

PRELIMINARY OFFICIAL STATEMENT DATED AS OF JUNE 29, 2026

NEW ISSUE – BOOK ENTRY ONLY

**RATINGS: S&P: “AAA”
Moody’s: “Aa1”
(See “RATINGS” herein.)**

In the opinion of Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel, under existing statutes, regulations, rulings and court decisions, and subject to the matters described in “TAX MATTERS” herein, interest on the Bonds is excluded pursuant to section 103(a) of the Internal Revenue Code of 1986 from the gross income for the owners thereof for federal income tax purposes and is not included in computing the federal alternative minimum taxable income of the owners thereof who are individuals. See “TAX MATTERS” herein. It is also the opinion of Bond Counsel that under existing law interest on the Bonds is exempt from personal income taxes of the State of California.

\$175,000,000*
SAN DIEGO COMMUNITY COLLEGE DISTRICT
(San Diego County, California)

\$75,000,000*
2026 General Obligation Refunding Bonds,
Series A
(Dedicated Unlimited Ad Valorem Property Tax Bonds)

\$100,000,000*
2026 General Obligation Refunding Bonds,
Series B
(Dedicated Unlimited Ad Valorem Property Tax Bonds)

Dated: Date of Delivery

Due: August 1, as shown on inside cover.

This cover page contains certain information for reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The San Diego Community College District (the “District”) is issuing its 2026 General Obligation Refunding Bonds, Series A (Dedicated Unlimited Ad Valorem Property Tax Bonds) (the “Series A Bonds”) and 2026 General Obligation Refunding Bonds, Series B (Dedicated Unlimited Ad Valorem Property Tax Bonds) (the “Series B Bonds” and together with the Series A Bonds, the “Bonds”). The Series A Bonds are being issued to (i) effectuate a current refunding of the District’s outstanding General Obligation Bonds, Election of 2006, Series 2016 and 2016 General Obligation Refunding Bonds and (ii) pay certain costs of issuance associated with the Series A Bonds. The Series B Bonds are being issued to (i) purchase certain outstanding bonds of the District which were tendered and have been accepted for purchase pursuant to the Offer described herein and (ii) pay certain costs of issuance associated with the Series B Bonds. See the caption “PLAN OF REFUNDING” herein.

The Bonds are being issued under the laws of the State of California (the “State”) and pursuant to a resolution of the Board of Trustees of the District, adopted on March 12, 2026. The Bonds are dated the date of delivery. The Bonds will mature on the dates and in the amounts and bear interest at the rates shown on the inside cover herein. The Bonds will be issued as current interest bonds payable semiannually on February 1 and August 1 of each year, commencing February 1, 2027.*

The Bonds will be issued in book-entry form only, in denominations of \$5,000 principal amounts, or any integral multiple thereof. The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”). DTC will act as securities depository of the Bonds as described herein under the caption “THE BONDS – Book-Entry Only System.” Purchasers will not receive certificates representing their interests in the Bonds. Payments on the Bonds will be made by the County of San Diego, California (the “County”), through U.S. Bank Trust Company, National Association, as paying agent (the “Paying Agent”), to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds. See APPENDIX E – “BOOK-ENTRY ONLY SYSTEM” herein.

The Bonds are subject to redemption as described herein. See “THE BONDS – Redemption” herein.

THE BONDS ARE GENERAL OBLIGATIONS OF THE DISTRICT, SECURED AND PAYABLE SOLELY FROM AD VALOREM PROPERTY TAXES COLLECTED AGAINST TAXABLE PROPERTIES WITHIN THE BOUNDARIES OF THE DISTRICT. THE BONDS ARE GENERAL OBLIGATIONS OF THE DISTRICT ONLY AND ARE NOT OBLIGATIONS OF THE COUNTY, THE STATE OF CALIFORNIA OR ANY OF ITS OTHER POLITICAL SUBDIVISIONS. THE BOARD OF SUPERVISORS OF THE COUNTY HAS THE POWER AND IS OBLIGATED TO LEVY AND COLLECT AD VALOREM PROPERTY TAXES FOR EACH FISCAL YEAR UPON THE TAXABLE PROPERTY OF THE DISTRICT IN AN AMOUNT AT LEAST SUFFICIENT, TOGETHER WITH OTHER MONEYS AVAILABLE FOR SUCH PURPOSE, TO PAY THE PRINCIPAL OF, AND PREMIUM, IF ANY, AND INTEREST ON EACH BOND AS THE SAME BECOMES DUE AND PAYABLE.

MATURITY SCHEDULE
On Inside Cover



**Capital
Markets**

*The Bonds will be offered when, as and if issued and received by the Underwriter subject to the approval of legality by Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel, and certain other conditions. Norton Rose Fulbright US LLP, Los Angeles, California is also acting as Disclosure Counsel for the issue. Certain legal matters will be passed upon for the Underwriter by its counsel, Nixon Peabody LLP, Los Angeles, California. It is anticipated that the Bonds will be available through the facilities of DTC on or about August 4, 2026.**

Dated: _____, 2026

* Preliminary; subject to change.

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

MATURITY SCHEDULES⁽¹⁾
\$75,000,000⁽¹⁾
SAN DIEGO COMMUNITY COLLEGE DISTRICT
(San Diego County, California)
2026 General Obligation Refunding Bonds,
Series A
(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

Maturity Date <u>(August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	CUSIP⁽²⁾ <u>(797272)</u>
2026				
2027				
2028				
2029				
2033				
2034				

\$100,000,000⁽¹⁾
SAN DIEGO COMMUNITY COLLEGE DISTRICT
(San Diego County, California)
2026 General Obligation Refunding Bonds,
Series B
(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

Maturity Date <u>(August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	CUSIP⁽²⁾ <u>(797272)</u>
2027				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037			(3)	
2038			(3)	
2039			(3)	
2040			(3)	
2041			(3)	
2042			(3)	
2043			(3)	

⁽¹⁾ Preliminary; subject to change.

⁽²⁾ CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. Neither the District nor the Underwriter take any responsibility for the accuracy of the CUSIP numbers, which are being provided for reference only. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

⁽³⁾ Yield to call at par on August 1, 2036.⁽¹⁾

No dealer, broker, salesperson, or other person has been authorized by the San Diego Community College District (the "District") to provide any information or to make any representations other than as contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offer to sell, the solicitation of an offer to buy, nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation, or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly described herein, are intended solely as such and are not to be construed as a representation of facts.

The District maintains a website and certain social media accounts. However, the information presented therein is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds. The references to internet websites in this Official Statement are shown for reference and convenience only; unless explicitly stated to the contrary, the information contained within the websites and social media accounts is not incorporated herein by reference and does not constitute part of this Official Statement.

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

The Bonds have not been registered under the Securities Act of 1933, in reliance upon an exemption contained in such Act. The Bonds have not been registered under the securities laws of any state.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or the completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS, BANKS OR OTHERS AT PRICES LOWER OR HIGHER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 27A of the United States Securities Act of 1933, as amended (the "Securities Act"). Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

SAN DIEGO COMMUNITY COLLEGE DISTRICT
San Diego County, State of California

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Municipal Advisor

KNN Public Finance, LLC
Berkeley, California

Bond Counsel and Disclosure Counsel

Norton Rose Fulbright US LLP
Los Angeles, California

Paying Agent

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

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\$175,000,000*	
SAN DIEGO COMMUNITY COLLEGE DISTRICT	
(San Diego County, California)	
\$75,000,000*	\$100,000,000*
2026 General Obligation Refunding Bonds, Series A	2026 General Obligation Refunding Bonds, Series B
(Dedicated Unlimited <i>Ad Valorem</i> Property Tax Bonds)	(Dedicated Unlimited <i>Ad Valorem</i> Property Tax Bonds)

INTRODUCTION

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

THE BONDS ARE GENERAL OBLIGATION BONDS OF THE DISTRICT, SECURED AND PAYABLE FROM *AD VALOREM* PROPERTY TAXES ASSESSED ON ALL TAXABLE PROPERTIES WITHIN THE DISTRICT, WITHOUT LIMITATION AS TO RATE OR AMOUNT (EXCEPT FOR CERTAIN PERSONAL PROPERTY WHICH IS TAXABLE AT LIMITED RATES). THE BONDS ARE NOT AN OBLIGATION OF THE COUNTY OF SAN DIEGO OR OF THE GENERAL FUND OF THE DISTRICT. SEE “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” HEREIN.

The San Diego Community College District (the “District”) will issue \$75,000,000* aggregate principal amount of its 2026 General Obligation Refunding Bonds, Series A (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) (the “Series A Bonds”) and \$100,000,000* aggregate principal amount of its 2026 General Obligation Refunding Bonds, Series B (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) (the “Series B Bonds” and together with the Series A Bonds, the “Bonds”). The Bonds are being issued pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Act”) and other applicable laws and regulations of the State of California (the “State”), and pursuant to a resolution adopted by the Board of Trustees (the “Board”) on March 12, 2026 (the “Resolution”).

The Series A Bonds are being issued to (i) effectuate a current refunding of the District’s outstanding General Obligation Bonds, Election of 2006, Series 2016 and 2016 General Obligation Refunding Bonds and (ii) pay certain costs of issuance associated with the Series A Bonds. The District’s ability to settle the cash purchase of the Target Bonds (defined herein) tendered and accepted for purchase is contingent upon the successful delivery of the Series B Bonds. The proceeds of the Series B Bonds will be used to (i) purchase certain outstanding bonds of the District which were tendered and have been accepted for purchase pursuant to the Offer described herein and (ii) pay certain costs of issuance associated with the Series B Bonds. See “PLAN OF REFUNDING” herein.

The Bonds will be executed and delivered pursuant to a Paying Agent Agreement, dated as of August 1, 2026 (the “Paying Agent Agreement”), by and between the District and U.S. Bank Trust Company, National Association, as paying agent (the “Paying Agent”). The District anticipates that the Bonds will be issued and available for delivery through the facilities of DTC, New York, New York, on or about August 4, 2026.

* Preliminary; subject to change.

The District

San Diego City College, now part of the District, was founded in 1914. In 1964, San Diego Mesa College was established, followed by San Diego Miramar College in 1969. Originally, the colleges were part of the San Diego Unified School District. In 1972, the voters approved separating the San Diego Community College District from the San Diego Unified School District. The District is located within the metropolitan area of the City of San Diego. The District consists of three credit colleges, San Diego City College, Mesa College, and Miramar College, each of which is fully accredited by the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges (“ACCJC”), and the San Diego College of Continuing Education, which operates at seven campuses throughout the City of San Diego and is accredited by the Accrediting Commission for Schools, Western Association of Schools and Colleges (“ACS”). The mission of the District is to provide accessible, high-quality learning experiences, and undergraduate education at an affordable price to meet the educational needs of the City of San Diego community. The District offers a comprehensive curriculum responding to needs for university transfer, technical, vocational, military and general education, remedial and developmental, special education, human development, honors, and ethnic and linguistic diversity.

The District has a 2025-26 total assessed valuation of \$278,315,011,026 and has reported its 2025-26 full-time equivalent student (“FTES”) count at 39,222 students (actuals at second principal apportionment (“P2”)). The District is the third largest community college district in California, based on headcount.

The Board consists of five voting members elected by the voters of the District (the “Trustees”). The Trustees serve four-year terms. Elections for Trustee positions to the Board are held every two years, alternating between two and three positions. The management and policies of the District are administered by a Board-appointed Chancellor. Gregory A. Smith, who has served as the District’s acting chancellor since March 2023, was appointed by the Board as the District’s permanent Chancellor at its January 25, 2024 meeting.

Additional information related to the District is provided in Appendices A and C hereto. See APPENDIX A - “FINANCIAL AND DEMOGRAPHIC INFORMATION OF THE DISTRICT” and APPENDIX C - “AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025” attached hereto.

THE BONDS

Authority for Issuance and Security for the Bonds

The Bonds are being issued under the provisions of the Act and other applicable laws and regulations of the State, and pursuant to the Resolutions. Pursuant to the Act, general obligation bonds issued for the purpose of refunding outstanding general obligation bonds previously authorized by the voters that do not increase the debt service obligation of taxpayers do not require additional voter approval, either for issuance of such bonds or the levy of an *ad valorem* property tax sufficient to pay principal of and interest as due on the bonds.

The Board of Supervisors of the County has the power and is obligated to levy *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except certain personal property, which is taxable at limited rates), for the payment of principal of and interest on the Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

Description of the Bonds

The Bonds. The Bonds shall be issued as current interest bonds. The Bonds shall be issued as fully registered bonds, without coupons, in denominations of \$5,000 principal amount or any integral multiple thereof. The Bonds shall be dated the date of their issuance and shall bear interest at the respective rates set forth on the inside cover pages hereof. Interest on the Bonds is payable on February 1 and August 1 of each year (each, an “Interest Payment Date”), commencing February 1, 2027*, until payment of the principal amount thereof. Interest on the Bonds shall be calculated on the basis of a 360-day year comprised of twelve (12) 30-day months.

Interest on the Bonds shall be payable to the Owner thereof from the Interest Payment Date immediately preceding the date of authentication thereof unless (i) a Bond is authenticated after the close of business on the Record Date preceding an Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) a Bond is authenticated and registered on or before the first Record Date, in which event interest thereon shall be payable from the date of issuance thereof. “Record Date” means the fifteenth day of the month prior to an Interest Payment Date, whether or not such day is a business day. The interest on the Bonds is payable in like lawful money to the person whose name appears on the bond registration books of the Paying Agent as the registered owner thereof as of the close of business on the applicable Record Date for each Interest Payment Date, whether or not such day is a business day. Payment of the interest on any Bond will be paid by check mailed by first class mail on each Interest Payment Date, whether or not such day is a business day, to the registered owner at such registered owner’s address as it appears on such registration books or at such address as the registered owner may have filed with the Paying Agent for that purpose. The interest payments on the Bonds may be made by wire transfer to any registered owner of at least \$1,000,000 of outstanding Bonds who has requested in writing such method of payment of interest on the Bonds no later than the applicable Record Date.

General. The Bonds shall be issued in fully registered form only, without coupons, in denominational amounts of \$5,000 principal amount or any integral multiple thereof, shall be dated the date of their issuance, shall accrue interest at the rates and shall mature in the years and in the principal amounts as set forth on the inside cover pages hereof. No Bond shall have principal maturing on more than one principal maturity date. The Bonds will be initially registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository of the Bonds. Principal of the Bonds is payable in lawful money of the United States of America to the Owner thereof, upon surrender of the Bonds at the office of the Paying Agent. So long as Cede & Co. or its registered assigns shall be the registered owner of any of the Bonds, payment shall be made to Cede & Co. by wire transfer as provided in the Paying Agent Agreement. The Paying Agent, the District and the County have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership, or interest in the Bonds. For information about the securities depository and DTC’s book-entry system, see APPENDIX E – “BOOK-ENTRY ONLY SYSTEM.”

Registration, Transfer and Exchange of Bonds. The Bonds may be purchased in book-entry form only. See APPENDIX E – “BOOK-ENTRY ONLY SYSTEM.” In the event the Bonds are not registered with a securities depository, the Bonds may be transferred upon the registration book maintained by the Paying Agent, and any Bond may be exchanged for Bonds of a like principal amount of the same series, interest rate, and maturity in other authorized denominations, upon presentation and surrender at the principal corporate trust office of the Paying Agent, together with a request for transfer or exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent.

* Preliminary; subject to change.

Redemption*

Optional Redemption. The Bonds maturing on or before August 1, 20__ are not subject to optional redemption prior to their respective stated maturity dates. The Bonds maturing on or after August 1, 20__, are subject to optional redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 20__, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, without premium, together with accrued interest thereon to the date fixed for redemption.

Mandatory Sinking Fund Redemption. The \$_____ Term Bond maturing on August 1, 20__, is also subject to mandatory sinking fund redemption on each mandatory sinking fund redemption date and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount To be Redeemed
	\$
†	
† Maturity.	

The principal amount to be redeemed in each year shown in the tables above will be reduced proportionately, in integral multiples of \$5,000, by the amount of such Term Bond optionally redeemed prior to the mandatory sinking fund redemption date, if any.

Notice of Redemption

Notice of any redemption of the Bonds will be given by the Paying Agent. Notice of redemption of the Bonds will be mailed, postage prepaid, not less than 20 nor more than 60 days prior to the date fixed for redemption (i) by first-class mail to the respective Owners of the Bonds designated for redemption at the addresses appearing on the bond registration books of the Paying Agent, and (ii) to the Municipal Securities Rulemaking Board (“MSRB”).

Each notice of redemption will contain the following information: (i) the date of such notice; (ii) the name of the affected Bonds and the date of issue of the Bonds; (iii) the date fixed for redemption; (iv) the redemption price; (v) the dates of maturity of the Bonds to be redeemed; (vi) if less than all of the then outstanding Bonds are to be redeemed, the distinctive serial numbers of the Bonds of each maturity to be redeemed; (vii) in the case of Bonds redeemed in part only, the respective portions of the principal amount of the Bonds of each maturity to be redeemed; (viii) the CUSIP number, if any, of each maturity of Bonds to be redeemed; (ix) a statement that such Bonds must be surrendered by the Owners at the office of the Paying Agent designated by the Paying Agent for such purpose; (x) notice that further interest on such Bonds will not accrue after the designated redemption date; and (xi) in the case of a conditional notice, that such notice is conditioned upon certain circumstances and the manner of rescinding such conditional notice. The actual receipt by the Owner of any Bond of notice of such redemption will not be a condition precedent to redemption, and failure to receive such notice, or any defect in the notice given, will not affect the validity

* Preliminary; subject to change.

of the proceedings for the redemption of such Bonds or the cessation of interest on the date fixed for redemption.

When notice of redemption has been given substantially as provided for in the applicable Paying Agent Agreement, and when the amount necessary for the payment of the redemption price of the Bonds called for redemption is set aside for such purpose, the Bonds designated for redemption will become due and payable on the date fixed for redemption and interest will cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Bonds at the place specified in the notice of redemption, such Bonds will be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of said Bonds so called for redemption after such date fixed for redemption will look for the payment of such Bonds and the redemption premium thereon, if any, only to moneys on deposit in the interest and sinking fund of the District or the escrow fund established for such purpose. All Bonds redeemed will be cancelled forthwith by the Paying Agent and will not be reissued.

Conditional Notice of Redemption

Any notice of optional redemption of the Bonds delivered in accordance with the applicable Paying Agent Agreement may be conditioned on any fact or circumstance stated therein, and if any condition stated in the notice of redemption will not have been satisfied on or prior to the redemption date, (i) said notice will be of no force and effect, (ii) the District will not be required to redeem such Bonds, (iii) the redemption will be cancelled, and (iv) the Paying Agent will, within a reasonable time thereafter give notice to the persons in the manner in which the conditional notice of redemption was given, that such condition or conditions were not met and that the redemption was cancelled. The actual receipt by the Owner of any Bond of notice of such cancellation will not be a condition precedent to cancellation, and failure to receive such notice or any defect in such notice will not affect the validity of the cancellation.

Rescission of Notice

The District may rescind any optional redemption and notice thereof for any reason on any date on or prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Bonds so called for redemption. Any optional redemption and notice thereof will be rescinded if for any reason on the date fixed for redemption moneys are not available in the interest and sinking fund of the District or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Bonds called for redemption. Notice of rescission of redemption will be given in the same manner in which notice of redemption was originally given. The actual receipt by the Owner of any Bond of notice of such rescission will not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice will not affect the validity of the rescission.

Selection of Bonds for Redemption

If less than all the Bonds are called for redemption, such Bonds will be redeemed in inverse order of maturities or as otherwise directed by the District. If less than all of the Bonds of any given maturity are called for redemption, the portions of such Bonds of a given maturity to be redeemed will be selected by lot. For purposes of such selection, each Bond will be deemed to consist of individual Bonds of denominations of \$5,000 principal each, which may be separately redeemed.

Defeasance

The District may pay and discharge any or all of the Bonds by depositing in trust with the Paying Agent or an escrow agent, at or before maturity, money or Defeasance Securities (defined below), in an

amount which will, together with the interest to accrue thereon and available moneys then on deposit in the interest and sinking fund of the District, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest, and redemption premiums, if any) at or before their respective maturity dates. If at any time the District will pay or cause to be paid or there will otherwise be paid to the Owners of any or all outstanding Bonds all of the principal, interest, and premium, if any, represented by such Bonds when due, or as described above, or as otherwise provided by law, then such Owners will cease to be entitled to the obligation of the County to levy and collect taxes to pay the Bonds as described in the Paying Agent Agreement, and such obligation and all agreements and covenants of the District to such Owners under the Paying Agent Agreement and under the Bonds will thereupon be satisfied and discharged and will terminate, except only that the District will remain liable for payment of all principal, interest, and premium, if any, represented by such Bonds, but only out of moneys on deposit in the interest and sinking fund or otherwise held in trust for such payment, provided that the unclaimed moneys provisions of the Paying Agent Agreement will apply in all events.

“Defeasance Securities” means (i) direct, non-callable obligations of the United States Treasury; (ii) direct non-callable and non-prepayable obligations which are unconditionally guaranteed by the United States of America as to full and timely payment of principal and interest; (iii) non-callable, non-prepayable coupons from the above securities which are stripped pursuant to United States Treasury programs; (iv) non-callable and non-prepayable (or irrevocably called to a specified redemption date) refunded municipal bonds that are backed by an escrow funded with obligations of or guaranteed by the United States of America; (v) Resolution Funding Corporation securities consisting of interest components stripped by the Federal Reserve Bank of New York; (vi) United States State and Local Government Securities; and (vii) the following non-callable, non-prepayable obligations of federal government-sponsored agencies that are not backed by the full faith and credit of the U.S. Government: Federal Home Loan Bank, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Tennessee Valley Authority, Farm Credit System, Washington Metropolitan Area Transit Authority, United States Import-Export Bank, United States Department of Housing and Urban Development, Farmers Home Administration, General Services Administration and United States Maritime Administration (provided such agency security has a rating when purchased at the same level as obligations of the United States Treasury).

PLAN OF REFUNDING*

Current Refunding. The District intends to apply the proceeds of the Series A Bonds to refund, on a current basis, its General Obligation Bonds, Election of 2006, Series 2016 (the “Series 2016 Prior Bonds”) and the 2016 General Obligation Refunding Bonds (the “2016 Refunding Prior Bonds” and together with the Series 2016 Prior Bonds, the “Prior Bonds”) listed in the tables below. On the date of delivery of the Series A Bonds, a portion of the net proceeds of the Series A Bonds will be deposited into an Escrow Fund (the “Series A Escrow Fund”) established pursuant to that certain Escrow Agreement, dated as of August 1, 2026 (the “Series A Escrow Agreement”), by and between the District and U.S. Bank Trust Company, National Association, as escrow agent (the “Escrow Agent”), relating to the Prior Bonds. The Verification Agent will verify the sufficiency of amounts so deposited and invested to provide for such payments. Amounts available in the Series A Escrow Fund will be applied to redeem the outstanding Prior Bonds at a redemption price equal to 100% of the principal amount of the Prior Bonds, as applicable, called for redemption, together with interest accrued thereon to the date of redemption, without premium. The redemption dates for such Prior Bonds will be August __, 2026. The deposit of moneys into the Series A Escrow Fund for the redemption of such Prior Bonds will constitute an irrevocable deposit for the benefit of the owners of such Prior Bonds. Upon such deposit and investment and compliance with or provision for compliance with certain notice requirements set forth in the authorizing resolutions and paying agent agreements for the Prior Bonds, the liability of the District with respect to the Prior Bonds will cease, and

* Preliminary; subject to change.

the Prior Bonds will no longer be outstanding under such resolutions and paying agent agreements, except that the owners of the Prior Bonds will be entitled to payment thereof solely from the amounts on deposit in the Series A Escrow Fund and held by the Escrow Agent.

The tables below list the Series 2016 Prior Bonds and 2016 Refunding Prior Bonds to be refunded, on a current basis, with proceeds of the Bonds.

**San Diego Community College District
(San Diego County, California)
General Obligation Bonds, Election of 2006, Series 2016**

<u>CUSIP No.^(*)</u>	<u>Maturity Date (August 1)</u>	<u>Interest Rate</u>	<u>Par Amount</u>	<u>Call Price</u>	<u>Redemption Date (August 1)</u>
797272PE5	2027	4.000%		100.000	2026
797272PF2	2028	4.000		100.000	2026
797272PG0	2029	4.000		100.000	2026
797272PH8	2030	4.000		100.000	2026
797272PJ4	2031	4.000		100.000	2026
797272PK1	2032	4.000		100.000	2026
797272PL9	2034 ^T	4.000		100.000	2026

**San Diego Community College District
(San Diego County, California)
2016 General Obligation Refunding Bonds**

<u>CUSIP No.^(*)</u>	<u>Maturity Date (August 1)</u>	<u>Interest Rate</u>	<u>Par Amount</u>	<u>Call Price</u>	<u>Redemption Date (August 1)</u>
797272PT2	2027	5.000%		100.000	2026
797272PU9	2028	5.000		100.000	2026

Tender Offer. The District, with the assistance of RBC Capital Markets, LLC, as dealer manager (the “Dealer Manager”), released an “Offer to Purchase made by the San Diego Community College District,” on June 29, 2026 (the “Offer”), inviting owners of certain maturities of the San Diego Community College District (San Diego County, California) 2019 General Obligation Refunding Bonds, Series A (Federally Taxable), 2019 General Obligation Refunding Bonds, Series B (Federally Taxable - 2023 Crossover), and 2021 General Obligation Refunding Bonds (Federally Taxable) (collectively, the “Target Bonds”) to tender such bonds for purchase by the District. The Offer expired by its terms on July 13, 2026. On _____, 2026, the District accepted the Target Bonds tendered for purchase, as shown in the tables below.

The District’s ability to settle the cash purchase of the Target Bonds tendered and accepted for purchase is contingent upon the successful delivery of the Bonds. Proceeds of the Bonds will be applied to pay the purchase price of the Target Bonds that have been accepted for purchase (the “Purchased Bonds”). On the date of delivery of the Bonds, a portion of the net proceeds of the Bonds will be applied to fund the purchase of the Purchased Bonds, established pursuant to that certain tender agent agreement, by and

* CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. CUSIP numbers have been assigned by an independent company and are included solely for the convenience of the holders of the bonds. None of the District, the Underwriters or their agents or counsel assume responsibility for the accuracy of such numbers.

^T Term Bonds

between the District and Globic Advisors, as tender agent to the District (the “Tender Agent”). Upon such purchase, the Purchased Bonds will no longer be outstanding under the applicable authorizing resolutions of the District and County and paying agent agreements pursuant to which they were issued.

The District will use a portion of the proceeds from the sale of the Bonds to pay costs of issuance of the Bonds and to purchase the Purchased Bonds as indicated below.

**San Diego Community College District
(San Diego County, California)
2019 General Obligation Refunding Bonds
(Federally Taxable)^(*)**

<u>CUSIP No.^(†)</u>	<u>Maturity Date (August 1)</u>	<u>Interest Rate</u>	<u>Par Amount Outstanding</u>	<u>Optional Redemption Date (August 1)</u>	<u>Par Amount Accepted for Purchase</u>
797272QS3	2027	2.407%	\$25,850,000	n/a	
797272QT1	2028	2.457	34,875,000	n/a	
797272QU8	2029	2.507	31,730,000	n/a	
797272QV6	2030	2.637	10,025,000	2029	
797272QW4	2031	2.717	14,480,000	2029	
797272QX2	2032	2.807	8,610,000	2029	
797272QY0	2043 ^T	3.336	58,400,000	2029	

^(*) Preliminary; subject to change.

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**San Diego Community College District
(San Diego County, California)
2019 General Obligation Refunding Bonds
(Federally Taxable - 2023 Crossover)^(*)**

<u>CUSIP No.</u> ^(†)	<u>Maturity Date</u> <u>(August 1)</u>	<u>Interest Rate</u>	<u>Par Amount Outstanding</u>	<u>Optional Redemption Date</u> <u>(August 1)</u>	<u>Par Amount Accepted for Purchase</u>
797272RA1	2028	2.457%	\$1,635,000	n/a	
797272RB9	2029	2.507	3,680,000	n/a	
797272RC7	2030	2.637	2,885,000	2029	
797272RD5	2031	2.717	7,215,000	2029	
797272RE3	2032	2.807	2,820,000	2029	
797272RF0	2033	2.877	19,280,000	2029	
797272RH6	2034	2.977	19,220,000	2029	
797272RG8	2041 ^T	3.316	138,900,000	2029	

**San Diego Community College District
(San Diego County, California)
2021 General Obligation Refunding Bonds
(Federally Taxable)^{*}**

<u>CUSIP No.</u> ^(*)	<u>Maturity Date</u> <u>(August 1)</u>	<u>Interest Rate</u>	<u>Par Amount Outstanding</u>	<u>Optional Redemption Date</u> <u>(August 1)</u>	<u>Par Amount Accepted for Purchase</u>
RP8	2027	1.633%	\$10,305,000	n/a	
RQ6	2028	1.763	8,735,000	n/a	
RR4	2029	1.883	40,410,000	n/a	
RS2	2030	2.013	51,965,000	n/a	
RT0	2031	2.113	83,200,000	n/a	
RU7	2032	2.263	89,580,000	2031	
RV5	2033	2.383	75,535,000	2031	
RW3	2034	2.463	13,280,000	2031	
RX1	2035	2.563	13,660,000	2031	
RY9	2036	2.663	14,060,000	2031	
RZ6	2041 ^T	2.760	75,145,000	2031	

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ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds in connection with the Bonds are as follows:

Sources of Funds

Principal Amount	\$
Plus Original Issue Premium	
	\$
Total Sources	\$

Uses of Funds

Purchase Price Upon Tender	\$
Escrow Fund	
Costs of Issuance ⁽¹⁾	
	\$
Total Uses	\$

⁽¹⁾ Costs of Issuance include Bond Counsel and Disclosure Counsel fees, Municipal Advisor fees, Dealer Manager fees, rating agency fees, paying agent fees, escrow agent fees, verification agent fees, tender agent fees, printing fees, County costs, demographic data and other issuance expenses. See “MISCELLANEOUS – Underwriting” herein, for specific information regarding Underwriter’s compensation.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds are general obligations of the District, and the Board of Supervisors of the County has the power and is obligated to levy and collect *ad valorem* taxes upon all property within the District subject to taxation by the County, without limitation as to rate or amount (except certain personal property which is taxable at limited rates) for payment of both principal of and interest on the Bonds. See “ – Assessed Valuations” herein for further information regarding the assessed valuation and property tax collection information within the District.

Assessed Valuations – Constitutional and Statutory Initiatives

Article XIII A of the California Constitution. Article XIII A of the California Constitution limits the amount of any *ad valorem* tax on real property, to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978, and on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness or 55% of voters voting on the proposition. Article XIII A defines full cash value to mean “the county assessor’s valuation of real property as shown on the 1975-76 tax bill under ”full cash value,“ or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment.” The full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

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

Other amendments to the California Constitution have implemented and modified limits on reassessment of property value upon transfers. Most recently, Proposition 19 limits people who inherit family properties from keeping a low property tax base resulting from the 2% restriction on increases, unless they use the home as their primary residence, but it also allows homeowners who are over 55 years of age, disabled, or victims of a wildfire or natural disaster to transfer their assessed value of their primary home to a newly purchased or newly constructed replacement primary residence up to three times.

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

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

All taxable property is shown at full market value on the tax rolls, with tax rates expressed as \$1 per \$100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of market value (unless noted differently) and all general tax rates reflect the \$1 per \$100 of taxable value.

Assessed Valuations

The assessed valuation of property in the District is established by the County Assessor, except for public utility property which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the full value of the property, as defined in Article XIII A of the California Constitution.

The State-reimbursed exemption currently provides a credit of \$7,000 of the full value of an owner-occupied dwelling for which application has been made to the County Assessor. The revenue estimated to be lost to local taxing agencies due to the exemption is reimbursed from State sources. Reimbursement is based upon total taxes due upon such exempt value and is not reduced by any amount for estimated or actual delinquencies.

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

For fiscal year 2025-26, the District’s total assessed valuation is \$278,315,011,026. Shown in the following tables is information relating to the assessed valuation of property in the District during the current and past four fiscal years, assessed valuation by jurisdiction, assessed valuation and parcels by land use, and per parcel assessed valuation of single-family homes.

SAN DIEGO COMMUNITY COLLEGE DISTRICT
Summary of Assessed Valuations
Fiscal Years 2021-22 through 2025-26

<u>Fiscal Year</u>	<u>Local Secured</u>	<u>Utilities</u>	<u>Unsecured</u>	<u>Total</u>
2021-22	\$209,095,252,156	\$7,465,538	\$7,594,767,642	\$216,697,485,336
2022-23	226,485,419,618	9,061,972	9,342,105,257	235,836,586,847
2023-24	242,365,953,820	9,008,916	10,714,324,952	253,089,287,688
2024-25	255,439,166,421	8,953,115	11,287,513,121	266,735,632,657
2025-26	266,600,299,974	8,896,007	11,705,815,045	278,315,011,026

Source: California Municipal Statistics, Inc.

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**SAN DIEGO COMMUNITY COLLEGE DISTRICT
2025-26 Assessed Valuation by Jurisdiction**

<u>Jurisdiction:</u>	<u>Assessed Valuation in District</u>	<u>% of District</u>	<u>Assessed Valuation of Jurisdiction</u>	<u>% of Jurisdiction in District</u>
City of La Mesa	\$ 6,413,429	0.00%	\$ 10,623,358,564	0.06%
City of National City	5,989,944	0.00	5,841,677,239	0.10%
City of San Diego	278,147,521,797	99.94	368,363,337,481	75.51%
Unincorporated San Diego County	<u>155,085,856</u>	<u>0.06</u>	108,663,413,361	0.14%
Total District	\$278,315,011,026	100.00%		
San Diego County	\$278,315,011,026	100.00%	\$777,157,537,282	35.81%

Source: California Municipal Statistics, Inc.

**SAN DIEGO COMMUNITY COLLEGE DISTRICT
2025-26 Assessed Valuation and Parcels by Land Use**

	<u>2025-26 Assessed Valuation⁽¹⁾</u>	<u>% of Total</u>	<u>No. of Parcels</u>	<u>% of Total⁽²⁾</u>
<u>Non-Residential:</u>				
Commercial/Office	\$46,932,538,325	17.60%	10,047	3.76%
Vacant Commercial	710,350,335	0.27	2,207	0.83
Industrial	18,052,252,547	6.77	3,118	1.17
Vacant Industrial	592,783,713	0.22	3,692	1.38
Recreational	963,113,724	0.36	1,819	0.68
Government/Social/Institutional	<u>809,433,435</u>	<u>0.30</u>	<u>2,191</u>	<u>0.82</u>
Subtotal Non-Residential	\$68,060,472,079	25.53%	23,074	8.64%
<u>Residential:</u>				
Single Family Residence	\$113,909,684,727	42.73%	171,970	64.36%
Condominium	30,847,069,484	11.57	34,791	13.02
Mobile Home Park	143,972,745	0.05	26	0.01
Timeshare	34,091,650	0.01	4,585	1.72
2+ Residential Units/Apartments	52,273,876,552	19.61	27,209	10.18
Vacant Residential	<u>949,895,581</u>	<u>0.36</u>	<u>5,420</u>	<u>2.03</u>
Subtotal Residential	\$198,158,590,739	74.33%	244,001	91.32%
Unknown Use	\$381,237,156	0.14%	116	0.04%
Total	\$266,600,299,974	100.00%	267,191	100.00%

⁽¹⁾ Local Secured Assessed Valuation; excluding tax-exempt property.

⁽²⁾ Percentages may not add due to rounding.

Source: California Municipal Statistics, Inc.

SAN DIEGO COMMUNITY COLLEGE DISTRICT
Per Parcel 2025-26 Assessed Valuation of Single-Family Homes

	<u>No. of Parcels</u>	<u>2025-26 Assessed Valuation</u>	<u>Average Assessed Valuation</u>	<u>Median Assessed Valuation</u>
Single-Family Residential	171,970	\$113,909,684,727	\$662,381	\$489,925

<u>2025-26 Assessed Valuation</u>	<u>No. of Parcels⁽¹⁾</u>	<u>% of Total⁽²⁾</u>	<u>Cumulative % of Total</u>	<u>Total Valuation</u>	<u>% of Total⁽²⁾</u>	<u>Cumulative % of Total</u>
\$0 - \$49,999	1,872	1.089%	1.089%	\$ 65,488,464	0.057%	0.057%
\$50,000 - \$99,999	12,497	7.267	8.356	935,913,254	0.822	0.879
\$100,000 - \$149,999	9,187	5.342	13.698	1,140,795,255	1.001	1.881
\$150,000 - \$199,999	9,415	5.475	19.173	1,658,640,288	1.456	3.337
\$200,000 - \$249,999	10,199	5.931	25.103	2,296,345,937	2.016	5.353
\$250,000 - \$299,999	10,753	6.253	31.356	2,956,281,477	2.595	7.948
\$300,000 - \$349,999	9,529	5.541	36.897	3,090,284,207	2.713	10.661
\$350,000 - \$399,999	8,399	4.884	41.781	3,150,616,010	2.766	13.427
\$400,000 - \$449,999	7,916	4.603	46.384	3,363,549,638	2.953	16.380
\$450,000 - \$499,999	7,834	4.555	50.940	3,719,859,323	3.266	19.645
\$500,000 - \$599,999	14,775	8.592	59.531	8,104,374,060	7.115	26.760
\$600,000 - \$699,999	13,478	7.837	67.369	8,754,636,979	7.686	34.446
\$700,000 - \$799,999	11,827	6.877	74.246	8,843,664,335	7.764	42.209
\$800,000 - \$899,999	9,392	5.461	79.708	7,966,798,508	6.994	49.203
\$900,000 - \$999,999	7,244	4.212	83.920	6,865,313,375	6.027	55.230
\$1,000,000 - \$1,099,999	5,153	2.996	86.916	5,388,983,747	4.731	59.961
\$1,100,000 - \$1,199,999	3,656	2.126	89.042	4,194,584,939	3.682	63.644
\$1,200,000 - \$1,299,999	2,817	1.638	90.680	3,516,997,662	3.088	66.731
\$1,300,000 - \$1,399,999	2,365	1.375	92.056	3,186,055,454	2.797	69.528
\$1,400,000 - \$1,499,999	1,998	1.162	93.217	2,887,707,943	2.535	72.063
\$1,500,000 - \$1,599,999	1,532	0.891	94.108	2,370,992,253	2.081	74.145
\$1,600,000 - \$1,699,999	1,261	0.733	94.842	2,078,400,597	1.825	75.969
\$1,700,000 - \$1,799,999	1,024	0.595	95.437	1,788,428,462	1.570	77.539
\$1,800,000 - \$1,899,999	896	0.521	95.958	1,657,382,365	1.455	78.994
\$1,900,000 - \$1,999,999	732	0.426	96.384	1,423,558,512	1.250	80.244
\$2,000,000 and greater	<u>6,219</u>	<u>3.616</u>	100.000	<u>22,504,031,683</u>	<u>19.756</u>	100.000
Total	171,970	100.00%		\$113,909,684,727	100.00%	

(1) Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.

(2) Percentages may not add due to rounding.

Source: California Municipal Statistics, Inc.

Tax Rates, Levies, Collections and Delinquencies

Taxes are levied for each fiscal year on taxable real and personal property which is situated in the County as of the preceding January 1. However, upon a change in ownership of property or completion of new construction, State law permits an accelerated recognition and taxation of increases in real property assessed valuation (known as a “floating lien date”). For assessment and collection purposes, property is classified either as “secured” or “unsecured” and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the assessment roll containing State assessed property secured by a lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the “unsecured roll.”

The County levies a 1% property tax on behalf of all taxing agencies in the County. The taxes collected are allocated on the basis of a formula established by State law enacted in 1979. Under this formula, the County and all other taxing entities receive a base year allocation plus an allocation on the basis of “situs” growth in assessed value (new construction, change of ownership, inflation) prorated among the jurisdictions which serve the tax rate areas within which the growth occurs. Tax rate areas are specifically defined geographic areas which were developed to permit the levying of taxes for less than county-wide or less than city-wide special and school districts and community college districts. In addition, the County levies and collects additional approved property taxes and assessments on behalf of any taxing agency within the County.

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

Property taxes on the unsecured roll are currently due as of the January 1 lien date prior to the commencement of a fiscal year and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll and an additional penalty of one and one-half percent per month begins to accrue on November 1. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for recordation in the County Recorder’s office in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements, bank accounts or possessory interests belonging or assessed to the taxpayer.

Property tax delinquencies may be impacted by economic and other factors beyond the District’s control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of a pandemic or natural or manmade disaster, such as earthquake, drought, flood, fire, or toxic dumping. It is not possible for the District to make any representation regarding the extent to which an economic recession or depression could impact the ability or willingness of property owners within the District to pay property taxes in the future. If delinquencies increase substantially as a result of events outside the control of the District, the County does have the authority to increase allowances for annual reserves in the tax levy to avoid fluctuating tax levies.

The County has adopted the Teeter Plan (defined herein), according to which the County distributes to the District the amount levied on the secured and supplemental tax rolls, instead of the amount actually collected. See “– Teeter Plan” below. There can be no assurances that the County will always maintain the Teeter Plan or will have sufficient funds available to distribute the full amount of the District’s share of property tax collections to the District. However, State law requires the County to levy *ad valorem* property taxes sufficient to pay general obligation bonds of the District when due.

