male Education	39,689	-	35,020	4,669	4,669
AB104 Adult Education Block Grant	1,867,995	-	-	1,867,995	1,867,995
AB798 Textbook Affordability	25,435	-	25,435	-	-
Alternate Text Production Center	766,103	524,295	-	1,290,398	1,290,398
Apprenticeship Pathways Demo	72,940	-	4,131	68,809	68,809
Back 2 Work Program	635,038	-	187,367	447,671	447,671
Basic Needs Centers & Staffing	1,565,206	-	946,434	618,772	618,772
Block Grant FY-98	948,223	-	-	948,223	948,223
Cal Ed Learning Lab	47,671	-	47,629	42	42
Cal Grant B	3,866,938	-	9,932	3,857,006	3,857,006
Caleitc Grant - Foundation CCC	8,800	-	8,800	-	-
CalFresh Outreach	26,015	-	3,347	22,668	22,668
California College Promise	3,738,277	-	1,690,223	2,048,054	2,048,054
California Space Grant	10,200	-	5,402	4,798	4,798
Californians For All College Corps	(31,863)	1,008,679	-	976,816	976,816
Caltrans-Parolee Workcrew 7/16	1,079,300	-	267,368	811,932	811,932
CalWorks	1,012,860	-	226,002	786,858	786,858
Campus Safety & Sexual Assault	24,844	-	24,109	735	735
CCAP Instructional Materials For Dual Enrollment	12,210	-	12,210	-	-
CCC Equitable Placement & Comp	1,156,733	-	864,835	291,898	291,898
CDC AB 131 Stipends	34,904	-	9,493	25,411	25,411
CDC Quality Start San Bernardino	7,431	-	-	7,431	7,431
CDE Cost Of Care	509,441	-	250,780	258,661	258,661
CDSS Cost Of Care	150,701	-	65,532	85,169	85,169
Certified Nurse Assistant Pgm	103,495	-	102,081	1,414	1,414
Child Care Food Program	7,939	1,832	-	9,771	9,771
Child Development	1,043,519	72,500	-	1,116,019	1,116,019
Classified Professional	26,970	-	4,999	21,971	21,971

San Bernardino Community College District

Schedule of Expenditures of State Awards

Year Ended June 30, 2025

Program	Program Revenues				Program Expenditures
	Cash Received	Accounts Receivable	Unearned Revenue/ Accounts Payable	Total Revenue	
College Rapid Rehousing	\$ 1,936,724	\$ -	\$ 1,540,396	\$ 396,328	\$ 396,328
Common Course Numbering Implementation Allocations	1,826,086	-	1,789,380	36,706	36,706
CTE Data Unlocked Initiative	27,795	-	27,795	-	-
Culturally Competent Faculty PD	99,356	-	99,356	-	-
Dream Resource Liaison	241,829	-	12,573	229,256	229,256
Dreamer Students	37,590	-	37,590	-	-
E.O.P.S.	3,659,773	-	516,702	3,143,071	3,143,071
Early Action Emergency Financial Aid	50,447	-	-	50,447	50,447
Early Education California State Preschool	188,902	-	-	188,902	188,902
Economic Development For Distressed Areas	1,750,000	-	1,750,000	-	-
Educational Planning Initiative	70,097	-	70,097	-	-
EEO Best Practices	208,333	-	103,500	104,833	104,833
EEO Innovative Best Practices	119,680	-	-	119,680	119,680
EOPS-Care Program	949,942	-	369,329	580,613	580,613
Equal Employment Opportunity	361,697	-	139,198	222,499	222,499
ETP	369,764	358,197	-	727,961	456,739
Every Yard Counts - Defensible Space Training	-	3,000	-	3,000	3,000
Financial Aid Technology	126,322	-	78,864	47,458	47,458
Foster Care Education	94,415	-	25,357	69,058	69,058
Foundation CCC Pre-Inspector	11,487	-	11,487	-	-
Growing Inland Achievement	30,000	-	-	30,000	30,000
Guided Pathways	830,814	-	340,127	490,687	490,687
Handicapped Student Programs	3,089,484	-	1,279,785	1,809,699	1,809,699
Harmeyer Infant Center	14,781	-	10,485	4,296	4,296
Healthy Refrigeration Program Grant	2,656	-	-	2,656	2,656
High Road Construction Careers- Lumina Phase 2	150,480	-	68,170	82,310	82,310
High Road Construction Careers- Preapprenticeship Program	1,352,163	-	29,674	1,322,489	1,322,489
High Road Training Partnership - To Health #2	1,898,213	897,691	-	2,795,904	2,795,904
High Road Training Partnership- To Prosperity #1	2,704,293	498,876	-	3,203,169	3,203,169