A portion of the property tax in the District is derived from utility property subject to assessment by the State Board of Equalization (the “SBE”). State-assessed property, or “unitary property,” is property of a utility system with components located in many taxing jurisdictions assessed as part of a “going concern” rather than as individual parcels of real or personal property. Unitary and certain other state-assessed property is allocated to the counties by the SBE, taxed at special county-wide rates, and the tax

revenues are distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

**SAN DIEGO COMMUNITY COLLEGE DISTRICT
Secured Tax Charges⁽¹⁾
Fiscal Years ended June 30, 2019 to June 30, 2025**

Fiscal Year ended June 30	Secured Tax Charge ⁽²⁾	Secured Tax Charge ⁽³⁾
2019	\$101,279,095.11	\$70,472,095.36
2020	107,143,511.47	72,339,476.48
2021	112,539,750.14	74,057,970.35
2022	116,304,353.95	76,868,883.34
2023	126,311,733.52	79,541,282.29
2024	135,288,440.36	74,470,286.98
2025	142,012,971.89	77,545,589.04

⁽¹⁾ 1% General Fund apportionment.

⁽²⁾ San Diego County utilizes the Teeter Plan for assessment levy and distribution. This method guarantees distribution of 100% of the assessments levied to the taxing entity, with the County retaining all penalties and interest.

⁽³⁾ District's general obligation bond debt service levy.

Source: California Municipal Statistics, Inc.

The following table sets forth typical tax rates levied in Tax Rate Area 8-001 for fiscal years 2020-21 through 2025-26:

**SAN DIEGO COMMUNITY COLLEGE DISTRICT
Typical Tax Rates Per \$100 Assessed Valuation (TRA 8-001)⁽¹⁾**

	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
General Tax Rate	1.00000	1.00000	1.00000	1.00000	1.00000	1.000000
Metropolitan Water District	.00350	.00350	.00350	.00350	.00700	.00700
City of San Diego	.00500	.00500	.00500	.00500	.00500	.00500
San Diego Community College District	.03700	.03699	.03526	.03075	.03048	.05382
San Diego Unified School District	<u>.18432</u>	<u>.18670</u>	<u>.17260</u>	<u>.18584</u>	<u>.18556</u>	<u>.18532</u>
Total Tax Rate	1.22982	1.23219	1.21636	1.22509	1.22804	1.25114

⁽¹⁾ 2025-26 assessed valuation of TRA 8-001 is \$143,652,187,972 which is 51.61% of the District's total assessed valuation.

Source: California Municipal Statistics, Inc.

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Largest Taxpayers

The 20 largest local secured taxpayers in the District and their assessed valuations for fiscal year 2025-26 are shown in the following table.

SAN DIEGO COMMUNITY COLLEGE DISTRICT 2025-26 Largest Local Secured Taxpayers

<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2025-26 Assessed Valuation</u>	<u>% of Total⁽¹⁾</u>
1. Qualcomm Inc.	Office Building	\$2,433,427,995	0.91%
2. H.G. Fenton Co.	Apartments	1,420,927,225	0.53
3. UTC Venture LLC	Commercial	942,447,938	0.35
4. Host Hotels and Resorts LP	Hotel	899,739,942	0.34
5. IQHQ Pacific I LLC	Office Building	848,086,996	0.32
6. AAT La Jolla Commons LLC	Office Building	682,449,298	0.26
7. Irvine Company LLC	Office Building	680,225,229	0.26
8. ARE/CAL-SD Region No. 62 LLC	Industrial	603,675,515	0.23
9. Fashion Valley Mall LLC	Shopping Center	589,537,109	0.22
10. One Park Boulevard LLC	Hotel	564,366,155	0.21
11. La Jolla Crossroads 1 LLC	Apartments	537,486,452	0.20
12. Scripps Mesa Developers LLC	Apartments	506,053,045	0.19
13. Village Mission Valley LLC	Apartments	466,603,512	0.18
14. Solar Turbines Inc.	Industrial	456,680,715	0.17
15. Pacific Gateway Ltd.	Hotel	428,240,241	0.16
16. Irvine Residential Highrise LLC	Apartments	413,377,207	0.16
17. Sterling City Science North Portfolio LLC	Industrial	409,729,345	0.15
18. Seaworld Parks and Entertainment	Theme Park	359,167,174	0.13
19. Illumina Inc. ARE-SD Region No. 32 LLC	Industrial	354,479,093	0.13
20. Sterling City Science South Development	Industrial	<u>341,982,757</u>	<u>0.13</u>
		\$13,938,682,943	5.23%

⁽¹⁾ 2025-26 Local Secured Assessed Valuation: \$266,600,299,974.

Source: California Municipal Statistics, Inc.

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Debt Service Schedule

The following table summarizes the debt service requirements of the District for all of its outstanding general obligation bonds and the Bonds, assuming no optional redemptions:

<u>Bond Year</u> <u>Ending August 1</u>	<u>Debt Service for</u> <u>Existing Bonds⁽¹⁾</u>	<u>The Bonds</u>		<u>Total Debt Service</u>
		<u>Principal</u>	<u>Interest</u>	
2026	\$198,208,476.64			
2027	175,503,671.28			
2028	182,138,181.16			
2029	151,449,232.38			
2030	155,068,708.38			
2031	165,910,291.22			
2032	170,445,997.08			
2033	169,992,699.08			
2034	122,790,577.30			
2035	106,346,115.40			
2036	106,155,556.20			
2037	107,103,809.80			
2038	108,475,000.20			
2039	109,879,117.80			
2040	111,332,669.60			
2041	115,636,828.40			
2042	92,759,879.20			
2043	91,506,681.20			
2044	53,889,400.00			
2045	55,475,650.00			
2046	57,108,150.00			
2047	58,791,350.00			
2048	60,517,950.00			
2049	62,301,350.00			
2050	64,139,150.00			
2051	66,028,750.00			
2052	67,973,250.00			
2053	69,978,250.00			
2054	72,044,500.00			
2055	74,172,000.00			
Total	\$3,203,123,242.32			

⁽¹⁾ Represents all outstanding general obligation bonds of the District and excludes the Purchased Bonds and Prior Bonds.

District Debt

Set forth below is a direct and overlapping debt report for the District prepared by California Municipal Statistics, Inc. for debt outstanding as of April 1, 2026. The debt report is included for general information purposes only. The District has not reviewed the debt report for completeness or accuracy and makes no representation in connection therewith.

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

Column 1 in the table names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. Column 2 shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in Column 3, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

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**SAN DIEGO COMMUNITY COLLEGE DISTRICT
DIRECT AND OVERLAPPING BONDED INDEBTEDNESS**

2025-26 Assessed Valuation: \$278,315,011,026

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 4/1/2026</u>
Metropolitan Water District	6.537%	\$ 1,048,862
San Diego Community College District	100.000	2,032,179,859 ⁽¹⁾
San Diego Unified School District	99.081	6,160,011,249
Poway Unified School District School Facilities Improvement District No. 2002-1 and 2007-1	0.014	31,869
San Dieguito Union High School District	0.135	516,895
Sweetwater Union High School District	0.008	48,284
Del Mar Union School District	0.490	612,549
National School District	0.106	54,179
Cities	0.060 - 0.103	9,606
Grossmont Healthcare District	7.206	13,786,901
Palomar Healthcare District	0.705	2,620,742
City of San Diego Community Facilities District No. 3	100.000	9,375,000
San Dieguito Union High School District Community Facilities District No. 95-1	0.393	85,753
California Statewide Communities Development Authority Assessment Districts (3 Roots)	100.000	<u>30,450,000</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$8,250,831,748

<u>OVERLAPPING GENERAL FUND DEBT:</u>		
San Diego County General Fund Obligations	35.812%	\$146,172,050
San Diego County Pension Obligation Bonds	35.812	23,331,518
San Diego County Superintendent of Schools Obligations	35.812	1,684,955
Poway Unified School District Certificates of Participation	1.857	943,913
Other School District Certificates of Participation	Various	17,186
City of San Diego General Fund Obligations	75.509	840,502,005
Other City General Fund and Pension Obligation Bonds	0.060 - 0.103	76,834
San Miguel Consolidated Fire Protection District Pension Obligation Bonds	0.768	<u>191,078</u>
TOTAL OVERLAPPING GENERAL FUND DEBT		\$1,012,919,539

OVERLAPPING TAX INCREMENT DEBT (Successor Agencies): \$183,810,810

COMBINED TOTAL DEBT \$9,447,562,097 ⁽²⁾

Ratios to 2025-26 Assessed Valuation:

Direct Debt (\$2,032,179,859)	0.73%
Total Direct and Overlapping Tax and Assessment Debt	2.96%
Combined Total Debt.....	3.39%

Ratios to Redevelopment Incremental Valuation (\$41,076,849,593):

Total Overlapping Tax Increment Debt	0.45%
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⁽¹⁾ Excludes issue to be sold.

⁽²⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

Pledge of Tax Revenues

Pursuant to the Resolutions, the District pledges all revenues from the property taxes collected from the levy by the County Board of Supervisors for the payment of the Bonds and amounts on deposit in the debt service fund of the District to the payment of the principal or redemption price of and interest on the Bonds.

This pledge is valid and binding from the date of adoption of the Resolutions for the benefit of the owners of the Bonds and successors thereto. The Resolutions provide that the property taxes and amounts held in the debt service fund of the District are immediately subject to this pledge, and the pledge constitutes a lien and security interest which immediately attaches to the property taxes and amounts held in the debt service fund of the District to secure the payment of the Bonds and is effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act. “Bonds” for purpose of this pledge means all bonds of the District heretofore or hereafter issued pursuant to voter approved measures of the District, including any refunding bonds thereof, as all such Bonds are required by State law to be paid from the respective debt service fund of the District.

The Resolutions provide that the pledge is an agreement between the District and the bondholders to provide security for the Bonds in addition to any statutory lien that may exist, and the Bonds and each of the other bonds secured by the pledge are or were issued to finance one or more of the projects specified in the applicable voter-approved measure or to refinance outstanding general obligation bonds.

Statutory Lien for General Obligation Bonds

Senate Bill 222 (2015) (“SB 222”), codified at California Government Code Section 53515, provides that all general obligation bonds issued by local agencies on or after January 1, 2016, including the Bonds, will be secured by a statutory lien on all revenues received pursuant to the levy and collection of the *ad valorem* taxes. SB 222 provides that the lien will automatically arise, without the need for any action or authorization by the District or its governing board, and will be valid and binding from the time the bonds are executed and delivered. See also “LEGAL AND OTHER MATTERS – Possible Limitations on Remedies; Bankruptcy – *Statutory Lien*” herein.

Dedicated Unlimited *Ad Valorem* Property Tax Collection

Factors Affecting Assessed Valuation. The annual tax rate will be based on the assessed value of taxable property in the District. Changes in the annual debt service on the District’s outstanding general obligation bonds and the assessed value of taxable property in the District may cause the annual tax rate to fluctuate. Economic and other factors beyond the District’s control, such as economic recession, deflation of land values, global pandemics, such as the respiratory disease caused by a new strain of coronavirus (SARS-CoV-2 virus) (“COVID-19”), relocation of businesses out of the District or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood, drought, fire, debris flow or other natural disaster, could cause a reduction in the assessed value of taxable property in the District and, all other factors being equal, necessitate a corresponding increase in the annual tax rate. Conversely, factors such as increased assessed value of taxable property and/or an increase in the numbers of property taxpayers within the District could, all other factors being equal, cause a corresponding decrease in the annual tax rate.

Drought. In recent years, the State has experienced severe drought conditions. In January of 2014, the Governor declared a Statewide Drought State of Emergency. As of such date, the State faced water

shortfalls due to the driest year in recorded State history, the State's river and reservoirs were below their record low levels, and manual and electronic readings recorded the water content of snowpack at the highest elevations in the State (largely in the Sierra Nevada mountain range) at around 20% of normal average for the winter season. Following the Governor's declaration, the California State Water Resources Control Board (the "Water Board") issued a Statewide notice of water shortages and potential future curtailment of water right diversions. In April 2017, the Governor lifted the drought emergency declaration, while retaining a prohibition on wasteful practices and advancing conservation measures. In April 2021, the Governor declared emergency drought declarations in two Northern California counties following two years of dry conditions. On May 10, 2021, the Governor expanded the emergency drought declaration to include an additional 39 counties throughout the State. On July 8, 2021, the Governor expanded the declaration further to include an additional 9 counties in the State. On October 19, 2021, the Governor expanded the declaration to include the remaining counties in the State, including the County. On March 28, 2022, the Governor issued Executive Order N-7-22, which directed the Water Board to issue drought regulations, including a recommendation to have urban water suppliers initiate water shortage contingency plans.

More recently, many parts of the State have experienced more rain and snowfall. In March 2023, the Governor eased drought restrictions, in part, by terminating various provisions contained in the aforementioned emergency declarations of April 2021, May 2021, July 2021 and October 2021 and in Executive Order N-7-22, including those related to recommending contingency plans for urban water suppliers. Other measures, such as those needed to support regions and communities still facing water supply challenges, remain in place.

The District cannot predict the extent to which drought conditions within the County or any of the adjoining counties could cause reduced economic activity within the boundaries of the District or the extent to which drought conditions may impact District facilities or the assessed value of taxable property within the District.

Wildfire. In recent years, portions of California, including adjacent counties, have experienced wildfires that have burned millions of acres and destroyed thousands of homes and structures. In January 2025, several wildfires, including the Palisades Fire and Eaton Fire, damaged or destroyed thousands of structures in Los Angeles County. Although the District and San Diego County have not been directly impacted by these Los Angeles County fires, property damage due to wildfire could result in a significant decrease in the assessed value of the District. Additionally, San Diego Mesa College is located in an area designated by the California Department of Forestry and Fire Protection ("Cal Fire") as having high wildfire potential. In response to this designation, the District has adopted construction standards requiring that no exterior component of buildings at that campus be constructed of flammable materials. It is not possible for the District to make any representation regarding the extent to which wildfires could cause reduced economic activity within the boundaries of the District or the extent to which wildfires may impact the value of taxable property within the District.

Sea Level Rise. The District may be particularly vulnerable to impacts associated with sea level rise due to development on its coastline. A wide range of critical infrastructure, such as roads, airports, hospitals, schools, emergency facilities, wastewater treatment plants, and ports are also vulnerable. Continued development in vulnerable areas will put additional assets at risk and raise protection costs. The District is unable to predict whether sea level rise, the recent California winter storms or other impacts of climate change or flooding from a major storm will occur, when they may occur, and if any such events occur, whether they will have a material adverse effect on the financial condition of the District and the local economy.

Flood Plains. Certain District facilities are located in proximity to flood plains. Specifically, the District Service Center, the Educational Cultural Complex (“ECC”), the southern portion of San Diego City College, and Harbor View are situated in areas near flood plains. ECC and Harbor View sustained damage in prior flood events attributable to failures of the City of San Diego’s storm drain infrastructure. In response to these risks, the District has undertaken or is evaluating measures to raise or relocate affected structures out of flood plain areas. The District is unable to predict whether future flood events will occur, the extent to which such events may damage District facilities or reduce the assessed value of taxable property within the District, or whether the City of San Diego’s storm drain infrastructure will be adequate to prevent future flood-related damage to District facilities.

Earthquake. The District is located in a seismically active region of the State. Property values could be reduced by the complete or partial destruction of taxable property as a result of an earthquake.

Climate Change. The change in the Earth’s average atmospheric temperature, generally referred to as “climate change,” is expected to, among other things, increase the frequency of extreme weather events. The direct risks posed by climate change currently include or are expected to include more extreme heat events, increased incidence of wildfire and drought, rising sea levels, changes in precipitation levels, and more intense storms. As greenhouse gas emissions continue to accumulate, climate change will intensify and increase the frequency of such extreme weather events. One or more of such extreme weather events could negatively impact the assessed value of the property within the District. The District cannot predict the timing, extent, or severity of climate change and its impact on property values in the District.

Prospective purchasers of the Bonds should be aware that, notwithstanding any decrease in assessed valuation for any fiscal year, the County is required to levy sufficient taxes to pay debt service on the Bonds. The consequence of any decrease in assessed valuation is a concomitant increase in the tax rate on taxable property so that sufficient tax revenues may be collected from taxpayers to cover debt service on the Bonds in full.

Proposition 50 and Proposition 171. On June 3, 1986, the voters of the State approved Proposition 50. Proposition 50 amends Section 2 of Article XIII A of the State Constitution to allow owners of property that was “substantially damaged or destroyed” by a disaster, as declared by the Governor (the “Damaged Property”), to transfer their existing base year value (the “Original Base Year Value”) to a comparable replacement property within the same county, which is acquired or constructed within five years after the disaster. At the time of such transfer, the Damaged Property will be reassessed at its full cash value immediately prior to damage or destruction (the “Original Cash Value”); however, such property will retain its base year value notwithstanding such a transfer. Property is substantially damaged or destroyed if either the land or the improvements sustain physical damage amounting to more than 50% of either the land or improvements full cash value immediately prior to the disaster. There is no filing deadline, but the assessor can only correct four years of assessments when the owner fails to file a claim within four years of acquiring a replacement property.

Under Proposition 50, the base year value of the replacement property (the “Replacement Base Year Value”) depends on the relation of the full cash value of the replacement property (the “Replacement Cash Value”) to the Original Cash Value: if the Replacement Cash Value exceeds 120% of the Original Cash Value, then the Replacement Base Year Value is calculated by combining the Original Base Year Value with such excessive Replacement Cash Value; if the Replacement Cash Value does not exceed 120% of the Original Cash Value, then the Replacement Base Year Value equals the Original Base Year Value; if the Replacement Cash Value is less than the Original Cash Value, then the Replacement Base Year Value equals the Replacement Cash Value. The replacement property must be comparable in size, utility, and function to the Damaged Property.

On November 2, 1993, the voters of the State approved Proposition 171. Proposition 171 amends subdivision (e) of Section 2 of Article XIII A of the State Constitution to allow owners of Damaged Property to transfer their Original Base Year Value to a “comparable replacement property” located within another county in the State, which is acquired or newly constructed within three years after the disaster.

Inter-county transfers under Proposition 171 are more restrictive than intra-county transfers under Proposition 50. For example, Proposition 171 (1) only applies to (a) structures that are owned and occupied by property owners as their principal place of residence and (b) land of a “reasonable size that is used as a site for a residence;” (2) explicitly does not apply to property owned by firms, partnerships, associations, corporations, companies, or legal entities of any kind; (3) only applies to replacement property located in a county that adopted an ordinance allowing Proposition 171 transfers; (4) claims must be timely filed within three years of the date of purchase or completion of new construction; and (5) only applies to comparable replacement property, which has a full cash value that is of “equal or lesser value” than the Original Cash Value.

Within the context of Proposition 171, “equal or lesser value” means that the amount of the Replacement Cash Value does not exceed either (1) 105% of the Original Cash Value when the replacement property is acquired or constructed within one year of the destruction, (2) 110% of the Original Cash Value when the replacement property is acquired or constructed within two years of the destruction, or (3) 115% of the Original Cash Value when the replacement property is acquired or constructed within three years of the destruction.

TAX MATTERS

General. The delivery of the Bonds is subject to delivery of the opinion of Bond Counsel, to the effect that interest on the Bonds for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions (1) will be excludable from the gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Bonds (the “Code”), of the owners thereof pursuant to section 103 of the Code, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals. The delivery of the Bonds is also subject to the delivery of the opinion of Bond Counsel, based upon existing provisions of the laws of the State of California that interest on the Bonds is exempt from personal income taxes of the State of California. A form of Bond Counsel’s anticipated opinion regarding the Bonds is included as Appendix B. The statutes, regulations, rulings, and court decisions on which such opinions will be based are subject to change.

In rendering the foregoing opinions, Bond Counsel will rely upon the representations and certifications of the District made in a certificate of even date with the initial delivery of the Bonds pertaining to the use, expenditure, and investment of the proceeds of the Bonds and will assume continuing compliance with the provisions of the Resolutions by the District subsequent to the issuance of the Bonds. The Resolutions and the federal tax certificate with respect to the Bonds contain covenants by the District with respect to, among other matters, the use of the proceeds of the Bonds and the facilities and equipment financed or refinanced therewith by persons other than state or local governmental units, the manner in which the proceeds of the Bonds are to be invested, the calculation and payment to the United States Treasury of any “arbitrage profits” and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Bonds.

Except as described above, Bond Counsel will express no other opinion with respect to any other federal, State or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the

Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, certain foreign corporations doing business in the United States, individual recipients of Social Security or Railroad Retirement benefits, corporations subject to the alternative minimum tax on adjusted financial statement income, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust (“FASIT”), and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Bond Counsel’s opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the District described above. No ruling has been sought from the Internal Revenue Service (the “IRS”) or the State of California with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel’s opinion is not binding on the IRS or the State of California. The IRS has an ongoing program of auditing the tax-exempt status of the interest on municipal obligations. If an audit of the Bonds is commenced, under current procedures, the IRS is likely to treat the District as the “taxpayer,” and the owners of the Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the District may have different or conflicting interests from the owners of the Bonds. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

For taxable years beginning after 2022, the Code imposes a minimum tax of 15 percent of the adjusted financial statement income of certain large corporations, generally consisting of corporations (other than S corporations, regulated investment companies and real estate investment trusts) with more than \$1 billion in average annual adjusted financial statement income, determined over a three-year period. For this purpose, adjusted financial statement income generally consists of the net income or loss of the taxpayer set forth on the taxpayer’s applicable financial statement for the taxable year, subject to various adjustments, but is not reduced for interest earned on tax-exempt obligations, such as the Bonds. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential impact of owning the Bonds.

Existing law may change to reduce or eliminate the benefit to bondholders of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

Tax Accounting Treatment of Discount and Premium on Certain Bonds.

The initial public offering price of certain Bonds (the “Discount Bonds”) may be less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. A portion of such original issue discount allocable to the holding period of such Discount Bond by the initial purchaser will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Bonds described above. Such interest is considered to be accrued actuarially

in accordance with the constant interest method over the life of a Discount Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bond and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, corporations subject to the alternative minimum tax on adjusted financial statement income, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The purchase price of certain Bonds (the "Premium Bonds") paid by an owner may be greater than the amount payable on such Bonds at maturity. An amount equal to the excess of a purchaser's tax basis in a Premium Bond over the amount payable at maturity constitutes premium to such purchaser. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by a purchaser is determined by using such purchaser's yield to maturity (or, in some cases with respect to a callable Bond, the yield based on a call date that results in the lowest yield on the Bond).

Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium with respect to the Premium Bonds for federal income purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

LEGAL OPINION

The validity of the Bonds and certain other legal matters are subject to the approving opinions of Norton Rose Fulbright US LLP, Bond Counsel to the District. A complete copy of the proposed form of Bond Counsel opinion is contained in Appendix B herein. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Compensation to be paid to Bond Counsel, Disclosure Counsel, counsel to the Underwriter, Municipal Advisor and the Underwriter is contingent upon the issuance of the Bonds.

LEGALITY FOR INVESTMENT

Under provisions of the California Financial Code, the Bonds are legal investments for commercial banks in California to the extent that the Bonds, in the informed opinion of the investing bank, are prudent for the investment of funds of depositors. Under provisions of the California Government Code, the Bonds are eligible to secure deposits of public moneys in California.

RATINGS

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), and Moody's Ratings ("Moody's") have assigned their municipal bond ratings of "AAA" and "Aa1" to the Bonds, respectively. Such ratings reflect only the views of S&P and Moody's, respectively, and an explanation of the significance of such ratings may be obtained as follows: S&P at Municipal Finance Department, 55 Water Street, New York, New York 10041, tel. (212) 208-8000 and Moody's, at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, tel. (212) 553-0300. The District furnished each rating agency with certain information and materials relating to the Bonds that may not be included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions by rating agencies. A rating may be changed, suspended or withdrawn as a result of changes in, or unavailability of, information. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely if, in the judgment of the rating agencies, circumstances so warrant. The District has not undertaken any responsibility to bring to the attention of the owners of the Bonds any proposed revision or withdrawal of a rating of the Bonds or to oppose any such proposed revision or withdrawal. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

LEGAL AND OTHER MATTERS

Continuing Disclosure

Current Undertakings. In accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission, the District will execute a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") in the form of Appendix D hereto, on or prior to the sale of the Bonds in which the District will undertake, for the benefit of the Beneficial Owners of the Bonds, to provide certain financial information and operating data relating to the District (the "Annual Reports") by not later than nine months following the end of the District's fiscal year (which currently ends June 30), commencing with the report for fiscal year 2025-26, and to provide notices of the occurrence of certain listed events, as set forth therein. The covenants contained in the Continuing Disclosure Certificate have been made to assist the Underwriter in complying with the Rule. See APPENDIX D – "FORM OF CONTINUING DISCLOSURE CERTIFICATE" hereto.

Prior Undertakings. Within the past five years, the District failed to timely file notice of a Moody's rating change with respect to the District's bonds. On December 18, 2023, the District filed a corrective notice with respect to the rating change. To ensure future compliance with its continuing disclosure undertakings, the District has engaged KNN Public Finance, LLC, as dissemination agent, to assist and file all appropriate documents.

Possible Limitations on Remedies; Bankruptcy

General. Following is a discussion of certain considerations in the event that the District should become a debtor in a bankruptcy proceeding. It is not an exhaustive discussion of the potential application of bankruptcy law to the District. The discussion is based on the United States Bankruptcy Code (the “Bankruptcy Code”) as now in effect and the few relevant judicial decisions to date. The Bankruptcy Code could be amended or construed differently in future judicial decisions (including as a result of possible future decisions in the pending analogous insolvency proceedings for the Commonwealth of Puerto Rico). Any such action could affect the possible application of bankruptcy law to the District.

State law contains a number of safeguards to protect the financial solvency of community college districts. See APPENDIX A – “FINANCIAL AND DEMOGRAPHIC INFORMATION OF THE DISTRICT.” If the safeguards are not successful in preventing a community college district from becoming insolvent, the Chancellor of the California Community Colleges (the “State Chancellor”), operating through a special trustee appointed by the State Chancellor, may be authorized under State law to file a petition under Chapter 9 of the United States Bankruptcy Code (the “Bankruptcy Code”) on behalf of the District for the adjustment of its debts, assuming that the District meets certain other requirements contained in the Bankruptcy Code necessary for filing such a petition. Under current State law, the District is not itself authorized to file a bankruptcy proceeding, and it is not subject to an involuntary bankruptcy proceeding under federal or state law.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, bondholders may be prohibited from taking any action to collect any amount from the District (including *ad valorem* tax revenues) or to enforce any obligation of the District, without the bankruptcy court’s permission, except possibly as described below in the case of pledged “special revenues.” In such a proceeding, as part of its plan of adjustment in bankruptcy, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, including the obligation of the County and the District to raise taxes if necessary to pay the Bonds, if the bankruptcy court determines that the plan is fair, equitable, not unfairly discriminatory to creditors as a whole, is in the best interests of creditors and otherwise complies with the Bankruptcy Code. There also may be other possible effects of a District bankruptcy proceeding that could result in delays or reductions in payments on the Bonds. Regardless of any specific adverse determinations in any District bankruptcy proceeding, the fact of a District bankruptcy proceeding could have an adverse effect on the liquidity and market price of the Bonds.

Limitations on Plans of Adjustments. Chapter 9 of the Bankruptcy Code does not limit or impair the power of a state to control, by legislation or otherwise, a political subdivision of the state in the exercise of its political or governmental powers, including expenditures for the exercise. In addition, Chapter 9 prevents a bankruptcy court from interfering with the political or governmental powers of a political subdivision debtor, any of its property or revenues or the use or enjoyment of its income producing property, unless the political subdivision debtor confirms a plan of adjustment to that effect or consents to that action. State law provides that *ad valorem* taxes may be levied to pay the principal of and interest on the Bonds and other voted general obligation bonds of the District in an unlimited amount, and that proceeds of such a levy must be used for the payment of principal of and interest on the District’s general obligation bonds, including the Bonds, and for no other purpose. Under State law, the District’s share of the 1% limited tax imposed by the County is the only *ad valorem* tax revenue that may be raised and expended to pay liabilities and expenses of the District other than its voter-approved debt, such as its general obligation bonds. If the District should become a debtor in a Chapter 9 proceeding, then it must propose a plan of adjustment of its debts. The plan may not become effective until confirmed by the bankruptcy court.

The court may not confirm a plan unless it finds, among other conditions, that the District is not prohibited by law from taking any action necessary to carry out the plan, and that the plan is fair, equitable, does not unfairly discriminate among creditors as a whole, is in the best interests of creditors, and is feasible. If the State law restriction on the levy and expenditure of *ad valorem* taxes is respected in a bankruptcy case, then *ad valorem* taxes could be levied by the County only for payment of the Bonds and its other voted general obligation bonds, or securities issued in their stead, and could not be used by the District for any other purpose under its plan.

Statutory Lien. Pursuant to Senate Bill 222 (2015) (“SB 222”), all general obligation bonds issued by local agencies, including the Bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* taxes levied to pay the bonds. SB 222 provides that the lien will automatically arise, without the need for any action or authorization by the local agency or its governing board, and will be valid and binding from the time the bonds are issued. As a result, the lien on debt service taxes will continue to be valid with respect to post-petition receipts of debt service taxes, should the District become a Chapter 9 debtor. (Unlike most security interests created by agreement, statutory liens on post-petition revenues remain effective under the Bankruptcy Code.) The automatic stay provisions of the Bankruptcy Code would apply, however, thereby preventing bondholders from enforcing their rights to payment from such taxes (with the result that any payments becoming due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed), except as described under “– Special Revenues” below. It is also possible that the bankruptcy court could approve an alternate use of such taxes, if the bondholders are afforded protection that the court determines to be adequate.

Special Revenues. If the *ad valorem* tax revenues that are pledged to the payment of the Bonds are determined to be “special revenues” within the meaning of the Bankruptcy Code, then the application by the County (or others with possession) of pledged *ad valorem* tax revenues that are collected after the date of the bankruptcy filing should not be subject to the automatic stay, and bondholders may be able to compel their immediate use to pay debt service, subject to the matters discussed below, including a recent decision by the United States Court of Appeals for the First Circuit.

“Special revenues” are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. The District has specifically levied and pledged *ad valorem* taxes for payment of the Bonds. The Bonds and the District’s other general obligation bonds were approved at elections held on propositions that described the projects for which such bonds may be issued. As noted above, State law prohibits the use of the proceeds of the District’s debt service tax for any purpose other than payment of its general obligation bonds, and the bond proceeds may only be used to fund the acquisition or improvement of real property and other capital expenditures included in the proposition, so such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* tax revenues collected for the payment of general obligation bonds in California, so no assurance can be given that a bankruptcy court would not hold otherwise.

Even if the *ad valorem* tax revenues that are pledged to the payment of the Bonds are determined to be “special revenues” within the meaning of the Bankruptcy Code, bondholders may not be able to compel that they be used to pay debt service during the pendency of a Chapter 9 proceeding. While the application of special revenues is exempt from the automatic stay by Section 922(d) of the Bankruptcy Code, the United States Court of Appeals for the First Circuit has interpreted that section to exempt only voluntary applications by the debtor and voluntary applications by creditors or others of property in their possession, and not to exempt actions by creditors to compel an application by others, and has held that a bankruptcy court lacks authority to compel the application of special revenues. *In re: The Financial Oversight and Management Board for Puerto Rico*, 919 F.3d 121 (1st Cir. 2019). The U.S. Supreme Court

declined to review the First Circuit decision. If the First Circuit's interpretation is upheld and applied by courts in the Ninth Circuit and the State Superintendent (or State-appointed administrator) were to file a petition to initiate a Chapter 9 proceeding in respect of the District, bondholders would be stayed from seeking to compel the application of pledged *ad valorem* taxes to pay debt service on the Bonds during the pendency of the proceeding (in either federal or state court), if the County failed to do so as required by State law or was instructed not to do so by the District. Accordingly, even if the *ad valorem* tax revenues that are pledged to the payment of the Bonds are determined to be "special revenues," a Chapter 9 proceeding could result in a substantial delay in the payment of debt service, if the County failed to apply pledged *ad valorem* taxes to pay debt service on the Bonds.

Possession of Tax Revenues; Remedies. If the County or the District goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the County or the District, as applicable, does not voluntarily pay such tax revenues to the owners of the Bonds, it is not clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful.

Amounts Held in County Treasury Pool. The County on behalf of the District is expected to be in possession of the annual *ad valorem* property taxes and certain funds to repay the Bonds and may invest these funds in the County's Treasury Pool, as described in "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" and APPENDIX F – "SAN DIEGO COUNTY INVESTMENT POOL." Should those investments suffer losses, there may be delays or reductions in payments on the Bonds.

Opinion of Bond Counsel Qualified. The proposed form of opinion of Bond Counsel, attached hereto as Appendix B, is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights.

Cybersecurity Risks

In 2019, the District experienced a ransomware attack that involved a breach of all storage drives, which included directories with confidential data, and led to a disruption of District operations affecting all network users at the District. The District hired Novacoast to aid in the restoration of drives from backup data. Staff from the ITS network team and two members from the web team were directly involved with aiding in the resolution of the issue and restoring services. The District has since taken steps to prevent future incidents, including introducing new software services, cybersecurity awareness training and presenting Administrative Procedure/Board Policy 3720, which established district-wide procedures and guidelines for appropriate use of information technologies. The District currently conducts security awareness training at every campus, twice per year, as part of professional development and improving security practices for employees and students.

In May 2026, the District experienced two separate cybersecurity incidents. First, beginning on or about May 3, 2026, the District's network was subjected to a sophisticated and coordinated cyberattack that necessitated a district-wide network shutdown lasting approximately two weeks. The District engaged outside cybersecurity professionals, conducted a comprehensive scan of approximately 5,500 devices operating on its network, and implemented new security systems prior to restoring network services in phases by campus. Full restoration of District internet access, Wi-Fi, campus operations, and all primary systems was confirmed by May 14-15, 2026. The District confirmed that no student, employee, or district data was compromised in connection with this incident. Second, on or about May 7, 2026, Instructure, Inc. ("Instructure"), the third-party vendor that operates the Canvas learning management system utilized by the District, experienced a separate cyberattack by a criminal hacking organization that temporarily locked all Canvas users out of the platform globally. The District disabled local Canvas access as a precautionary

measure and notified the California Community Colleges Chancellor’s Office (“CCCCO”), which serves as the primary point of contact with Instructure for California community college districts. Instructure confirmed that no passwords, government identifiers, or financial information were compromised; however, Instructure reported that certain identifying information of users at affected institutions — including names, email addresses, and student identification numbers, as well as messages among users — may have been accessed. The District confirmed that there was no direct local impact on District data in connection with the Instructure incident. Canvas access was restored to District users on May 8, 2026, following clearance from the CCCCCO Security Center, with multi-factor authentication and single sign-on security measures implemented. The District cannot predict whether additional cybersecurity incidents will occur in the future or what impact any such incidents may have on its operations or finances.

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

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

UNDERWRITING

RBC Capital Markets, LLC (the “Underwriter”) has agreed, pursuant to a purchase contract by and between the District and the Underwriter, to purchase all of the Bonds for a purchase price of \$ _____ (consisting of the principal amount of the Bonds of \$ _____, plus original issue premium of \$ _____ and less Underwriter’s discount of \$ _____)

The purchase contract relating to the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in such purchase contract, the approval of certain legal matters by Bond Counsel and certain other conditions. The initial offering prices stated on the inside cover page of this Official Statement may be changed from time to time by the Underwriter. The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than such initial offering prices.

The Underwriter made contributions in support of the 2002 and 2006 bond elections of the District, which authorized the issuance of the Target Bonds.

The Underwriter has provided the following for inclusion in this Official Statement. The District does not guarantee the accuracy or completeness of the following information, and the inclusion thereof should not be construed as a representation of the District.

The Underwriter has entered into a distribution arrangement with its affiliate RBC Securities, Inc. (RBC Securities) (formerly known as City National Securities, Inc.). As part of this arrangement, the

Underwriter may distribute municipal securities to investors through the financial advisor network of RBC Securities. As part of this arrangement, the Underwriter may compensate RBC Securities for its selling efforts with respect to the Bonds.

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

MUNICIPAL ADVISOR

KNN Public Finance, LLC is employed as Municipal Advisor to the District in connection with the issuance of the Bonds. The Municipal Advisor's compensation for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. KNN Public Finance, LLC, in its capacity as Municipal Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income status of the Bond, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Municipal Advisor to the District has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstance of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

NO LITIGATION

No litigation is pending or threatened concerning the validity of the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the District's ability to receive *ad valorem* property taxes or to collect other revenues or contesting the District's ability to issue the Bonds.

OTHER INFORMATION

References are made herein to certain documents and reports which are brief summaries thereof which do not purport to be complete or definitive and reference is made to such documents and reports for full and complete statements of the contents thereof. Copies of the Resolutions are available upon request from the offices of the Vice Chancellor, Finance and Business Services, San Diego Community College District, 3375 Camino Del Rio South San Diego, California 92108. A fee may be charged for copying and handling.

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

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

SAN DIEGO COMMUNITY COLLEGE DISTRICT

By: _____
Vice Chancellor, Finance and Business Services

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**APPENDIX A
FINANCIAL AND DEMOGRAPHIC INFORMATION
OF THE DISTRICT**

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APPENDIX A

FINANCIAL AND DEMOGRAPHIC INFORMATION OF THE DISTRICT

This Appendix A provides information concerning the operations and finances of the San Diego Community College District (the “District”). The Bonds are general obligation bonds of the District, secured and payable from ad valorem property taxes assessed on taxable properties within the District. The Bonds are not an obligation of the County, the State of California or any of its other political subdivisions or of the general fund of the District. Prospective purchasers of the Bonds should be aware that the following discussion of the financial condition of the District, its fund balances, budgets and obligations, is intended as general information only, and no implication is made that the payment of principal of or interest on the Bonds is dependent in any way upon the District’s financial condition. The District neither receives nor accounts for ad valorem tax revenues collected by the San Diego County (the “County”) to pay debt service on the Bonds (or its other general obligation bonds) in the following tables or in its annual financial statements. Pursuant to Section 15251 of the California Education Code, all tax revenues collected for payment of debt service on the Bonds must be deposited into the County treasury to the credit of the debt service fund of the District. The Bonds are and will continue to be payable solely from ad valorem taxes levied and collected by the County within the boundaries of the District. See the body of this Official Statement under the caption “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

THE DISTRICT

District General Information

San Diego City College, now part of the District, was founded in 1914. In 1964, San Diego Mesa College was established, followed by San Diego Miramar College in 1969. Originally, the colleges were part of the San Diego Unified School District. In 1972, the voters approved separating the San Diego Community College District from the San Diego Unified School District. The District is located within the metropolitan area of the City of San Diego. The District consists of three credit colleges, San Diego City College, Mesa College, and Miramar College, and the San Diego College of Continuing Education, which operates at seven campuses throughout the City of San Diego. The mission of the District is to provide accessible, high-quality learning experiences, and undergraduate education at an affordable price to meet the educational needs of the City of San Diego community. The District offers a comprehensive curriculum responding to needs for university transfer, technical, vocational, military and general education, remedial and developmental, special education, human development, honors, and ethnic and linguistic diversity. The District is the third largest community college district in California, based on headcount.

District Organization

The governing board of the District is the Board of Trustees (the “Board”). The Board consists of five voting members elected by the voters of the District (the “Trustees”). The Trustees serve four-year terms. Elections for Trustee positions to the Board are held every two years, alternating between two and three positions. The management and policies of the District are administered by a Board-appointed Chancellor. Gregory A. Smith is the District’s Chancellor.

**SAN DIEGO COMMUNITY COLLEGE DISTRICT
BOARD OF TRUSTEES**

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Geysil Arroyo	President	2026
Craig Milgrim	Executive Vice President	2026
Mariah Jameson	Member	2028
Dr. Marichu G. Magaña	Member	2028
Dr. Maria Nieto Senour	Member	2026

Key Personnel

The following is a list of the key administrative personnel of the District:

<u>Name</u>	<u>Title</u>
Gregory A. Smith	Chancellor
Daniel Troy	Vice Chancellor, Finance and Business Services
Joel Peterson, Ph.D.	Vice Chancellor, Operations, Enterprise Services, and Facilities
Susan Topham, Ed.D.	Vice Chancellor, Educational Services
Jared Burns, Ph.D., J.D.	Vice Chancellor, People, Culture, and Technology Services
Michele Fischthal, DBA	Vice Chancellor, Institutional Innovation and Effectiveness
Laurie Coskey, Ed.D.	Vice Chancellor, Development and Entrepreneurship
Jack Beresford, MBA	Vice Chancellor, Marketing, Communications, and Public Affairs

The Chancellor of the District is responsible for administering the affairs of the District in accordance with the policies of the Board. Brief biographies of the Chancellor and the Vice Chancellor, Finance and Business Services follow:

Gregory A. Smith, Chancellor. Mr. Smith was appointed as Chancellor of the District in January 2024, most recently serving as Acting Chancellor since March 24, 2023. He joined the District in October, 2020 as Vice Chancellor of People, Culture, and Technology Services. Mr. Smith began his career in the community college system in 2016 at Shasta College, where he served as the Director of Human Resources, Associate Vice President of Human Resources, and Interim Vice President of Administrative Services. Prior to joining the community college system, he worked for over 12 years with the U.S. Department of Labor enforcing equal employment opportunity and affirmative action regulations for federal contractors, developing expertise in analyzing employment data, conducting discrimination investigations, and conciliating discrimination findings. Mr. Smith attended Cerro Coso Community College in the Kern Community College District. He went on to earn bachelor's degrees in Political Science and English Literature at Arizona State University and a master's degree in Public Administration from the University of Southern California.

Daniel Troy, Vice Chancellor, Finance and Business Services. Mr. Troy was appointed as Vice Chancellor, Finance and Business Services of the District in June 2024, after serving as the Assistant Superintendent/Vice President, Administrative Services for the San Luis Obispo County Community College District since April of 2016. Previously, Mr. Troy served the California Community College Chancellor’s Office as the Vice Chancellor, College Finance and Facilities Planning for approximately five years. Mr. Troy’s prior experience also includes serving as a consultant to the California State Senate and a budget analyst for the California Department of Finance. Mr. Troy received his master’s degree in Public Policy from Georgetown University and a Bachelor of Arts degree in English from Dickinson College.

Accreditation

San Diego City College, Mesa College and Miramar College are fully accredited by the Accrediting Commission for Community and Junior Colleges (“ACCJC”) of the Western Association of Schools and Colleges (“WASC”) and San Diego College of Continuing Education is accredited by the Accrediting Commission for Schools (“ACS”) of the Western Association of Schools and Colleges.

ACCJC is one of seven institutional accrediting bodies recognized by the Commission on Recognition of Postsecondary Accreditation and the U.S. Department of Education. Accreditation is a voluntary system of self-regulation developed to evaluate overall educational quality and institutional effectiveness and to provide public assurance of the quality of education based upon such evaluation. Each institution affiliated with ACCJC voluntarily accepts the obligation to participate in a seven year cycle of evaluation that requires a comprehensive evaluation visit by an external team of peers. The cycle includes a mandatory midterm report in the third year as well as any other reports requested by ACCJC. ACS is accrediting association in the United States, and works closely with the Office of Overseas Schools under the U.S. Department of State. ACS provides assistance to schools worldwide, especially in California, Hawaii, Guam, Asia, the Pacific Region, the Middle East, Africa, and Europe. The ACS extends its services to over 5,200 public, independent, church-related, and proprietary pre-K–12 and adult schools, works with 20 associations in joint accreditation processes, and collaborates with other organizations such as the California Department of Education (CDE).

The District’s last comprehensive review by ACCJC was in February 2024, and the next comprehensive review is scheduled for Spring 2031. Following a follow-up report submitted by Mesa College by October 1, 2025, all three District credit colleges — San Diego City College, San Diego Mesa College, and San Diego Miramar College — successfully received reaffirmation of accreditation from the ACCJC. The District’s last comprehensive review by ACS was in February 2024, and the next comprehensive review is scheduled for June 2030.

District Employees

The District currently employs 659 full-time academic faculty, 793 full-time classified employees, 39 College Police, 169 full-time classified supervisory/professional, 87 academic managers, 68 classified managers and 12 confidential employees. In addition, the District employs 2,136 part-time faculty and 1,229 short-term non-academic staff. These employees, except management, supervisory/professional, confidential and some short-term non-academic employees, which are meet and confer groups, are represented by the three bargaining units in the following table.

<u>Bargaining Unit</u>	<u>Employees</u>	<u>Expiration Date</u>
AFT Local 1931 (<i>Office Technical, M&O, Food Services, Bookstore</i>)	788	June 30, 2026
AFT Local 1931 (<i>College Faculty incl. PT</i>)	2,408	June 30, 2026
AFT Local 1931 (<i>Continuing Education Faculty</i>)	402	June 30, 2026
Police Officers’ Association (<i>Police</i>)	39	June 30, 2026

Source: The District.

The current agreements for all four bargaining units expire June 30, 2026. For fiscal year 2025-26, compensation was adjusted upward by 1.7% for all represented employees. Negotiations for successor agreements are currently underway.

Insurance

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District is self-insured for losses arising from public liability, auto, and property claims. Self-insurance amounts are \$100,000 per individual claim for property and \$200,000 for auto and public liability. The District is covered for losses in excess of these amounts by outside insurance carriers. The District maintains a liability insurance policy whereby the District pays the first \$200,000 per occurrence with coverage up to \$50,000,000 including excess liability. Excess liability with no self-retention between the coverage ranges of \$1-20 million. The District also maintains a crime policy with a deductible of \$2,500 with a \$5,000,000 limit. As of July 1, 2001, the District elected to be self-insured for workers' compensation claims. Currently, the District covers claims up to \$500,000 per individual claim.

See also APPENDIX C - "AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025 – Note 10" attached hereto.

Sustainability Initiatives

The District has adopted sustainability standards designed to conserve energy and water across its campuses and individual projects. The District has implemented approximately 2.4 megawatts of photovoltaic solar generation capacity and operates three hydrogen fuel cells, one at each of its three credit college campuses. To reduce water consumption, the District has instituted low-water-usage landscaping throughout its facilities. The District also operates a one-million-gallon thermal energy storage tank at San Diego Miramar College, which reduces peak electrical demand. The District is currently studying the feasibility of a microgrid at San Diego Miramar College that would reduce the campus's dependence on the regional electrical grid. The District cannot predict the extent to which future regulatory requirements, capital costs, or operational factors may affect the implementation or maintenance of these sustainability measures.

District Enrollment

The table below sets forth the Full-Time Equivalent Students (“FTES”) for the District for the fiscal years 2019-20 through 2024-25, with actual figures for fiscal year 2025-26.

SAN DIEGO COMMUNITY COLLEGE DISTRICT Resident Full-Time Equivalent Students⁽¹⁾ Fiscal Years 2019-20 through 2025-26

<u>Fiscal Year</u>	<u>Resident FTES⁽¹⁾</u>
2019-20	36,206
2020-21	37,633
2021-22	34,593
2022-23	35,973
2023-24	38,509
2024-25	38,949
2025-26 ⁽²⁾	39,222

(1) FTES figures reflect California resident (“Resident”) counts only. The District receives apportionment from the State only for Resident students. Non-resident students are generally excluded from State funding formula calculations. Non-resident students are charged a higher fee per unit than Resident students, which income is independent and not subject to apportionment nor deduction by the State.

(2) P2 actuals.

Source: The District.

District Investments

The Treasurer and Tax Collector (the “Treasurer”) of the County manages, in accordance with California Government Code Section 53600 *et seq.*, funds deposited with the Treasurer by County school and community college districts, various special districts, and some cities within the State. State law generally requires that all moneys of the County, school and community college districts and certain special districts be held in the County’s Treasury Pool.

The composition and value of investments under management in the Treasury Pool vary from time to time depending on cash flow needs of the County and public agencies invested in the pool, maturity or sale of investments, purchase of new securities, and due to fluctuations in interest rates generally.

For a further discussion of the Pooled Investment Fund, see APPENDIX F - “SAN DIEGO COUNTY INVESTMENT POOL” hereto.

Financial Statements of the District

The District’s General Fund finances the legally authorized activities of the District. General Fund revenues are derived from such sources as State fund apportionments, taxes, use of money and property, charges for current services, aid from other governmental agencies and other revenue. The General Fund of the District is a combined fund comprised of moneys which are unrestricted and available to finance the legally authorized activities of the District and restricted funds and moneys which are restricted to specific types of programs or purposes. Certain information from the District’s financial statements follows. The District’s audited financial statements for fiscal year ended June 30, 2025 are attached hereto as Appendix C. The District has not requested and its auditor has not provided any review or update of such statements in connection with the inclusion thereof in this Official Statement.

The financial statements included herein were prepared by the District using information from the Annual Financial Reports which are prepared by the District and audited by independent certified public accountants each year. The data included in this Official Statement for the District beyond fiscal year 2024-25 is unaudited and has not been reviewed by the District's independent certified public accountants.

Accounting Practices

The accounting policies of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California Community Colleges Budget and Accounting Manual. Revenues are recognized in the period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the period in which the liability is incurred.

The financial resources of the District are divided into separate funds for which separate accounts are maintained for recording cash, other resources and all related liabilities, obligations and equities. The major fund classification is the general fund, which accounts for all financial resources not required to be accounted for in another fund. The District's fiscal year begins on July 1 and ends on June 30. All governmental funds and fiduciary funds are maintained on the accrual basis of accounting, and so revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. For more information on the District's accounting method, see APPENDIX C – "AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025" hereto.

The Governmental Accounting Standards Board ("GASB") published its Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" on June 30, 1999. GASB No. 34 provides guidelines to auditors, state and local governments and special purpose governments such as school districts, community college districts and public utilities, on new requirements for financial reporting for all governmental agencies in the United States. Generally, the basic financial statements and required supplementary information should include (i) Management's Discussion and Analysis; (ii) financial statements prepared using the economic measurement focus and the accrual basis of accounting; (iii) fund financial statements prepared using the current financial resources measurement focus and the modified accrual method of accounting; and (iv) required supplementary information.

The District's Audited Financial Statements for fiscal year ended June 30, 2025 were prepared by Eide Bailly LLP and are attached as Appendix C.

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

Budgets of District; State Chancellor Oversight

The fiscal year of the District begins on the first day of July of each year and ends on the 30th day of June of the following year. On or before July 1 of each year the District adopts a fiscal line-item budget setting forth expenditures in priority sequence so that appropriations during the fiscal year can be adjusted if revenues do not meet projections.

The District is required by provisions of the California Education Code to maintain a balanced budget each year, where the sum of expenditures plus the ending fund balance cannot exceed the revenues

plus the carry-over fund balance from the previous year. The State Chancellor imposes a uniform budgeting format for each community college district in the State.

State law grants to the Board of Governors of the California Community Colleges and to the State Chancellor certain oversight with respect to the budget development process and financial reporting of community college districts. Pursuant to California Education Code Section 84040 *et seq.* and the California Code of Regulations Section 58310 *et seq.*, the chief executive officer or other designee of the governing board of each community college district is required to regularly report the financial condition of such community college district to the governing board thereof. Further, the chief executive officer or other designee is required to submit reports showing the financial and budgetary conditions of its community college district, including outstanding obligations, to the governing board at least once every three months. Each community college district is also required to submit a copy of a certified quarterly report to the appropriate county office of education and the State Chancellor no later than forty-five days following the completion of such quarter. The State Chancellor is required to develop and maintain procedures for the administration of fiscal monitoring of community colleges districts pursuant to the California Education Code Section 84040 *et seq.*

In the event that a community college district's financial information indicates to the State Chancellor a high probability that, absent corrective actions, the district will need an emergency apportionment within three years or that the district is not in compliance with the principles of sound fiscal management as set forth in the California Code of Regulations, the State Chancellor has the authority to further intervene in the affairs of the district. The State Chancellor may, among other things, require additional reports from a community college district, require such community college district to respond to specific concerns or direct the community college district to adopt a detailed plan for fiscal stability and an educational plan which shows the impact of the fiscal plan on such community college district's educational program.

The California Code of Regulations grants the State Chancellor the authority to take certain actions if the State Chancellor determines that a community college district's plans are inadequate to solve the financial problems or to implement the principles of sound fiscal management, such community college district substantially fails to implement the plans, or if a college operated by such community college district is in imminent jeopardy of losing its accreditation which would create severe fiscal problems. The State Chancellor may, among other thing, (i) conduct a comprehensive management review of a community college district and its educational programs and an audit of the financial condition of such community college district; (ii) direct a community college district to amend and readopt the fiscal and educational plans based on the findings of the comprehensive audits; (iii) review and monitor the implementation of the plans and direct a community college district to make any further modifications to the fiscal and educational plans he or she deems necessary for such community college district's achievement of fiscal stability; and (iv) appoint or assign a special trustee (a "Special Trustee"). The Special Trustee, if appointed, may review and monitor plans, reports, and other financial material, and may modify the fiscal and educational plans, review and prioritize expenditures in order to further the community college district's achievement of fiscal stability, approve or disapprove actions of such community college district which affect or relate to the implementation of the fiscal and educational plans. The Special Trustee may assume management and control of a community college district if authorized by the Board of Governors based on the recommendation of the State Chancellor. The State Chancellor may authorize the Special Trustee to exercise such powers as are approved by the Board of Governors for a period of no more than one year, unless the Board of Governors approves one or more one-year extensions.

In the event the State Chancellor deems that the aforementioned procedures have not stabilized the financial condition of a community college district, the State Chancellor may seek an appropriation for an emergency apportionment to be repaid over a period of three years. However, the State Chancellor is not

authorized to approve any diversion of revenue from *ad valorem* taxes levied to pay debt service on district general obligation bonds.

In the event the State elects to provide an emergency appropriation to a community district, such appropriation may be accomplished through the issuance of “State School Fund Apportionment Lease Revenue Bonds” to be issued by the California Infrastructure and Economic Development Bank, on behalf of the community college district. State law provides that so long as such bonds are outstanding, the recipient community college district cannot file for bankruptcy.

District Finances

The following table describes the District’s audited financial results for the fiscal years 2021-22 through 2024-25 and the District’s adopted budgets for the fiscal years 2021-22 through 2025-26. The District’s adopted budget for fiscal year 2025-26 was approved by the Board on September 11, 2025.

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SAN DIEGO COMMUNITY COLLEGE DISTRICT
2021-22 through 2025-26 Adopted Budget,
2021-22 through 2024-25 Audited Actual Results
Combined General Fund

	2021-22		2022-23		2023-24		2024-25		2025-26
	<u>Budgeted</u>	<u>Actuals</u>	<u>Budgeted</u>	<u>Actuals⁽¹⁾</u>	<u>Budgeted</u>	<u>Actuals⁽¹⁾</u>	<u>Budgeted</u>	<u>Actuals⁽¹⁾</u>	<u>Budget⁽²⁾</u>
REVENUES:									
Federal	\$100,985,392	\$69,304,961	-	\$42,434,722	\$89,632,963	\$13,918,619	\$124,798,791	\$13,212,294	\$17,194,276
State	191,735,610	218,057,632	\$161,525,696	216,935,083	320,456,160	280,673,580	311,725,109	269,858,201	305,147,992
Local	181,176,643	161,520,592	152,959,616	179,881,293	199,461,157	211,350,405	197,306,538	202,999,494	206,746,606
Total Revenues	<u>\$473,897,645</u>	<u>\$448,883,185</u>	<u>\$314,485,312</u>	<u>\$439,251,098</u>	<u>\$609,550,280</u>	<u>505,942,604</u>	<u>633,830,438</u>	<u>486,069,989</u>	<u>529,088,874</u>
EXPENDITURES:									
Academic Salaries	\$135,289,034	\$130,640,451	\$113,586,163	\$142,941,438	\$140,879,216	\$157,178,624	\$167,599,259	\$162,072,129	\$176,552,231
Classified Salaries	89,001,320	85,837,114	63,117,208	91,109,085	107,456,425	106,205,392	130,378,768	111,566,342	129,134,662
Employee Benefits	94,989,697	104,203,020	85,661,777	110,002,449	108,439,462	122,705,448	134,904,525	137,261,420	144,867,141
Supplies and Materials	25,488,680	6,236,064	4,597,044	7,149,858	24,191,505	7,068,124	21,438,709	7,731,850	18,605,223
Other Operating Expenses and Services	82,807,311	36,440,478	34,334,424	41,228,651	88,431,228	46,640,898	83,613,754	41,255,585	76,963,228
Capital Outlay	26,112,569	10,710,626	4,222,503	20,325,628	28,229,615	12,554,596	21,678,857	12,041,058	17,651,289
Total Expenditures	<u>\$453,688,611</u>	<u>\$374,067,753</u>	<u>\$305,519,119</u>	<u>\$412,757,109</u>	<u>\$497,627,451</u>	<u>\$452,353,082</u>	<u>\$559,613,872</u>	<u>\$471,928,384</u>	<u>\$563,773,774</u>
Excess (Deficiency)	\$20,209,034	\$74,815,432	\$8,966,193	\$26,493,989	\$111,922,829	\$53,589,522	\$74,216,566	\$14,141,605	\$(34,684,900)
Other Outgo	\$53,846,555	\$53,821,161	\$3,727,214	\$24,995,709	\$118,747,718	18,198,000	82,979,068	21,256,883	99,595,292
Other Financing Sources	5,548,162	\$10,420,531	\$830,638	\$9,476,614	\$6,824,889	6,480,056	8,762,502	11,134,991	8,914,360
Net Increase/(Decrease) in Fund Balance	\$(28,089,359)	\$31,414,802	\$6,069,617	\$10,974,894	-	\$41,871,578	-	\$4,019,713	\$(125,365,832)
Beginning Fund Balance July 1	\$74,653,096	\$73,944,777	\$105,359,579	\$60,442,081	\$144,913,284	\$71,416,975	\$113,288,579	\$113,288,579	\$125,365,832
Prior Year Adjustments						26		8,057,540	
Ending Fund Balance June 30	<u>\$46,563,737</u>	<u>\$105,359,579</u>	<u>\$111,429,196</u>	<u>\$71,416,975</u>	<u>\$144,913,284</u>	<u>\$113,288,579</u>	<u>\$113,288,579</u>	<u>\$125,365,832</u>	<u>\$99,595,292</u>
ENDING FUND BAL. As % of Expenditures	10.26%	28.17%	36.47%	17.30%	29.12%	25.04%	20.25%	24.86%	17.67%

(footnotes on next page)

Source: California Community College State Chancellor’s Office CCFS -311 Reports and the District.

⁽¹⁾ On January 29, 2024 the State Chancellor’s Office for California Community Colleges contacted the District regarding the restatement and adjustments presented in the District’s fiscal year 2022-23 Audited Financial Statements as compared to the District’s annual financial and budget report (the “CCFS-311 Report”) filed in October 2023. The adjustments were included in the audited financial statements but not enumerated in the individual fund and account balances as they are on the CCFS-311 report. The adjustments reflect an increase of \$4.5 million to the Unrestricted General Fund, increasing the District’s unrestricted ending general fund balance to \$50 million and its unrestricted general fund reserve percentage from 14.5% to 15.9% as of June 30, 2023, improving the District’s unrestricted general fund projection for fiscal year 2023-24. The adjustments also reflect a decrease in the beginning fund balance and recognized revenue in the Restricted General Fund of \$37 million and \$41 million, respectively. These adjustments are related to revenue that has been deferred to fiscal year 2023-24 instead of being recognized, as originally reported, in fiscal year 2022-23. This is a shift in the fiscal year in which such restricted funding will be recognized as revenue and spent in the expenditures. The Restricted General Fund includes grants, redevelopment revenue, deferred maintenance and COVID-19 federal and State funding received, as COVID-19 funding draws to a close and certain prior year State funding for deferred maintenance was reduced, resulting in an expected decrease in the ending balances of such funding sources. Local revenue sources are also included in the Restricted Fund.

⁽²⁾ The fiscal year 2025-26 Budget was adopted on September 11, 2025.

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San Diego Community College Auxiliary Organization

The San Diego Community College Auxiliary Organization (the “SDCCAO”) is a nonprofit public benefit corporation formed in 1990 as an auxiliary organization of the District. The SDCCAO was established for the primary purpose of promoting and assisting the programs of the District, including granting scholarships for students at the District’s colleges. The SDCCAO distributes funding annually to support the campuses and District offices, and has provided \$617,780 for fiscal year 2026-27. The SDCCAO’s governing board consists of District faculty and administrators and the District maintains oversight responsibility for the SDCCAO. Under GASB rules, the SDCCAO’s financial statements are included in the District’s financial statements as a blended component unit. See APPENDIX C – “AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025 – Note 1” attached hereto. As of June 30, 2025, the SDCCAO had total assets valued at \$1,919,332 (audited).

Lease Receivables

The District has entered into lease agreements with various lessees. The lease receivables for the fiscal year ended June 30, 2025 are summarized below:

<u>Lease Receivables</u>	<u>Balance, July 1, 2024</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2025</u>
Veritas Urban	\$5,646,992	\$ -	\$(115,392)	\$5,531,600
Urban Discovery Centre City	23,645,804	-	(742,387)	22,903,417
Urban Discovery Half Block	4,728,075	-	(149,902)	4,578,173
Mar City X Urban Sub Lease	1,577,157	-	(49,754)	1,527,403
Le Lycée	8,520,029	-	(235,827)	8,284,202
San Diego Unified MET Program	2,146,330	-	(175,783)	1,970,547
Lowe Enterprises - IDEA One	21,315,225	-	(677,318)	20,637,907
SDUSD East Village High School	3,036	-	(3,036)	-
Family Health Center	106,271	-	(106,271)	-
Dish Wireless	\$503,338	498,507	(73,369)	928,476
AT&T	-	492,037	(87,819)	404,218
Verizon	-	121,549	(33,153)	88,396
T-Mobile	-	278,772	(69,912)	208,860
Total	<u>\$68,192,257</u>	<u>\$1,390,865</u>	<u>\$(2,519,923)</u>	<u>\$67,063,199</u>

Source: The District’s Audited Financial Statements, June 30, 2025.

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Long-Term Debt

A schedule of the District's changes in long-term debt other than OPEB and pensions for the fiscal year ended June 30, 2025 is shown below:

	<u>Balance, July 1, 2024</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2025</u>	<u>Due in One Year</u>
General Obligation Bonds	\$1,327,110,000	\$852,511,081	\$(61,100,000)	\$2,118,521,081	\$63,655,000
Bond Premium	46,703,399	53,005,821	(6,541,016)	93,168,204	-
Claims Liability	6,361,062	5,962,575	(5,077,155)	7,246,482	-
Compensated Absences	74,431,864	8,639,193	-	83,071,057	11,536,741
Early Retirement Incentive	962,810	-	(962,810)	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$1,455,569,135</u>	<u>\$920,118,670</u>	<u>\$(73,680,981)</u>	<u>\$2,302,006,824</u>	<u>\$75,191,741</u>

For more information on the District's existing general obligations, see APPENDIX C – "AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2025" hereto.

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Retirement Systems

General. The following information on CalSTRS and CalPERS (as defined below) has been obtained from publicly available sources and has not been independently verified by the District, is not guaranteed as to the accuracy or completeness of the information and is not to be construed as a representation by the District, the Underwriters or the Municipal Advisor. Furthermore, the summary data below should not be read as current or definitive, as changes in investment returns made by the retirement systems generally may have affected the unfunded actuarial accrued liabilities stated below.

The assets and liabilities of the funds administered by CalSTRS and CalPERS, as well as certain other retirement funds administered by the State, are included in the financial statements of the State for the year ended June 30, 2025 as fiduciary funds. Both CalSTRS and CalPERS have unfunded actuarial accrued liabilities in the tens of billions of dollars. The amount of unfunded actuarially accrued liability will vary from time to time depending upon actuarial assumptions, rates of return on investments, salary scales, and levels of contribution.

CalSTRS and CalPERS each issue separate comprehensive annual financial reports that include financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, P.O. Box 15275, Sacramento, California 95851-0275 and copies of the CalPERS annual financial report and actuarial valuations may be obtained from the CalPERS Financial Services Division, P.O. Box 942703, Sacramento, California 94229-2703. The information presented in these reports is not incorporated by reference in this Official Statement.

The amounts of the District's contributions to CalSTRS and CalPERS are subject to, among other things, modifications to or approvals of collective bargaining agreements. See APPENDIX C – "AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025" for additional information.

CalSTRS. The District participates in the California State Teachers' Retirement System ("CalSTRS"). CalSTRS is a defined benefit plan that covers all full-time certificated employees and some classified employees, which are employees employed in a position that does not require a teaching credential from the State. CalSTRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program (the "CalSTRS Defined Benefit Program"). The CalSTRS Defined Benefit Program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. Benefit provisions are established by State legislation in accordance with the State Teachers' Retirement Law. CalSTRS is operated on a Statewide basis and, based on publicly available information, has substantial unfunded liabilities. Additional funding of CalSTRS by the State and the inclusion of adjustments to such State contributions based on consumer price changes were provided for in 1979 Statutes, Chapter 282.

As part of the 2014-15 State Budget, the Legislature enacted AB 1469 (Chapter 47, Statutes of 2014) ("AB 1469"), a comprehensive funding solution intended to eliminate the projected CalSTRS unfunded liability on the CalSTRS Defined Benefit Program by 2046. Under AB 1469, the funding plan began in fiscal year 2014-15 and will be phased in over several years. The employer contribution rate increased by 1.85% of covered payroll annually beginning July 1, 2015, and has reached the employer contribution rate of 19.10% of covered payroll. Beginning in fiscal year 2021-22 through fiscal year 2045-46, AB 1469 authorizes the CalSTRS Board to adjust the employer contribution up or down 1 percentage point each year, but no higher than 20.25% total and no lower than 8.25%, to eliminate the remaining unfunded obligation that existed on July 1, 2014.

In addition, the CalSTRS Board is authorized to modify the percentages paid by employers and employees for fiscal year 2021-22 and each fiscal year thereafter in order to eliminate CalSTRS' unfunded liability by June 30, 2046 based upon actuarial recommendations. The CalSTRS Board would also have the authority to reduce employer and State contributions if they are no longer necessary.

In January 2024, the CalSTRS Board adopted a new set of actuarial assumptions based on the "multi-year CalSTRS Experience Analysis (spanning from July 1, 2007, through June 30, 2022) (the "2024 Experience Analysis"), which established several changes to demographic and economic assumptions, including: (i) decreasing the payroll growth assumption from 3.50% to 3.25% and (ii) changing mortality assumptions, including an update in the mortality improvement scale used to project future life expectancies to reflect more current trends. The 2024 Experience Analysis projects that such changes would contribute to a 1.1% increase in the funded ratio as of June 30, 2023, an increase in the unconstrained employer contribution rate and a decrease in the unconstrained State contribution rate, as compared to prior assumptions. Unconstrained contribution rates are the actuarially calculated rates before any limits to changes are applied and do not reflect the CalSTRS Board's ability to maintain State and employer contribution rates that are greater than the actuarially calculated rates. The 2024 Experience Analysis does not expect any impact on member contribution rates as a result of adopting such new assumptions. The assumptions and methods set forth in the 2024 Experience Analysis are reflected in the CalSTRS Defined Benefit Program Actuarial Valuation, as of June 30, 2024 (the "2024 CalSTRS Actuarial Valuation").

The assumptions and methods that remain unchanged in the 2024 Experience Analysis include: use of the 'Entry Age Cost Method' to measure accruing costs of benefits with future accruals; a 7.00% investment rate of return (net of investment and administrative expenses); a 3.00% interest on member accounts; and a projected 3.50% general wage growth, of which 2.75% is due to inflation and 0.75% is due to expected gains in productivity.

The 2024 CalSTRS Actuarial Valuation reports that the unfunded actuarial obligation increased by approximately \$2.08 billion since the CalSTRS Defined Benefit Program Actuarial Valuation as of June 30, 2023 (the "2023 CalSTRS Actuarial Valuation") and the funded ratio increased by 0.8% to 76.7% over such time period. The increase in the funded ratio is due to the expected year-to-year change as a result of contributions to pay down the unfunded actuarial obligation along with other positive factors.

According to the 2024 CalSTRS Actuarial Valuation, the future revenues from contributions and appropriations for the CalSTRS Defined Benefit Program are projected to be approximately sufficient to finance its obligations, and the unfunded actuarial obligation is projected to be amortized by June 30, 2043, three years ahead of the end of the funding plan in 2046, with a projected ending funded ratio of 100.7%. This finding assumes that the CalSTRS Board continues its practice of maintaining State and employer contribution rates at the current level until the associated unfunded actuarial obligation is paid off, a 7.00% investment rate of return and the future recognition of the currently deferred asset gains.

The actuary for the CalSTRS Defined Benefit Program notes in the 2024 CalSTRS Actuarial Valuation that the increase in unfunded actuarial obligation represents a net actuarial loss of \$3.089 billion since the unfunded actuarial obligation was expected to be \$85.580 billion based on the 2023 CalSTRS Actuarial Valuation. Although the 2024 CalSTRS Actuarial Valuation notes that the current assumptions underlying the results of the actuarial valuation provide a reasonable estimate of future expectations, future experience can differ from such assumptions to some extent. There are a number of factors that affect future valuation results, and differences between actual experience and assumption for these factors will likely cause increases or decreases in the plan's future funding level and calculated supplemental contribution rates. Of such factors, the one with the greatest potential risk is future investment returns, while payroll variation can also have a significant impact on valuation results.

On July 29, 2022, CalSTRS reported a negative 1.3% net return on investments for Fiscal Year 2021-22, which was CalSTRS’ first negative return on investments since fiscal year 2008-09. The negative 1.3% net return on investments was less than the assumed annual rate of return on investments of 7.00%. As noted in the CalSTRS 2023 Review of Funding Levels and Risks, CalSTRS earned just below its assumed rate of return of 7.00% for Fiscal Year 2022-23 with a 6.3% time-weighted investment return. For Fiscal Year 2023-24 and Fiscal Year 2024-25, CalSTRS reported net returns on investments of 8.4% and 8.5%, respectively. However, persistent negative returns on investments may result in increased employer contribution rates above the current level of expected increases. The District cannot predict the impact of State, national, and international events on investment returns and employer contribution rates or the amount the District will be required to pay for pension related costs. Accordingly, there can be no assurances that the District’s required contributions to CalSTRS will not significantly increase in the future.

The employer contribution rate for Fiscal Year 2024-25 was 19.10%. The contribution rate for Fiscal Year 2025-26 remains at 19.10%.

The District’s employer contributions to CalSTRS for fiscal years ended June 30, 2021 through June 30, 2025 are set forth in the table below, and equal 100% of the required contributions for each year. See APPENDIX C – “AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025” for additional information.

**SAN DIEGO COMMUNITY COLLEGE DISTRICT
STRS CONTRIBUTIONS**

Fiscal Years Ended June 30	District Employer Contributions
2021	\$17,727,559
2022	18,977,973
2023	22,990,150
2024	24,510,884
2025	25,243,811
2026 ⁽¹⁾	25,833,463

⁽¹⁾ Estimated.
Source: The District.

CalPERS. The District also participates in the State Public Employees’ Retirement System (“CalPERS”). CalPERS is a defined benefit plan that covers classified personnel who work four or more hours per day. Benefit provisions are established by State legislation in accordance with the Public Employees’ Retirement Law. The contribution requirements of the plan members are established by State statute. The actuarial methods and assumptions used for determining the rates are based on those adopted by Board of Administration of CalPERS (the “CalPERS Board”).

Active plan miscellaneous members hired on or before December 31, 2012 are required to contribute 7.0% of their monthly salary and those hired on or after January 1, 2013 are required to contribute 8.0% of their monthly salary (effective July 1, 2022). The required contribution rate is the difference between the actuarially determined rate and the contribution rate of employees. The actuarial methods and assumptions used for determining the rates are based on those adopted by the CalPERS Board. School districts are currently required to contribute to CalPERS at an actuarially determined rate. The CalPERS employer contribution rate was 27.05% for Fiscal Year 2024-25 and is 26.81% for Fiscal Year 2025-26.

The District participates in the CalPERS Schools Pool Plan. According to the 2024 CalPERS Schools Pool Actuarial Valuation for the CalPERS Schools Pool Plan, the actuarial funding method used was the “Entry Age Actuarial Cost Method.” The 2024 CalPERS Schools Pool Actuarial Valuation assumed, among other things, 2.30% price inflation and payroll growth of 2.80% compounded annually. The 2024 CalPERS Schools Pool Actuarial Valuation reflects a discount rate of 6.80% compounded annually (net of investment and administrative expenses) as of June 30, 2024.

According to the 2024 CalPERS Schools Pool Actuarial Valuation, the funded ratio is 69.6% on a market value of assets basis, demonstrating an increase of 2.1% from the funded ratio of 67.5% reported in the CalPERS Schools Pool Actuarial Valuation as of June 30, 2023. This increase is mainly due to employer contributions towards the Unfunded Accrued Liability (which is a measure of funded status and is equal to the funding target minus the assets) and investment gain, partially offset by a non-investment loss. In the 2024 CalPERS Schools Pool Actuarial Valuation, the contribution rate for Fiscal Year 2026-27 is projected to be 26.9%, the contribution rate for Fiscal Year 2027-28 is projected to be 27.8%, the contribution rate for Fiscal Year 2028-29 is projected to be 27.4%, the contribution rate for Fiscal Year 2029-30 is projected to be 27.0%, and the contribution rate for Fiscal Year 2030-31 is projected to be 26.2%. The projected contribution rates in the 2024 CalPERS Schools Pool Actuarial Valuation assume all actuarial assumptions will be realized, including an investment return of 6.80% per year beyond June 30, 2025, and that no changes to assumptions, contributions, benefits or funding will occur during the projection period.

The CalPERS Schools Pool Actuarial Valuation as of June 30, 2022 noted that the investment return for Fiscal Year 2021-22 was negative 6.1% (net of investment expenses but before netting administrative expenses), which was lower than the assumed annual rate of return on investments of 6.8% (net of both investment and administrative expenses) and was CalPERS’ first negative return on investments since Fiscal Year 2008-09. Investment returns have since increased with CalPERS noting net returns of 5.8% for Fiscal Year 2022-23 and 9.3% for Fiscal Year 2023-24. On July 14, 2025, CalPERS reported a preliminary net investment return of 11.6% for Fiscal Year 2024-25. However, persistent negative returns on investments may result in increased employer contribution rates above the current level of expected increases. The District cannot predict the impact of State, national, and international events on investment returns and employer contribution rates. Accordingly, there can be no assurances that the District’s required contributions to CalPERS will not significantly increase in the future.

The District’s employer contribution to CalPERS for Fiscal Years 2021 through 2025 are set forth in the table below, and equal 100% of the required contributions for each year. See APPENDIX C – “AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025” for additional information.

**SAN DIEGO COMMUNITY COLLEGE DISTRICT
PERS CONTRIBUTIONS**

Fiscal Years Ended June 30	District Employer Contributions
2021	\$16,321,999
2022	16,313,612
2023	20,322,827
2024	25,262,426
2025	28,259,000
2026 ⁽¹⁾	29,439,341

⁽¹⁾ Estimated.

Source: The District.

Both CalPERS and CalSTRS are operated on a Statewide basis and, based on available information, both CalPERS and CalSTRS have unfunded actuarial accrued liabilities. The amounts of the pension/award benefit obligation (CalPERS) or actuarially accrued liability (CalSTRS) will vary from time to time depending upon actuarial assumptions, rates of return on investments, salary scales, and levels of contribution. The District is unable to predict what the amount of liabilities will be in the future, or the amount of the contributions which the District may be required to make.

California Public Employees' Pension Reform Act of 2013. The Governor signed the California Public Employee's Pension Reform Act of 2013 (the "Reform Act") into law on September 12, 2012. The Reform Act affects both CalSTRS and CalPERS, most substantially as they relate to new employees hired after January 1, 2013 (the "Implementation Date"). As it pertains to CalSTRS participants hired after the Implementation Date, the Reform Act changes the normal retirement age, increasing the eligibility for the 2% "age factor" (the percent of final compensation to which an employee is entitled to for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. For non-safety CalPERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and also increases the eligibility requirement for the maximum age factor of 2.5% to age 67.

The Reform Act also implements certain other changes to CalPERS and CalSTRS, including the following: (a) (i) all new participants enrolled in CalPERS and CalSTRS after the Implementation Date are required to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary; (ii) CalSTRS and CalPERS are both required to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (currently 12 months for CalSTRS members who retire with 25 years of service); and (iii) "pensionable compensation" is capped for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution and benefit base for members participating in Social Security, or 120% for CalSTRS and CalPERS members not participating in Social Security.

GASB Statement Nos. 67 and 68

On June 25, 2012, the Governmental Accounting Standards Board ("GASB") approved two new standards ("Statements") with respect to pension accounting and financial reporting standards for state and local governments and pension plans. The new Statements, No. 67 and No. 68, replace GASB Statement No. 27 and most of Statements No. 25 and No. 50. The changes impact the accounting treatment of pension plans in which state and local governments participate. Major changes include: (1) the inclusion of unfunded pension liabilities on the government's balance sheet (currently, such unfunded liabilities are typically included as notes to the government's financial statements); (2) more components of full pension costs being shown as expenses regardless of actual contribution levels; (3) lower actuarial discount rates being required to be used for underfunded plans in certain cases for purposes of the financial statements; (4) closed amortization periods for unfunded liabilities being required to be used for certain purposes of the financial statements; and (5) the difference between expected and actual investment returns being recognized over a closed five-year smoothing period. In addition, according to GASB, Statement No. 68 means that, for pensions within the scope of the Statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. Because the accounting standards do not require changes in funding policies, the full extent of the effect of the new standards on the District is not known at this time. The reporting requirements for pension plans took effect for the fiscal year beginning July 1, 2013 and the reporting requirements for government employers, including the District, took effect for the fiscal year beginning July 1, 2014.

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

Pension Plan	Aggregate Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
STRS	\$121,163,324	\$44,341,335	\$27,098,760	\$7,869,590
PERS – Schools Pool Plan	167,059,225	54,160,720	10,216,851	22,004,236
PERS – Safety Pool Plan	1,012,373	795,513	702,462	(116,417)
Total	\$289,234,922	\$99,297,568	\$38,018,073	\$29,757,409

Source: The District’s Audited Financial Statements, June 30, 2025.

The District’s share of the net pension liabilities for CalSTRS and CalPERS appears in the table above under the column heading “Aggregate Net Pension Liability.” For more information, see the fiscal year 2024-25 audited financial statements of the District included in Appendix C hereto.

Post-Employment Benefits

In June 2004, the Governmental Accounting Standards Board (“GASB”) pronounced Statement No. 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions. The pronouncement required public agency employers providing other postemployment benefits (“OPEB”) to retirees to recognize and account for the costs for providing these benefits on an accrual basis and provide footnote disclosure on the progress toward funding the benefits (“GASB 45”). In June 2015, GASB issued Statement Nos. 74 and 75, respectively, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pension Plans and Pensions, respectively*. The objectives of these statements are to (i) improve the usefulness of information related to postemployment benefits other than pensions (other postemployment benefits or “OPEB”) included in the general purpose external financial reports of State and local governmental OPEB plans for making decisions and assessing accountability and (ii) improve accounting and financial reporting by State and local governments for OPEB, respectively. GASB Statement No. 74 replaces Statements No. 43 and 57 and Statement No. 75 replaces GASB Statement No. 45.

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

Management of the plan is vested in the District management. Management of the trustee assets is vested with the San Diego Community College District Retirement Board of Authority, which consists of appointed Plan members. As of June 30, 2024, the date of the most recent valuation, the District has 2,323 active full-time employees eligible for benefits and 108 retirees currently receiving benefits. The District’s share of retiree premium depends on classification, age, years of service and the applicable cap. For the 2025 calendar year, the cap was \$1,788 per month.

Retiree Health Benefit OPEB Trust. The Retiree Health Benefit OPEB Trust (the Trust) is an irrevocable governmental trust pursuant to Section 115 of the Internal Revenue Code for the purpose of funding certain postemployment benefits other than pensions. The Trust is administered by the San Diego Community College District Retirement Board of Authority as directed by the investment alternative choice selected by the District. The District retains the responsibility to oversee the management of the Trust,

including the requirement that investments and assets held within the Trust continually adhere to the requirements of the California Government Code Section 53600.5 which specifies that the trustee’s primary role is to preserve capital, to maintain investment liquidity, and to protect investment yield. As such, the District acts as the fiduciary of the Trust. The financial activity of the Trust has been discretely presented within the District’s 2024-25 audited financial statements attached hereto. Separate financial statements are not prepared for the Trust. As of March 31, 2026, the District has accumulated \$14,477,777 in the Trust.

Contributions. The contribution requirements of Plan members and the District are established and may be amended by the District and the District’s bargaining units. The voluntary contributions are based on projected pay-as-you-go financing requirements. For the measurement period ending June 30, 2025, the District contributed \$6,385,208, of which \$4,405,487 was used to fund the Trust, \$1,351,069 was used for current premiums, and \$628,652 represents the effect of the implicit rate subsidy.

Net OPEB Liability of the District. The District’s net OPEB liability of \$31,813,423 was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024. The components of the net OPEB liability of the District at June 30, 2025, were as follows:

Total OPEB liability	\$45,413,795
Plan fiduciary net position	<u>(13,600,372)</u>
District’s Net OPEB Liability	<u>31,813,423</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>29.95%</u>

Source: The District.

For additional information, see APPENDIX C – “AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025 – Note 9” hereto.

Social Security Alternative Plan

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

Contributions to the Social Security Alternative Plan are shared between the employee and the District. The District contributes 3.75% of eligible wages as defined under Internal Revenue Code regulations, and 3.75% of eligible wages are withheld from the employee’s checks for deposit under the plan. The District’s contribution to the Social Security Alternative Plan for the fiscal years ended June 30, 2024 and 2025 were \$722,300 and \$758,364, respectively.

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

FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA

Major Revenues

General. California community college districts (other than “community supported” Basic Aid districts, as described below) receive a majority of their funding from the State, and the balance from local and federal sources. State funds include general apportionment, categorical funds, capital construction, lottery funds, and other minor sources. Every community college district receives the same amount of State lottery funds on a per-student basis (which is generally less than 3%), although lottery funds are not categorical funds as they are not for particular programs or students. The initiative authorizing the lottery requires the funds to be used for instructional purposes, and prohibits their use for capital purposes.

The major local revenue source is local property taxes that are collected from within district boundaries, with student enrollment fees accounting for most of the remainder. A small part of a community college district’s budget is from local sources other than property taxes and student enrollment fees, such as interest income, donations, educational foundation contributions and sales or leases of property.