San Bernardino Community College District

Schedule of Expenditures of State Awards

Year Ended June 30, 2025

Program	Program Revenues				Program Expenditures
	Cash Received	Accounts Receivable	Unearned Revenue/ Accounts Payable	Total Revenue	
Higher Ed Student Housing Grant	\$ 584,698	\$ -	\$ 232,497	\$ 352,201	\$ 352,201
Hunger Free Campus Support	25,276	-	9,928	15,348	15,348
ICT Cyberhub Cloud Based Technology	2,256	-	2,256	-	-
Inland Empire Pre-Apprenticeship Program	3,596	-	3,596	-	-
Integrated Bilingual Authorization Program	-	12,115	-	12,115	12,115
Inland Empire Regional K-16 Education Collaborative	397,170	-	315,378	81,792	81,792
Innovation & Effectiveness Grant	29,921	-	-	29,921	29,921
Instructional Equipment Allocation	96,005	-	96,005	-	-
Learning Aligned Empl Program	6,080	-	-	6,080	6,080
LGBTQ+	362,631	-	289,762	72,869	72,869
Library Services Platform	12,601	-	12,601	-	-
Strong Workforce Program - Local	6,027,412	-	2,705,526	3,321,886	3,321,886
Mental Health Support	734,175	-	176,327	557,848	557,848
MESA Grant	1,505,098	-	590,433	914,665	914,665
Middle College High School	286,778	-	186,545	77,823	77,823
NCAS Grant	25,000	-	25,000	-	-
New PAC Building	788,000	-	-	788,000	788,000
Nextup Foster Youth Advisory	10,000	-	2,467	7,533	7,533
Nextup Foster Youth Support Program	786,761	-	273,642	513,119	513,119
Nursing Enrollment And Retention Grant	202,161	-	50,898	151,263	151,263
Opportunity Adult Career Pathway Program (OYACP)	-	433,392	-	433,392	433,392
P48R6 Responsive Training Rah	1,084	-	1,084	-	-
P64 R8 Regional Engagement	68,187	31,802	-	99,989	99,989
Physical Plant/Instructional Support FY 2023	1,078,537	-	-	1,078,537	1,078,537
Prison To Employment Initiative (P2E)	52,993	40,268	-	93,261	93,261
Probation-Enrichment Services	83,960	-	-	83,960	3,742
RCC Acute Care Nursing Assist	239	-	239	-	-
RCC-Emp Engagement Mgr	97,500	29,929	-	127,429	127,429
RCC-Family Child Care Agreement	18,852	-	18,852	-	-

San Bernardino Community College District
Schedule of Expenditures of State Awards
Year Ended June 30, 2025

Program	Program Revenues				Program Expenditures
	Cash Received	Accounts Receivable	Unearned Revenue/ Accounts Payable	Total Revenue	
Regional Equity & Recovery Par	\$ 65,458	\$ 17,897	\$ -	\$ 83,355	\$ 83,355
Strong Workforce Program - Regional	273,030	1,319,708	61,428	1,531,310	1,531,310
Report Streamlining Program-Chabot	258,861	-	201,237	57,624	57,624
Riverside County Regional Training	181	-	181	-	-
Seamless Transfer Of Ethnic Studies	97,390	-	57,076	40,314	40,314
SFAA -BFAP Administraitive Allowance	1,377,382	-	584,265	793,117	793,117
Staff Development	248	-	248	-	-
State Preschool Grant	2,240,392	655,226	-	2,895,618	2,895,618
Student Equity& Achievement - Rancho Santiago Pass-Through	-	214,166	-	214,166	214,166
Student Equity& Achievement Grant	11,553,560	-	2,539,986	9,013,574	9,013,574
Student Financial Aid Admin (SFAA) One-Time Funding	287,646	-	48,334	239,312	239,312
Student Food And Housing Support	1,037,938	-	656,963	380,975	380,975
Student Retention & Outreach	255,999	-	62,560	193,439	193,439
Student Success Completion Grant	6,212,038	-	490,628	5,721,410	5,721,410
Student Transfer Achieve Reform	1,130,434	-	693,840	436,594	436,594
Strong Workforece Program - Regional Reallocated Funds	27,725	-	27,725	-	-
Strong Workforece Program- Positive Incentive Funding	5,432	-	5,432	-	-
Systemwide Tech & Data	805,988	-	435,682	370,306	370,306
TANF Work Study	800	-	-	800	800
Teacher Preparation Pipeline For The Inland Empire	692,095	-	245,253	446,842	446,842
Technical Building Replacement	2,264,743	-	-	2,264,743	2,264,743
Telecommunications Technology	5,641	-	1,529	4,112	4,112
Umoja Program	192,477	-	96,400	96,077	96,077
Uniquely Abled - Departtment Of Rehabilitation	38,018	-	38,018	-	-
Veterans Resource Center	410,855	-	232,257	178,598	178,598
Youth Empowerment Str (LLP)	21,032	-	2,610	18,422	18,422
Zero Textbook Cost Degree	1,164,334	-	1,083,318	81,016	81,016
Zero Textbook Cost Grant Acceleration II Grant	118,500	-	118,500	-	-
Total state programs	<u>\$ 84,791,080</u>	<u>\$ 6,119,573</u>	<u>\$ 25,773,275</u>	<u>\$ 65,114,968</u>	<u>\$ 64,763,528</u>