The sum of property taxes, student enrollment fees, Education Protection Account (“EPA”) funds, and State aid comprise a district’s revenue limit. State funding is generally subject to the appropriation of funds in the State’s annual budget. Thus, decreases in State revenues may affect appropriations made by the State Legislature to community college districts.

“Basic Aid” community college districts (also referred to “community supported” districts) are those districts whose local property taxes, student enrollment fee collections, and Education Protection Account funds exceed the revenue allocation determined by the current State funding model. Thus, Basic Aid districts do not receive any general apportionment funding from the State. The current law in the State allows these districts to keep the excess funds without penalty. The implication for Basic Aid districts is that legislatively determined annual cost of living adjustments (each, a “COLA”) and other politically determined factors are less significant in determining such districts primary funding sources. Rather, property tax growth and the local economy become the determining factors. The District is not currently a Basic Aid district.

Enrollment Based Funding. California community college districts apportionments were previously funded pursuant to a system established by Senate Bill 361 (“SB 361”). SB 361 provided for a basic allocation (a “Basic Allocation”) based on the number of colleges, state-approved education centers and total enrollment, together with funding based on per-student rates for credit FTES, non-credit FTES and career development and college preparation (“CDCP”) non-credit FTES.

SB 361 specified that, commencing with the 2006-07 fiscal year the minimum funding per FTES would be: (a) not less than \$4,367 per credit FTES; (b) at a uniform rate of \$2,626 per non-credit FTES; and (c) \$3,092 per CDCP FTES. Although CDCP FTES were initially funded at a lower rate than credit FTES, subsequent legislation effective as of the 2015-16 fiscal year set the minimum funding for CDCP FTES at the same level as credit FTES. Each such minimum funding rate was subject to COLAs, if any, funded through the State budgeting legislation in each fiscal year.

One unit of FTES is equivalent to 525 student contact hours, which is determined based on a State formula of one student multiplied by 15 weekly contact hours multiplied by 35 weeks. Accordingly, the number of FTES in the District may not equal the number of students enrolled in the District.

In each fiscal year, the State budget previously established an enrollment cap on the maximum number of resident FTES, known as the “funded” FTES, for which a community college district would receive a revenue allocation. A district’s enrollment cap was based on the previous fiscal year’s reported FTES, plus the growth allowance provided for by the State budget, if any. All student hours in excess of the enrollment cap were considered “unfunded” FTES. Nonresident and international students were excluded from the State funding formula and pay full tuition.

Student Centered Funding Formula. Assembly Bill 1809 (“AB 1809”), the higher education trailer bill passed as part of the State budget for fiscal year 2018-19, implemented a new funding mechanism for community college districts referred to as the “Student Centered Funding Formula,” (the “SCFF”). The SCFF includes three components: (1) a base allocation (the “Base Allocation”) driven primarily by enrollment, (2) a supplemental allocation (the “Supplemental Allocation”) based on the number of certain types of low-income students, and (3) a student success allocation (the “Student Success Allocation”) calculated using various performance-based metrics.

The SCFF includes several provisions to provide districts greater financial stability in transitioning to the new formula: (i) through fiscal year 2024-25, community college districts will receive at least the 2017-18 total computational revenues, adjusted for COLAs and (ii) beginning in fiscal year 2025-26, a district will receive the greater of its fiscal year 2024-25 hold harmless funding level or its SCFF-generated funding level.

Base Allocation. The Base Allocation is composed of (1) the Basic Allocation, determined consistent with the prior funding formula (see “- *Enrollment Based Funding*” above), and (2) funding for credit, non-credit and CDCP FTES. The Base Allocation is expected to constitute approximately 70% of Statewide funding for community college districts in fiscal year 2018-19 and in fiscal year 2019-20. The 2019 Budget Act tasked the Chancellor’s Office with determining the formula’s final 2019-20 funding rates based on total computational revenue of \$7.43 billion as determined by the Department of Finance. Beginning in 2020-21, these funding rates are to be adjusted by COLA and other base adjustments, and the distribution of funds across the three allocations (base, supplemental, and student success) is to be determined by changes in the underlying factors.

The SCFF provides minimum funding levels for credit FTES for the first fiscal year at \$3,727 for fiscal year 2018-19. For fiscal year 2019-20 the 2019-20 State Budget recalculates funding rates in the base, supplemental and student success allocations so that 70% of SCFF funds would be allocated to the base allocation. Beginning in 2020-21 those funding rates are codified in trailer bill language and are to be adjusted by COLA. Notwithstanding the foregoing, the SCFF provides higher credit FTES funding rates for certain districts that were entitled to higher funding rates under the prior funding formula. Beginning in fiscal year 2021-22, the provision of COLAs and other adjustments will be subject to appropriation therefor in the annual State budget. Total funding for credit FTES will be based on a rolling three-year average of the funded credit FTES from the current fiscal year and the two immediately preceding fiscal years. Credit FTES associated with enrollment growth proposed in the annual budget act shall be excluded from the three-year average and shall instead be added to the computed three-year rolling average. In computing the three-year average, credit FTES generated by incarcerated and special admit students shall be excluded and funded consistent with the prior funding formula.

Funding levels for non-credit and CDCP FTES are determined consistent with the prior funding formula. See “- *Enrollment Based Funding*” herein. Total funding for these categories will be based on actual non-credit and CDCP FTES for the most recent fiscal year.

Supplemental Allocation. The Supplemental Allocation, accounting for approximately 20% of Statewide funding, will be distributed to districts based on their headcounts of students that receive Federal

Pell Grants, a student who is granted an exemption from nonresident tuition pursuant to Section 68130.5 (AB540), and student fee waivers under California Education Code 76300 (California College Promise Grant). The SCFF provides \$919 per qualifying student for fiscal year 2018-19. Beginning in fiscal year 2019-20, the 2019-20 State Budget recalculates funding rates for supplemental allocation so that in 2019-20, 20% of the SCFF funds would be allocated for the supplemental allocation. The final SCFF rate per qualifying student as calculated in the 2020 Budget Act is \$948. Beginning in 2020-21 those rates would be adjusted by COLA. Headcounts are not unduplicated, such that districts will receive twice or three times as much supplemental funding for a student that falls into more than one of the aforementioned categories.

Student Success Allocation. The Student Success Allocation will be distributed to districts based on their performance in a various student outcome metrics, including obtaining various degrees and certificates, completing transfer-level math and English courses within a student’s first year, and having students obtain a regional living wage within a year of completing community college. The original SCFF stipulates that Student Success Allocation accounts for 10% of statewide funding for community college districts in fiscal year 2018-19, 10% in each of fiscal years 2019-20, 2020-21 and 2021-22. The SCFF Funding allocation implementation plan has been revised to allocate 10% to Student Success Allocation starting in 2019-20. However, increases in future fiscal years are subject to change. Each metric is assigned a point value, with some metrics are weighted more than others. A single student outcome with more points will generate more funding. Outcome metrics for students that qualify for Federal Pell Grants and California College Promise Grants are eligible for additional funding.

Beginning in fiscal year 2019-20 the student success allocation counts only the highest of all awards a student earned in the same year and will only count the award if the student was enrolled in the district in the year the award was granted. The student success allocation calculates based on the three-year rolling average of each metric. Outcome metrics for students that qualify for Federal Pell Grants, AB 540 and California College Promise Grants are eligible for additional funding.

The District will receive approximately \$7.5 million in new, ongoing revenues in fiscal year 2025-26, provided by a cost of living increase of 2.3% applied to all SCFF revenue components. The District’s FTES for fiscal year 2025-26 has been reported at 39,222 (P2 actuals). In 2018-19, the new funding formula provided the District with additional revenues above the base revenue and COLA. The current minimum revenue provisions of the SCFF specify that, beginning in fiscal year 2025-26, a district will receive the greater of its fiscal year 2024-25 funded SCFF revenue level or its SCFF-generated funding level. In fiscal year 2024-25, the District’s total computational revenues under the SCFF were \$329,253,552, which now serves as the ongoing hold harmless floor for fiscal year 2025-26 and beyond. In developing the District’s fiscal year 2025-26 adopted budget, the SCFF revenue was projected based upon targeted FTES adjusted in accordance with stability protection. At P2, the District’s SCFF funding for fiscal year 2025-26 is \$338,081,388, exceeding the hold harmless level by approximately \$9 million. The District expects to exceed the hold harmless level for the foreseeable future.

Ad Valorem Property Taxes

Taxes are levied for each fiscal year on taxable real and personal property which is situated in the County as of the preceding January 1. However, upon a change in ownership of property or completion of new construction, State law permits an accelerated recognition and taxation of increases in real property assessed valuation (known as a “floating lien date”). For assessment and collection purposes, property is classified either as “secured” or “unsecured” and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the assessment roll containing State assessed property and locally assessed property secured by a lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the “unsecured roll.”

The County levies a 1% property tax on behalf of all taxing agencies in the County. The taxes collected are allocated on the basis of a formula established by State law enacted in 1979. Under this formula, the County and all other taxing entities receive a base year allocation plus an allocation on the basis of “situs” growth in assessed value (new construction, change of ownership, inflation) prorated among the jurisdictions which serve the tax rate areas within which the growth occurs. Tax rate areas are specifically defined geographic areas which were developed to permit the levying of taxes for less than county-wide or less than city-wide special and school districts. In addition, the County levies and collects additional voter-approved property taxes and assessments on behalf of any taxing agency within the County.

Property taxes on the secured roll are due in two installments, on November 1 and February 1. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a ten percent penalty attaches to any delinquent payment. In addition, property on the secured roll secured by the assessee’s fee ownership of land with respect to which taxes are delinquent is declared tax-defaulted on or about June 30. Those properties on the secured roll that become tax-defaulted on June 30 of the fiscal year that are not secured by the assessee’s fee ownership of land are transferred to the unsecured roll and are then subject to the Treasurer’s enforcement procedures (*i.e.*, seizures of money and property, liens and judgments). Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus costs and redemption penalty of one and one-half percent per month to the time of redemption. If taxes are unpaid for a period of five years or more, the tax-defaulted property is subject to sale by the Treasurer.

Property taxes on the unsecured roll are currently due as of the January 1 lien date prior to the commencement of a fiscal year and become delinquent, if unpaid, on August 31. A ten percent penalty attaches to delinquent taxes on property on the unsecured roll and an additional penalty of one and one-half percent per month begins to accrue on November 1. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for recordation in the County Recorder’s office in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements, bank accounts or possessory interests belonging or assessed to the taxpayer.

The County levies and collects all property taxes for property falling within its taxing boundaries.

State Assistance

The District’s principal funding formulas and revenue sources are derived from the budget of the State of California. *The following information concerning the State of California’s budgets has been obtained from publicly available information which the District believes to be reliable; however, the State has not entered into any contractual commitment with the District, the County, the Underwriter, Bond and Disclosure Counsel nor the Owners of the Bonds to provide State budget information to the District or the owners of the Bonds. Although they believe the State sources of information listed above are reliable, none of the District, the County, Bond and Disclosure Counsel nor the Underwriter assume any responsibility for the accuracy of the State budget information set forth or referred to herein or incorporated by reference herein. Additional information regarding State budgets is available at various State-maintained websites including www.ebudget.ca.gov, which website is not incorporated herein by reference.*

2025-26 State Budget. On June 27, 2025, Governor Newsom signed into law the fiscal year 2025-26 State Budget (the “2025-26 Budget”). The 2025-26 Budget totals approximately \$321 billion, including \$228.3 billion of general fund spending. The 2025-26 Budget estimates that the State is facing an approximate \$11.8 billion General Fund shortfall, which is primarily led by increased costs and case load

growth to core State programs like Medi-Cal. Revenue forecasts remain volatile and are generally impacted by federal policy changes, including potential broad-based federal tariffs. The 2025-26 Budget addresses the shortfall through a range of solutions including: (i) reductions to ongoing programs (\$2.8 billion in total solutions in fiscal year 2025-26 and \$11.9 billion by fiscal year 2028-29); (ii) additional revenue sources and internal borrowing (\$7.8 billion in total solutions in fiscal year 2025-26); and (iii) fund shifts (\$1.2 billion in total solutions in fiscal year 2025-26). The 2025-26 Budget reflects a combined reserve balance of \$15.7 billion, while maintaining a scheduled \$7.1 billion withdrawal from the Budget Stabilization Account. The Budget Stabilization Account will retain \$11.2 billion and the State’s discretionary reserve account will retain \$4.5 billion (also referred to as the Special Fund for Economic Uncertainties).

Proposition 98 Guarantee. The Proposition 98 minimum guarantee has been revised and is calculated to be \$98.5 billion in fiscal year 2023-24, \$119.9 billion in fiscal year 2024-25, and \$114.6 billion in fiscal year 2025-26. The 2025-26 Budget appropriates the fiscal year 2024-25 Proposition 98 guarantee at \$118 billion, instead of the \$119.9 billion, with the difference being referred to as “settle-up.” The intent of the settle-up is to mitigate the risk of potentially appropriating more resources to the Proposition 98 guarantee than are ultimately available in the final calculation for fiscal year 2024-25. The fiscal year 2024-25 Proposition 98 guarantee level will not be finalized until that fiscal year is certified—a process that will occur throughout calendar year 2026.

Proposition 98 Funding Split. The 2025-26 Budget includes a shift in how transitional kindergarten (“TK”) expansion funds are distributed between TK-12 schools and community colleges. Specifically, beginning in the fiscal year 2025-26, the 2025-26 Budget shifts the full amount of funding for TK expansion to the TK-12 education side of the Proposition 98 budget, reducing resources for community colleges by \$232.9 million ongoing.

Other significant features of the 2025-26 Budget affecting community college districts (“CCCs”) include the following:

- ***SCFF Growth Adjustment.*** An ongoing increase of roughly \$40 million Proposition 98 General Fund monies to fund 0.57% enrollment growth in the SCFF in fiscal year 2025-26. The 2025-26 Budget also includes an increase of \$100 million in Proposition 98 General Fund monies to fund enrollment growth of 2.28% in fiscal year 2024-25, and it is expected that the net effect of these two enrollment growth investments support a combined growth percentage of 2.35% in fiscal year 2025-26.
- ***SCFF and COLA.*** To reflect a COLA of 2.3%, the 2025-26 Budget includes an ongoing increase of \$217.4 million Proposition 98 General Fund monies for apportionments and an ongoing increase of \$30.1 million Proposition 98 General Fund monies for select categorical programs.
- ***SCFF Base Adjustment.*** – A one-time increase of \$210.2 million Proposition 98 General Fund monies to fully fund the SCFF in fiscal year 2024-25 and an ongoing increase of \$104.7 million Proposition 98 General Fund monies to fully fund the SCFF in fiscal year 2025-26.
- ***SCFF Deferrals*** – To fully fund the SCFF and maintain the level of fiscal year 2025-26 apportionments, the 2025-26 Budget defers \$408.4 million Proposition 98 General Fund monies in apportionment funding from fiscal years 2025-26 to 2026-27. Budgetary deferrals of \$243.7 million for the CCCs from the 2024 Budget Act are fully repaid in the three-year budget window.

- ***Proposition 98 Rainy Day Fund*** – To fully fund the SCFF, the 2025-26 Budget uses \$49.7 million from the Public School System Stabilization Account (“PSSSA”) (the “rainy-day” fund used to lessen the impact of State revenue volatility on K-12 schools and community colleges) to support SCFF costs in fiscal year 2025-26.
- ***Local Property Tax Adjustments*** – An ongoing decrease of \$142.1 million Proposition 98 General Fund monies due to increased offsetting local property tax revenues.
- ***Fire-Related Property Tax Backfill*** – A one-time fire-related property tax backfill of \$3.8 million Proposition 98 General Fund monies in fiscal year 2024-25 and \$8.1 million Proposition 98 General Fund monies in fiscal year 2025-26 for impacted CCCs.
- ***Career Passport and Credit for Prior Learning*** – An increase of \$25 million one-time Proposition 98 General Fund monies for the development of a Career Passport, and \$15 million one-time and \$5 million ongoing Proposition 98 General Fund monies for the Credit for Prior Learning Initiative.
- ***Common Cloud Data Platform*** – An increase of \$12 million one-time Proposition 98 General Fund monies for the Common Cloud Data Platform, which will leverage existing local districts’ student data systems to provide near real-time data reporting.
- ***Rising Scholars*** – An increase of \$10 million ongoing Proposition 98 General Fund monies for the Rising Scholars Network.
- ***Student Support Block Grant*** – An increase of \$60 million one-time Proposition 98 monies for a flexible Student Support Block Grant for the CCC system.
- ***Dreamer Resource Liaisons*** – An increase of \$15 million one-time Proposition 98 monies for CCCs to support Dreamer Resource Liaisons, and also provides that CCCs may use the funds to provide additional student support services.
- ***Emergency Financial Assistance Grants*** – An increase of \$20 million one-time Proposition 98 monies to provide emergency financial aid assistance to specified student populations.
- ***EMT and Paramedic Pre-apprenticeship*** – An increase of \$10 million one-time Proposition 98 monies for community college support to the California Firefighter Joint Apprenticeship Council to conduct Emergency Medical Technician and Paramedic Pre-apprenticeship Training Academies.
- ***California Healthy School Food Pathways Program*** – An increase of \$10 million one-time Proposition 98 General Fund monies for CCCs to support the California Healthy School Food Pathway program, which strengthens the school food service workforce through apprenticeship and training programs.
- ***Community Support for Financial Aid Applications*** – An increase of \$5.1 million one-time Proposition 98 monies for CCCs to develop grants for organizations providing financial aid outreach and application assistance supporting current and prospective community college students.

Governor’s Proposed 2026-27 State Budget. Governor Newsom released his Proposed 2026-27 State Budget (the “Proposed 2026-27 Budget”) on January 9, 2026. The Proposed 2026-27 Budget totals approximately \$348.9 billion and relies on higher cash receipts, higher stock market levels, and an improved economic outlook. A significant portion of the revenue increase is attributable to a relatively small number of technology companies that have experienced a substantial increase in their share prices due to investor enthusiasm in artificial intelligence. However, constitutional funding requirements, the need for an adequate discretionary budget reserves, and higher program costs are additional commitments that exceed the level of increased revenues, resulting in a projected shortfall of \$2.9 billion.

Over the last two fiscal years, the State has withdrawn from the Budget Stabilization Account and suspended deposits into reserves in order to solve for prior budget shortfalls. The Proposed 2026-27 Budget suspends a \$2.8 billion “true-up” deposit into the Budget Stabilization Account for Fiscal Year 2025-26, although, it reflects such deposits in Fiscal Year 2026-27. In light of these actions, the State is projected to end Fiscal Year 2026-27 with available General Fund reserves that include: \$14.4 billion in the Budget Stabilization Account (the General Fund’s “rainy day” fund) for fiscal emergencies; \$47.1 billion in the Public School System Stabilization Account (the Proposition 98 “rainy day” fund used to lessen the impact of State revenue volatility on TK-14 schools) (“PSSSA”); and \$4.5 billion in the Special Fund for Economic Uncertainties, the State’s operating reserve.

Proposition 98 Guarantee. Proposition 98 funding for Fiscal Year 2026-27 is approximately \$125.5 billion for TK-12 schools and CCC. More specifically, the Proposed 2026-27 Budget will provide CCC with \$15.4 billion in General Fund monies (\$23.1 billion in total funding from all sources) for Fiscal Year 2026-27.

Significant features of the Proposed 2026-27 Budget affecting CCC in California include the following:

- **Payment of 2025 Budget Act Deferrals.** A one-time increase of \$408.3 million to fully repay deferrals for the SCFF in Fiscal Year 2026-27.
- **CCC Apportionments.** An increase of \$240.6 million Proposition 98 General Fund monies to provide a 2.41% COLA for SCFF apportionments and \$31.9 million Proposition 98 General Fund monies for 0.5% enrollment growth. The Proposed 2026-27 Budget also includes an increase of \$55.3 million Proposition 98 General Fund monies to fund additional enrollment growth of 1% in Fiscal Year 2025-26, and it is expected that the net effect of these two enrollment growth investments support a combined growth percentage of 1.5% in Fiscal Year 2026-27.
- **SCFF Adjustment in Fiscal Year 2025-26.** A one-time increase of \$88.7 million Proposition 98 General Fund monies to fund increasing SCFF costs in Fiscal Year 2025-26.
- **Proposition 98 Rainy Day Fund.** A one-time withdrawal of \$44.5 million from the Proposition 98 Rainy Day Fund monies to support SCFF costs in Fiscal Year 2026-27.
- **Community College Facilities.** A one-time increase of \$736.9 million Proposition 2 bond funds to finance 10 new projects and 29 continuing projects at the community colleges.
- **Deferred Maintenance.** A one-time increase of \$120.7 million Proposition 98 General Fund monies to address deferred maintenance needs.

- ***Student Support Block Grant.*** A one-time increase of \$100 million Proposition 98 General Fund monies for a flexible block grant for the community colleges system.
- ***Calbright College.*** An increase of \$38.1 million Proposition 98 General Fund monies to support and provide stable funding for Calbright College (first fully online community college) in its base operations as it transitions out of its startup capacity.
- ***Common Cloud Data Platform.*** An increase of \$41 million Proposition 98 General Fund monies, \$5 million of which is ongoing, for further scaling of the common cloud data platform across the community college system.
- ***Credit for Prior Learning.*** An increase of \$37 million Proposition 98 General Fund monies, \$2 million of which is ongoing, to support and build upon the Credit for Prior Learning Initiative. These additional funds are intended to provide a fiscal incentive that will allow more community college campuses to participate in the development of credit for prior learning, increasing access to the initiative for more students.
- ***Categorical Program COLA.*** An increase of \$30.6 million Proposition 98 General Fund monies for a COLA of 2.41% for select categorical programs.
- ***California Healthy School Food Pathways Program.*** An increase of \$14.3 million Proposition 98 General Fund monies for community colleges to support the California Healthy School Food Pathways Program, which strengthens the school food service workforce through apprenticeship and training programs.
- ***Apprenticeship Related and Supplemental Instruction (RSI) Costs Backfill.*** A one-time increase of \$13.4 million Proposition 98 General Fund monies to backfill apprenticeship RSI costs in Fiscal Years 2024-25 and 2025-26.
- ***Local Property Tax Adjustments.*** A decrease of \$346.4 million Proposition 98 General Fund monies due to increased offsetting local property tax revenues.
- ***Student Housing.*** The 2021 Budget Act established the Higher Education Student Housing Grant Program with the goal of providing affordable housing for students enrolled in higher education, including CCC campuses. The 2023 and 2024 Budget Acts shifted roughly \$2 billion in prior and planned General Fund support for student housing, including, state-issued lease revenue bonds under the State Public Works Board for approved CCC projects. The Proposed 2026-27 Budget reflects ongoing commitment towards affordable housing projects for CCCs, providing more than 5,800 new beds that are expected to be available to students by 2029, of which more than 4,800 are projected to be subsidized as part of the program’s statutory requirements.

Legislative Analyst’s Comments on the Proposed 2026-27 Budget for California Community Colleges. In March 2026, the LAO released its analysis of the Governor’s Proposition 98 spending proposals for CCC. The LAO notes that total CCC funding under the Proposed 2026-27 Budget is \$20 billion, a 7.1% increase over the revised Fiscal Year 2025-26 level, with Proposition 98 per-student funding reaching \$12,930, an all-time high in unadjusted dollars. The Governor proposes \$1.2 billion in new Proposition 98 spending for CCC, including \$363 million in ongoing augmentations and \$857 million for one-time purposes. The LAO recommends prioritizing the Governor’s largest ongoing proposal, \$241 million for a 2.41% COLA for apportionments, noting that the COLA rate could change at the May Revision after updated federal price index data becomes available. The LAO also recommends prioritizing

enrollment growth funding, as approximately half of districts are exceeding their current enrollment targets, but recommends that growth funding begin in Fiscal Year 2026-27 rather than revising the Fiscal Year 2025-26 growth target as the Governor proposes, cautioning that retroactively increasing targets could incentivize districts to disregard the State's budget constraints. Regarding Calbright College, the LAO recommends rejecting the Governor's proposed \$38 million ongoing increase and instead transitioning Calbright to the SCFF by Fiscal Year 2027-28, with \$28 million in one-time funding in Fiscal Year 2026-27 to sustain current operations during the transition. The LAO further recommends rejecting the Governor's proposals for \$14 million ongoing for the Healthy School Food Pathways program due to unusually high state costs and mixed outcomes, and deferring additional funding for both the Common Cloud Data Platform (\$36 million one-time and \$5 million ongoing) and credit for prior learning (\$35 million one-time and \$2 million ongoing), as previous rounds of funding remain available and outcomes are not yet known. The LAO cautions that the Governor's underlying revenue estimates carry downside risk due to an overvalued stock market and recommends the Legislature be cautious about new commitments, build budget resiliency, and maintain a one-time spending cushion of at least \$241 million to mitigate the risk of future declines in the Proposition 98 guarantee.

May Revision to the Proposed 2026-27 Budget. Governor Newsom released the May Revision to the Proposed 2026-27 Budget (the "May Revision") on May 14, 2026. The May Revision provides for a spending plan that ends with positive year-end balances over fiscal years 2026-27 and 2027-28, while maintaining reserves for both years. The May Revision does not propose any significant new ongoing expenditures; instead, it deposits \$9.7 billion into the Projected Surplus Temporary Holding Account in fiscal year 2026-27 to support fiscal year 2027-28. Revenues from personal income, corporate and sales and use taxes are \$16.5 billion higher than projected in January over the three-year budget window, and expenditures are approximately \$1.8 billion lower than estimated. To further achieve balance over the two-year period, the May Revision incorporates revenue solutions (\$3.6 billion in fiscal year 2026-27), spending reductions and reforms (\$411 million in fiscal year 2026-27), and General Fund offsets (\$390.7 million in fiscal year 2026-27). The May Revision reflects a Budget Stabilization Account balance of approximately \$15.1 billion in fiscal year 2026-27, an increase of \$3.9 billion compared to the 2025 Budget Act level. Combined with \$4.5 billion in the Special Fund for Economic Uncertainties and \$10.3 billion in the PSSSA, total combined reserves in fiscal year 2026-27 are approximately \$29.9 billion.

Significant features of the May Revision affecting community college districts in California include the following:

- **SCFF and COLA.** An ongoing increase of \$197.7 million Proposition 98 General Fund monies to reflect a change in the COLA from 2.41% to 4.31% (of which 1.4% is discretionary and the statutory COLA at the May Revision is 2.87%), increasing the total proposed COLA adjustment in fiscal year 2026-27 to \$438.3 million.
- **Paid Pregnancy Leave.** The May Revision requires all community colleges to provide all employees with up to 14 weeks of paid pregnancy disability leave beginning in fiscal year 2026-27. Costs of this benefit are absorbable within the 1.4% discretionary SCFF COLA.
- **Local Property Tax Adjustments.** An ongoing increase of \$122.8 million Proposition 98 General Fund monies as a result of decreased offsetting local property tax revenues.
- **Adult Learner Demonstration Project.** A one-time increase of \$9.7 million Proposition 98 General Fund monies, available for use over three years, to support the Adult Learner Demonstration Project, which provides comprehensive services to assist low-income adult workers move into stable and higher-paying jobs.

- ***Categorical Programs Cost-of-Living Adjustment.*** To reflect a change in the COLA from 2.41% to 2.87%, the May Revision includes an ongoing increase of \$6.1 million Proposition 98 General Fund monies for select categorical programs and the Adult Education Program.
- ***SCFF Growth Adjustment.*** An ongoing increase of \$2 million Proposition 98 General Fund monies to maintain the Proposed 2026-27 Budget proposal to fund 0.5% enrollment growth. The May Revision also maintains the addition of 1% ongoing growth beginning in fiscal year 2025-26.
- ***Student Support Block Grant.*** A one-time increase of \$607,000 Proposition 98 General Fund monies for a flexible block grant for the community colleges, increasing the total amount proposed for fiscal year 2026-27 to \$100.6 million.

Future Budgets. The District cannot predict how State income or State education funding will vary over the term of the Bonds, and the District takes no responsibility for informing owners of the Bonds as to actions the State Legislature or Governor may take affecting the current year’s budget after its adoption. Future State budgets will be affected by national and State economic conditions, over which the District has no control, and other factors over which the District will have no control. To the extent that the State budget process results in reduced revenues deferred revenues or increased expenses for the District, the District will be required to make adjustments to its budget and cash management practices. In the event current or future State Budgets decrease the District’s revenues or increase required expenditures by the District from the levels assumed by the District, the District will be required to generate additional revenues, curtail programs or services, or use its reserve funds to ensure a balanced budget.

Information about the State budget and State spending for education is regularly available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the Department of Finance, www.dof.ca.gov, under the heading “California Budget” or www.ebudget.ca.gov. An impartial analysis of the budget is posted by the Office of the Legislative Analyst at www.lao.ca.gov. The information referred to is prepared by the respective State agency maintaining each website and not by the District or the Underwriter, and neither the District nor the Underwriter take any responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

The State Constitution requires that from all State revenues there will first be set apart the moneys to be applied by the State for support of the public school system and public institutions of higher education. As discussed below, school and community college districts in the State receive a significant portion of their funding from State appropriations. Accordingly, the State’s economic condition can affect the economic condition of California school districts.

Tax Relief for Disasters. The Internal Revenue Service (“IRS”) and California Franchise Tax Board (“FTB”) may grant individuals and businesses additional time to file or pay taxes when a major disaster in their area is declared by the federal or state government. California generally follows the IRS extended deadlines to file and pay taxes. Impacted taxpayers may also be eligible to claim a disaster loss on their tax return.

California Wildfires and Tax Year (2024) Disasters. As announced by Governor Newsom, California individuals and businesses impacted by the January 2025 Los Angeles County fires qualified for an extension to file and pay individual and corporate taxes until October 15, 2025. The governor also issued an executive order suspending penalties, costs and any interest accrued on late property tax payments until April 10, 2026 for properties in areas affected by the firestorm, which had the effect of extending the

deadline for property owners in those areas. The District is unable to predict whether any such tax return filings, payment extensions and suspension of penalties, costs and interest for late payments of property taxes, will have a material adverse effect on the financial condition of the District, payment of its bonds, and the local economy.

Federal Revenues.

The federal government provides funding for several District programs, including certain programs and grant funding. Federal revenues comprised approximately 3.25% (or approximately \$17.2 million) of the District's General Fund revenues for fiscal year 2025-26.

On January 27, 2025, the Office of Management and Budget ("OMB") issued a memorandum directing federal agencies to temporarily pause all activities related to the obligation or disbursement of federal financial assistance, and other relevant activities, that may be implicated by recent executive orders issued under the Trump Administration. On January 29, 2025, OMB rescinded the memorandum. Following the rescission, the White House press secretary noted that the rescission of the memorandum was "[not] a rescission of the federal funding freeze." The U.S. Department of Education released a letter, dated February 14, 2025, notifying schools and colleges to eliminate diversity, equity, and inclusion programs and initiatives by the end of the month or risk losing federal funding.

The District's budget and receipt of federal funding may be further impacted by the executive order signed by President Trump on March 20, 2025 to begin dismantling the U.S. Department of Education. No representation can be made that the District will continue to receive or be eligible for federal funding of education programs, including as a result of current efforts and proposals to reduce the size of the federal workforce, eliminate government programs and/or eliminate or merge governmental agencies. The District is unable to predict the extent of such impact at this time and whether any such impact will materially affect its finances and operations.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Article XIII A of the California Constitution. On June 6, 1978, California voters approved Proposition 13, which added Article XIII A to the California Constitution ("Article XIII A"). Article XIII A limits the amount of any ad valorem tax on real property to one percent of the full cash value thereof, except that additional ad valorem taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978 and (as a result of an amendment to Article XIII A approved by California voters on June 3, 1986) on bonded indebtedness for the acquisition or improvement of real property that has been approved on or after July 1, 1978 by two-thirds of the voters voting on such indebtedness and (as a result of a constitutional amendment approved by California voters on November 7, 2000) on bonded indebtedness for school facilities and equipment approved by 55 percent of the voters voting on the bond measure. See "Proposition 39" below. Article XIII A defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-1976 tax bill under full 'cash value,' or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed two percent per year to account for inflation. This system results in widely varying amounts of tax on similarly situated properties based on differences in the taxpayer's date of acquisition of the property. On June 18, 1992, the United States Supreme Court issued a decision upholding the constitutionality of Article XIII A (*Nordlinger v. Hahn*, 112 S. Ct. 2326, 120 L. Ed. 2d 1 (1992)).

Article XIII A has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there

would be no increase in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

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

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the two percent annual adjustment are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

Article XIII B of the California Constitution. An initiative to amend the California Constitution entitled “Limitation of Government Appropriations” was approved on September 6, 1979 thereby adding Article XIII B to the California Constitution (“Article XIII B”). Under Article XIII B state and local governmental entities have an annual “appropriations limit” and are not permitted to spend certain moneys which are called “appropriations subject to limitation” (consisting of tax revenues, state subventions and certain other funds) in an amount higher than the appropriations limit. Article XIII B does not affect the appropriations of moneys which are excluded from the definition of “appropriations subject to limitation,” including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the appropriations limit is to be based on certain 1978-1979 expenditures, and is to be adjusted annually to reflect changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIII B, if these entities’ revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years.

Article XIII C and Article XIII D of the California Constitution. On November 5, 1996, the voters of the State approved Proposition 218, the so-called “Right to Vote on Taxes Act.” Proposition 218 added Articles XIII C and XIII D to the State Constitution, which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges. Among other things, XIII C establishes that every tax is either a “general tax” (imposed for general governmental purposes) or a “special tax” (imposed for specific purposes); prohibits special purpose government agencies such as school districts from levying general taxes; and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote. Article XIII C also provides that no tax may be assessed on property other than ad valorem property taxes imposed in accordance with Articles XIII and XIII A of the California Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4.

Article XIII C also provides that the initiative power shall not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Legislation adopted in 1997 provides that Article XIII C shall not be construed to mean that any owner or beneficial owner of a municipal security assumes the risk of or consents to any initiative measure that would constitute an impairment of contractual rights under the contracts clause of the U.S. Constitution.

Article XIII D deals with assessments and property-related fees and charges. Article XIII D explicitly provides that nothing in Article XIII C or XIII D shall be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development; however it is not clear whether the initiative power is therefore unavailable to repeal or reduce developer and mitigation fees imposed by the District.

Proposition 62. In 1986, California voters adopted Proposition 62, a statutory initiative which amended the California Government Code by the addition of Sections 53720-53730. Proposition 62 requires that (i) any local tax for general governmental purposes (a “general tax”) must be approved by a majority vote of the electorate; (ii) any local tax for specific purposes (a “special tax”) must be approved by a two-thirds vote of the electorate; (iii) any general tax must be proposed for a vote by two-thirds of the legislative body; and (iv) proceeds of any tax imposed in violation of the vote requirements must be deducted from the local agency’s property tax allocation. Provisions applying Proposition 62 retroactively from its effective date to 1985 are unlikely to be of any continuing importance; certain other restrictions were already contained in the Constitution.

Most of the provisions of Proposition 62 were affirmed by the 1995 California Supreme Court decision in Santa Clara County Local Transportation Authority v. Guardino, which invalidated a special sales tax for transportation purposes because fewer than two-thirds of the voters voting on the measure had approved the tax. Following the California Supreme Court’s decision upholding Proposition 62, several actions were filed challenging taxes imposed by public agencies since the adoption of Proposition 62, which was passed in November 1986. On June 4, 2001, the California Supreme Court released its decision in one of these cases, Howard Jarvis Taxpayers Association v. City of La Habra, et al. (“La Habra”). In this case, the court held that public agency’s continued imposition and collection of a tax is an ongoing violation, upon which the statute of limitations period begins anew with each collection. The court also held that, unless another statute or constitutional rule provided differently, the statute of limitations for challenges to taxes subject to Proposition 62 is three years. Accordingly, a challenge to a tax subject to Proposition 62 may only be made for those taxes received within three years of the date the action is brought.

Proposition 98. In 1988, California voters approved Proposition 98, a combined initiative, constitutional amendment and statute called the “Classroom Instructional Improvement and Accountability Act” (the “Accountability Act”). The Accountability Act changed State funding of public education below the university level, and the operation of the State’s Appropriations Limit, primarily by guaranteeing State funding for K-12 school districts and community college districts (collectively, “K-14 districts”).

Under Proposition 98 (as modified by Proposition 111, which was enacted on June 5, 1990), K-14 districts are guaranteed the greater of (a) in general, a fixed percent of the State’s General Fund (the “State General Fund”) revenues (“Test 1”), (b) the amount appropriated to K-14 schools in the prior year, adjusted for changes in the cost-of-living (measured as in Article XIII B by reference to State per capita personal income) and enrollment (“Test 2”), or (c) a third test, which would replace Test 2 in any year when the percentage growth in per capita State General Fund revenues from the prior year plus one-half of one percent is less than the percentage growth in State per capita personal income (“Test 3”). Under Test 3, schools would receive the amount appropriated in the prior year adjusted for changes in enrollment and per capita State General Fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 would become a “credit” to schools which would be the basis of payments in future years when per capita State General Fund revenue growth exceeds per capita personal income growth. Legislation adopted prior to the end of the 1988-89 fiscal year, implementing Proposition 98, determined the K-14 districts’ funding guarantee under Test 1 to be 40.3% of the State General Fund tax revenues, based on 1986-87 appropriations. However, that percentage has been adjusted to 35% to account for a subsequent redirection of local property taxes whereby a greater proportion of education funding now comes from local property taxes.

Proposition 98 permits the State Legislature by a two-thirds vote of both houses, with the Governor’s concurrence, to suspend the K-14 districts’ minimum funding formula for a one-year period. In the fall of 1989, the Legislature and the Governor utilized this provision to avoid having 40.3% of revenues generated by a special supplemental sales tax enacted for earthquake relief go to K-14 districts.

Proposition 98 also contains provisions transferring certain State tax revenues in excess of the Article XIII B limit to K-14 districts.

Application of Proposition 98

The application of Proposition 98 and other statutory regulations has become increasingly difficult to predict accurately in recent years. One major reason is that Proposition 98 minimum funding levels under Test 1 and Test 2 are dependent on State General Fund revenues. In past fiscal years, the State made actual allocations to K-14 districts based on an assumption of State General Fund revenues at a level above that which was ultimately realized. In such years, the State has considered the amounts appropriated above the minimum as a loan to K-14 districts, and has deducted the value of these loans from future years' estimated Proposition 98 minimum funding levels. The State determined that there were loans to K-14 districts of \$1.3 billion during fiscal year 1990-91, \$1.1 billion during fiscal year 1991-92, \$1.3 billion during fiscal year 1992-93 and \$787 million during fiscal year 1993-94. These loans have been combined with the K-14 1992-93 loans into one loan totaling \$1.760 billion. The State proposed that repayment of this loan would be from future years' Proposition 98 entitlements, and would be conditioned on maintaining current funding levels per pupil for K-12 schools.

In 1992, a lawsuit, California Teachers' Association et al. v. Gould, was filed, which challenged the validity of the off-budget loans. As part of the negotiations leading to the 1995-96 Budget Act, an agreement was reached to settle this case. The agreement provides that both the State and K-14 districts share in the repayment of prior years' emergency loans to schools. Of the total \$1.76 billion in loans, the State will repay \$935 million, while K-14 districts will repay \$825 million. The State share of the repayment will be reflected as expenditures above the current Proposition 98 base calculation. The K-14 districts' share of the repayment will count as appropriations that count toward satisfying the Proposition 98 guarantee, and thus are treated as from "below" the current base. Repayments are spread over the eight-year period of 1994-95 through 2001-02 to mitigate any adverse fiscal impact. In April 1996, a court settlement was reached and \$360 million in appropriations from the 1995-96 fiscal year was disbursed to districts in August 1996.

Substantially increased State General Fund revenues, above initial budget projections, in the fiscal years 1994-95 and thereafter have resulted or will result in retroactive increases in Proposition 98 appropriations from subsequent fiscal years' budgets. Because of the State's increasing revenues, per-pupil funding at the K-12 level has increased by about 42% from the level in place from 1991-92 through 1993-94. More recently, however, the economy of the State has slowed and it is anticipated that the State may experience budget shortfalls due to the long term impacts of COVID-19 and other economic factors. For a discussion of State funding of the District, see "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA."

Proposition 39

On November 7, 2000, voters approved Proposition 39 called the “Smaller Classes, Safer Schools and Financial Accountability Act” (the “Smaller Classes Act”). The Smaller Classes Act amends Section 1 of Article XIII A, Section 18 of Article XVI of the California Constitution and Section 47614 of the California Education Code. With respect to school districts, community colleges and county offices of education and effective upon its passage, Section 18(b) of Article XVI allows an alternative means of seeking voter approval for bonded indebtedness by 55 percent of the vote, rather than the two-thirds majority required under Section 18 of Article XVI of the Constitution. The reduced 55 percent voter requirement applies only if the bond measure submitted to the voters includes, among other items: 1) a restriction that the proceeds of the bonds may be used for “the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities,” 2) a list of projects to be funded and a certification that the school district board has evaluated “safety, class size reduction, and information technology needs in developing that list”; and 3) that annual, independent performance and financial audits will be conducted regarding the expenditure and use of the bond proceeds.

Section 1(b)(3) of Article XIII A has been added to except from the one percent *ad valorem* tax limitation under Section 1(a) of Article XIII A of the Constitution levies to pay bonds approved by the 55 percent of the voters, subject to the restrictions explained above.