San Bernardino Community College District
Schedule of Workload Measures for State General Apportionment Annual (Actual) Attendance
Year Ended June 30, 2025

CATEGORIES	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2024 only)			
1. Noncredit*	50.98	-	50.98
3. Credit Standardized	1,485.50	-	1,485.50
B. Summer Intersession (Summer 2025 - Prior to July 1, 2025)			
1. Noncredit*	14.54	-	14.54
3. Credit Standardized	713.45	-	713.45
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(c) Standardized Census Contact Hours	13,293.78	-	13,293.78
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit*	154.66	-	154.66
(b) Credit	-	-	-
3. Alternative Attendance Accounting Procedures Courses			
(c) Noncredit Independent Study/Distance Education Courses	209.77	-	209.77
D. Total FTES	<u>15,922.68</u>	<u>-</u>	<u>15,922.68</u>
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. In-Service Training Courses (FTES)	-	-	-
F. Basic Skills Courses and Immigrant Education			
1. Noncredit*	158.33	-	158.33
2. Credit	31.76	-	31.76
<u>CCFS-320 Addendum</u>			
CDCP Noncredit FTES	53.26	-	53.26

* Including Career Development and College Preparation (CDCP) FTES

San Bernardino Community College District
Reconciliation of *Education Code* Section 84362 (50% Law) Calculation
Year Ended June 30, 2025

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Academic Salaries</u>							
Instructional Salaries							
Contract or Regular	1100	\$ 22,124,466	\$ -	\$ 22,124,466	\$ 22,124,466	\$ -	\$ 22,124,466
Other	1300	22,899,533	-	22,899,533	22,899,533	-	22,899,533
Total Instructional Salaries		45,023,999	-	45,023,999	45,023,999	-	45,023,999
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	9,276,296	-	9,276,296
Other	1400	-	-	-	1,273,038	-	1,273,038
Total Noninstructional Salaries		-	-	-	10,549,334	-	10,549,334
Total Academic Salaries		45,023,999	-	45,023,999	55,573,333	-	55,573,333
<u>Classified Salaries</u>							
Noninstructional Salaries							
Regular Status	2100	-	-	-	27,155,364	-	27,155,364
Other	2300	-	-	-	2,769,314	-	2,769,314
Total Noninstructional Salaries		-	-	-	29,924,678	-	29,924,678
Instructional Aides							
Regular Status	2200	2,372,577	-	2,372,577	2,372,577	-	2,372,577
Other	2400	1,264,669	-	1,264,669	1,264,669	-	1,264,669
Total Instructional Aides		3,637,246	-	3,637,246	3,637,246	-	3,637,246
Total Classified Salaries		3,637,246	-	3,637,246	33,561,924	-	33,561,924
Employee Benefits	3000	17,147,415	-	17,147,415	32,349,053	-	32,349,053
Supplies and Material	4000	-	-	-	1,355,575	-	1,355,575
Other Operating Expenses	5000	1,528,148	-	1,528,148	17,459,880	-	17,459,880
Equipment Replacement	6420	-	-	-	385,648	-	385,648
Total Expenditures Prior to Exclusions		67,336,808	-	67,336,808	140,685,413	-	140,685,413

San Bernardino Community College District
Reconciliation of *Education Code* Section 84362 (50% Law) Calculation
Year Ended June 30, 2025