The Legislature enacted AB 1908, Chapter 44, which became effective upon passage of Proposition 39. AB 1908 amends various sections of the Education Code. Under amendments to Sections 15268 and 15270 of the Education Code, the following limits on *ad valorem* taxes apply in any single election: 1) for a school district, indebtedness shall not exceed \$30 per \$100,000 of taxable property; 2) for a unified school district, indebtedness shall not exceed \$60 per \$100,000 of taxable property; and, 3) for a community college district, indebtedness shall not exceed \$25 per \$100,000 of taxable property. Finally, AB 1908 requires that a citizens’ oversight committee must be appointed who will review the use of the bond funds and inform the public about their proper usage.

Jarvis v. Connell

On May 29, 2002, the California Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as Controller of the State of California). The Court of Appeal held that a final budget bill, an emergency appropriation, a self-executing authorization pursuant to state statutes (such as continuing appropriations) or the California Constitution or a federal mandate is necessary for the State Controller to disburse funds. The foregoing requirement could apply to amounts budgeted by the District as being received from the State. To the extent the holding in such case would apply to State payments reflected in the District’s budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of such payments to the District if such required legislative action is delayed, unless the payments are self-executing authorizations or are subject to a federal mandate. On May 1, 2003, the California Supreme Court upheld the holding of the Court of Appeal, stating that the Controller is not authorized under State law to disburse funds prior to the enactment of a budget or other proper appropriation, but under federal law, the Controller is required, notwithstanding a budget impasse and the limitations imposed by State law, to timely pay those State employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act.

Proposition 1A and Proposition 22

Beginning in fiscal year 1992-93, the State satisfied a portion of its Proposition 98 obligations by shifting part of the property tax revenues otherwise belonging to cities, counties, special districts, and redevelopment agencies, to school and community college districts through a local Educational Revenue Augmentation Fund (“ERAF”) in each county. Local agencies, objecting to invasions of their local revenues by the State, sponsored a Statewide ballot initiative intended to eliminate the practice. In response, the Legislature proposed an amendment to the State Constitution, which the State’s voters approved as Proposition 1A at the November 2004 election. That measure was generally superseded by the passage of an initiative constitutional amendment at the November 2010 election, known as “Proposition 22.”

The effect of Proposition 22 is to prohibit the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services. It prevents the State from redirecting or diverting revenues to any other local government, including school and community college districts, or from temporarily shifting property taxes from cities, counties and special districts to K-14 schools, as in the ERAF program. This is intended to, among other things, stabilize local government revenue sources by restricting the State’s control over local property taxes. One effect of this amendment is to deprive the State of fuel tax revenues to pay debt service on most State bonds for transportation projects, reducing the amount of State general fund resources available for other purposes, including education.

Prior to the passage of Proposition 22, the State invoked Proposition 1A to divert \$1.935 billion in local property tax revenues in 2009-10 from cities, counties, and special districts to the State to offset State general fund spending for education and other programs, and included another diversion in the adopted 2009-10 State budget of \$1.7 billion in local property tax revenues from local redevelopment agencies. Redevelopment agencies, through the California Redevelopment Association (“CRA”) engaged in litigation to block the transfer of payments and recoup certain payments already made under certain legislation passed in July 2009 that is beyond the reach of Proposition 22, known as “ABX4 26.” Because Proposition 22 reduced the State’s authority to use or reallocate certain revenue sources, fees and taxes for State general fund purposes, the State has to take other actions to balance its budget, such as reducing State spending or increasing State taxes, and school and college districts that receive Proposition 98 or other funding from the State are more directly dependent upon the State’s general fund.

Proposition 30 and Proposition 55

The passage of the Governor’s November Tax Initiative (“Proposition 30”) on November 6, 2012 ballot resulted in an increase in the State sales tax by a quarter-cent for four years and, for seven years, raising taxes on individuals after their first \$250,000 in income and on couples after their first \$500,000 in earnings. These increased tax rates affect approximately 1 percent of California personal income tax filers and became effective in the 2012 tax year, ending at the conclusion of the 2018 tax year. The LAO estimates that, as a result of Proposition 30, additional State tax revenues of about \$6 billion annually from 2012–13 through 2016–17 will be received by the State with lesser amounts of additional revenue available in fiscal years 2011–12, 2017–18, and 2018–19. These additional monies were available to fund programs in the 2012-13 State Budget and prevented certain “trigger cuts” included in the 2012-13 State Budget from going into effect. Proposition 30 also placed into the State Constitution certain requirements related to the transfer of certain State program responsibilities to local governments, mostly counties, including incarcerating certain adult offenders, supervising parolees, and providing substance abuse treatment services.

Revenues generated by Proposition 30 accounted for an increase of approximately 14 percent over fiscal year 2011–12 in funding for schools and community colleges as set forth in the 2012–13 State Budget. Almost all of this increase was used to pay K–14 expenses from the previous year and reduce

delays in certain State K–14 payments. Proposition 30 also provides for additional tax revenues aimed at balancing the State’s budget through 2018–19, providing several billion dollars annually through fiscal year 2018–19 available for purposes including funding existing State programs, ending K–14 education payment delays, and paying other State debts. Future actions of the State Legislature and the Governor will determine the use of these funds. According to the LAO, revenues raised by Proposition 30 could be subject to multibillion-dollar swings, above or below the revenues projections, due to the majority of the additional revenue coming from the personal income tax rate increases on upper-income taxpayers. These fluctuations in incomes of upper-income taxpayers could impact potential State revenue and complicate State budgeting in future years. After the proposed tax increases expire, the loss of the associated tax revenues could also create additional budget pressure in subsequent years.

The California Children’s Education and Health Care Protection Act of 2016, also known as Proposition 55, was approved by State voters on November 8, 2016. Proposition 55 extends the increase to personal income tax rates for high-income taxpayers that were approved as part of Proposition 30 through the year 2030. Tax revenues received under Proposition 55 are allocated as follows: 89% to K-12 schools and 11% to community colleges. Proposition 55 did not extend the sales tax rate increase enacted under Proposition 30.

Proposition 2

Proposition 2, also known as The Rainy Day Budget Stabilization Fund Act (“Proposition 2”) was approved by California voters on November 4, 2014. Proposition 2 provides for changes to State budgeting practices, including revisions to certain conditions under which transfers are made into and from the State’s Budget Stabilization Account (the “Stabilization Account”) established by the California Balanced Budget Act of 2004 (also known as Proposition 58). Commencing in fiscal year 2015-16 and for each fiscal year thereafter, the State is required to make an annual transfer to the Stabilization Account in an amount equal to 1.5% of estimated State general fund revenues (the “Annual Stabilization Account Transfer”). For a Fiscal Year in which the estimated State general fund revenues allocable to capital gains taxes exceed 8% of the total estimated general fund tax revenues, supplemental transfers to the Stabilization Account (a “Supplemental Stabilization Account Transfer”) are also required. Such excess capital gains taxes, which are net of any portion thereof owed to K-14 school districts pursuant to Proposition 98, are required to be transferred to the Stabilization Account.

In addition, for each fiscal year, Proposition 2 increases the maximum size of the Stabilization Account to 10% of estimated State general fund revenues. Such excess amounts are to be expended on State infrastructure, including deferred maintenance, in any Fiscal Year in which a required transfer to the Stabilization Account would result in an amount in excess of the 10% threshold. For the period from fiscal year 2015-16 through fiscal year 2029-30, Proposition 2 requires that half of any such transfer to the Stabilization Account (annual or supplemental), shall be appropriated to reduce certain State liabilities, including repaying State interfund borrowing, reimbursing local governments for State mandated services, making certain payments owed to K-14 school districts, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. After fiscal year 2029-30, the Governor and the Legislature are given discretion to apply up to half of any required transfer to the Stabilization Account to the reduction of such State liabilities and any amount not so applied shall be transferred to the Stabilization Account or applied to infrastructure, as set forth above.

Accordingly, the conditions under which the Governor and the Legislature may draw upon or reduce transfers to the Stabilization Account are impacted by Proposition 2. Unilateral discretion to suspend transfers to the Stabilization Account are not retained by the Governor. Neither does the Legislature retain discretion to transfer funds from the Stabilization Account for any reason, as was previously provided by law. Instead, the Governor must declare a “budget emergency” (defined as an

emergency within the meaning of Article XIII B of the Constitution) or a determination that estimated resources are inadequate to fund State general fund expenditure, for the current or ensuing fiscal year, at a level equal to the highest level of State spending within the three immediately preceding fiscal years, and any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the Stabilization Account are limited to the amount necessary to address the budget emergency, and no draw in any fiscal year may exceed 50% of the funds on deposit in the Stabilization Account, unless a budget emergency was declared in the preceding fiscal year.

Proposition 2 also provides for the creation of a Public School System Stabilization Account (the “Public School System Stabilization Account”) into which transfers will be made in any fiscal year in which a Supplemental Stabilization Account Transfer is required, requiring that such transfer will be equal to the portion of capital gains taxes above the 8% threshold that would otherwise be paid to K-14 school districts as part of the minimum funding guarantee. Transfers to the Public School System Stabilization Account are only to be made if certain additional conditions are met, including that: (i) the minimum funding guarantee was not suspended in the immediately preceding fiscal year, (ii) the operative Proposition 98 formula for the fiscal year in which a Public School System Stabilization Account transfer might be made is “Test 1,” (iii) no maintenance factor obligation is being created in the budgetary legislation for the Fiscal Year in which a Public School System Stabilization Account transfer might be made, (iv) all prior maintenance factor obligations have been fully repaid, and (v) the minimum funding guarantee for the fiscal year in which a Public School System Stabilization Account transfer might be made is higher than the immediately preceding fiscal year, as adjusted for ADA growth and cost of living. Under Proposition 2, the size of the Public School System Stabilization Account is capped at 10% of the estimated minimum guarantee in any fiscal year, and any excess funds must be paid to K-14 school districts. Any reductions to a required transfer to, or draws upon, the Public School System Stabilization Account, are subject to the budget emergency requirements as described above. However, in any fiscal year in which the estimated minimum funding guarantee is less than the prior year’s funding level, as adjusted for ADA growth and cost of living, Proposition 2 also mandates draws on the Public School System Stabilization Account.

Proposition 51

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

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

Community College Facilities. Proposition 51 includes \$2 billion for community college district facility projects, including buying land, constructing new buildings, modernizing existing buildings, and purchasing equipment. In order to receive funding, community college districts must submit project

proposals to the Chancellor of the community college system, who then decides which projects to submit to the State legislature and Governor based on a scoring system that factors in the amount of local funds contributed to the project. The Governor and State legislature will select among eligible projects as part of the annual state budget process.

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

Future Initiatives

Article XIII A, Article XIII B, Article XIII C and Article XIII D of the California Constitution and Propositions 1A, 22, 30, 39, 98, 51 and 55 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

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APPENDIX B

FORM OF BOND COUNSEL OPINION

Upon issuance and delivery of the Bonds, Norton Rose Fulbright US LLP, Bond Counsel, proposes to deliver its final approving opinion with respect to the Bonds substantially in the following form:

_____, 2026

Board of Trustees
San Diego Community College District

Re: San Diego Community College District (San Diego County, California) 2026 General Obligation Refunding Bonds, Series A (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) and

San Diego Community College District (San Diego County, California) 2026 General Obligation Refunding Bonds, Series B (Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

Ladies and Gentlemen:

We have acted as Bond Counsel to the San Diego Community College District (the “District”), in connection with the issuance by the District of \$_____ aggregate principal amount of its 2026 General Obligation Refunding Bonds, Series A (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) and \$_____ aggregate principal amount of its 2026 General Obligation Refunding Bonds, Series B (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) (the “Bonds”). The Bonds are issued pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Act”), a Paying Agent Agreement, dated as of August 1, 2026 (the “Paying Agent Agreement”), by and between the District and U.S. Bank Trust Company, National Association, as paying agent (the “Paying Agent”) and other applicable laws and regulations of the State of California, and pursuant to resolution adopted by the Board of Trustees of the District on March 12, 2026 (the “Resolution”). All terms used herein and not otherwise defined shall have the meanings given to them in the Resolution or in the Paying Agent Agreement.

As bond counsel, we have examined copies certified to us as being true and complete copies of the proceedings of the District for the authorization and issuance of the Bonds, including the Paying Agent Agreement, the Resolution and the Tax Exemption Certificate of the District dated the date hereof (the “Tax Certificate”). Our services as such bond counsel were limited to an examination of such proceedings and to the rendering of the opinions set forth below. In this connection we have also examined such certificates of public officials and officers of the District as we have considered necessary for the purposes of this opinion.

Certain agreements, requirements and procedures contained or referred to in the Paying Agent Agreement, the Resolution, the Tax Certificate and other relevant documents may be changed and certain actions (including, without limitation, the defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. No opinion is expressed herein as to the effect on any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than ourselves.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by any parties other than the District. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolution and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Resolution and the Tax Certificate may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State of California. We express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in the foregoing documents. We express no opinion and make no comment with respect to the sufficiency of the security or the marketability of the Bonds. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute valid and binding obligations of the District, payable as to principal and interest from the proceeds of a levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.

2. The Resolution has been duly adopted and constitutes a valid and binding obligation of the District.

3. The Paying Agent Agreement has been duly executed and delivered by the District and, assuming the enforceability thereof against the Paying Agent, constitutes a valid and binding obligation of the District.

4. It is further our opinion, based upon the foregoing, that pursuant to section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date hereof (the "Code"), and existing regulations, published rulings, and court decisions thereunder, and assuming continuing compliance with the provisions of the Resolution and the Tax Certificate and in reliance upon representations and certifications of the District made in the Tax Certificate pertaining to the use, expenditure, and investment of the proceeds of the Bonds, when the Bonds are delivered to and paid for by the initial purchasers thereof, interest on the Bonds for federal income tax purposes (1) will be excludable from the gross income, as defined in section 61 of the Code, of the owners thereof, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals.

In our opinion, under existing law, interest on the Bonds is exempt from personal income taxes of the State of California.

We express no other opinion with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain S corporations with subchapter C earnings and profits, certain foreign corporations doing business in the United States, corporations subject to the alternative minimum tax on adjusted financial statement income, owners of an interest in a financial asset securitization investment trust, individuals otherwise qualifying for the earned income tax credit, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service or the State of California; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Respectfully submitted,

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APPENDIX C
AUDITED FINANCIAL STATEMENTS
OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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Financial Statements
June 30, 2025

San Diego Community College District

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of San Diego Community College District (the District), as of and for the year ended June 30, 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 Diego 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 14 and other required supplementary schedules as listed in the table of contents on pages 68 through 78 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 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.

Eide Bailly LLP

Ontario, California

January 22, 2026



San Diego Community College District

City College · Mesa College · Miramar College · College of Continuing Education

DISTRICT BACKGROUND AND INTRODUCTION

The California Community College system is comprised of 73 districts, 116 colleges, and 72 Education Centers serving 2.1 million students. San Diego Community College District (the “District”) is one of five community college districts located in San Diego County. The District is located within the metropolitan area of the city of San Diego and consists of three credit colleges: San Diego City College, Mesa College, and Miramar College, as well as a fully accredited, noncredit college, the San Diego College of Continuing Education, which operates at seven campus locations.

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

The District is currently the third largest community college district in California and among the largest in the United States. California residents paid an enrollment fee of \$46 per credit unit during the 2024-25 academic year. Out-of-state residents paid the enrollment fee plus non-resident tuition of \$356 per credit, and students in the baccalaureate program paid a surcharge of \$84 per credit on top of either resident or non-resident fees.

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

FINANCIAL HIGHLIGHTS FOR 2024-2025

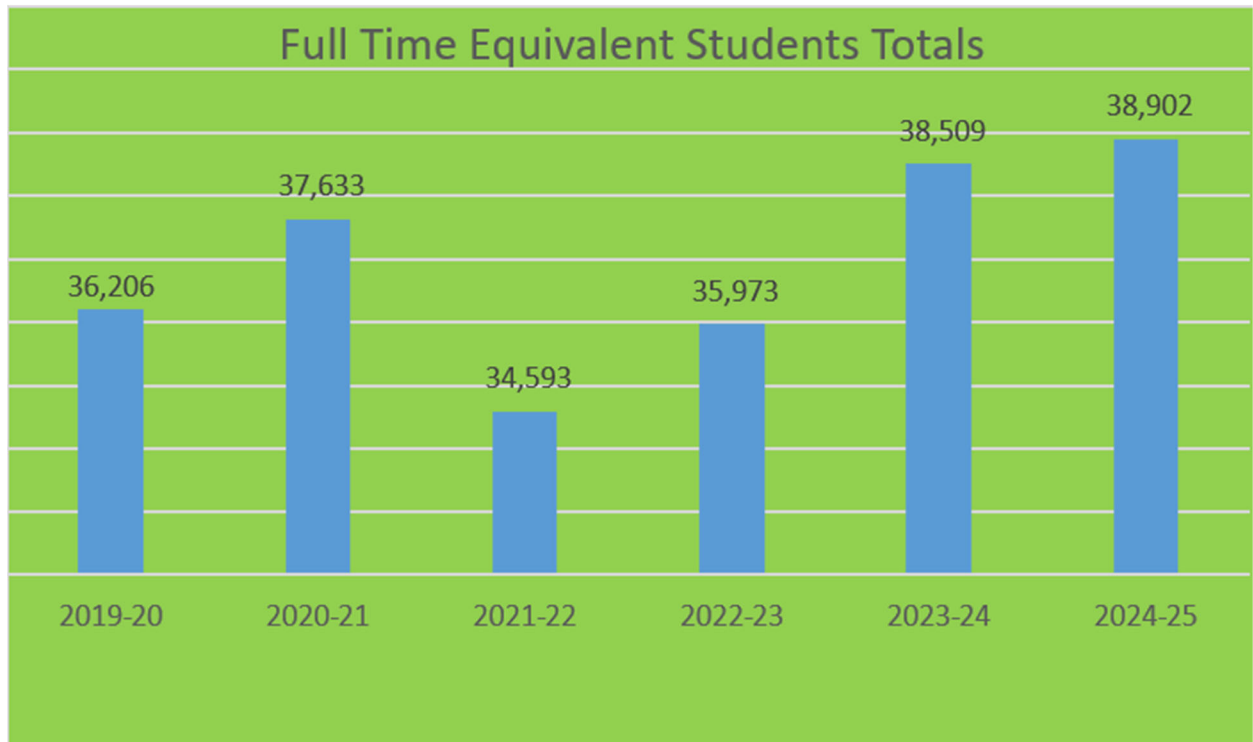
- The California Budget Act for 2024-25 signed into law on June 26, 2024 reflected \$298 billion in state expenditures including \$211.5 billion in General Fund expenditures.
- The state budget provided a slight increase in funding for California Community Colleges apportionment and categorical program over 2023-24.
- The state budget contains changes to deal with revenue shortfalls but maintains the state’s commitment to fully funding community college districts in support of accessible higher education opportunities for California residents, providing \$28 million ongoing to fund 0.5% enrollment growth.

- The state budget included overall state General Fund spending of \$211.5 billion for a decrease of over 6% as compared to 2023-24. The enacted state budget provided a 1.07% cost-of-living adjustment (COLA), and funding for student basic needs and support.
- The District's Adopted Budget for 2024-25 of \$1.04 billion consisted of \$642.6 million in General Fund Unrestricted and Restricted Funds and \$402 million in Other Funds, representing a \$25 million increase in all funds as compared to 2023-24.
- After wrapping up projects related to Prop S and Prop N General Obligation Bonds in 2023-24, voters in San Diego passed a new \$3.5 billion bond with Measure HH in November 2024. This will allow the District to proceed with construction and technology projects to provide sustainable buildings and state-of-the-art classroom equipment to serve student demand, support student success, and contain ever-increasing utility and other operating costs.
- As of the 2024-25 Adopted Budget, the District's SCFF revenue was funded through 'Stability' in the last year before the funding floor takes effect. This is the benchmark year which represents the level of funding below which districts cannot drop going forward, but to which COLA will not be added unless the district is earning its actual SCFF calculated revenue.
- The District also met or exceeded all federal and state mandated requirements including the 50% Law and Faculty Obligation Number (FON).

ENROLLMENT HIGHLIGHTS

The District's full-time equivalent students (FTES) target for 2024-25 was 39,051 FTES to align FTES funding in accordance with the Student-Centered Funding Formula (SCFF) model, which allocates 70% of apportionment revenue funding for FTES, with the remaining 30% funding tied to financial need (20%) and outcomes (10%). A history of student enrollments is provided in the table below. Although the ECA provisions expired on June 30, 2023, the District continued to benefit from the additional FTES due to the three-year average calculation used as a basis for FTES reporting. Enrollment continues to reflect an upward trend as districts emerge from the impact of the pandemic.

FULL TIME EQUIVALENT STUDENTS



FINANCIAL REPORTING STANDARDS

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

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

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

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

STATEMENT OF NET POSITION

The Statement of Net Position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (deficit) of the District as of the end of the fiscal year using the accrual basis of accounting, which is comparable to that used by most private sector institutions. Net position (deficit)—the difference between assets, and deferred outflows of resources, and liabilities, and deferred inflows of resources—is one way to measure the financial health of the District. The net position data allows readers to determine the resources available to continue the operations of the District. The restated net position (deficit) as of July 1, 2024 was (\$130,298,981), while the change in Net Position (Deficit) was \$36,539,925 for an ending Net Position (Deficit) of (\$93,759,056) as of June 30, 2025 as reported on the next page. The net position (deficit) of the District consists of three major categories:

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

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

	<u>2025</u>	<u>2024*</u>	<u>Change</u>
Assets			
Cash, cash equivalents, and investments	\$ 1,257,028,645	\$ 362,283,110	\$ 894,745,535
Receivables, net	129,824,964	155,404,545	(25,579,581)
Inventories and other current assets	800,543	1,337,026	(536,483)
Capital assets, net	<u>1,253,852,636</u>	<u>1,290,662,031</u>	<u>(36,809,395)</u>
Total assets	<u>2,641,506,788</u>	<u>1,809,686,712</u>	<u>831,820,076</u>
Deferred Outflows of Resources	<u>170,828,582</u>	<u>178,518,870</u>	<u>(7,690,288)</u>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	74,943,001	72,350,522	2,592,479
Unearned revenue	61,787,608	92,901,947	(31,114,339)
Long-term liabilities, due within one year	<u>75,191,741</u>	<u>63,349,665</u>	<u>11,842,076</u>
Total current liabilities	<u>211,922,350</u>	<u>228,602,134</u>	<u>(16,679,784)</u>
Noncurrent liabilities			
Long-term liabilities, due in more than one year	<u>2,548,564,906</u>	<u>1,690,210,256</u>	<u>858,354,650</u>
Total liabilities	<u>2,760,487,256</u>	<u>1,918,812,390</u>	<u>841,674,866</u>
Deferred Inflows of Resources	<u>145,607,170</u>	<u>143,945,892</u>	<u>1,661,278</u>
Net Position (Deficit)			
Net investment in capital assets	(41,969,311)	3,763,879	(45,733,190)
Restricted	214,940,294	181,313,657	33,626,637
Unrestricted deficit	<u>(266,730,039)</u>	<u>(259,630,236)</u>	<u>(7,099,803)</u>
Total net position (deficit)	<u>\$ (93,759,056)</u>	<u>\$ (74,552,700)</u>	<u>\$ (19,206,356)</u>

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

ASSETS

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

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

DEFERRED OUTFLOWS OF RESOURCES

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

LIABILITIES

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

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

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources represent pension costs resulting from the difference between projected and actual earnings on pension plan investments and other pension-related variables. This amount is deferred and amortized over five to seven years. Deferred inflows also include OPEB and lease related activities. Additional deferred inflows include amounts related to debt refundings, which is amortized over the shorter of the life of the refunded or refunding debt.

NET POSITION (DEFICIT)

The total net position (deficit) is one indicator of the District's financial health. Changes in total net position (deficit) as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position during fiscal year 2024-2025. The change in net position (deficit) reveals whether the overall financial condition has improved or declined during the year. Over time, increases or decreases in net position will point out the improvement or erosion of the District's financial health when considered with nonfinancial facts, such as enrollment levels, State changes in funding, facility changes, etc.

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

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

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

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

	2025	2024*	Change
Operating Revenues			
Tuition and fees, net	\$ 25,607,379	\$ 21,898,698	\$ 3,708,681
Grants and contracts, noncapital	115,281,611	118,881,720	(3,600,109)
Auxiliary sales and charges	6,297,252	6,196,390	100,862
Total operating revenues	147,186,242	146,976,808	209,434
Operating Expenses			
Salaries and benefits	356,038,186	347,700,882	8,337,304
Supplies and other expenses	200,598,532	178,516,646	22,081,886
Depreciation	44,900,375	44,649,408	250,967
Total operating expenses	601,537,093	570,866,936	30,670,157
Operating loss	(454,350,851)	(423,890,128)	(30,460,723)
Nonoperating Revenues (Expenses)			
State apportionments, non capital	150,673,121	153,887,327	(3,214,206)
Property taxes	271,236,807	261,003,775	10,233,032
Student financial aid grants	80,162,055	69,358,616	10,803,439
State taxes and other revenues	13,682,680	14,804,882	(1,122,202)
Net interest expense	(26,045,827)	(25,189,567)	(856,260)
Other nonoperating revenues	589,484	9,266,108	(8,676,624)
Total nonoperating revenues (expenses)	490,298,320	483,131,141	7,167,179
Other Revenues (Losses)			
State, local capital income, and losses on disposal of capital assets	592,456	2,918,298	(2,325,842)
Change in net position	\$ 36,539,925	\$ 62,159,311	\$ (25,619,386)

* 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.

OPERATING REVENUES AND EXPENSES

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

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

The primary operating expenses of the District are for the salaries and benefits of academic, classified, and administrative personnel, comprising the total operating expenses from a government-wide full accrual perspective. This amount includes the activity from all District funds. The costs increased from the previous fiscal year, from \$571 million to \$602 million, mainly due to increases in payroll and benefits expenses, changes in actuarially determined assumptions for pension and OPEB expenses, as well as startup costs for the new bond Measure HH.

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	Total
Instructional activities	\$ 149,172,507	\$ 7,140,160	\$ -	\$ 2,133,099	\$ -	\$ 158,445,766
Academic support	55,396,913	2,479,939	-	900,470	-	58,777,322
Student services	59,684,261	4,380,629	-	805,069	-	64,869,959
Plant operations and maintenance	14,066,319	11,407,939	-	2,561,096	-	28,035,354
Planning and policymaking	13,797,033	3,259,358	-	191,983	-	17,248,374
Institutional support services	40,649,470	57,318,993	-	767,694	-	98,736,157
Community services and economic development	2,289,742	613,941	-	364,371	-	3,268,054
Ancillary services and auxiliary operations	7,771,575	7,107,890	-	531,069	-	15,410,534
Student aid	-	-	87,434,145	-	-	87,434,145
Physical property and related acquisitions	13,210,366	8,481,546	-	2,719,141	-	24,411,053
Unallocated depreciation	-	-	-	-	44,900,375	44,900,375
Total	\$ 356,038,186	\$ 102,190,395	\$ 87,434,145	\$ 10,973,992	\$ 44,900,375	\$ 601,537,093

NON-OPERATING REVENUES AND OTHER REVENUES

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

STATEMENT OF CASH FLOWS

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

Changes in Cash Position

The Statement of Cash Flows for the year ended June 30, 2025 and 2024, are summarized and presented below:

	2025	2024*	Change
Net Cash Flows from			
Operating activities	\$ (455,229,311)	\$ (420,784,715)	\$ (34,444,596)
Noncapital financing activities	424,857,765	400,716,822	24,140,943
Capital financing activities	907,070,533	(251,160,094)	1,158,230,627
Investing activities	17,800,538	253,890,272	(236,089,734)
Change in Cash and Cash Equivalents	894,499,525	(17,337,715)	911,837,240
Cash and Cash Equivalents, Beginning of Year	360,842,551	378,180,266	(17,337,715)
Cash and Cash Equivalents, End of Year	\$ 1,255,342,076	\$ 360,842,551	\$ 894,499,525

* 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 LONG-TERM LIABILITIES

Capital Assets

As of June 30, 2025, the District had \$1.3 billion in net capital assets. Total capital assets consist of land, buildings, and building improvements, construction in progress, vehicles and other equipment. Accumulated depreciation related to these assets is \$638.8 million. Depreciation expense of \$44.9 million was recorded for the fiscal year. Note 7 to the financial statements provides additional information on capital assets.

	2025	2024
Land and improvements	\$ 145,088,919	\$ 147,536,327
Buildings and improvements	1,088,624,155	1,132,363,751
Furniture and equipment	9,093,956	8,943,647
Construction in progress	11,045,606	1,818,306
Total capital assets, net	\$ 1,253,852,636	\$ 1,290,662,031

Long-Term Liabilities

At June 30, 2025, the District had \$2.5 billion in outstanding long-term liabilities compared to \$1.7 billion at June 30, 2024. We present more detailed information regarding out long-term liabilities in Note 8, Note 9, and Note 11 to the financial statements.

	2025	2024*
General obligation bonds payable	\$ 2,211,689,285	\$ 1,373,813,399
Claims liability	7,246,482	6,361,062
Compensated absences	83,071,057	18,685,583
Early retirement incentive	-	962,810
Aggregate net OPEB liability	32,514,901	43,055,374
Aggregate net pension liability	289,234,922	310,681,693
Total long-term liabilities	2,623,756,647	1,753,559,921
Less current portion	(75,191,741)	(63,349,665)
Total long-term portion	\$ 2,548,564,906	\$ 1,690,210,256

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

DISTRICT'S FIDUCIARY RESPONSIBILITY

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

ECONOMIC OUTLOOK AND FACTORS AFFECTING FUTURE BUDGETS

The major economic factors that impact the District and all California community college districts' financial conditions are directly related to the overall economic, budgetary, and fiscal condition of the State of California and any legislation that impacts the funding of all community colleges in the state. Per the Joint Analysis of the State Chancellor's Office (CCCCO), updated revenue projections reflect stock market volatility, the impact of federal tariffs, state cost increases for programs such as Medi-Cal, and federal cuts. The projected deficit of \$30 billion as of January 2025 was updated to include an additional deficit of approximately \$12 billion for FY 2025-26. Steps taken earlier in the 2024 Budget Act through two-year budget planning helped prepare for this additional shortfall.

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

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

San Diego Community College District

Statement of Net Position

June 30, 2025

Assets	
Cash and cash equivalents	\$ 8,254,876
Investments	1,248,773,769
Accounts receivable	57,487,117
Student receivables, net	5,274,648
Lease receivables	67,063,199
Prepaid expenses	88,120
Inventories	712,423
Capital assets not being depreciated	93,215,739
Capital assets, net of accumulated depreciation	<u>1,160,636,897</u>
Total assets	<u>2,641,506,788</u>
Deferred Outflows of Resources	
Deferred outflows of resources related to debt refunding	62,814,208
Deferred outflows of resources related to OPEB	8,716,806
Deferred outflows of resources related to pensions	<u>99,297,568</u>
Total deferred outflows of resources	<u>170,828,582</u>
Liabilities	
Accounts payable	41,728,751
Accrued interest payable	33,214,250
Unearned revenue	61,787,608
Long-term liabilities	
Long-term liabilities other than OPEB and pensions, due within one year	75,191,741
Long-term liabilities other than OPEB and pensions, due in more than one year	2,226,815,083
Aggregate net other postemployment benefits (OPEB) liability	32,514,901
Aggregate net pension liability	<u>289,234,922</u>
Total liabilities	<u>2,760,487,256</u>
Deferred Inflows of Resources	
Deferred inflows of resources related to debt refunding	19,522,348
Deferred inflows of resources related to OPEB	16,822,592
Deferred inflows of resources related to pensions	38,018,073
Deferred inflows of resources related to leases	<u>71,244,157</u>
Total deferred inflows of resources	<u>145,607,170</u>
Net Position (Deficit)	
Net investment in capital assets	(41,969,311)
Restricted for	
Debt service	127,482,844
Capital projects	51,901,564
Educational programs	31,020,534
Other activities	4,535,352
Unrestricted deficit	<u>(266,730,039)</u>
Total net position (deficit)	<u>\$ (93,759,056)</u>

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

Operating Revenues	
Tuition and fees	\$ 89,194,088
Less: Scholarship discounts and allowances	(63,586,709)
Net tuition and fees	<u>25,607,379</u>
Grants and contracts, noncapital	
Federal	13,280,292
State	100,827,433
Local	1,173,886
Total grants and contracts, noncapital	<u>115,281,611</u>
Auxiliary enterprise sales and charges	
Bookstore	5,506,223
Other enterprise	791,029
Total auxiliary enterprise sales and charges	<u>6,297,252</u>
Total operating revenues	<u>147,186,242</u>
Operating Expenses	
Salaries	279,639,946
Employee benefits	76,398,240
Supplies, materials, and other operating expenses and services	102,190,395
Student financial aid	87,434,145
Equipment, maintenance, and repairs	10,973,992
Depreciation	44,900,375
Total operating expenses	<u>601,537,093</u>
Operating Loss	<u>(454,350,851)</u>
Nonoperating Revenues (Expenses)	
State apportionments, noncapital	150,673,121
Local property taxes, levied for general purposes	171,916,483
Taxes levied for other specific purposes	99,320,324
Federal and state financial aid grants	80,162,055
State taxes and other revenues	13,682,680
Investment income, net	27,732,041
Interest expense on capital related debt	(57,043,073)
Investment income on capital asset-related debt, net	3,265,205
Other nonoperating revenues	589,484
Total nonoperating revenues (expenses)	<u>490,298,320</u>
Income Before Other Revenues (Losses)	<u>35,947,469</u>
Other Revenues (Losses)	
State revenues, capital	2,981,862
Local revenues, capital	1,286,193
Loss on disposal of capital assets	(3,675,599)
Total other revenues (losses)	<u>592,456</u>
Change In Net Position	36,539,925
Net Position (Deficit), Beginning of Year, as previously reported	(74,552,700)
Adjustments (See Note 14)	(55,746,281)
Net Position (Deficit), Beginning of Year, as restated	<u>(130,298,981)</u>
Net Position (Deficit), End of Year	<u>\$ (93,759,056)</u>

San Diego Community College District
Statement of Cash Flows
Year Ended June 30, 2025

Operating Activities	
Tuition and fees	\$ 24,741,659
Federal, state, and local grants and contracts, noncapital	96,204,321
Payments to or on behalf of employees	(387,872,071)
Payments to vendors for supplies and services	(107,166,327)
Payments to students for scholarships and grants	(87,434,145)
Other operating receipts	<u>6,297,252</u>
Net cash flows from operating activities	<u>(455,229,311)</u>
Noncapital Financing Activities	
State apportionments	164,102,573
Federal and state financial aid grants	76,609,800
Property taxes - nondebt related	171,916,483
State taxes and other apportionments	16,321,089
Other nonoperating activities	<u>(4,092,180)</u>
Net cash flows from noncapital financing activities	<u>424,857,765</u>
Capital Financing Activities	
Purchase of capital assets	(6,411,527)
Proceeds from sale of capital debt	903,005,821
State revenue, capital	5,891,522
Local revenue, capital	1,286,193
Property taxes - related to capital debt	99,320,324
Principal paid on capital debt	(61,100,000)
Interest paid on capital debt	(38,187,005)
Interest received on capital asset-related debt	<u>3,265,205</u>
Net cash flows from capital financing activities	<u>907,070,533</u>
Investing Activities	
Change in fair market value of cash in county treasury	5,899,544
Interest received from investments	<u>11,900,994</u>
Net cash flows from investing activities	<u>17,800,538</u>
Change In Cash and Cash Equivalents	894,499,525
Cash and Cash Equivalents, Beginning of Year	<u>360,842,551</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,255,342,076</u></u>

San Diego 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>\$ (454,350,851)</u>
Adjustments to reconcile operating loss to net cash flows from operating activities	
Depreciation expense	44,900,375
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources	
Accounts receivable	5,448,776
Student receivables, net	551,004
Lease receivables	1,129,058
Prepaid expenses	104,128
Inventories	432,355
Deferred outflows of resources related to OPEB	1,997,831
Deferred outflows of resources related to pensions	1,766,563
Accounts payable	(9,246,735)
Unearned revenue	(18,055,584)
Compensated absences	8,639,193
Early retirement incentive	(962,810)
Claims liability	885,420
Aggregate net OPEB liability	(10,540,473)
Aggregate net pension liability	(21,446,771)
Deferred inflows of resources related to leases	153,287
Deferred inflows of resources related to OPEB	6,600,668
Deferred inflows of resources related to pensions	(4,065,194)
	<u>8,291,091</u>
Total adjustments	<u>8,291,091</u>
Net cash flows from operating activities	<u><u>\$ (446,059,760)</u></u>
Cash and Cash Equivalents consist of the following:	
Cash on hand and in banks	\$ 8,254,876
Cash in county treasury	<u>1,247,087,200</u>
Total cash and cash equivalents	<u><u>\$ 1,255,342,076</u></u>
Noncash Transactions	
Amortization of deferred outflows of resources related to debt refunding	\$ 3,925,894
Amortization of deferred inflows of resources related to debt refunding	\$ 1,027,483
Amortization of debt premiums	\$ 6,541,016
Accretion of interest on capital appreciation bonds	\$ 2,511,081

San Diego Community College District
Fiduciary Fund
Statement of Net Position
June 30, 2025

	<u>Retiree OPEB Trust</u>
Assets	
Investments	<u>\$ 13,600,372</u>
Net Position	
Restricted for postemployment benefits other than pensions	<u>\$ 13,600,372</u>

San Diego Community College District
 Fiduciary Fund
 Statement of Changes in Net Position
 Year Ended June 30, 2025

	<u>Retiree OPEB Trust</u>
Additions	
District contributions	\$ 6,385,208
Interest and investment income	<u>893,311</u>
Total additions	<u>7,278,519</u>
Deductions	
Benefit payments	1,979,721
Administrative expenses	<u>7,434</u>
Total deductions	<u>1,987,155</u>
Change in Net Position	5,291,364
Net Position - Beginning of Year	<u>8,309,008</u>
Net Position - End of Year	<u><u>\$ 13,600,372</u></u>

Note 1 - Organization

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

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

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

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

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

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

San Diego Community College Auxiliary Organization

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

Condensed Statement of Net Position

Assets	
Cash and cash equivalents	\$ 215,749
Investments	1,686,569
Accounts receivables	17,014
	<u>17,014</u>
Total assets	<u>\$ 1,919,332</u>
Liabilities	
Accounts payable	\$ 1,331,927
Unearned revenue	80,662
	<u>80,662</u>
Total liabilities	<u>1,412,589</u>
Net Position	
Unrestricted	<u>\$ 506,743</u>

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

Operating Revenues	
Local contributions	\$ 69,266
	<u>69,266</u>
Operating Expenses	
Contract services and operating expenses	259,921
District support and Promise scholarships	1,123,658
Supplies, materials and minor equipment	421
	<u>421</u>
Total operating expenses	<u>1,384,000</u>
Total operating loss	<u>(1,314,734)</u>
Nonoperating Revenues	
Transfer from the San Diego Foundation	1,119,338
Income from investments	69,057
	<u>69,057</u>
Total nonoperating revenues	<u>1,188,395</u>
Change in Net Position	(126,339)
Net Position, Beginning of Year	<u>633,082</u>
Net Position, End of Year	<u>\$ 506,743</u>

Note 2 - Summary of Significant Accounting Policies**Basis of Accounting**

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

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

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

Cash and Cash Equivalents

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

Investments

Investments are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value, including money market investments and participating interest-earning investment contracts with original maturities greater than one year, are stated at cost or amortized cost. The investments held by the District's component unit, the San Diego Community College Auxiliary Organization (the Organization) are stated at amortized cost.

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

Accounts Receivable

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. The District provides for an allowance for uncollectible accounts as an estimation of amounts that may not be received. This allowance is based upon management's estimates and analysis. The allowance was estimated at \$750,000 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 bookstore and cafeteria merchandise held for resale to the students and faculty of the colleges. Inventories are stated at the lower of cost or market value, utilizing the first-in, first-out method. The cost is recorded as an expense as the inventory is consumed rather than when purchased.

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 and Depreciation

Capital assets are long-lived assets of the District as a whole and include land, construction in progress, buildings, building and land improvements, and equipment. The District maintains an initial unit cost capitalization threshold of \$250,000 for building and land improvements and \$5,000 for all other capital assets. Assets are recorded at historical cost, or estimated historical cost, when purchased or constructed. The District does not possess any infrastructure. Donated capital assets are recorded at acquisition value at the date of donation. Improvements to buildings and land that significantly increase the value or extend the useful life of the asset are capitalized; the costs of routine maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are charged as an operating expense in the year in which the expense was incurred. Major outlays for capital improvements are capitalized as construction in progress as the projects are constructed.

Depreciation is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 25 to 50 years; improvements, 20 years; equipment, 5 to 15 years; and vehicles, 8 years.

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 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, load banking leave, and sick leave. The District offers load banking leave to eligible academic employees whereby the employee may teach extra courses in one period in exchange for time off in another period.

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 members who retire after January 1, 1999. At retirement, each member will receive a 0.004 year of service credit for each day of unused sick leave. Retirement credit for unused sick leave is also applicable to all academic employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full time. 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 so will not be recognized as an expense until then. The District reports deferred outflows of resources related to debt refunding, for OPEB related items, and for pension related items. The deferred outflows of resources related to debt refunding resulted from the difference between the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts 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 debt refunding, leases, OPEB and pension related items.

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Unearned Revenue

Unearned revenues arise when resources are received by the District before it has a legal claim to them, such as when certain grants are received prior to the occurrence of qualifying 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 comprised of (1) amounts received for tuition and fees prior to the end of the fiscal year that are related to the subsequent fiscal year and (2) amounts received from Federal and State grants received before the eligibility requirements are met.

Noncurrent Liabilities

Noncurrent liabilities include general obligation bonds, claims liability, compensated absences, and early retirement incentive, with maturities greater than one year.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position related to net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. The District has related debt outstanding as of June 30, 2025. 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 \$214,940,294 of restricted net position and the fiduciary fund financial statements report \$13,600,372 of restricted net position.

Operating and Nonoperating Revenues and Expenses

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

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

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

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

State Apportionments

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

Property Taxes

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

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

The voters of the District passed General Obligation Bonds in June 2002, June 2006, and November 2024 for the acquisition, construction, and rehabilitation of facilities. As a result of the passage of the Bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are assessed, billed, and collected by the County of San Diego and remitted to the District.

Scholarship Discounts and Allowances

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

Financial Assistance Programs

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

Estimates

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

Interfund Activity

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

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

Adoption of New Accounting Standard**Implementation of GASB Statement No. 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.

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

Certificates of deposits are held to maturity and therefore are recorded on an amortized cost basis.

General Authorizations

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

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	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, consisted of the following:

	Primary Government	Fiduciary Fund
Cash on hand and in banks	\$ 8,254,876	\$ -
Investments	1,248,773,769	13,600,372
Total deposits and investments	\$ 1,257,028,645	\$ 13,600,372

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the San Diego County Treasury Investment Pool, Mutual funds and certificates of deposit.

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

Investment Type	Fair Value	Weighted Average Maturity in Days	Credit Rating
Mutual funds	\$ 13,600,372	No maturity	Not rated
San Diego County Treasury Investment pool	<u>1,247,087,200</u>	562	AA+
Total	<u><u>\$ 1,260,687,572</u></u>		

The District's investment in certificates of deposit in the amount of \$1,686,569 are stated at amortized cost and therefore not included in the table above.

Credit Risk

The risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in mutual funds and certificates of deposit are not required to be rated, nor have they been rated as of June 30, 2025. The San Diego County Treasury Investment Pool was rated AA+ by Fitch Ratings, Inc. as of June 30, 2025.

Custodial Credit Risk

Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California *Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2025, the District's bank balance of approximately \$4.9 million was exposed to custodial credit risk because it was collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

Investments

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. As of June 30, 2025, the District's investment balance of approximately \$13.1 million was exposed to custodial credit risk because it exceeded Securities Investor Protection Corporation (SIPC) insurance of \$500,000. The District does not have a policy limiting the amount of securities that can be held by counterparties.

Note 4 - Fair Value Measurements

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

- Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.
- Level 2 - Observable inputs, other than Level 1 prices, such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

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

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurement Using Level 1 Inputs</u>
Mutual funds	\$ 13,600,372	\$ 13,600,372

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

Note 5 - Accounts Receivable

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

	<u>Primary Government</u>
Federal Government	
Categorical aid	\$ 13,881,918
State Government	
Apportionment	8,979,100
Categorical aid	5,795,032
Lottery	2,866,995
Local Sources	
Interest	13,750,959
Other local sources	<u>12,213,113</u>
Total accounts receivable	<u>\$ 57,487,117</u>
Student receivables	\$ 6,024,648
Less: allowance for bad debt	<u>(750,000)</u>
Total student receivables, net	<u>\$ 5,274,648</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
Veritas Urban	\$ 5,646,992	\$ -	\$ (115,392)	\$ 5,531,600
Urban Discovery Centre City	23,645,804	-	(742,387)	22,903,417
Urban Discovery Half Block	4,728,075	-	(149,902)	4,578,173
Mar City X Urban Sub Lease	1,577,157	-	(49,754)	1,527,403
Le Lycée	8,520,029	-	(235,827)	8,284,202
San Diego Unified MET Program	2,146,330	-	(175,783)	1,970,547
Lowe Enterprises - IDEA One	21,315,225	-	(677,318)	20,637,907
SDUSD East Village High School	3,036	-	(3,036)	-
Family Health Center	106,271	-	(106,271)	-
Dish Wireless	503,338	498,507	(73,369)	928,476
AT&T	-	492,037	(87,819)	404,218
Verizon	-	121,549	(33,153)	88,396
T-Mobile	-	278,772	(69,912)	208,860
Total	<u>\$ 68,192,257</u>	<u>\$ 1,390,865</u>	<u>\$ (2,519,923)</u>	<u>\$ 67,063,199</u>

The District leases certain properties and buildings to various lessees. Lease terms vary and extend through June 2118. During the year ended June 30, 2025 the District recognized lease revenue and interest revenue totaling \$2,519,923 and \$308,848, respectively. At June 30, 2025, the balance of lease receivables and deferred inflows of resources related to leases was \$67,063,199 and \$71,244,157, respectively. Interest rates applied to the leases ranged between 3.00% and 4.00% based on the District's estimated incremental borrowing rate 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				
Land	\$ 82,170,133	\$ -	\$ -	\$ 82,170,133
Construction in progress	1,818,306	9,227,300	-	11,045,606
Total capital assets not being depreciated	83,988,439	9,227,300	-	93,215,739
Capital Assets Being Depreciated				
Land improvements	80,577,772	-	(377,955)	80,199,817
Buildings and improvements	1,622,331,697	-	(3,297,644)	1,619,034,053
Furniture and equipment	97,740,936	2,539,279	(32,989)	100,247,226
Total capital assets being depreciated	1,800,650,405	2,539,279	(3,708,588)	1,799,481,096
Total capital assets	1,884,638,844	11,766,579	(3,708,588)	1,892,696,835
Less Accumulated Depreciation				
Land improvements	(15,211,578)	(2,069,453)	-	(17,281,031)
Buildings and improvements	(489,967,946)	(40,441,952)	-	(530,409,898)
Furniture and equipment	(88,797,289)	(2,388,970)	32,989	(91,153,270)
Total accumulated depreciation	(593,976,813)	(44,900,375)	32,989	(638,844,199)
Total capital assets, net	\$ 1,290,662,031	\$ (33,133,796)	\$ (3,675,599)	\$ 1,253,852,636

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	\$ 1,327,110,000	\$ 852,511,081	\$ (61,100,000)	\$ 2,118,521,081	\$ 63,655,000
Bond premium	46,703,399	53,005,821	(6,541,016)	93,168,204	-
Claims liability	6,361,062	5,962,575	(5,077,155)	7,246,482	-
Compensated absences	74,431,864	8,639,193	-	83,071,057	11,536,741
Early retirement incentive	962,810	-	(962,810)	-	-
Total	<u>\$ 1,455,569,135</u>	<u>\$ 920,118,670</u>	<u>\$ (73,680,981)</u>	<u>\$ 2,302,006,824</u>	<u>\$ 75,191,741</u>

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 early retirement incentive will be paid by the general fund.

General Obligation Bonds

In July 2011, the District issued General Obligation Bonds, Election of 2002, Series 2011 of the Proposition S bond authorization, which consisted of current interest serial bonds and capital appreciation serial bonds with an initial par amount of \$99,999,859, and interest rates of 1.50% to 6.69% maturing through August 1, 2041. The outstanding balance as of June 30, 2025, was \$39,136,081.

In July 2013, the District issued General Obligation Bonds, Election of 2002, Series 2013 of the Proposition S bond authorization, which consisted of current interest serial bonds with an initial par amount of \$103,705,000, and interest rates of 1.00% to 5.00% maturing through August 1, 2024. The outstanding balance as of June 30, 2025, was paid in full.

In November 2016, the District issued General Obligation Bonds, Election of 2006, Series 2016 of the Proposition N bond authorization, which consisted of current interest serial bonds with an initial par amount of \$122,005,000, and interest rates of 3.00% to 5.00% maturing through August 1, 2034. The outstanding balance as of June 30, 2025, was \$54,555,000.

In November 2016, the District issued 2016 General Obligation Refunding Bonds, which consisted of current interest serial bonds and current interest term bonds with an initial par amount of \$504,030,000, and interest rates of 3.00% to 5.00% maturing through August 1, 2028. The Bonds were authorized to advance refund portions of the District's outstanding bonds. The outstanding balance as of June 30, 2025, was \$81,115,000.

In October 2019, the District issued 2019 General Obligation Refunding Bonds, Series A, which consisted of current interest serial bonds and current interest term bonds with an initial par amount of \$437,965,000, and interest rates of 1.94% to 3.34% maturing through August 1, 2043. The Bonds were authorized to advance refund portions of the District's outstanding bonds. The outstanding balance as of June 30, 2025, was \$237,420,000.

In October 2019, the District issued 2019 General Obligation Refunding Bonds, Series B, which consisted of current interest serial and term crossover bonds with an initial par amount of \$255,470,000, and interest rates of 2.41% to 3.32% maturing through August 1, 2041. The crossover date was August 1, 2023. The bonds remained as a District obligation and continued to accrete interest until the crossover date. The Bonds were authorized to advance refund portions of the District's outstanding bonds. The outstanding balance as of June 30, 2025, was \$195,635,000.

In December 2021, the District issued 2021 General Obligation Refunding Bonds, which consisted of current interest serial bonds and current interest term bonds with an initial par amount of \$523,210,000, and interest rates of 0.50% to 2.76% maturing through August 1, 2041. The Bonds were authorized to advance refund portions of the District's outstanding bonds. The outstanding balance as of June 30, 2025, was \$492,765,000.

In February 2024, the District authorized the sale and issuance of the 2024 General Obligation Refunding Bonds (Tender Refinancing) in the amounts of \$167,895,000. Proceeds from the sale of the bonds were used to advance refund a portion of the District's outstanding bonds. Interest is payable February 1 and August 1 at interest rates ranging from 4.00% to 5.00%. The bonds mature through August 1, 2043. The outstanding balance as of June 30, 2025, was \$167,895,000.

In January 2025, the District issued General Obligation Bonds, Election of 2024, Series A-1 of the Measure HH bond authorization, which consisted of current interest serial bonds and term bonds with an initial par amount of \$700,000,000, and interest rates of 4.00% to 5.00% maturing through August 1, 2055. The outstanding balance as of June 30, 2025, was \$700,000,000.

In January 2025, the District issued General Obligation Bonds, Election of 2024, Series A-2 of the Measure HH bond authorization, which consisted of federally taxable serial bonds and term bonds with an initial par amount of \$150,000,000, and interest rates of 5.75% to 6.00% maturing through August 1, 2035. The outstanding balance as of June 30, 2025, was \$150,000,000.

The following table summarizes the outstanding General Obligation Bonds at June 30, 2025:

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding, July 1, 2024	Issued/ Accreted Interest	Redeemed	Bonds Outstanding, June 30, 2025
Election 2002, Series 2011	7/21/2011	8/1/2041	1.50%-6.69%	\$ 99,999,859	\$ 36,625,000	\$ 2,511,081	\$ -	\$ 39,136,081
Election 2002, Series 2013	7/17/2013	8/1/2024	1.00%-5.00%	103,705,000	20,000	-	(20,000)	-
Election 2006, Series 2016	11/3/2016	8/1/2034	3.00%-5.00%	122,005,000	60,795,000	-	(6,240,000)	54,555,000
2016 Refunding	11/3/2016	8/1/2028	3.00%-5.00%	504,030,000	103,470,000	-	(22,355,000)	81,115,000
2019 Refunding, Series A	10/16/2019	8/1/2043	1.94%-3.34%	437,965,000	261,600,000	-	(24,180,000)	237,420,000
2019 Refunding, Series B	10/16/2019	8/1/2041	2.41%-3.32%	255,470,000	195,635,000	-	-	195,635,000
2021 Refunding	12/08/2021	8/1/2041	0.50%-2.76%	523,210,000	501,070,000	-	(8,305,000)	492,765,000
2024 Refunding	2/7/2024	8/1/2043	4.00%-5.00%	167,895,000	167,895,000	-	-	167,895,000
Election 2024, Series A-1	1/23/25	8/1/2055	4.00%-5.00%	700,000,000	-	700,000,000	-	700,000,000
Election 2024, Series A-2	1/23/25	8/1/2035	5.75%-6.00%	150,000,000	-	150,000,000	-	150,000,000
					<u>\$ 1,327,110,000</u>	<u>\$ 852,511,081</u>	<u>\$ (61,100,000)</u>	<u>\$ 2,118,521,081</u>

Debt Service Requirements to Maturity

The bonds mature through fiscal year 2056 as follows:

Fiscal Year	Principal (Including Accreted Interest to date)	Accreted Interest	Current Interest to Maturity	Total
2026	\$ 63,655,000	\$ -	\$ 70,284,283	\$ 133,939,283
2027	68,325,000	-	67,295,912	135,620,912
2028	74,565,000	-	64,775,014	139,340,014
2029	81,855,000	-	62,036,269	143,891,269
2030	203,425,000	-	85,583,002	289,008,002
2031-2035	505,814,601	5,215,399	266,131,977	777,161,977
2036-2040	293,162,297	31,962,703	207,912,877	533,037,877
2041-2045	292,859,183	15,670,817	150,756,949	459,286,949
2046-2050	185,350,000	-	104,983,700	290,333,700
2051-2055	278,870,000	-	54,557,825	333,427,825
2056	70,640,000	-	1,766,000	72,406,000
Total	<u>\$ 2,118,521,081</u>	<u>\$ 52,848,919</u>	<u>\$ 1,136,083,808</u>	<u>\$ 3,307,453,808</u>

Early Retirement Incentive

The District has entered into an agreement to provide certain benefits to employees participating in the early retirement incentive plan. At June 30, 2025, the balance was paid in full.

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

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

OPEB Plan	Aggregate Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	\$ 31,813,423	\$ 8,716,806	\$ 16,822,592	\$ (1,803,774)
Medicare Premium Payment (MPP) Program	701,478	-	-	(138,200)
Total	<u>\$ 32,514,901</u>	<u>\$ 8,716,806</u>	<u>\$ 16,822,592</u>	<u>\$ (1,941,974)</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 the District management. Management of the trustee assets is vested with the San Diego Community College District Retirement Board of Authority, which consists of appointed Plan members.

Plan Membership

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

Inactive employees or beneficiaries currently receiving benefits payments	108
Active employees	<u>2,323</u>
Total	<u><u>2,431</u></u>

Retiree Health Benefit OPEB Trust

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

Benefits Provided

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

The District maintains the same medical plans for its early retirees (those under age 65) as for its active employees, as well as their Medicare counterparts for Medicare eligible retirees (age 65+) (United Healthcare Senior Advantage and Kaiser Senior Advantage). The District's share of retiree premium depends on classification, age, years of service (YOS) and the applicable cap. For the 2025 calendar year, the cap is \$1,788 per month.

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

For 2025, the District cap is \$1,788 per month and is assumed to grow at the medical trend rates shown in the Assumptions section of this report.

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

Contributions

The contribution requirements of Plan members and the District are established and may be amended by the District and the District's bargaining units. The voluntary contributions are based on projected pay-as-you-go financing requirements. For the measurement period ending June 30, 2025, the District contributed \$6,385,208, of which \$4,405,487 was used to fund the Trust, \$1,351,069 was used for current premiums, and \$628,652 represents the effect of the implicit rate subsidy.

Investment

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the governing board by a majority vote of its members. It is the policy of the District to pursue an investment strategy that reduces risks through the prudent diversification for the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocation over short time spans. The following was the governing board's adopted asset allocation policy as of June 30, 2025:

<u>Asset Class</u>	<u>Target Allocation</u>
Broad U.S. Equity	50%
U.S. Fixed	50%

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 10.77%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the District

The District's net OPEB liability of \$31,813,423 was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024. The components of the net OPEB liability of the District at June 30, 2025, were as follows:

Total OPEB liability	\$ 45,413,795
Plan fiduciary net position	<u>(13,600,372)</u>
Net OPEB liability	<u>\$ 31,813,423</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>29.95%</u>

Actuarial Assumptions

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

Inflation	2.50%
Salary increases	3.00%
Investment rate of return	6.50%, net of OPEB plan investment expense
Discount rate	6.50%
Healthcare cost trend rates	7.00% for 2025, 5.40% for 2029, 5.25% for 2030-2034, 4.60% for 2035-2049, 4.50% for 2050-2064, 4.25% for 2065-2074, and 4.50% for 2070 and later years

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

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. The calculated investment rate of return was set equal to the expected ten-year compound (geometric) real return plus inflation (rounded to the nearest 25 basis points, where appropriate). The best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan’s target asset allocation as of June 30, 2025, are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total OPEB liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance, June 30, 2024	\$ 50,524,704	\$ 8,309,008	\$ 42,215,696
Service cost	3,126,608	-	3,126,608
Interest	2,264,890	-	2,264,890
Contributions - employer	-	6,385,208	(6,385,208)
Net investment income	-	893,311	(893,311)
Changes of assumptions	(8,522,686)	-	(8,522,686)
Benefit payments	(1,979,721)	(1,979,721)	-
Administrative expense	-	(7,434)	7,434
Net change in total OPEB liability	(5,110,909)	5,291,364	(10,402,273)
Balance, June 30, 2025	\$ 45,413,795	\$ 13,600,372	\$ 31,813,423

Changes of economic assumptions reflect a change in the discount rate changed from 4.30% in the previous valuation to 6.50% in the current valuation and a change in healthcare trend rate from 7.50% in the previous valuation to 7.00% in the current valuation.

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

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

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

Discount Rate	Net OPEB Liability
1% decrease (5.50%)	\$ 35,068,108
Current discount rate (6.50%)	31,813,423
1% increase (7.50%)	29,342,118

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

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

<u>Healthcare Cost Trend Rate</u>	<u>Net OPEB Liability</u>
1% decrease (6.00%)	\$ 27,031,441
Current healthcare cost trend rate (7.00%)	31,813,423
1% increase (8.00%)	37,399,630

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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,601,618	\$ 4,292,702
Changes of assumptions	6,115,188	12,275,840
Net difference between projected and actual earnings on OPEB plan investments	-	254,050
Total	<u>\$ 8,716,806</u>	<u>\$ 16,822,592</u>

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

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2026	\$ 128,635
2027	(165,942)
2028	(146,052)
2029	(70,691)
Total	<u>\$ (254,050)</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 6.8 years and will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (228,399)
2027	(656,581)
2028	(1,129,835)
2029	(1,129,834)
2030	(1,473,046)
Thereafter	(3,234,041)
Total	<u>\$ (7,851,736)</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: <https://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 \$701,478 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 periods ending June 30, 2024 and June 30, 2023, was 0.2632% and 0.2767%, respectively, resulting in a net decrease in the proportionate share of 0.0135%.

For the year ended June 30, 2025, the District recognized OPEB expense of \$(138,200).

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:

<u>Discount Rate</u>	<u>Net OPEB Liability</u>
1% decrease (2.93%)	\$ 756,876
Current discount rate (3.93%)	701,478
1% increase (4.93%)	652,763

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)	\$ 649,844
Current Medicare costs trend rates (5.00% Part A and 6.50% Part B)	701,478
1% increase (6.00% Part A and 7.50% Part B)	759,124

Note 10 - Risk Management

Property/Liability

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

The District maintains a Liability insurance policy for California whereby the District pays the first \$200,000 per occurrence with coverage up to \$75 million including excess liability with no self-retention between the coverage ranges of \$1 - \$10 million. The District also maintains a Crime policy with a deductible of \$2,500 with a \$5 million limit.

Health/Dental/Vision/Life

These programs are fully insured.

Student Accident

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

Joint Powers Authority Risk Pools

During fiscal year ended June 30, 2025, the District contracted with the Statewide Association of Community Colleges (SWACC) Joint Powers Authority for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Claims Liabilities

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

	<u>Workers' Compensation</u>
Liability Balance, July 1, 2023	\$ 8,339,978
Claims and changes in estimates	416,792
Claims payments	<u>(2,395,708)</u>
Liability Balance, June 30, 2024	6,361,062
Claims and changes in estimates	5,962,575
Claims payments	<u>(5,077,155)</u>
Liability Balance, June 30, 2025	<u>\$ 7,246,482</u>
Assets available to pay claims at June 30, 2025	<u>\$ 5,735,640</u>

Note 11 - Employee Retirement Systems

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

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

<u>Pension Plan</u>	<u>Aggregate Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
CalSTRS	\$ 121,163,324	\$ 44,341,335	\$ 27,098,760	\$ 7,869,590
CalPERS - Schools Pool Plan	167,059,225	54,160,720	10,216,851	22,004,236
CalPERS - Safety Pool Plan	<u>1,012,373</u>	<u>795,513</u>	<u>702,462</u>	<u>(116,417)</u>
Total	<u>\$ 289,234,922</u>	<u>\$ 99,297,568</u>	<u>\$ 38,018,073</u>	<u>\$ 29,757,409</u>

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 may be found on the CalSTRS website under Publications at: <https://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 other plans.

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

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

Contributions

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and are detailed in Teachers’ Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with California Assembly Bill 1469, employer contributions into CalSTRS will be increasing to a total of 19.10% 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 \$25,243,811.

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

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

Total net pension liability, including State share:

District's proportionate share of net pension liability	\$ 121,163,324
State's proportionate share of net pension liability associated with the District	<u>55,590,150</u>
Total	<u>\$ 176,753,474</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, as actuarially determined. The District’s proportionate share for the measurement periods of June 30, 2024 and June 30, 2023, was 0.1804% and 0.1871%, respectively, resulting in a net decrease in the proportionate share of 0.0067%.

For the year ended June 30, 2025, the District recognized pension expense of \$7,869,590. In addition, the District recognized pension expense and revenue of \$5,060,833, 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 25,243,811	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	4,862,011	13,036,432
Differences between projected and actual earnings on pension plan investments	-	488,890
Differences between expected and actual experience in the measurement of the total pension liability	13,705,131	5,298,403
Changes of assumptions	<u>530,382</u>	<u>8,275,035</u>
Total	<u>\$ 44,341,335</u>	<u>\$ 27,098,760</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 in future years as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2026	\$ (8,122,445)
2027	9,782,443
2028	(798,128)
2029	<u>(1,350,760)</u>
Total	<u>\$ (488,890)</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 seven years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (3,738,943)
2027	(1,835,316)
2028	(2,356,730)
2029	(96,368)
2030	1,542,875
Thereafter	<u>(1,027,864)</u>
Total	<u>\$ (7,512,346)</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 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:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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 7.10% and assuming that contributions, benefit payments, and administrative expense occurred mid-year. Based on these assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease (6.10%)	\$ 215,509,906
Current discount rate (7.10%)	121,163,324
1% increase (8.10%)	42,380,013

California Public Employees’ Retirement System (CalPERS) - SEP

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 may be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/forms-publications>.

Benefits Provided

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

The CalPERS SEP 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 \$28,259,000.

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 liability for its proportionate share of the CalPERS net pension liability totaling \$167,059,225. 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 0.4674% and 0.4620%, respectively, resulting in a net increase in the proportionate share of 0.0054%.

For the year ended June 30, 2025, the District recognized pension expense of \$22,004,236. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 28,259,000	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	1,714,387	9,021,214
Differences between projected and actual earnings on pension plan investments	6,489,286	-
Differences between expected and actual experience in the measurement of the total pension liability	14,005,474	1,195,637
Changes of assumptions	<u>3,692,573</u>	<u>-</u>
Total	<u>\$ 54,160,720</u>	<u>\$ 10,216,851</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 in future years as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2026	\$ (55,940)
2027	10,089,365
2028	(1,490,829)
2029	<u>(2,053,310)</u>
Total	<u>\$ 6,489,286</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:

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2026	\$ 2,511,985
2027	3,026,676
2028	<u>3,656,922</u>
Total	<u>\$ 9,195,583</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 SEP 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%)	\$ 248,167,874
Current discount rate (6.90%)	167,059,225
1% increase (7.90%)	100,057,026

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

Plan Description

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

Benefits Provided

The Plan provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members who must be sworn police officers and beneficiaries. Benefits are based on years of service credit, a benefit factor, and the member’s final compensation. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for employment-related disability benefits regardless of length of service and non-duty disability benefits after five years of service. Disability benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. The Post-Retirement Death Benefit is a one-time payment made to a retiree’s designated survivor or estate upon the retiree’s death. The Basic Death Benefit is paid to any member’s beneficiary if the member dies while actively employed. An employee’s eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The Special Death Benefit is provided to an employee’s eligible survivors if the member dies while actively employed and the death is job-related. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

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

Hire date	On or before December 31, 2012	On or after January 1, 2013
Benefit formula	3% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	2.4% - 3.0%	1.0% - 2.5%
Required employee contribution rate	14.50%	15.00%
Required employer contribution rate	14.72%	15.44%
Required unfunded liability payment to CalPERS	\$0	\$0

Contributions

Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are determined annually through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2025, are presented above and the total District contributions were \$639,017.

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 liability for its proportionate share of the Safety Risk Pool net pension liability totaling \$1,012,373. 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 employers, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2024 and June 30, 2023, was 0.0139% and 0.0130%, respectively, resulting in a net increase in the proportionate share of 0.0009%.

For the year ended June 30, 2025, the District recognized pension expense of \$(116,417). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 639,017	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	-	699,776
Differences between projected and actual earnings on pension plan investments	48,934	-
Differences between expected and actual experience in the measurement of the total pension liability	82,619	2,686
Changes of assumptions	<u>24,943</u>	<u>-</u>
Total	<u>\$ 795,513</u>	<u>\$ 702,462</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:

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2026	\$ (680)
2027	79,135
2028	(12,779)
2029	<u>(16,742)</u>
Total	<u>\$ 48,934</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, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.9 years and will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2026	\$ (321,571)
2027	(246,601)
2028	<u>(26,728)</u>
Total	<u>\$ (594,900)</u>

Actuarial Methods and Assumptions

Total pension liability for the Plan 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 statutory contribution rates. Based on these assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease (5.90%)	\$ 1,604,977
Current discount rate (6.90%)	1,012,373
1% increase (7.90%)	527,706

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 \$11,224,811 (10.828% of annual payroll). Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Social Security Alternative Plan

Plan Description

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

Funding Policy

Contributions to the Social Security Alternative Plan are shared between the employee and the District. The District contributes 3.75% of eligible wages as defined under Internal Revenue Service regulations, and 3.75% of eligible wages are withheld from the employee’s checks for deposit under the plan. The District’s contribution to the Social Security Alternative Plan for the fiscal year ended June 30, 2025 were \$758,364.

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

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

The District is a member of the Statewide Association of Community Colleges (SWACC) and Retiree Health Benefit Program Joint Powers Authority (JPA). The District pays annual premiums for its property liability, health, and workers' compensation coverage. The relationship between the District and the JPA is such that it is not a component unit of the District for financial reporting purposes.

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

The District has appointed one Board member to the Governing Board of SWACC.

As of June 30, 2025, the District maintained \$71,210 in the JPA's Risk Management Fund.

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 are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2025. Additionally, the District is currently working with the U.S. Department of Education regarding outstanding drawdowns in the amount of approximately \$7.7 million related to the COVID-19 Higher Education Emergency Relief Grants.

Litigation

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

Construction Commitments

As of June 30, 2025, the District had committed under various capital expenditure purchase agreements for various projects totaling approximately \$1.34 billion to be funded through a combination of capital project apportionments from the California State Chancellor's Office and other capital and general sources.

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 \$5,795,262 and \$49,951,019, respectively, as of July 1, 2024. The effect of this change in accounting principle is described in the following table:

Primary Government	
Net Position (Deficit) - Beginning, as previously reported on July 1, 2024	\$ (74,552,700)
Change in accounting principle - adoption of GASB Statement No. 101	<u>(55,746,281)</u>
Net Position - Beginning (Deficit), as restated on July 1, 2024	<u><u>\$ (130,298,981)</u></u>

Required Supplementary Information
June 30, 2025

San Diego Community College District

San Diego Community College District
Schedule of Changes in the District's Net OPEB Liability and Related Ratios
Year Ended June 30, 2025

	2025	2024	2023	2022	2021
Total OPEB Liability					
Service cost	\$ 3,126,608	\$ 2,393,847	\$ 1,699,711	\$ 2,368,534	\$ 2,533,668
Interest	2,264,890	2,019,593	1,876,295	1,541,220	1,593,707
Difference between expected and actual experience	-	2,627,287	-	-	-
Changes of assumptions	(8,522,686)	3,322,532	(452,955)	(14,085,091)	1,163,826
Benefit payments	(1,979,721)	(1,919,061)	(2,053,976)	(1,797,005)	(2,021,220)
Net change in total OPEB liability	(5,110,909)	8,444,198	1,069,075	(11,972,342)	3,269,981
Total OPEB Liability - Beginning	50,524,704	42,080,506	41,011,431	52,983,773	49,713,792
Total OPEB Liability - Ending (a)	<u>\$ 45,413,795</u>	<u>\$ 50,524,704</u>	<u>\$ 42,080,506</u>	<u>\$ 41,011,431</u>	<u>\$ 52,983,773</u>
Plan Fiduciary Net Position					
Contributions - employer	\$ 6,385,208	\$ 1,919,061	\$ 2,053,976	\$ 1,797,005	\$ 2,021,220
Net investment income	893,311	861,229	558,401	(950,702)	1,332,470
Benefit payments	(1,979,721)	(1,919,061)	(2,053,976)	(1,797,005)	(2,021,220)
Administrative expense	(7,434)	(10,034)	(9,849)	(10,588)	(16,967)
Net change in plan fiduciary net position	5,291,364	851,195	548,552	(961,290)	1,315,503
Plan Fiduciary Net Position - Beginning	8,309,008	7,457,813	6,909,261	7,870,551	6,555,048
Plan Fiduciary Net Position - Ending (b)	<u>\$ 13,600,372</u>	<u>\$ 8,309,008</u>	<u>\$ 7,457,813</u>	<u>\$ 6,909,261</u>	<u>\$ 7,870,551</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 31,813,423</u>	<u>\$ 42,215,696</u>	<u>\$ 34,622,693</u>	<u>\$ 34,102,170</u>	<u>\$ 45,113,222</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	29.95%	16.45%	17.72%	16.85%	14.85%
Covered Payroll	\$ 279,815,221	\$ 267,080,724	\$ 238,912,085	\$ 220,431,224	\$ 214,097,303
Net OPEB Liability as a Percentage of Covered Payroll	11.37%	15.81%	14.49%	15.47%	21.07%
Measurement Date	June 30, 2025	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 Diego Community College District
Schedule of Changes in the District's Net OPEB Liability and Related Ratios
Year Ended June 30, 2025

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 2,253,692	\$ 1,016,369	\$ 986,766
Interest	1,705,646	2,160,432	2,094,028
Difference between expected and actual experience	-	-	-
Changes of assumptions	4,375,997	7,684,732	-
Benefit payments	<u>(1,680,106)</u>	<u>(2,048,523)</u>	<u>(2,069,538)</u>
Net change in total OPEB liability	6,655,229	8,813,010	1,011,256
Total OPEB Liability - Beginning	<u>43,058,563</u>	<u>34,245,553</u>	<u>33,234,297</u>
Total OPEB Liability - Ending (a)	<u>\$ 49,713,792</u>	<u>\$ 43,058,563</u>	<u>\$ 34,245,553</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 1,680,106	\$ 2,048,523	\$ 2,069,538
Net investment income	282,216	708,941	1,323,364
Benefit payments	(1,680,106)	(16,748,523)	(2,069,538)
Administrative expense	<u>(12,843)</u>	<u>(16,610)</u>	<u>(500)</u>
Net change in plan fiduciary net position	269,373	(14,007,669)	1,322,864
Plan Fiduciary Net Position - Beginning	<u>6,285,675</u>	<u>20,293,344</u>	<u>18,970,480</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 6,555,048</u>	<u>\$ 6,285,675</u>	<u>\$ 20,293,344</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 43,158,744</u>	<u>\$ 36,772,888</u>	<u>\$ 13,952,209</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	<u>13.19%</u>	<u>14.60%</u>	<u>59.26%</u>
Covered Payroll	<u>\$ 227,670,372</u>	<u>\$ 229,715,106</u>	<u>\$ 226,093,712</u>
Net OPEB Liability as a Percentage of Covered Payroll	<u>18.96%</u>	<u>16.01%</u>	<u>6.17%</u>
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018

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

San Diego Community College District
Schedule of District Contributions for OPEB
Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially determined contribution	\$ 5,106,301	\$ 2,805,727	\$ 2,724,007	\$ 2,724,007	\$ 3,081,054
Contribution in relation to the actuarially determined contribution	<u>(1,979,721)</u>	<u>(1,919,061)</u>	<u>(2,053,976)</u>	<u>(1,322,689)</u>	<u>(1,487,723)</u>
Contribution deficiency (excess)	<u>\$ 3,126,580</u>	<u>\$ 886,666</u>	<u>\$ 670,031</u>	<u>\$ 1,401,318</u>	<u>\$ 1,593,331</u>
Covered payroll	<u>N/A¹</u>	<u>N/A¹</u>	<u>N/A¹</u>	<u>N/A¹</u>	<u>N/A¹</u>
Contributions as a percentage of covered payroll	<u>N/A¹</u>	<u>N/A¹</u>	<u>N/A¹</u>	<u>N/A¹</u>	<u>N/A¹</u>
			<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution			\$ 3,052,870	\$ 1,575,911	\$ 1,775,405
Contribution in relation to the actuarially determined contribution			<u>(1,230,036)</u>	<u>(1,505,824)</u>	<u>(1,521,272)</u>
Contribution deficiency (excess)			<u>\$ 1,822,834</u>	<u>\$ 70,087</u>	<u>\$ 254,133</u>
Covered payroll			<u>N/A¹</u>	<u>N/A¹</u>	<u>N/A¹</u>
Contributions as a percentage of covered payroll			<u>N/A¹</u>	<u>N/A¹</u>	<u>N/A¹</u>

¹ Contributions are not made based on a measure of pay. Therefore, no measure of payroll is presented.

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

San Diego 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>	<u>2021</u>
Annual money-weighted rate of return, net of investment expense	<u>10.77%</u>	<u>11.54%</u>	<u>7.94%</u>	<u>(19.35%)</u>	<u>23.00%</u>
Measurement Date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
			<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expense			<u>3.90%</u>	<u>4.60%</u>	<u>6.50%</u>
Measurement Date			June 30, 2020	June 30, 2019	June 30, 2018

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

San Diego 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	0.2632%	0.2767%	0.2729%	0.2871%
Proportionate share of the net OPEB liability	\$ 701,478	\$ 839,678	\$ 899,098	\$ 1,334,319
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

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

Note : In the future, as data becomes available, ten years of information will be presented. Information is not available prior to June 30, 2022.

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
CalSTRS					
Proportion of the net pension liability	0.1804%	0.1871%	0.1819%	0.1910%	0.2000%
Proportionate share of the net pension liability	\$ 121,163,324	\$ 142,485,542	\$ 126,370,141	\$ 86,920,280	\$ 193,818,000
State's proportionate share of the net pension liability associated with the District	55,590,150	68,268,830	63,285,673	43,735,824	99,912,393
Total	<u>\$ 176,753,474</u>	<u>\$ 210,754,372</u>	<u>\$ 189,655,814</u>	<u>\$ 130,656,104</u>	<u>\$ 293,730,393</u>
Covered payroll	<u>\$ 128,329,236</u>	<u>\$ 120,367,277</u>	<u>\$ 112,162,961</u>	<u>\$ 109,768,167</u>	<u>\$ 115,389,550</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>94.42%</u>	<u>118.38%</u>	<u>112.67%</u>	<u>79.19%</u>	<u>167.97%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>84%</u>	<u>81%</u>	<u>81%</u>	<u>87%</u>	<u>72%</u>
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
CalPERS - Schools Pool Plan					
Proportion of the net pension liability	0.4674%	0.4620%	0.5085%	0.5493%	0.5644%
Proportionate share of the net pension liability	\$ 167,059,225	\$ 167,222,557	\$ 174,972,930	\$ 111,697,035	\$ 173,175,281
Covered payroll	<u>\$ 94,686,754</u>	<u>\$ 80,105,743</u>	<u>\$ 71,207,385</u>	<u>\$ 78,850,237</u>	<u>\$ 81,395,132</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>176.43%</u>	<u>208.75%</u>	<u>245.72%</u>	<u>141.66%</u>	<u>212.76%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>72%</u>	<u>70%</u>	<u>70%</u>	<u>81%</u>	<u>70%</u>
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020

San Diego 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 (asset)	0.2070%	0.2080%	0.2140%	0.2020%	0.2100%
Proportionate share of the net pension liability (asset)	\$ 186,954,120	\$ 191,166,560	\$ 197,907,200	\$ 163,779,231	\$ 139,938,870
State's proportionate share of the net pension liability (asset) associated with the District	101,996,777	109,452,333	117,081,181	93,250,321	74,012,037
Total	<u>\$ 288,950,897</u>	<u>\$ 300,618,893</u>	<u>\$ 314,988,381</u>	<u>\$ 257,029,552</u>	<u>\$ 213,950,907</u>
Covered payroll	<u>\$ 118,845,964</u>	<u>\$ 117,562,509</u>	<u>\$ 114,818,386</u>	<u>\$ 104,157,241</u>	<u>\$ 82,277,905</u>
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>157.31%</u>	<u>162.61%</u>	<u>172.37%</u>	<u>157.24%</u>	<u>170.08%</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 - Schools Pool Plan					
Proportion of the net pension liability (asset)	0.5689%	0.5640%	0.5642%	0.5610%	0.5650%
Proportionate share of the net pension liability (asset)	\$ 165,801,646	\$ 150,380,156	\$ 134,682,269	\$ 110,824,235	\$ 83,290,413
Covered payroll	\$ 78,909,966	\$ 74,642,579	\$ 62,441,280	\$ 45,786,013	\$ 58,413,916
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>210.11%</u>	<u>201.47%</u>	<u>215.69%</u>	<u>242.05%</u>	<u>142.59%</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 Diego Community College District
Schedule of the District's Proportionate Share of the Net Pension Liability
Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
CalPERS - Safety Pool Plan					
Proportion of the net pension liability	<u>0.0139%</u>	<u>0.0130%</u>	<u>0.0069%</u>	<u>0.0147%</u>	<u>N/A</u>
Proportionate share of the net pension liability	<u>\$ 1,012,373</u>	<u>\$ 973,594</u>	<u>\$ 477,375</u>	<u>\$ 517,029</u>	<u>N/A</u>
Covered payroll	<u>\$ 3,997,090</u>	<u>\$ 3,708,280</u>	<u>\$ 3,999,835</u>	<u>\$ 3,598,702</u>	<u>N/A</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>25.33%</u>	<u>26.25%</u>	<u>11.93%</u>	<u>14.37%</u>	<u>N/A</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>77%</u>	<u>75%</u>	<u>76%</u>	<u>87%</u>	<u>N/A</u>
Measurement Date	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>

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

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

	2020	2019	2018	2017	2016
CalPERS - Safety Pool Plan					
Proportion of the net pension liability	N/A	N/A	N/A	N/A	N/A
Proportionate share of the net pension liability	N/A	N/A	N/A	N/A	N/A
Covered payroll	N/A	N/A	N/A	N/A	N/A
Proportionate share of the net pension liability as a percentage of its covered payroll	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	N/A	N/A	N/A	N/A
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015

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

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
CalSTRS					
Contractually required contribution	\$25,243,811	\$ 24,510,884	\$ 22,990,150	\$ 18,977,973	\$ 17,727,559
Contributions in relation to the contractually required contribution	<u>(25,243,811)</u>	<u>(24,510,884)</u>	<u>(22,990,150)</u>	<u>(18,977,973)</u>	<u>(17,727,559)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 132,166,550</u>	<u>\$ 128,329,236</u>	<u>\$ 120,367,277</u>	<u>\$ 112,162,961</u>	<u>\$ 109,768,167</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 - Schools Pool Plan					
Contractually required contribution	\$ 28,259,000	\$ 25,262,426	\$ 20,322,827	\$ 16,313,612	\$ 16,321,999
Contributions in relation to the contractually required contribution	<u>(28,259,000)</u>	<u>(25,262,426)</u>	<u>(20,322,827)</u>	<u>(16,313,612)</u>	<u>(16,321,999)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 104,469,501</u>	<u>\$ 94,686,754</u>	<u>\$ 80,105,743</u>	<u>\$ 71,207,385</u>	<u>\$ 78,850,237</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>
CalPERS - Safety Pool Plan					
Contractually required contribution	\$ 639,017	\$ 579,578	\$ 506,551	\$ 559,177	N/A
Contributions in relation to the contractually required contribution	<u>(639,017)</u>	<u>(579,578)</u>	<u>(506,551)</u>	<u>(559,177)</u>	N/A
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 4,138,711</u>	<u>\$ 3,997,090</u>	<u>\$ 3,708,280</u>	<u>\$ 3,999,835</u>	N/A
Contributions as a percentage of covered payroll	<u>15.440%</u>	<u>14.500%</u>	<u>13.660%</u>	<u>13.980%</u>	N/A

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

San Diego 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	\$ 19,731,613	\$ 19,348,123	\$ 16,964,270	\$ 14,444,153	\$ 11,176,072
Contributions in relation to the contractually required contribution	<u>(19,731,613)</u>	<u>(19,348,123)</u>	<u>(16,964,270)</u>	<u>(14,444,153)</u>	<u>(11,176,072)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 115,389,550</u>	<u>\$ 118,845,964</u>	<u>\$ 117,562,509</u>	<u>\$ 114,818,386</u>	<u>\$ 104,157,241</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	\$ 16,051,934	\$ 14,252,718	\$ 11,592,739	\$ 8,671,845	\$ 5,424,269
Contributions in relation to the contractually required contribution	<u>(16,051,934)</u>	<u>(14,252,718)</u>	<u>(11,592,739)</u>	<u>(8,671,845)</u>	<u>(5,424,269)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 81,395,132</u>	<u>\$ 78,909,966</u>	<u>\$ 74,642,579</u>	<u>\$ 62,441,280</u>	<u>\$ 45,786,013</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>
CalPERS - Safety Pool Plan					
Contractually required contribution	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Contributions as a percentage of covered payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

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

Note 1 - Purpose of Schedules

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

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

- *Changes in Benefit Terms* - There were no changes in benefit terms since the previous valuation.
- *Changes of Assumptions* - Changes of economic assumptions reflect a change in the discount rate changed from 4.30% in the previous valuation to 6.50% in the current valuation and a change in healthcare trend rate from 7.50% in the previous valuation to 7.00% in the current valuation.