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Exclusions</u>							
Activities to Exclude							
Instructional Staff - Retirees' Benefits and Retirement Incentives	5900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Student Health Services Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	-	-	-
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	6740	-	-	-	-	-	-
Objects to Exclude							
Rents and Leases	5060	-	-	-	4,274,564	-	4,274,564
Lottery Expenditures							-
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines, and Periodicals	4200	-	-	-	-	-	-
Instructional Supplies and Materials	4300	-	-	-	-	-	-
Noninstructional Supplies and Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	-	-	-

San Bernardino Community College District
Reconciliation of *Education Code* Section 84362 (50% Law) Calculation
Year Ended June 30, 2025

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Other Operating Expenses and Services	5000	\$ -	\$ -	\$ -	\$ 2,348,095	\$ -	\$ 2,348,095
Capital Outlay	6000	-	-	-	-	-	-
Library Books	6300	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay		-	-	-	-	-	-
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		-	-	-	6,622,659	-	6,622,659
Total for ECS 84362, 50% Law		\$ 67,336,808	\$ -	\$ 67,336,808	\$ 134,062,754	\$ -	\$ 134,062,754
% of CEE (Instructional Salary		50.23%		50.23%	100.00%		100.00%
Cost/Total CEE)							
50% of Current Expense of Education					\$ 67,031,377		\$ 67,031,377

Activity Classification	Object Code			Unrestricted	
EPA Revenues:	8630				\$ 26,365,421
Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	1000-5900	\$ 26,365,421	\$ -	\$ -	\$ 26,365,421
Total Expenditures for EPA		\$ 26,365,421	\$ -	\$ -	\$ 26,365,421
Revenues Less Expenditures					\$ -

San Bernardino Community College District
Reconciliation of Governmental Funds to the Statement of Net Position
Year Ended June 30, 2025

Amounts reported for governmental activities in the Statement of Net Position are different because

Total fund balance and retained earnings		
General Funds	\$ 53,445,696	
Special Revenue Funds	120,090,147	
Capital Project Funds	367,794,067	
Debt Service Funds	67,621,002	
Proprietary Funds	<u>66,469,867</u>	
Total fund balance and retained earnings - all District funds		\$ 675,420,779

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.

The cost of capital assets is	1,077,068,552	
Accumulated depreciation and amortization is	(284,100,532)	
Less: capital assets already recorded in proprietary funds	<u>(50,905,143)</u>	
Total capital assets, net		742,062,877

The net other postemployment benefits (OPEB) asset results from the difference between annual OPEB cost on the accrual basis and OPEB contributions.		3,108,915
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Lease receivables and deferred inflows of resources related to leases are reported in the Statement of Net Position, but were not reported on the District's CCFS-311 report.

Lease receivables	59,952,299	
Deferred inflows of resources related to leases	<u>(52,340,911)</u>	
		7,611,388

Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the District's funds. Deferred outflows of resources at year-end consist of:

Deferred outflows of resources related to debt refunding	51,966,951	
Deferred outflows of resources related to OPEB	1,601,332	
Deferred outflows of resources related to pensions	<u>43,854,799</u>	
Total deferred outflows of resources		97,423,082

In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide statements, unmatured interest on long-term liabilities is recognized when it is incurred.		(12,074,306)
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San Bernardino Community College District
Reconciliation of Governmental Funds to the Statement of Net Position
Year Ended June 30, 2025

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.

Long-term liabilities at year end consist of:

General obligation bonds	\$ (900,056,622)
Compensated absences	(29,367,880)
Subscription-based IT arrangements	(3,036,191)
Lease liability	(1,882,284)
Net other postemployment benefits (OPEB) liability	(276,115)
Aggregate net pension liability	(126,987,462)
In addition, the District has issued 'capital appreciation' general obligation bonds. The accretion of interest unmatured on the general obligation bonds to date is	<u>(111,999,965)</u>

Total long-term liabilities	\$ (1,173,606,519)
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Deferred inflows of resources represent an acquisition of net position in a future period and is not reported in the District's funds.

Deferred inflows of resources amount to and related to:

Deferred inflows of resources related to OPEB	(5,779,990)
Deferred inflows of resources related to pensions	<u>(13,624,050)</u>

Total deferred inflows of resources	<u>(19,404,040)</u>
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Total net position	<u><u>\$ 320,542,176</u></u>
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Note 1 - Purpose of Schedules

District Organization

This schedule provides information about the District's governing board members, administration members, and auxiliary organizations in good standing as of June 30, 2025.