Schedule of District Contributions for OPEB

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

Schedule of OPEB Investment Returns

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

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

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

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – The plan rate of investment return assumption was changed from 3.65% 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 position and, when applicable, the State's proportionate share of the NPL associated with the District.

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

Schedule of District Contributions for Pensions

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

Supplementary Information
June 30, 2025

San Diego Community College District

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

Board of Trustees as of June 30, 2025

Member	Office	Term Expires
Geysil Arroyo	President	2026
Craig Milgrim	Executive Vice President	2026
Mariah Jameson	Vice President for Legislative Advocacy	2028
Marichu Magaña, Psy.D.	Vice President for Institutional Effectiveness	2028
Maria Nieto Senour, Ph.D.	Vice President for Diversity, Equity, and Inclusion	2026

Administration as of June 30, 2025

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

Auxiliary Organizations in Good Standing

- San Diego Community College Auxiliary Organization, established 1997
 - Master Agreement established June 18, 1997
 - P. Wesley Lundburg, Ph.D., President, San Diego Miramar College
 - San Diego City College Foundation, established 2014
 - Master Agreement established April 30, 2014
 - John Parker, Vice President, Administrative Services
 - San Diego Continuing Education Foundation, established 2014
 - Master Agreement established April 30, 2014
 - Jacqueline Sabanos, Vice President, Administrative Services
 - San Diego Mesa College Foundation, established 2014
 - Master Agreement established April 24, 2014
 - Lorenze Legaspi, Vice President, Administrative Services
 - San Diego Miramar College Foundation, established 2014
 - Master Agreement established March 14, 2014
 - Brett Bell, Vice President, Administrative Services

San Diego 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		\$ 55,785,287
Federal Pell Grant Program Administrative Allowance	84.063		58,315
Federal Direct Student Loans	84.268		5,413,085
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		1,865,100
Federal Work-Study Program	84.033		<u>1,503,533</u>
Subtotal Student Financial Assistance Cluster			<u>64,625,320</u>
TRIO Cluster			
STAR Student Support Services	84.042A		367,952
Upward Bound Program	84.047A		<u>336,954</u>
Subtotal TRIO Cluster			<u>704,906</u>
Passed through California Community Colleges Chancellor's Office			
Career and Technical Education Act (CTEA), Title I, Part C	84.048A	24-C01-070 G0335, G0336, G0327,	2,582,392
Perkins V Reserve Innovation Grant	84.048A	G0338, G0339	<u>185,254</u>
Subtotal			<u>2,767,646</u>
Passed through California Department of Education			
Adult Education: Integrated English Literacy and Civics Education (Section 243)	84.002A	14109	241,220
Adult Education: Adult Basic Education, English Language Acquisition, and ELCE (Section 231)	84.002A	14508	820,709
Adult Education: Adult Secondary Education (Section 231)	84.002A	13978	<u>111,169</u>
Subtotal			<u>1,173,098</u>
Passed through California Department of Rehabilitation			
College to Career Program	84.126A	32165	402,000
Workability III Program	84.126A	31405	461,389
Sub-Minimum Wage to Competitive Integrated Employment Project	84.126A	32404	<u>538,706</u>
Subtotal			<u>1,402,095</u>
Passed through San Diego State University Research Foundation			
HSI STEM; Title III, Part F Title V, Developing Effective Bilingual Educators with Resources	84.031C	D11425-02 SA00 A2 5A559C 7802	2,441
Title III, Hispanic Serving Institutions - STEM	84.031S	SA0000700	5,109
Title III, Inclusive City Achievement Network Project	84.031C		1,938,940
Title V, STEM Exito Project	84.031L		407,157
Title V, STEM Exito Project	84.031S		<u>591,991</u>
Subtotal			<u>2,945,638</u>

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

San Diego 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
Asian American and Native American Pacific Islander-serving Institutions Program	84.382B		\$ 440,481
Dreamer Support Program	84.116Z		465,131
LGBTQIA+	84.116Z		316,992
IT Systems Upgrades and Modernization Project	84.116Z		185,679
Subtotal			<u>967,802</u>
Total U.S. Department of Education			<u>75,026,986</u>
U.S. Department of Agriculture			
SEEDS Scholars: Awareness, Preparation, and Training Program Passed through San Diego State University Foundation Transnational Approaches to Sustainable Food Futures: Integrated High-Impact Learning Experiences and	10.223		34,873
Pathways to Food Careers	10.223	2022-77040- 37620	<u>8,686</u>
Subtotal			<u>43,559</u>
Passed through California Department of Social Services			
Child and Adult Care Food Program	10.558	04389-CACFP-37- CC-CS	<u>87,911</u>
Total U.S. Department of Agriculture			<u>131,470</u>
U.S. Department of Labor			
Community Project Funding/Congressionally Directed Spending	17.289		<u>233,010</u>
Total U.S. Department of Labor			<u>233,010</u>
U.S. Department of the Treasury			
Passed through California Community Colleges Chancellor's Office COVID-19: SFRF Emergency Financial Assistance	21.027	[1]	<u>816,892</u>
Total U.S. Department of the Treasury			<u>816,892</u>
National Aeronautics and Space Administration (NASA)			
Passed through California Space Grant Consortium Opportunity for Community College Partnerships	43.008	[1]	<u>12,500</u>
Total National Aeronautics and Space Administration (NASA)			<u>12,500</u>
Research and Development Cluster			
National Science Foundation			
STEM: HSI Program	47.076		33,464
Zero Emission Vehicle Initiative to Support Future Automotive Technicians	47.076		42,051
Passed through the American Association of Geographers Computer and Information Science and Engineering	47.070	F7037-SDMC	47,604
U.S. Department of Health and Human Services			
Passed through The Regents of the University of California, San Diego			
Biomedical Research and Research Training	93.859	704575	<u>32,603</u>
Subtotal Research and Development Cluster			<u>155,722</u>

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

See Notes to Supplementary Information

San Diego 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 Veterans Affairs			
Veterans Outreach Program - Administration	64.117		\$ 23,392
Total U.S. Department of Veterans Affairs			<u>23,392</u>
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]	603,649
Passed through County of San Diego, Health and Human Services			
Agency, Eligibility Operations			
Temporary Assistance for Needy Families (TANF)	93.558	1601CATANF	64,667
Subtotal			<u>668,316</u>
Total U.S. Department of Health and Human Services			<u>668,316</u>
Corporation for National and Community Service (CNCS)			
AmeriCorps State and National	94.006		30,303
Total Corporation for National and Community Service (CNCS)			<u>30,303</u>
Total Federal Financial Assistance			<u>\$ 77,098,591</u>

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

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

Program	Program Revenues			Total Revenue	Program Expenditures
	Cash Received	Accounts Receivable	Unearned Revenue		
BFAP	\$ 2,894,815	\$ -	\$ 760,308	\$ 2,134,507	\$ 2,134,507
Cal Grant	5,954,290	1,233,182	135,422	7,052,050	7,052,050
California College Promise	4,580,774	-	1,636,833	2,943,941	2,943,941
CARE Program	910,416	-	128,500	781,916	781,916
Chafee	292,500	-	7,500	285,000	285,000
Extended Opportunity Programs and Services	6,406,786	-	503,816	5,902,970	5,902,970
Financial Aid Admin Allowance	1,000	186	-	1,186	1,186
Financial Aid Technology	321,290	-	275,367	45,923	45,923
Learning Aligned Employment Program	34,519	881	186	35,214	35,214
NextUp	1,359,341	-	196,874	1,162,467	1,162,467
Emergency Financial Assistance Supplemental	322,466	-	167,216	155,250	155,250
Student Success Completion Grant	5,083,703	2,919	88,631	4,997,991	4,997,991
Commission On Post	18,006	6,945	-	24,951	24,951
IEPI Grant	200,000	-	158,077	41,923	41,923
AB1725 Staff Diversity/Development	195,716	-	-	195,716	195,716
Disabled Students Program	7,898,159	-	660,700	7,237,459	7,237,459
Adult Education Block Grant	7,637,024	-	2,064,059	5,572,965	5,572,965
SD Early Middle College	94,178	-	-	94,178	94,178
Basic Skills	75,684	-	4,451	71,233	71,233
Instructional Equipment and Library Materials	4,616,922	-	2,842,315	1,774,607	1,774,607
Student Equity Plan	24,225,929	-	3,773,325	20,452,604	20,452,604
Nursing Education	181,305	-	-	181,305	181,305
Basic Needs	4,728,689	-	2,624,859	2,103,830	2,103,830
Strong Workforce Program	10,997,156	-	4,668,820	6,328,336	6,328,336
Strong Workforce Program Regional	1,594,752	1,615,990	-	3,210,742	3,210,742
Veterans Resource Center	5,969,897	-	3,350,397	2,619,500	2,619,500
Student Retention & Enrollment	2,179,604	-	966,857	1,212,747	1,212,747
Mental Health Program	2,911,823	-	1,380,641	1,531,182	1,531,182
State Schedule Maintenance	2,981,862	-	-	2,981,862	2,981,862

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

Program	Program Revenues			Total Revenue	Program Expenditures
	Cash Received	Accounts Receivable	Unearned Revenue		
AANHPI SAP	\$ 1,208,240	\$ -	\$ 840,316	\$ 367,924	\$ 367,924
CA CCAP STEM Academy Program	183,344	85,352	-	268,696	268,696
Ca Energy Comm - (ARFVTP)	-	1,043,288	-	1,043,288	1,043,288
Cal-Works	6,529,873	-	2,859,897	3,669,976	3,669,976
UMOJA	183,911	-	45,385	138,526	138,526
COVID-19 Recovery Block	10,458,966	-	4,943,676	5,515,290	5,515,290
Cultural Resp Pedagogy & Pract	662,663	-	28,777	633,886	633,886
Dream Resource Liaison Support	397,689	-	105,834	291,855	291,855
Equitable Placement & Compl	1,518,195	-	898,580	619,615	619,615
Homeless and Housing Insecurit	1,498,743	-	1,498,743	-	-
Common Course Numbering	2,739,129	-	2,537,679	201,450	201,450
Cal Fresh Chico	20,946	43,524	-	64,470	64,470
Gateway to College	700,251	-	75,408	624,843	624,843
Guided Pathways 17-18	1,506,802	-	1,094,061	412,741	412,741
Homeless & Housing Insecurities	1,277,141	-	688,509	588,632	588,632
LGBTQ	603,503	-	65,809	537,694	537,694
Math ESA/CCCP City	3,955,532	-	2,838,893	1,116,639	1,116,639
Pathway to Law (Cal Law)	99,000	-	11,747	87,253	87,253
Proposition 20 Lottery funds	2,283,147	1,501,851	-	3,784,998	5,575,962
Puente Program	291,500	-	263,739	27,761	27,761
SDSU-AI Ded	-	4,426	-	4,426	4,426
REACH Initiative	10,491	-	-	10,491	10,491
COYA-Pre-App Planning	71,679	96,433	-	168,112	168,112
RERP Regional Equity & Recover	24,477	-	24,477	-	-
Rising Scholars Network Grant	730,434	-	269,955	460,479	460,479
Student Transfer Achievement-Assoc Degr.	1,685,170	-	977,582	707,588	707,588
Systemwide Tech & Data Security	816,853	-	584,853	232,000	232,000
Wellness Vending Pilot Grant	25,247	-	25,247	-	-

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

Program	Program Revenues			Total Revenue	Program Expenditures
	Cash Received	Accounts Receivable	Unearned Revenue		
SD Workforce Partner Med & Fire	\$ 74,910	\$ 45,180	\$ -	\$ 120,090	\$ 120,090
A2MEND	30,000	-	30,000	-	-
Zero Textbook Cost Program	2,259,060	-	2,029,376	229,684	229,684
Child Dev-Food and Nutrition Program	4,627	-	-	4,627	4,627
Child Dev CSPP	827,390	114,875	-	942,265	942,265
Child Dev CCTR	499,449	-	-	499,449	499,449
AB110-CHILD DEV STIPEND	7,752	-	-	7,752	7,752
SB140 -CHILD DEV CCTR	74,395	-	-	74,395	74,395
AB131- Child Dev Stipend	122,240	-	-	122,240	122,240
Total state programs	\$ 148,051,355	\$ 5,795,032	\$ 49,133,697	\$ 104,712,690	\$ 106,503,654

San Diego 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*	1,126.53	-	1,126.53
2. Credit	2,629.79	-	2,629.79
B. Summer Intersession (Summer 2025 - Prior to July 1, 2025)			
1. Noncredit*	14.88	-	14.88
2. Credit	19.00	-	19.00
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	10,972.25	-	10,972.25
(b) Daily Census Contact Hours	1,698.45	-	1,698.45
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit*	3,003.61	-	3,003.61
(b) Credit	1,052.65	-	1,052.65
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Procedure Courses	6,604.32	-	6,604.32
(b) Daily Census Procedure Courses	5,987.42	-	5,987.42
(c) Noncredit Independent Study/Distance Education Courses	5,840.01	-	5,840.01
D. Total FTES	<u>38,948.91</u>	<u>-</u>	<u>38,948.91</u>
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. Inservice Training Courses (FTES)	1,457.26	-	1,457.26
F. Basic Skills Courses and Immigrant Education			
1. Noncredit*	5,525.94	-	5,525.94
2. Credit	491.31	-	491.31
<u>CCFS-320 Addendum</u>			
CDCP Noncredit FTES	7,379.80	-	7,379.80
Centers FTES			
1. Noncredit*	9,729.17	-	9,729.17
2. Credit	-	-	-

*Including Career Development and College Preparation (CDCP) FTES.

**The District's attendance numbers were revised on October 29, 2025.

San Diego 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>Academic Salaries</u>							
Instructional Salaries							
Contract or Regular	1100	\$ 45,668,927	\$ -	\$ 45,668,927	\$ 45,668,927	\$ -	\$ 45,668,927
Other	1300	52,422,451	-	52,422,451	52,422,451	-	52,422,451
Total Instructional Salaries		98,091,378	-	98,091,378	98,091,378	-	98,091,378
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	32,775,425	-	32,775,425
Other	1400	-	-	-	2,505,866	-	2,505,866
Total Noninstructional Salaries		-	-	-	35,281,291	-	35,281,291
Total Academic Salaries		98,091,378	-	98,091,378	133,372,669	-	133,372,669
<u>Classified Salaries</u>							
Noninstructional Salaries							
Regular Status	2100	-	-	-	56,366,273	-	56,366,273
Other	2300	-	-	-	624,367	-	624,367
Total Noninstructional Salaries		-	-	-	56,990,640	-	56,990,640
Instructional Aides							
Regular Status	2200	8,025,483	-	8,025,483	7,977,302	-	7,977,302
Other	2400	1,067,568	-	1,067,568	1,067,568	-	1,067,568
Total Instructional Aides		9,093,051	-	9,093,051	9,044,870	-	9,044,870
Total Classified Salaries		9,093,051	-	9,093,051	66,035,510	-	66,035,510
Employee Benefits	3000	53,413,659	-	53,413,659	105,158,589	-	105,158,589
Supplies and Material	4000	-	-	-	2,815,525	-	2,815,525
Other Operating Expenses	5000	918,868	-	918,868	26,693,616	-	26,693,616
Equipment Replacement	6420	-	-	-	18,868	-	18,868
Total Expenditures Prior to Exclusions		161,516,956	-	161,516,956	334,094,777	-	334,094,777

San Diego 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	\$ 3,451,796	\$ -	\$ 3,451,796	\$ 3,451,796	\$ -	\$ 3,451,796
Student Health Services Above Amount Collected	6441	-	-	-	776,416	-	776,416
Student Transportation	6491	-	-	-	-	-	-
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	6740	-	-	-	3,299,409	-	3,299,409
Objects to Exclude							
Rents and Leases	5060	-	-	-	3,351,907	-	3,351,907
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 Diego 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	\$ -	\$ -	\$ -	\$ 7,852,684	\$ -	\$ 7,852,684
Capital Outlay	6000						
Library Books	6300	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay		-	-	-	-	-	-
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		3,451,796	-	3,451,796	18,732,212	-	18,732,212
Total for ECS 84362, 50% Law		\$ 158,065,160	\$ -	\$ 158,065,160	\$ 315,362,565	\$ -	\$ 315,362,565
% of CEE (Instructional Salary Cost/Total CEE)		50.12%		50.12%	100.00%		100.00%
50% of Current Expense of Education					\$ 157,681,283		\$ 157,681,283

San Diego Community College District
 Proposition 30 Education Protection Account (EPA) Expenditure Report
 Year Ended June 30, 2025

Activity Classification	Object Code	Unrestricted			
EPA Revenue:	8630	\$ 65,740,128			
Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	1000-5900	\$ 65,740,128	\$ -	\$ -	\$ 65,740,128
Total Expenditures for EPA		\$ 65,740,128	\$ -	\$ -	\$ 65,740,128
Revenues Less Expenditures					\$ -

San Diego 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	\$	125,365,832
Special Revenue Funds		6,362,258
District auxiliary organization		506,743
Capital Project Funds		901,790,818
Debt Service Funds		160,697,094
Proprietary Funds		(16,257,916)
Internal Service Funds		31,351,331
Fiduciary Fund		<u>13,600,372</u>
Total fund balance and retained earnings - all District funds		\$ 1,223,416,532
Amounts held in trust on behalf of others (OPEB Trust)		(13,600,372)
The District's investment in the San Diego County treasury investment pool is reported at fair market value in the Statement of Net Position.		75,747
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	1,892,696,835	
Accumulated depreciation is	(638,844,199)	
Less: Capital assets already recorded in proprietary funds	<u>(63,795)</u>	
Total capital assets, net		1,253,788,841
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	67,063,199	
Deferred inflows of resources related to leases	<u>(71,244,157)</u>	
Total		(4,180,958)
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	62,814,208	
Deferred outflows of resources related to OPEB	8,716,806	
Deferred outflows of resources related to pensions	<u>99,297,568</u>	
Total deferred outflows of resources		170,828,582
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.		(33,214,250)

San Diego 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	\$ (2,189,003,061)
Compensated absences	(83,071,057)
Aggregate net OPEB liability	(32,514,901)
Aggregate net pension liability	(289,234,922)

In addition, the District has issued 'capital appreciation' general obligation bonds. The accretion of interest unmatured on the general obligation bonds to date is	(22,686,224)
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Total long-term liabilities	\$ (2,616,510,165)
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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 debt refunding	(19,522,348)
Deferred inflows of resources related to OPEB	(16,822,592)
Deferred inflows of resources related to pensions	(38,018,073)

Total deferred inflows of resources	(74,363,013)
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Total net position (deficit)	\$ (93,759,056)
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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

Basis of Presentation

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

Summary of Significant Accounting Policies

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

Indirect Cost Rate

The District has 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 summarized expenditures of EPA revenues.

Reconciliation of the Governmental Funds to the Statement of Net Position

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

Independent Auditor's Reports
June 30, 2025

San Diego Community College District



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities and fiduciary activities of San Diego Community College District (the District), as of and for the year ended June 30, 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 22, 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.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned above the printed text of the firm's name and location.

Ontario, California
January 22, 2026



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*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 each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002. Our opinion on each major federal program is not modified with respect to these matters.

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

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 certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *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 deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002 to be significant deficiencies.

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

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

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

Eide Bailly LLP

Ontario, California
January 22, 2026



Independent Auditor's Report on State Compliance

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

Report on State Compliance

Opinion on State Compliance

We have audited San Diego Community College District's (the District) compliance with the types of compliance requirements described in the 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 Diego Community College District complied, in all material respects, with the compliance requirements referred to above that are applicable to the state laws and regulations identified below that were audited for the year ended June 30, 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% Law)
Section 423	Apportionment for Activities Funded From Other Sources
Section 424	Student Centered Funding Formula Base Allocation: FTES
Section 425	Residency Determination for Credit Courses
Section 426	Students Actively Enrolled
Section 427	Dual Enrollment (CCAP)
Section 430	Scheduled Maintenance Program
Section 431	Gann Limit Calculation

Section 444	Apprenticeship Related and Supplemental Instruction (RSI) Funds
Section 475	Disabled Student Programs and Services (DSPS)
Section 490	Proposition 1D and 51 State Bond Funded Projects
Section 491	Education Protection Account Funds
Section 492	Student Representation Fee
Section 494	State Fiscal Recovery Fund
Section 498	COVID-19 Recovery Block Grant Expenditures

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

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 22, 2026

Schedule of Findings and Questioned Costs
June 30, 2025

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

Identification of major programs:

Name of Federal Program or Cluster	Federal Financial Assistance Listing
Student Financial Assistance Cluster	84.063, 84.268, 84.007, 84.033
Career and Technical Education Act (CTEA), Title I, Part C	84.048A
Perkins V Reserve Innovation Grant	84.048A
HSI STEM; Title III, Part F	84.031C
Title V, Developing Effective Bilingual Educators with Resources	84.031S
Title III, Hispanic Serving Institutions - STEM	84.031C
Title III, Inclusive City Achievement Network Project	84.031L
Title V, STEM Exito Project	84.031S
Dollar threshold used to distinguish between type A and type B programs	\$2,312,958
Auditee qualified as low-risk auditee?	No

STATE COMPLIANCE

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

The following findings represent significant deficiencies in internal control over compliance and instances of noncompliance that are required to be reported by the Uniform Guidance.

2025-001 Special Tests and Provisions – Return of Title IV Funds

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

Pass-Through Entity: Direct funded by the U.S. Department of Education (ED)

Program Name: Student Financial Assistance Cluster

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

Award Identification Number: P007A230565, P007A240565, P007A240568, P007A244666, P033A230565, P033A230568, P033A234666, P033A240565, P033A240568, P033A244666, P063P230042, P063P230043, P063P230636, P063P240042, P063P240043, P063P240636, P268K240042, P268K240043, P268K240636, P268K250042, P268K250043, P268K250636

Award Year: 2024-2025

Criteria

34 CFR 668.22(a), 34 CFR 668.22(e), and 34 CFR 668.22(f)

When a recipient of Title IV assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV aid earned by the student as of the student's withdrawal date.

The amount of Title IV assistance that is earned by the student is calculated by determining the percentage of aid earned by the student and applying the percentage to the total amount of Title IV assistance that was disbursed and that could have been disbursed to the student. If the total amount of Title IV assistance earned by the student is less than the amount that was disbursed to the student, or on his or her behalf, as of the date of the institution's determination that the student withdrew, the difference must be returned to the Title IV programs.

For programs measured in credit hours, the percentage of aid earned by the student is determined by dividing the total number of calendar days in the payment period or period of enrollment into the number of calendar days completed in that period as of the student's withdrawal date. The total number of calendar days in a payment period or period of enrollment 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 a payment period or period of enrollment and the number of calendar days completed in that period.

The unearned amount of Title IV assistance to be returned is calculated by subtracting the amount of title IV assistance earned by the student as calculated under paragraph (e)(1) of this section from the amount of title IV aid that was disbursed to the student as of the date of the institution's determination that the student withdrew.

Condition

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

- 1 of 60 students' Return of Title IV calculation was calculated incorrectly for Miramar College (the College did not exclude the scheduled breaks from the total number of calendar days in the payment period or period of enrollment).
- 1 of 60 students' Return of Title IV calculation was calculated incorrectly for Mesa College (the College excluded scheduled breaks from the total number of calendar days in the payment period or period of enrollment when the courses in the program were offered in modules and did not have scheduled breaks of at least five consecutive days).
- 1 of 60 students' Return of Title IV funds was returned in the incorrect amount for Mesa College (the College had a transposition error in the institution's required amount to return).

Questioned Costs

There are no questioned costs associated with the condition identified.

Context

There were approximately 1,527 Return of Title IV calculations performed during the year ended June 30, 2025.

Effect

The District is not in compliance with the Federal Return of Title IV requirements described in the OMB *Compliance Supplement*.

Cause

The District's internal controls were not adequately designed to prevent erroneous information utilized in the calculations and to ensure funds are returned accurately.

Repeat Finding (Yes or No)

No.

Recommendation

The District should strengthen internal controls over the review of Return of Title IV calculations to ensure that calculations and funds returned are accurate.

Views of Responsible Officials and Corrective Action Plan

We concur. Management has revised its procedures for R2T4, as well as added additional monthly review to ensure compliance.

2025-002 Special Tests and Provisions – Enrollment Reporting

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

Pass-Through Entity: Direct Funded by the U.S. Department of Education (ED)

Program Name: Student Financial Assistance Cluster

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

Award Identification Number: P007A230565, P007A240565, P007A240568, P007A244666, P033A230565, P033A230568, P033A234666, P033A240565, P033A240568, P033A244666, P063P230042, P063P230043, P063P230636, P063P240042, P063P240043, P063P240636, P268K240042, P268K240043, P268K240636, P268K250042, P268K250043, P268K250636

Award Year: 2024-2025

Criteria

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

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

Condition

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

- 27 of 60 students' effective dates were not accurately reported in NSLDS (date of change do not agree to effective dates).
 - 16 students from City College
 - 9 students from Mesa College
 - 2 students from Miramar College
- 6 of 60 students' enrollment statuses were not accurately reported on NSLDS (status per student accounts do not agree to status per NSLDS).
 - 4 students from City College
 - 2 students from Mesa College

Questioned Costs

There are no questioned costs associated with the condition identified.

Context

The District disbursed financial aid to approximately 14,730 students that required student enrollment and program enrollment reporting to NSLDS.

Effect

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

Cause

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

- For the students with dates of change not agreeing to the effective dates.
 - The District's system automatically modified the withdrawal date to the beginning of the term for students who withdrew from all their classes.
- For the students with enrollment status not accurately reported, there was an error in reporting the enrollment status after the student had dropped all their classes for term.

Repeat Finding (Yes or No)

Yes, see 2024-003 in the Summary Schedule of Prior Audit Findings.

Recommendation

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

Views of Responsible Officials and Corrective Action Plan

We concur. The District has filed a bug with IT to have this issue addressed and the programming fixed promptly. Corrections have already been made with NSLDS by the campuses.

None reported.

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

Financial Statement Findings

2024-001 Financial Reporting and Closing Process

Criteria

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

Condition

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

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

Questioned Costs

There are no questioned costs associated with the condition identified.

Context

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

Effect

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

Cause

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

Recommendation

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

Current Status

Implemented.

Federal Awards Findings

2024-002

Activities Allowed or Unallowed and Allowable Costs

Material Weakness in Internal Control over Compliance and Material Noncompliance

Program Name: Career and Technical Education Act, Title I, Part C

Federal Assistance Listing Numbers: 84.048A

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

Pass-Through Entity: California Community Colleges Chancellor's Office

Program Name: Title III, Hispanic Serving Institutions – STEM

Federal Assistance Listing Numbers: 84.031C

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

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

Program Name: HSI STEM and Articulation Program, Title III, Part F

Federal Assistance Listing Numbers: 84.031C

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

Pass-Through Entity: San Diego State University Research Foundation

Program Name: Title III, Inclusive City Achievement Network Project

Federal Assistance Listing Numbers: 84.031L

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

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

Program Name: Title V, Developing Effective Bilingual Educators with Resources

Federal Assistance Listing Numbers: 84.031S

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

Pass-Through Entity: San Diego State University Research Foundation

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

Criteria

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

Condition

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

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

Questioned Costs

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

Context

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

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

Effect

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

Cause

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

Recommendation

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

Current Status

Implemented.

2024-003 Special Tests and Provisions – Enrollment Reporting

Program Name: Student Financial Assistance Cluster

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

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

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

Significant Deficiency in Internal Control over Compliance and Noncompliance

Criteria

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

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

Condition

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

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

Questioned Costs

There are no questioned costs associated with the condition identified.

Context

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

Effect

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

Cause

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

Recommendation

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

Current Status

Not implemented. See current year finding 2025-002.

State Compliance Findings

None reported.

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “Disclosure Undertaking”) is executed and delivered by San Diego Community College District (the “District”) as of _____, 2026 in connection with the execution and delivery of its 2026 General Obligation Refunding Bonds, Series A (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) and 2026 General Obligation Refunding Bonds, Series B (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) (together, the “Bonds”). The Bonds are being issued pursuant to Resolution adopted by the Board of Trustees of the District on March 12, 2026 (the “Resolution”) and a Paying Agent Agreement, dated as of _____ 1, 2026 (the “Paying Agent Agreement”), by and between the District and U.S. Bank Trust Company, National Association, as paying agent (the “Paying Agent”). Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Resolution or in the Paying Agent Agreement.

In consideration of the execution and delivery of the Bonds by the District and the purchase of such Bonds by the Underwriter described below, the District hereby covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the District for the benefit of the Bondholders and in order to assist RBC Capital Markets, LLC (the “Underwriter”) in complying with Rule 15c2-12(b)(5) (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

SECTION 2. Additional Definitions. In addition to the above definitions and the definitions set forth in the Resolution and in the Paying Agent Agreement, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 4 and 5 of this Disclosure Undertaking.

“Bondholder” or “Holder” means any holder of the Bonds or any beneficial owner of the Bonds so long as they are immobilized with DTC.

“Commission” means the Securities and Exchange Commission.

“Dissemination Agent” shall mean KNN Public Finance, LLC or any alternate or successor dissemination agent, designated in writing by the District (which may be the District), which Dissemination Agent has evidenced its acceptance in writing.

“Financial Obligation” as used in this Disclosure Undertaking is defined in the Rule as (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Listed Event” means any of the events listed in Section 6 of this Disclosure Undertaking.

“MSRB” shall mean the Municipal Securities Rulemaking Board, through its Electronic Municipal Market Access (“EMMA”) website located at <http://emma.msrb.org>, or any other entity designated or authorized by the Commission.

SECTION 3. CUSIP Numbers and Final Official Statement. The CUSIP Numbers for the Bonds have been assigned. The Final Official Statement relating to the Bonds is dated _____, 2026.

SECTION 4. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent (if other than the District), not later than nine months after the end of the District's fiscal year (currently ending June 30), commencing on or prior to March 31, 2027 with the report for the fiscal year ending June 30, 2026, to provide to the MSRB, in a format prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 5 of this Disclosure Undertaking. As of the date of this Certificate, the format prescribed by the MSRB is the Electronic Municipal Market Access system. Information regarding requirement for submissions to EMMA is available at <http://emma.msrb.org>.

The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 5 of this Disclosure Undertaking; provided that the audited financial statements of the District may be submitted, when and if available, separately from the balance of the relevant Annual Report. If the District does not have audited financial statements available when it submits the relevant Annual Report, it shall submit unaudited financial statements, as described in Section 5(a) below.

(b) Not later than 30 days (nor more than 60 days) prior to said date the Dissemination Agent shall give notice to the District that the Annual Report shall be required to be filed in accordance with the terms of this Disclosure Certificate. Not later than 15 Business Days prior to the filing date required in paragraph (a) above for providing the Annual Report to the MSRB, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If the District is unable to provide to the MSRB an Annual Report by the date required in paragraph (a) above, the District shall send a notice in a timely manner to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent (if other than the District) shall:

- (i) determine each year prior to the date for providing the Annual Report the format for filing with the MSRB; and
- (ii) file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Undertaking, stating the date it was provided to the MSRB.

SECTION 5. Content of Annual Report. The District's Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements of the District for the preceding fiscal year, prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants. If audited financial information is not available by the time the Annual Report is required to be filed pursuant to Section 4(a) hereof, the financial information included in the Annual Report may be unaudited, and the District will provide audited financial information to the MSRB as soon as practical after it has been made available to the District.

(b) Operating data, including the following information with respect to the District's preceding fiscal year (to the extent not included in the audited financial statements described in paragraph (a) above):

- (i) State funding received for the last completed fiscal year;
- (ii) Enrollment and full time equivalent students (“FTES”), or equivalent information, as may be reasonably available, for the last completed fiscal year;
- (iii) Outstanding indebtedness;
- (iv) Summary financial information on revenues, expenditures and fund balances for the District’s general fund reflecting adopted budget for the prior fiscal year;
- (v) Assessed valuation for real property located in the District for the then-current fiscal year; and
- (vi) Secured *ad valorem* tax delinquencies within the District for the current year, to the extent that the County discontinues the Teeter Plan (as such term is defined in the Official Statement).

(c) Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the MSRB or to the Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each other document so incorporated by reference.

SECTION 6. Reporting of Designated Listed Events.

(a) The District agrees to provide or cause to be provided to the MSRB notice of the occurrence of any of the following events with respect to the Bonds not later than ten (10) Business Days after the occurrence of the event:

- (i) Principal and interest payment delinquencies;
- (ii) Unscheduled draws on any debt service reserves reflecting financial difficulties;
- (iii) Unscheduled draws on any credit enhancements reflecting financial difficulties;
- (iv) Substitution of credit or liquidity providers, or their failure to perform;
- (v) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
- (vi) Tender offers;
- (vii) Defeasances;
- (viii) Rating changes;
- (ix) Bankruptcy, insolvency, receivership or similar event of the District; or
- (x) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

For purposes of item (ix) above, the described event shall be deemed to occur when any of the following shall occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or other governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority have supervision or jurisdiction over substantially all of the assets or business of the District.

(b) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, not later than ten (10) business days after the occurrence of the event:

(i) Unless described in paragraph 6(a)(v) hereof, other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

(ii) Modifications to rights of Owners;

(iii) Optional, unscheduled or contingent Bond calls;

(iv) Release, substitution or sale of property securing repayment of the Bonds, if applicable;

(v) Non-payment related defaults;

(vi) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

(vii) Appointment of a successor or additional Paying Agent or the change of name of a Paying Agent; or

(viii) Incurrence of a Financial Obligation, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect security holders.

(c) The District shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 4 hereof, as provided in Section 4(b) hereof.

(d) If the District determines that the occurrence of a Listed Event described in Section 6(b) hereof is material under applicable federal security laws, the District shall within ten (10) business days of occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections (a)(vii) or (b)(iii) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

SECTION 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Undertaking shall terminate when the District is no longer an obligated person with respect to the Bonds, as provided in the Rule, upon the defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 8. Dissemination Agent. The District may, from time to time, appoint or engage an alternate or successor Dissemination Agent to assist in carrying out the District's obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is no other designated Dissemination Agent in place, the District shall act as the Dissemination Agent.

The Dissemination Agent, if other than the District, shall be paid compensation for its services provided hereunder, and reimbursement for its costs and expenses. The Dissemination Agent shall not be responsible for the form or content of any document provided by the District hereunder.

SECTION 9. Amendment. Notwithstanding any other provision of this Disclosure Undertaking, the District may amend this Disclosure Undertaking under the following conditions, provided no amendment to this Disclosure Undertaking shall be made that affects the rights, duties or obligations of the Dissemination Agent without its written consent:

(a) The amendment may be made only in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the obligated person, or type of business conducted;

(b) This Disclosure Undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of Holders, as determined either by parties unaffiliated with the District or another obligated person (such as the Bond Counsel) or by the written approval of the Bondholders; provided, that the Annual Report containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

SECTION 10. Additional Information. If the District chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Undertaking, the District shall have no obligation under this Disclosure Undertaking to update such information or to include it in any future disclosure or notice of occurrence of a Designated Material Event.

Nothing in this Disclosure Undertaking shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Designated Material Event, in addition to that which is required by this Disclosure Undertaking.

SECTION 11. Default. The District shall give notice to the MSRB of any failure to provide the Annual Report when the same is due hereunder, which notice shall be given prior to July 1 of that year. In the event of a failure of the District to comply with any provision of this Disclosure Undertaking, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this

Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Undertaking in the event of any failure of the District to comply with this Disclosure Undertaking shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the District, the Dissemination Agent, the Underwriters and Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Record Keeping. The District shall maintain records of all Annual Reports and notices of material Listed Events including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

SECTION 14. Governing Law. This Disclosure Undertaking shall be governed by the laws of the State of California, applicable to contracts made and performed in such State of California.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, San Diego Community College District has executed this Continuing Disclosure Certificate as of the date first set forth herein.

SAN DIEGO COMMUNITY COLLEGE DISTRICT

By: _____
Vice Chancellor, Finance and Business Services

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: San Diego Community College District

Name of Issue: \$_____ 2026 General Obligation Refunding Bonds, Series A (Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

\$_____ 2026 General Obligation Refunding Bonds, Series B (Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

Date of Issuance: _____, 2026

NOTICE IS HEREBY GIVEN that the above-named Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 4(a) of the Disclosure Undertaking dated as of _____, 2026. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____

[ISSUER/DISSEMINATION AGENT]

By: _____

APPENDIX E

BOOK-ENTRY ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedure" of DTC to be followed in dealing with DTC Participants are on file with DTC.

General

The Depository Trust Company ("DTC") will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P Global Ratings' rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The foregoing internet address is included for reference only, and the information on this internet site is not incorporated by reference herein.*

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as

periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District (or the Paying Agent on behalf thereof) as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the District or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Bonds are required to be printed and delivered in such principal amount or amounts, in authorized denominations, and registered in whatever name or names DTC shall designate.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). Discontinuance of use of the system of book-entry transfers through DTC may require the approval of DTC Participants under DTC's operational arrangements. In that event, printed certificates for the Bonds will be printed and delivered in such principal amount or amounts, in authorized denominations, and registered in whatever name or names DTC shall designate.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Discontinuation of Book-Entry Only System; Payment to Beneficial Owners

In the event that the book-entry system described above is no longer used with respect to the Bonds, the following provisions will govern the payment, transfer and exchange of the Bonds.

The principal of the Bonds and any premium and interest upon the redemption thereof prior to maturity will be payable in lawful money of the United States of America upon presentation and surrender of the Bonds at the office of the Paying Agent, initially located in Los Angeles, California. Interest on the Bonds will be paid by the Paying Agent by check or draft mailed to the person whose name appears on the registration books of the Paying Agent as the registered owner, and to that person's address appearing on the registration books as of the close of business on the Record Date. At the written request of any registered owner of at least \$1,000,000 in aggregate principal, payments shall be wired to a bank and account number on file with the Paying Agent as of the Record Date.

Any Bond may be exchanged for a Bond of any authorized denomination of like tenor upon presentation and surrender at the office of the Paying Agent, initially located in Los Angeles, California, together with a request for exchange signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred only on the Bond registration books upon presentation and surrender of the Bond at such office of the Paying Agent together with an assignment executed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Bond or Bonds of any authorized denomination or denominations requested by the owner equal in the aggregate to the unmatured principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

Neither the District nor the Paying Agent will be required to exchange or transfer any Bond during the period from the Record Date through the next Interest Payment Date.

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APPENDIX F

SAN DIEGO COUNTY INVESTMENT POOL

The following information concerning the Treasury Pool of San Diego County (the "Treasury Pool") has been provided by the Treasurer and has not been confirmed or verified by the District or the Underwriters. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date.

County of San Diego County Investment Pool general information and portfolio statistics can be found at <http://www.sdttc.com/content/ttc/en/treasury/financial-reports.html>. The foregoing internet address is included for reference only, and the information on such internet site is not incorporated by reference herein.

In accordance with California Government Code Section 53600 *et seq.*, the Treasurer manages funds deposited with it by the District. The County is required to invest such funds in accordance with California Government Code Sections 53635 *et seq.* In addition, counties are required to establish their own investment policies which may impose limitations beyond those required by the California Government Code.

All investments in the Treasurer's investment portfolio conform to the statutory requirements of California Government Code Section 53635 *et seq.*, authorities delegated by the County Board of Supervisors and the Treasurer's investment policy.

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TREASURER-TAX COLLECTOR SAN DIEGO COUNTY

sdttc.com



SAN DIEGO COUNTY TREASURER'S POOLED MONEY FUND INVESTMENT POLICY

January 1, 2026

The Investment Policy and practices of the County Treasurer are based on prudent money management principles and California State Law, specifically Government Code Sections 27000.1 - 27000.5, 27130 - 27137, and 53600 - 53686. Section 53635 shall apply to a local agency that is a county or other local agency that pools money in deposits or investments with other local agencies, including local agencies that have the same governing body. However, Section 53601 shall apply to all local agencies that pool money in deposits or investments exclusively with local agencies that have the same governing body.

The practices of this office will always comply with the legal authority and limitations placed on it by the governing legislative bodies. The implementation of these laws, allowing for the dynamics of the money markets, will be the focus of this policy statement. All matters contained in this policy are to be read and applied pursuant to and consistent with state law. Where this Investment Policy specifies a percentage limitation, compliance will be measured as of the date of purchase. When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing the Pooled Money Fund (the "Fund") the objectives of this office shall be as follows.