Schedule of Expenditures of Federal Awards (SEFA)

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the SEFA) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2025. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the modified accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Indirect Cost Rate

The District has not elected to use the 10% de minimis cost rate.

Schedule of Expenditures of State Awards

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

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

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

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

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

Proposition 30 Education Protection Account (EPA) Expenditure Report

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

Reconciliation of Governmental Funds to the Statement of Net Position

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

Independent Auditor's Reports
June 30, 2025

San Bernardino Community College District



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities and fiduciary activities of San Bernardino Community College District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 21, 2026.

Adoption of New Accounting Standard

As discussed in Note 2 and Note 14 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. Accordingly, a restatement has been made to the business-type activities net position as of July 1, 2024, to restate beginning net position. Our opinions are not modified with respect to this matter.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Ontario, California
January 21, 2026



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

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

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited San Bernardino Community College District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2025. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, San Bernardino Community College District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on the Major Federal Program

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

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the 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.

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2025-001. Our opinion on the major federal program is not modified with respect to this matter.

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

Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a significant deficiency.

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

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

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.



Ontario, California
January 21, 2026



Independent Auditor's Report on State Compliance

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

Report on State Compliance

Opinion on State Compliance

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

In our opinion, San Bernardino Community College District complied, in all material respects, with the compliance requirements referred to above that are applicable to the state laws and regulations identified below that were audited for the year ended June 30, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), and the 2024-2025 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements listed in the table below has occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the 2024-2025 California Community Colleges Chancellor's Office *Contracted District Audit Manual* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements listed in the table below.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the 2024-2025 California Community Colleges Chancellor's Office *Contracted District Audit Manual*, we:

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

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

Compliance Requirements Tested

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

Section 411	SCFF Data Management Control Environment
Section 412	SCFF Supplemental Allocation Metrics
Section 413	SCFF Success Allocation Metrics
Section 421	Salaries of Classroom Instructors (50 Percent Law)
Section 423	Apportionment for Activities Funded From Other Sources
Section 424	Student Centered Funding Formula Base Allocation: FTES
Section 425	Residency Determination for Credit Courses
Section 426	Students Actively Enrolled
Section 427	Dual Enrollment (CCAP)
Section 430	Scheduled Maintenance Program
Section 431	Gann Limit Calculation
Section 444	Apprenticeship Related and Supplemental Instruction (RSI) Funds
Section 475	Disabled Student Programs and Services (DSPS)
Section 490	Propositions 1D and 51 State Bond Funded Projects
Section 491	Education Protection Account Funds
Section 492	Student Representation Fee
Section 494	State Fiscal Recovery Fund
Section 498	COVID-19 Reduction Block Grant Expenditures

The District reports no Apprenticeship Related and Supplemental Instruction (RSI) funds; therefore, the compliance tests within this section were not applicable.

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

The District fully expended their COVID-19 Recovery Block Grant funds in the prior fiscal years; therefore, the compliance requirements within this section were not performed.

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



Ontario, California
January 21, 2026

Schedule of Findings and Questioned Costs
June 30, 2025

San Bernardino Community College District

Financial Statements

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

Federal Awards

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	Yes
Type of auditor's report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a):	Yes

Identification of major program:

<u>Name of Federal Program or Cluster</u>	<u>Federal Financial Assistance Listing</u>
Student Financial Assistance Cluster	84.007, 84.033, 84.063, 84.268
Dollar threshold used to distinguish between type A and type B programs:	\$1,066,585
Auditee qualified as low-risk auditee?	Yes

State Compliance

Type of auditor's report issued on compliance for state programs:	Unmodified
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None noted.

The following finding represents a significant deficiency in internal control over compliance and instance of noncompliance including questioned costs that are required to be reported by the Uniform Guidance.

2025-001 Special Tests and Provisions – Return to Title IV (R2T4)

Federal Agency: U.S. Department of Education (ED)

Pass-Through Entity: Direct funded

Program Name: Student Financial Assistance Cluster

Assistance Listing Numbers: 84.007, 84.033, 84.063, and 84.268

Award Identification Numbers: P007A240563, P033A240563, P063P243174, P063P241172, P268K253174, P268K251172

Award Year: 2024-2025

Criteria

OMB *Compliance Supplement*, 34 CFR section 668.22(e)(f): The amount of Title IV assistance earned by the student is calculated by dividing the number of days completed by the student within the period of enrollment by the total number of days in the enrollment period. The enrollment period includes all days within the period that the student was scheduled to complete, except that scheduled breaks of at least five consecutive days are excluded from the total number of calendar days in the period of enrollment and the number of calendar days completed in that period.

Condition

Significant Deficiency in Internal Control over Compliance and Instance of Noncompliance – For five of the sixty students tested, the District inaccurately calculated the amount of Title IV aid earned by students who withdrew from enrollment.

Questioned Costs

There are no questioned costs associated with the noncompliance.

Context

A non-statistical sample of 60 students out of 743 students, which had Return to Title IV calculations performed during the 2025 aid year.

Effect

The District is not in compliance with the federal R2T4 requirements described in the OMB compliance supplement.

Cause

The District's internal controls over Return to Title IV calculations were not sufficient to ensure compliance with relevant requirements.

Repeat Finding (Yes or No)

No.

Recommendation

The District should review policies and procedures over the Return to Title IV calculations to ensure that the procedures are in line with the compliance requirements of the program. The District should strengthen internal controls over the review of the Return to Title IV calculations to ensure that the data utilized in preparing the calculation is accurate and that required funds are returned in a timely manner.

Views of Responsible Officials and Corrective Action Plan

The District has reviewed the policies and procedures over the R2T4 calculation and has identified additional controls to prevent miscalculations going forward. The Student Financial Aid Office has begun the implementation of the following corrective action plan to prevent future recurrence:

- Implement a cross-check with the Common Origination & Disbursement (COD) site R2T4 calculator to supplement the tools within our internal financial system. The COD system automatically calculates dates attended by students, eliminating the manual element of this step in the calculation.
- Implement a second review to spot check calculations during each semester to ensure accuracy.
- Require Blue Icon R2T4 training and certification for staff preparing, reviewing, and processing R2T4 calculations.

These controls began implementation in November 2025 and are expected to be fully in place by March 2026. New regulations for R2T4 are expected to be released in early 2026. Blue Icon training will be scheduled once the new regulations are released.

None reported.

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

Financial Statement Findings

2024-001 Financial Reporting and Closing Process

Criteria or Specific Requirements

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

Condition

Significant Deficiency – An audit adjustment was identified that were related to the improper recognition of expenditures by the District causing an overstatement of operating expenditures and understatement of the prepaid expenditures balance.

Questioned Costs

There are no questioned costs associated with this finding.

Context

An audit adjustment for \$132,442 was identified during the course of the audit.

Effect

Expenditures were overstated in the instance that was identified. This overstatement was not material individually to the financial statement of the District, however was made by Management due to the funding source involved.

Cause

The internal controls in place during the closing process, including the review of the expense recognition criteria, were not effective in preventing or detecting potential material misstatements.

Repeat Finding (Yes or No)

No.

Recommendation

We recommend that all account balances are reconciled and reviewed by appropriate personnel prior to closing the fiscal year ledgers to ensure proper financial reporting. Policies and procedures should be implemented to ensure that these accounts are reconciled and reviewed throughout the year on a regular basis in order to facilitate accurate reporting.

Current Status

Implemented.

Federal Award Findings

2024-002 **Special Tests and Provisions – Enrollment Reporting**

Program Name: Student Financial Assistance Cluster

Federal Assistance Listing Numbers: 84.007, 84.033, 84.063, and 84.268

Federal Agency: U.S. Department of Education (ED)

Direct funded by the U.S. Department of Education (ED)

Criteria or Specific Requirements

OMB Compliance Supplement, OMB No. 1845-0035 – Institutions are required to report enrollment information under the Pell grant and the Direct and Federal Family Education Loan programs to the National Student Loan Data System (NSLDS).

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

Condition

Significant Deficiency in Internal Control over Compliance – During testing over the NSLDS reporting requirements, 21 of 60 students tested were not reported as having a change in enrollment status and/or withdrawal date to NSLDS (dates of change did not agree to NSLDS). In addition, 2 of the 21 students not reported also did not have their enrolled program reflected in NSLDS.

Questioned Costs

There are no questioned costs associated with the noncompliance.

Context

A non-statistical sample of 60 students out of 414 students, which had Return to Title IV calculations performed during the 2024 aid year.

Effect

The District is not in compliance with the federal enrollment reporting requirements described in the OMB compliance supplement.

Cause

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

Repeat Finding (Yes or No)

No.

Recommendation

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

Current Status

Implemented.