- 1. The primary objective shall be to safeguard the principal of the funds under the County Treasurer's control.**
- 2. The secondary objective shall be to meet the liquidity needs of the participants.**
- 3. The third objective shall be to achieve an investment return on the funds under control of the County Treasurer within the parameters of prudent risk management.**

The Fund is an actively managed portfolio. By this, it is meant that the County Treasurer and staff will observe, review, and adjust to changing conditions that affect the Fund. This shall be viewed as a full-time responsibility by the County Treasurer and staff. The authority to execute investment transactions that will affect the Fund will be limited to:

**County Treasurer-Tax Collector
Assistant Treasurer-Tax Collector
Chief Deputy Treasurer
Chief Investment Officer
Investment Officers**

The County Treasurer-Tax Collector (the "County Treasurer") and the above staff will meet on a regular basis to discuss current market conditions and future trends and how each of these affects the Fund.

Government Code Sections 27000.3 and Section 53600.3 provide that the "prudent investor" standard is to be used by the County Treasurer as a fiduciary of public funds. This standard provides that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the County Treasurer and their staff shall act with care, skill, prudence, and diligence under the circumstances then prevailing, specifically including, but not limited to, the general economic conditions and the anticipated needs of the County and other depositors, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the County and the other depositors. Within the limitations of this policy and considering individual investments as part of an overall investment strategy, investments may be acquired as authorized by law. The County Treasurer and their staff shall act in accordance with written procedures and the Investment Policy, exercise due diligence, report in a timely fashion, and implement appropriate controls to mitigate adverse developments.

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**2026 SAN DIEGO COUNTY TREASURER'S
POOLED MONEY FUND INVESTMENT POLICY**

The purpose of the County Treasurer's Investment Policy is to implement the legislated parameters of the investment authority of the Fund. As an elected official of the County of San Diego, the County Treasurer must manage public monies in a way that is consistent with its objectives, investment oversight, and sound investment practices and not solely to maximize returns. The basic concept of investment return is based on a risk/reward relationship: the higher the risk, the higher the expected return. Risk management must be an integral part of any investment policy. Risk management must include adequate internal controls so that Fund depositors and the public have confidence that public monies are secure. The policy stated below will concern itself with risk management.

1. **SECURITY OF PRINCIPAL POLICY** - The policy issues directed to protecting the principal entrusted to this office are:
 - A. Limiting the Fund's exposure to each type of security.
 - B. Limiting the Fund's exposure to each issuer of debt.
 - C. Determining the minimum credit requirement for each type of security.
2. **LIQUIDITY POLICY** - The policy issues directed to provide the necessary liquidity to the participants are:
 - A. Limiting the length of maturity for securities in the Fund.
 - B. Limiting the Fund's exposure to Moderately Liquid and Illiquid securities.
3. **RETURN POLICY** - The policy issues directed to achieving a return are:
 - A. Attaining a market rate of return, while considering the investment risk constraints and liquidity needs.
 - B. Limiting most of the investments to low-risk securities in anticipation of earning a fair return relative to the risk being taken.
4. **MATURITY POLICY**
 - A. The maximum maturity allowed by the California Government Code is 5 years, with shorter limitations specified for certain types of securities. The guidelines for maturities of investments and duration of the Fund, as established under this Policy, shall be:
 - At least 35% of the Fund maturing within 1 year
 - At least 15% of the Fund maturing within 90 days, and
 - A maximum effective duration of 2.0 years

- B. The Fund will be considered in compliance with the maturity policy if it meets the maturity targets above. If the Fund distribution does not comply with the table above, until such time as the Fund is within maturity targets, all securities purchased shall be of a maturity or duration that will lower the maturity and or duration of the Fund. In the event a compliance violation has occurred, a variance report shall be made to the County Treasury Oversight Committee as part of the normal public monthly reporting.

5. **GENERAL STRATEGY**

The County Treasurer will generally use a buy and hold investment strategy, where securities are purchased with the intent of holding them to maturity. The investment staff will update the County Treasury Oversight Committee on its asset allocation and investment strategy at its regularly scheduled public meetings. Securities may be sold prior to maturity when deemed prudent. Reasons for selling include, but are not limited to:

- Disposing of a security with declining credit quality
- A financially advantageous sale and replacement of a security that improves the quality, yield, or target duration of the portfolio
- Meeting the liquidity needs of the portfolio
- Portfolio rebalancing to bring the portfolio back into compliance

6. **ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) CONSIDERATIONS**

While Safety, Liquidity, and Yield remain the Fund's primary investment objectives, all else being equal and acting under statutory investment limitations, the County Treasurer affirms their commitment to the consideration of ESG criteria in evaluating securities. Investments in entities that promote environmental stewardship by considering climate change, carbon emissions, pollution, biodiversity, deforestation, and food and water waste are encouraged. The County Treasurer also advocates investments in entities that support labor fairness and equality while opposing discrimination related to sex, race, age, disability, sexual orientation, color, religion, veteran status, genetic information, and other protected classes. Additionally, the County shall not purchase any investments issued directly by a corporation, classified under the Standard Industrial Classification (SIC) codes listed in Appendix C, that engages in the exploration, production, drilling, or refining of coal, petroleum, or natural gas.

7. **PROHIBITED SECURITIES**

The California Government Code prohibits a local agency from investing in any of the following derivative notes:

- Inverse Floaters
- Range Notes
- Interest-only strips derived from a pool of mortgages
Any security that could result in zero interest accrual, except for securities issued by, or backed by, the United States government that could result in zero or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates.

8. CREDIT RATING POLICY

- A.** This Investment Policy sets forth minimum credit ratings for each type of security. These credit limits apply to the initial purchase of a security and do not automatically force the sale of a security if the credit ratings of the security fall below the policy limits.
- B.** Minimum credit ratings:
- a. For securities with maturities of 13 months or less, the rating must be in the highest short-term rating category (without regard to qualification of such rating symbol such as "+" or "-") by at least one nationally recognized statistical rating organization (the "NRSRO").
 - b. For securities with maturities greater than 13 months, the rating must be "A" or higher by at least one NRSRO.

The monitoring of credit ratings consists of the following procedures:

1. When a credit rating downgrade occurs which results in a rating below the minimum credit requirement, the County Treasurer and staff will analyze and evaluate the credit to determine whether to hold or sell the security.
2. In the event a security in the Fund receives a credit rating downgrade which results in a rating below the minimum credit requirement, the County Treasurer will report the rating change to the County Treasury Oversight Committee in the monthly public report. In the same manner, the County Treasury Oversight Committee will be informed on the decision to hold or sell a downgraded security.
3. The Investment Group shall meet at least quarterly to review and update the approved list of securities and establish credit criteria for each category of security.

To ensure that the Fund maintains the highest overall credit rating with the contracted NRSRO, the asset allocation and portfolio holdings will be provided to the contracted NRSRO on a monthly basis.

9. INTERNAL CONTROLS

- A.** The Chief Deputy Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that:
1. The cost of a control should not exceed the benefits likely to be derived; and
 2. The valuation of costs and benefits requires estimates and judgments by management.
- B.** Accordingly, the Chief Deputy Treasurer shall establish and maintain internal controls that shall address the following points:
1. Control of Collusion - Collusion is a situation where two or more employees are working in conjunction to defraud their employer. To achieve a segregation of duties, individuals who authorize investment transactions shall not also record or reconcile said transactions.
 2. Clear Delegation of Authority to Subordinate Staff Members - Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
 3. Delivery-Versus-Payment (DVP) - All investment transactions shall be conducted on a delivery-versus-payment basis.
 4. Safekeeping and Custody - Securities purchased from any bank or dealer, including appropriate collateral (as defined by California Government Code), that are not insured by the FDIC, shall be placed with an independent third party for custodial safekeeping. To protect against potential losses due to failure of individual securities dealers, and to enhance access to securities, interest payments and maturity proceeds, all cash and securities in the County's portfolio shall be held in safekeeping in the County's name by a third-party custodian, acting as agent for the County under the terms of a custody agreement executed by the bank and the County. All investment transactions will require a safekeeping receipt or acknowledgment generated from the trade. A monthly report will be received by the County from the custodian listing all securities held in safekeeping with current market data and other information. The only exceptions to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools; (ii) time certificates of deposit, (iii) Local Agency Investment Fund, and (iv) mutual funds and money market mutual funds, since these securities are not deliverable.

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Pooled Money Fund Investment Policy

5. Avoidance of Physical Delivered Bearer Securities - Book entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Bearer securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with such securities.
 6. Written Confirmation of Telephone Wire Transfers - Due to the potential for error and improprieties arising from telephone transactions, all telephone transactions should be supported by written or electronic communications and approved by the appropriate person.
 7. Development of a Wire Transfer Agreement with the Lead Bank or Third-Party Custodian - This agreement should outline the various controls, security provisions, and responsibilities of each party making and receiving wire transfers.
 8. A treasury operations manual, as overseen by the Chief Deputy Treasurer, will be reviewed and updated by the treasury staff every two years or on an as needed basis.
10. **ANNUAL AUDIT** - The County Treasury Oversight Committee shall cause an independent audit to be conducted annually on a fiscal year basis by an external auditor to determine if the County Treasury is in compliance with the Investment Policy, other internal policies and procedures, and the California Government Code.
 11. **PERMISSIBLE INVESTMENTS** - Government Codes 53601, 53601.1, 53601.2, 53601.8, 53635, 53635.8, 53637, 53638, 53651, 53652, and 53653 address permissible investments. These investment categories are addressed individually in sections 12-29 below.
 12. **GOVERNMENT OBLIGATIONS** - The Fund invests in two categories of Government Obligations: U.S. Treasury and Agency obligations. Both are issued at the Federal level. U.S. Treasury obligations are bills, notes, and bonds issued by the Treasury and are direct obligations of the Federal Government. Agency obligations are notes and bonds of federal agencies and government sponsored enterprises, including:
 - Federal Agricultural Mortgage Corporation (Farmer Mac)
 - Federal National Mortgage Association (FNMA, or Fannie Mae)
 - Federal Home Loan Bank (FHLB)
 - Federal Farm Credit Bank (FFCB)
 - Federal Home Loan Mortgage Corporation (FHLMC, or Freddie Mac)
 - Government National Mortgage Corporation (GNMA, or Ginnie Mae)
 - Tennessee Valley Authority (TVA)
- A. Maximum Maturity - The maximum maturity of a security shall be 5 years from the settlement date.
 - B. Maximum Exposure of Fund - The maximum exposure to the Fund for this category is unlimited.

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Pooled Money Fund Investment Policy

- C. Maximum Exposure Per Issuer - The maximum exposure to the Fund for an individual issuer shall be:
 - 1. Treasury - Unlimited
 - 2. Agency - No more than 35% of the Fund value shall be invested in any single issuer.
 - D. Minimum Credit Requirement - None
 - E. Liquidity Category - Liquid
13. **LOCAL AGENCY AND STATE OBLIGATIONS** -These include registered state warrants or treasury notes or bonds of the state of California and registered bonds of any of the other 49 states, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state and bonds, notes, warrants, or other evidences of indebtedness of a local agency within the state of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.
- A. Maximum Maturity - The maximum maturity of a security shall be 5 years from the settlement date.
 - B. Maximum Exposure of Fund - The maximum exposure to the Fund for this category shall be 30%.
 - C. Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 10% of the Fund value.
 - D. Minimum Credit Requirement - Issuers must be at or above the following ratings:
 - a. For securities with maturities of 13 months or less, the rating must be in the highest short-term rating category (without regard to qualification of such rating symbol such as "+" or "- ") by at least one NRSRO.
 - b. For securities with maturities greater than 13 months, the rating must be "A" or higher by at least one NRSRO.
 - E. Liquidity Category - Moderately Liquid

14. **BANKER'S ACCEPTANCES** - This is a draft or bill of exchange accepted by a bank or trust company and brokered to investors in a secondary market. The purpose of the Banker's Acceptance (BA) is to facilitate trade and provide liquidity to the import-export markets. Acceptances are collateralized by the pledge of documents such as invoices, trust receipts, and other documents evidencing ownership and insurance of the goods financed. Since their inception in 1914, there has been no known loss of principal to investors holding Banker's Acceptances.
- A. Maximum Maturity - The maximum maturity of a security shall be 180 days from the settlement date.
 - B. Maximum Exposure of Fund - The maximum exposure to the Fund for this category shall be 40%.
 - C. Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 5% of the Fund value.
 - D. Minimum Credit Requirement – The rating must be in the highest short-term rating category (without regard to qualification of such rating symbol such as “+” or “-”) by at least one NRSRO.
 - E. Liquidity Category – Liquid
15. **COMMERCIAL PAPER** - These are short-term, unsecured or secured, promissory notes issued by firms in the open market. Commercial paper (CP) is generally backed by a bank credit facility, guarantee/bond of indemnity, some other support agreement, or collateralized by other financial assets.
- A. Maximum Maturity - The maximum maturity of a security shall be 397 days from the settlement date.
 - B. Maximum Exposure of Fund - The maximum exposure to the Fund for this category shall be 40%.
 - C. Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 10% of the Fund value, inclusive of any other non-CP investments with said issuer.
 - D. Minimum Credit Requirements - The Rating must be in the highest short-term rating category (without regard to qualification of such rating symbol such as “+” or “-”) by at least one NRSRO.
 - E. Liquidity Category - Liquid

16. **MEDIUM-TERM NOTES ("MTN")** - These are corporate notes, deposit notes, and bank notes sold by an agent in the open market on a continually offered basis. Issuers include well-recognized banks and bank holding companies, thrifts, finance companies, insurance companies, and industrial corporations. These medium-term notes are generally unsecured debt obligations, although some issues come to market on a collateralized or secured basis.
- A. **Maximum Maturity** - The maximum maturity of a security shall be 5 years from the settlement date.
 - B. **Maximum Exposure of Fund** - The maximum exposure to the Fund for this category shall be 30%.
 - C. **Maximum Exposure Per Issuer** - The maximum exposure to a single issuer shall be 10% of the Fund value, inclusive of any other non-MTN investments with said issuer.
 - D. **Minimum Credit Requirements** - Issuers must be at or above the following ratings:
 - a. For securities with maturities of 13 months or less, the rating must be in the highest short-term rating category (without regard to qualification of such rating symbol such as "+" or "-") by at least one NRSRO.
 - b. For securities with maturities greater than 13 months, the rating must be "A" or higher by at least one NRSRO.
 - E. **Liquidity Category** - Liquid
17. **NEGOTIABLE CERTIFICATES OF DEPOSIT** - These are issued by commercial banks and thrift institutions against funds deposited for specified periods of time, and they earn specified or variable rates of interest. Negotiable certificates of deposit ("NCD") differ from other certificates of deposit by their liquidity. NCD's are traded actively in secondary markets.
- A. **Maximum Maturity**
 - 1. The maximum maturity of an NCD security shall be 5 years from the settlement date.
 - 2. The maximum maturity of any FDIC insured CDs, whether directly placed or placed through a private sector entity, shall be 13 months.
 - B. **Maximum Exposure of Fund** - The maximum exposure to the Fund for this category shall be 30%.
 - C. **Maximum Exposure per Issuer** - The maximum exposure to a single issuer shall be 10% of the Fund value, inclusive of any other non-NCD investments with said issuer

- D. Minimum Credit Requirement – Issuers must be at or above the following ratings:
 - a. For securities with maturities of 13 months or less, the rating must be in the highest short-term rating category (without regard to qualification of such rating symbol such as “+” or “-”) by at least one NRSRO.
 - b. For securities with maturities greater than 13 months, the rating must be “A” or higher by at least one NRSRO.
 - E. Liquidity Category - Liquid
18. **REPURCHASE AGREEMENTS** - A repurchase agreement (RP) consists of two simultaneous transactions. One is the purchase of securities by an investor (the Fund); the other is the commitment by the seller (i.e., a broker/dealer) to repurchase the securities at the same price, plus interest, at some mutually agreed-upon future date.
- A. Maximum Maturity - The maximum maturity of repurchase agreements shall be one year.
 - B. Maximum Exposure of Fund - The maximum exposure to the Fund for this category shall be 40%.
 - C. Maximum Exposure Per Broker/Dealer - The maximum exposure to a single broker/dealer shall be 10% of the Fund when the dollar-weighted average maturity is greater than 5 days or 15% of the Fund when the dollar-weighted average maturity is 5 days or less.
 - D. Eligible Broker/Dealers - Broker/Dealers shall sign a PSA Master Repurchase Agreement or a Tri-Party Repurchase Agreement. The Agreement must specify a minimum margin percentage of 102% and also provide for daily mark-to-market of the collateral by the custodian bank.
 - E. Eligible Collateral - The securities eligible for repurchase agreement transactions shall be securities authorized in Section 53601 of the California Government Code. Collateral eligible for repurchase agreements maturing from 7 days to 1 year shall be Treasury and Agency obligations.
 - F. Delivery of Collateral - Broker/Dealers shall deliver the underlying securities to the County's safekeeping bank, a mutually agreed-upon third party custodian bank, or a counterparty bank's customer book-entry account. When a third-party custodian is used, it will be the custodian's responsibility to transfer funds and securities between the broker/dealer and the Fund in accordance with the terms of the repurchase agreement.
 - G. Liquidity Category - Liquid

19. **REVERSE REPURCHASE AGREEMENTS** - Reverse repurchase agreements (RRPs) are essentially the mirror image of RPs. In this instance, the Fund is the seller of securities, and the broker or bank is the investor.

Due to the nature of RRP, the policy regarding this instrument is different from the above RP policy.

- A. **Maximum Maturity** - The maximum maturity of a securities lending loan shall be 92 days unless the agreement includes a written guarantee of a minimum earning or spread for the entire period of the RRP.
 - B. **Maximum Exposure of Fund** - No more than 20% of the Fund shall be exposed to RRP and/or securities lending at any one time.
 - C. **Maximum Exposure Per Broker/Dealer** – No more than 10% of the Fund shall be invested in RRP with any one broker/dealer at any one time.
 - D. **Purpose of RRP** - The uses of RRP shall be to invest the proceeds from the agreement into permissible securities that are in the highest short-term rating category; to supplement the yield on securities owned; or to provide funds for the immediate payment of an obligation. The maturity of the RRP and the maturity of the security purchased shall be the same.
 - E. **Eligible Securities** - A RRP may only be entered into with a security authorized in California Government Code 53601 which has been owned and paid for 30 days prior to the settlement of the RRP.
 - F. **Eligible Broker/Dealer** - Broker/Dealers shall be primary broker/dealers of the Federal Reserve Bank of New York.
 - G. **Liquidity Category** - Liquid
20. **SECURITIES LENDING** - This is a program conducted by an agent authorized to execute securities lending under the guidelines listed under RRP and as detailed in the "Services for Securities Lending Agreement." A securities lending transaction is when the Fund transfers its securities to broker/dealers and other entities for collateral which may be cash or securities and simultaneously agrees to return the collateral for the same securities in the future. The loans must be secured continuously by cash collateral or securities and maintained at a value of at least equal to 102 % of the market value of the securities loaned. During the term of the loan, the Fund will continue to receive the equivalent of the interest paid by the issuer of the securities loaned. The Fund will have the right to call the loan and receive the securities loaned at any time with one day's notice.

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Pooled Money Fund Investment Policy

- A. Maximum Maturity - The maximum maturity of a securities lending loan shall be 92 days.
 - B. Maximum Exposure of Fund - No more than 20% of the Fund shall be exposed to securities lending and/or RRP's at any one time.
 - C. Maximum Exposure Per Counterparty - No more than 10% of the Fund shall be on loan with any single counterparty at any one time.
 - D. Proceeds shall be invested in securities authorized by California Government Code and this Investment Policy.
21. **COLLATERALIZED CERTIFICATES OF DEPOSIT** - This is the deposit of funds in state or national banks, state or federal savings and loan associations, federal credit unions, or FDIC-insured industrial loan companies in California per California Government Code Section 53652. The deposit of the funds will be made under the following conditions:
- A. The deposit may not exceed the total of the paid-in capital and surplus of a depository.
 - B. The depository must maintain securities with a market value of at least 10% in excess of the total amount of the Fund's deposits. These securities will be placed in the institution's pooled collateral account and monitored by the State Treasurer of California or a mutually agreed-upon third party custodian bank.
 - C. The County Treasurer may waive the first \$250,000 of collateral for each depository, so long as that amount is insured by an agency of the Federal Government. The documents listed below in D will not be required for deposits of \$250,000 or less.
 - D. Each institution that receives Fund deposits must provide the County Treasurer with an up-to-date Contract, Annual Report, Affirmative Action Policy, Community Reinvestment Act Statement, and EEO-1 Form.
 - E. Maximum Maturity – The maximum maturity of a collateralized CD shall be 13 months.
 - F. Maximum Exposure of Fund – The maximum exposure to the Fund for this category shall be 5%.
 - G. Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 5% of the Fund value.
 - H. Institutions at or above the highest short-term rating category (without regard to qualification of such rating symbol such as "+" or "-" ") by at least one NRSRO may pledge mortgage-based collateral for County deposits.

- I. Liquidity Category - Illiquid
22. **FDIC & NCUA INSURED DEPOSIT ACCOUNTS** – This is the deposit of funds in a nationally or state chartered commercial bank, savings bank, savings and loan association, or credit union in this state per California Government Code Section 53635.8. The deposit of funds will be made under the following conditions:
- A. The deposit of funds may be placed directly with a selected depository institution, not to exceed the issuance limit from the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA).
 - B. A selected depository may use a private sector entity to help place deposits with one or more commercial bank, savings bank, savings and loan association, or credit union located in the United States.
 - C. The full amount of each deposit and the interest that may accrue on each such deposit shall at all times be insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA).
 - D. **Maximum Maturity** - The maximum maturity of an FDIC or NCUA Insured Deposit Account shall be 13 months.
 - E. **Maximum Exposure of Fund** - The maximum exposure to the Fund for this category shall be 5%.
 - F. **Maximum Exposure Per Issuer** - The maximum exposure to a single issuer shall be 5% of the Fund value.
 - G. **Minimum Credit Requirement** - There is no minimum credit requirement for FDIC or NCUA insured deposit accounts whether directly placed or placed through a private sector entity.
 - H. Liquidity Category - Illiquid
23. **COVERED CALL OPTION/PUT OPTION** - An option is the right to buy or sell a specific security within a specific time period at a specific price.
- A. A covered call is when the County Treasurer sells the option to another party giving them the right to buy an existing security in the Fund at a specific price within a specific time period.
 - B. A put option is when the County Treasurer sells the option to another party giving them the right to sell to the County Treasurer a security at a specific price within a specific time period.

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- C. The seller of a covered call option/put option is paid at the time of the sale of the option. At the end of the option period, if the option is not exercised, the right to buy or sell the security is canceled.
 - D. The County Treasurer will act only as a seller of covered call and put options with the following exception: County Treasurer may buy an option to offset an existing open option position.
 - E. Securities subject to covered calls shall not be used for Reverse Repurchase Agreements.
 - F. Cash sufficient to pay for outstanding puts shall be invested in securities maturing on or before the expiration date of the options.
 - G. Maximum Maturity - The maximum maturity of a covered call option/put option shall be 90 days.
 - H. Maximum Exposure of Fund - No more than 10% of the Fund may have options written against it at any given time.
 - I. Counterparty Risk - Options shall only be written with primary broker/dealers of the Federal Reserve Bank of New York.
 - J. Liquidity Category - Liquid
24. **MONEY MARKET MUTUAL FUND** – These investments consist of shares of beneficial interest issued by management companies. Such shares represent ownership of a diversified portfolio of securities, which are redeemable at their net asset value. The Government Code allows for purchases of many types of mutual funds, but the Fund will limit use to money market mutual funds managed to maintain a stable NAV.
- A. Maximum Exposure - The maximum exposure to the Fund for this category shall be 20%.
 - B. Maximum Exposure Per Fund - The maximum exposure to a single mutual fund shall be 10% of the Fund value.
 - C. Purchase Price - The purchase price of the mutual fund shall not include any commission.
 - D. Minimum Credit Requirement - Mutual fund ratings must be in the highest rating category by at least two NRSROs or retain an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years of experience in managing money market mutual funds and with assets under management in excess of five hundred million dollars.
 - E. Liquidity Category - Liquid

25. **LOCAL GOVERNMENT INVESTMENT POOLS (LGIPs)** – These investments consist of shares of beneficial interest issued by a joint powers authority (JPA) organized pursuant to Government Code Section 6509.7 and authorized by Government Code Section 53601(p). The Fund shall only invest in LGIPs that comply with the California Government Code and all relevant sections of this Investment Policy and are managed to maintain a stable NAV.
- A. Maximum Exposure - The maximum exposure to the Fund for this category shall be 5%.
 - B. Minimum Credit Requirement – LGIP ratings must be in the highest rating category by at least one NRSRO.
 - C. Liquidity Category – Liquid
26. **LOCAL AGENCY INVESTMENT FUND (LAIF)** – This fund was established by Government Code Section 16429.1 for use by local agencies in California and operates similarly to a LGIP. It is managed by the Treasurer of the State of California, who may invest money in the fund in securities prescribed in Government Code Section 16430 or elect to have the money of the fund invested through the State's Surplus Money Investment Fund.
- A. Maximum Exposure - The maximum exposure to the Fund for this category shall be 5%.
 - B. Minimum Credit Requirement – LAIF is an unrated fund.
 - C. Liquidity Category – Liquid
27. **PASS-THROUGH SECURITIES** - These will be limited to equipment lease-backed certificates, consumer receivable pass-through certificates, or consumer receivable-backed bonds.
- A. Maximum Maturity - The maximum maturity of a security shall be 5 years from the settlement date.
 - B. Maximum Exposure - The maximum exposure to the Fund for this category shall be 20%.
 - C. Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 10% of the Fund value.
 - D. Minimum Credit Requirement - The security must be rated "AA" or higher by at least one NRSRO.
 - E. Liquidity Category - Liquid

28. **WHEN-ISSUED SECURITIES** - The Fund may invest in new issues of Government Obligations offered on a when-issued basis; that is, delivery and payment take place after the date of the commitment to purchase, normally within 15 days. Both price and interest rate are fixed at the time of commitment. This allows the Fund to lock in an interest rate that may not be available on the issue date. The Fund does not earn interest on the securities until settlement, and the market value of the securities may fluctuate between purchase and settlement. Such securities can be sold before settlement.
29. **SUPRANATIONALS** – The fund may invest in United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by multi-national organizations, including:
- Inter-American Development Bank (IADB)
 - International Bank for Reconstruction and Development (IBRD)
 - International Finance Corporation (IFC)
- A. **Maximum Maturity** - The maximum maturity of a security shall be 5 years from the settlement date.
- B. **Maximum Exposure of Fund** - The maximum exposure to the Fund for this category shall be 30%.
- C. **Maximum Exposure Per Issuer** - The maximum exposure to a single issuer shall be 10% of the Fund value.
- D. **Minimum Credit Requirement** - The issuer must be rated “AA” or higher by at least one NRSRO.
- E. **Liquidity Category** - Liquid
30. **QUALIFIED BROKERS AND DEALERS** - In order to minimize risk in executing security transactions under this Investment Policy, all transactions will be made only through qualified dealers.
- A. A qualified dealer must be a bank, savings and loan association, or an investment securities dealer. Commercial Paper and Certificate of Deposit issuers may be considered qualified dealers for direct issuance of their paper.
- B. Any dealer entering into a new business relationship to conduct security transactions with the County Treasurer is required to make application to the County Treasurer.
- C. The dealer must ensure that its staff is aware of the County Treasurer's Investment Policy and the California Government Code Sections 53601 and 53635.
- D. Investment securities dealers for Reverse Repurchase Agreements must be primary dealers regularly reporting to the Federal Reserve Bank.

- E. The dealer is required to have net capital in excess of \$10 million with liquidity lines of \$50 million or more.
 - F. The dealer is required to maintain an active secondary market for securities sold to the County and must be competitive in price for bids and offers.
 - G. The dealer will be monitored by the Chief Investment Officer and staff to ensure the services the County requires are delivered in a timely and efficient manner.
 - H. The primary account representative must be in the institutional or middle market fixed income division with 5 years or more experience covering large municipalities.
 - I. A qualified dealer must not have made any political contributions to the County Treasurer, any member of the Board of Supervisors, or any candidate for these offices within any consecutive 48-month period following January 1996. The exception is if the broker/dealer is entitled to vote for any of these offices, in which case the contributions shall not be in excess of \$250 to each official per election.
 - J. Each dealer, at minimum every three years, or more frequently if requested, will be required to respond to the County's Request for Information (RFI) providing the County with up-to-date financial and investment experience information in order to continue in its role.
31. **DELEGATION OF INVESTMENT AUTHORITY TO THE COUNTY TREASURER** - The State of California gives the Board of Supervisors the ability to delegate investment authority to the County Treasurer for a one-year period in accordance with Section 53607 of the California Government Code. The delegation will require renewal each year.
32. **SAFEKEEPING AUTHORITY**
- A. The State of California gives the Board of Supervisors the ability to delegate the deposit for safekeeping authority to the County Treasurer in accordance with Section 53608 of the California Government Code. Board Resolution 109 adopted September 29, 1959 delegated this authority to the County Treasurer.
 - B. In exercising this safekeeping function, the County Treasurer will require depositories to provide evidence that they are taking reasonable measures to prevent unauthorized access to the depository's electronic data files.
 - C. The County Treasurer's Continuity of Operations Plan (COOP) addresses contingency plans in the event that a disaster, natural or otherwise, disrupts normal operations. Contingency plans vary depending upon the severity and expected longevity of the disruption.

33. **EXTERNAL OVERSIGHT** - The County Treasurer shall retain an independent third-party investment advisor to provide oversight and compliance monitoring.

The County Treasurer will also retain an NRSRO to provide a rating for the Fund and will have in place an internal system to provide credit and compliance monitoring.

34. **COUNTY TREASURY OVERSIGHT COMMITTEE** - The Board of Supervisors has established a County Treasury Oversight Committee pursuant to Sections 27130-27137 of the California Government Code. The County Treasurer shall annually prepare an investment policy that will be reviewed and monitored by the County Treasury Oversight Committee and shall be reviewed and approved at a public hearing by the Board of Supervisors.

35. **RULES GOVERNING THE ACCEPTANCE OF HONORARIA, GIFTS, AND GRATUITIES:**

A. The County Treasury Oversight Committee:

1. Gifts and Gratuity Limits: - Members may not accept a gift or gifts aggregating more than the Fair Political Practices Commission (FPPC) guidelines in a calendar year from an advisor, broker, dealer, banker, or other persons with whom the County Treasurer conducts business.
2. Honorarium Limits - Members may not accept any honorarium from advisors, brokers, dealers, bankers, or other persons with whom the County Treasurer conducts business.
3. Employment - A member may not be employed by an entity that has contributed to the campaign of a candidate for the office of the County Treasurer or a candidate for a legislative body of a local agency that has deposited funds in the County Treasury in the previous three years or during the period the employee is a member of the County Treasury Oversight Committee. A member may not secure employment with bond underwriters, bond counsel, security brokers or dealers, or financial services firms during the period that the person is a member of the Committee or for one year after leaving the County Treasury Oversight Committee.
4. Contributions - A member may not directly or indirectly raise money for a candidate for County Treasurer or a member of the governing board of any local agency that has deposited funds in the County Treasury while a member of the County Treasury Oversight Committee.

B. The County Treasurer and Designated Employees:

1. Gifts and Gratuity Limits - The County Treasurer and designated employees may not accept a gift or gifts aggregating more than the Fair Political Practices Commission (FPPC) guidelines in a calendar year from a single source that does business with the County Treasurer's Office.

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2. Honorarium Limits - The County Treasurer and designated employees may not accept any honorarium.
 3. Form 700 "Statement of Economic Interests" - The County Treasurer and designated employees are required to file a Form 700 annually.
36. **REPORTING** - The County Treasurer shall prepare an investment report monthly to be posted on the County Treasurer Tax-Collector's public website.
- A.** The report will be available to the following officials:
1. Board of Supervisors
 2. County Treasury Oversight Committee
 3. Chief Administrative Officer
 4. Auditor & Controller
 5. Pool Participants
- B.** The report will include the following:
1. A summary of Fund statistics
 2. The type of investment, issuer, maturity date, par value, and dollar amount invested for all securities, investments, and monies held by the Fund
 3. A description of any of the Fund's investments or programs that are under management of contracted parties, including the securities lending program
 4. Current market value and the source of the valuation as of the date of the report for all securities held by the Fund
 5. Securities lending portfolio, if applicable
 6. Pool purchases, sales, and maturities
 7. Statement denoting the Fund's ability to meet expenditure requirements for the next six months
 8. Statement of compliance with the Investment Policy

37. COSTS AND EARNINGS APPORTIONMENT

- A.** Prior to quarterly interest apportionment, investment costs incurred by the County Treasurer will be deducted from the interest earnings of the pool and Dedicated Portfolios based on an equitable distribution formula. The costs, which are authorized by Government Code Section 27013, are made up of direct costs (salaries, banking services, computer services, and supplies) and indirect costs (department overhead and external overhead).
- B.** The Pool earnings distributed to each participant are proportionate to the average daily balance of the amounts on deposit by the participant. The County Auditor & Controller conducts the apportionment process based on the net earnings of the Fund each quarter.
- C.** In the event there is a negative balance in a participant's fund at any time, it shall reduce the average daily balance for the fund. If at month-end there is a negative average daily balance in a participant's fund, that fund will be charged the higher of the pool's earning rate for the month or a proxy TRANS cost.
- D.** The apportionment rate is set approximately ten business days after each calendar quarter end. Apportionments are not paid out by warrants; all earnings are credited to the participant's fund balance.

38. TERMS AND CONDITIONS FOR DEPOSITING FUNDS BY VOLUNTARY PARTICIPANTS - California Government Code Section 53684 allows local agencies, upon adoption of a resolution by the governing body of the agency, the option of depositing excess funds in the County Treasury for the purpose of investment by the County Treasurer.

- A.** The County, in its regional role to assist and aid other local agencies, adopted Board Resolution 11 on March 24, 1987, to allow agencies to deposit excess funds with the County Treasurer for investment. The limitation on acceptance of voluntary deposits and this Investment Policy are structured to help to ensure that, pursuant to Section 27133 of the California Government Code, the County Treasurer shall be able to find that all proposed deposits/withdrawals will not adversely affect the interests of the other depositors in the Fund.
- B.** The policy for the acceptance of local agency deposits is:
 - 1. The local agency must sign an Investment Management Agreement.
 - 2. The local agency may be asked to provide cash flows on a quarterly basis indicating projected withdrawals from the Fund.
- C.** Before any deposits for new accounts from Voluntary Participants can be accepted by the County Treasurer, the local agency must perform the following:

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1. Provide a resolution adopted by the Board or governing body that authorizes the local agency to deposit excess funds in the County Treasury for the purpose of investment by the County Treasurer. The resolution must:
 - a. be signed by an authorized official,
 - b. indicate the resolution number and date passed by the Board or governing body,
 - c. indicate the persons authorized to initiate deposits to and instruct withdrawals from the Fund and,
 - d. bear the seal of the local agency, if the local agency has a seal.
2. Provide wire/ACH transfer instructions for withdrawals from the Fund. All withdrawals will be paid by electronic funds transfer.
3. Establish a trust account through the County Auditor & Controller's General Accounting Division.

39. **CRITERIA FOR WITHDRAWAL OF MONIES FROM THE FUND BY VOLUNTARY PARTICIPANTS**

- A. Before a local agency withdraws monies from the Fund, it must submit a withdrawal request a minimum of 2 working days prior to the desired withdrawal date. Although not encouraged, shorter notice may be honored at the discretion of the County Treasurer's Office if the withdrawal does not cause the Fund to fall out of compliance with its maturity policy or jeopardize its ability to meet cash flow requirements.
- B. When monies are requested for withdrawal, the County Treasurer's Office must find that the withdrawal will not adversely affect the interests of all other depositors in the Fund.

40. **GRANDFATHERED AGENCIES**

- A. Grandfathered agencies that use the services of the County to keep their records and/or issue warrants/wires for the agency can continue to function in this manner and will be treated as a mandatory participant (assuming the agency continues to make deposits into the Fund).
- B. These agencies can also opt to be treated as Voluntary Participants and elect to withdraw funds in the same fashion as the other Voluntary Participants. However, any agency so opting shall be subject to all restrictions placed upon the other Voluntary Participants.

GLOSSARY OF TERMS

BID - The price offered by a buyer of securities.

CREDIT RATING - The alphanumeric score which provides an assessment of the credit opinion of one of the Nationally Recognized Statistical Rating Organizations for a particular investment or issuing entity.

DEDICATED PORTFOLIO - Any assets, besides those held in the Fund, invested by the County Treasurer on behalf of any San Diego County agency.

DOLLAR-WEIGHTED AVERAGE MATURITY - The sum of the amount of each security investment multiplied by the number of days to maturity, divided by the total amount of security investments.

DURATION - A measure of the price volatility of a portfolio that reflects an estimate of the projected increase or decrease in the value of a portfolio based upon a decrease or increase in the interest rates. A duration of 1.0 means that for every 1.0 percent increase in interest rates, the market value of a portfolio would decrease by 1.0 percent.

EARNINGS APPORTIONMENT - The quarterly interest distribution to the Pool Participants after the actual investment costs incurred by the County Treasurer are deducted from the interest earnings of the Fund.

EFFECTIVE DURATION OR OPTION-ADJUSTED DURATION - The approximate percentage price change of a bond for a 100 basis point parallel shift in the yield curve, allowing for the cash flow to change as a result of the change in yield.

GRANDFATHERED AGENCIES- Some fire districts and other agencies that use the County's banking and accounting services.

ILLIQUID – Investments for which 1) the secondary market is non-existent or thinly traded, 2) it is not possible to access funds prior to maturity, or 3) One cannot liquidate at the cost of principal.

ISSUER - The entity identified as the counterparty or obligator related to a security trade.

INVESTMENT GROUP - Group consisting of the County Treasurer-Tax Collector, Assistant Treasurer-Tax Collector, Chief Deputy Treasurer, Chief Investment Officer, and Investment Officers.

INVESTMENT MANAGEMENT AGREEMENT - An agreement between a voluntary participant and the San Diego County Treasurer-Tax Collector. The agreement addresses the terms and conditions of local agencies' deposits of funds for investment into the Fund.

LIQUID – Term for securities that can be converted to cash quickly.

MODERATELY LIQUID - Securities that can be converted to cash quickly with the potential for minimum loss of principal.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO) - A credit rating agency that issues credit ratings that the U.S. Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes.

OFFER - The price at which a holder of a security would be willing to sell the security.

PORTFOLIO VALUE - The total book value of all the securities held in the Fund.

PRUDENT RISK - An investment system in which the investor will invest conservatively to receive a stable income with little risk.

SAFEKEEPING - A custodian bank's action to store and protect an investor's securities by segregating and identifying the securities.

SELECTED DEPOSITORY INSTITUTION - A nationally or state chartered commercial bank, savings bank, savings and loan association, or credit union in the state of California.

SHORT-TERM - The term used to describe a security when the maturity is one year or less.

VOLUNTARY PARTICIPANTS - Local agencies that are not required to deposit their funds with the County Treasurer.

WHEN-ISSUED SECURITIES - A security traded before it receives final trading authorization, with the investor receiving the certificate/security only after the final approval is granted.

APPENDIX B - POLICY GUIDELINES

Investment Type	Maximum Maturity	Maximum % of Portfolio	Maximum % With One Issuer	Minimum Rating
US Treasury Obligations	5 years	No Limit	No Limit	No Limit
Agency Obligations	5 years	No Limit	35%	No Limit
Local Agency Obligations	5 years	30%	10%	A
Banker’s Acceptances	180 days	40%	5%	A-1
Commercial Paper (1)	397 days	40%	10% (2)	A-1
Medium Term Notes	5 years	30%	10% (2)	A
Negotiable Certificate of Deposits	5 years	30%	10% (2)	A-1/A
Repurchase Agreements	1 year	40%	Note (3)	No Limit
Reverse Repurchase Agreements	92 days	20%	10%	No Limit
Collateralized Certificates of Deposit	13 months	5%	5%	No Limit
FDIC & NCUA Insured Deposit Accounts	13 months	5%	5%	No Limit
Money Market Funds	N/A	20%	10%	AAAm
Local Government Investment Pools (LGIPs)	N/A	5%	5%	AAAm
Local Agency Investment Fund (LAIF)	N/A	5%	N/A	N/A
Pass-Through Securities	5 years	20%	10%	AA
Supranationals	5 years	30%	10%	AA

(1) Government Code Section 53635(a) (1-2) specifies percentage limitations for this security type for county investment pools.

(2) 10% issuer limit includes CP, MTN, and NCD exposure combined, if applicable.

(3) Maximum exposure per issue – The maximum exposure to a single Repurchase Agreement (RP) issue shall be 10% of the portfolio value for RPs with maturities greater than 5 days and 15% of the portfolio for RPs maturing in 5 days or less. The maximum exposure to a single broker/dealer of RPs shall be 10% of the portfolio value for maturities greater than 5 days and 15% of the portfolio value for maturities of 5 days or less.

APPENDIX C – STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODES

CATEGORIES	
<div style="display: flex; align-items: center; justify-content: space-between;"> GENERAL SPECIFIC </div>	
3-DIGITS	4-DIGITS
131 - Crude Petroleum and Natural Gas >	1311 - Crude Petroleum and Natural Gas >
132 - Natural Gas Liquids >	1321 - Natural Gas Liquids >
138 - Oil and Gas Field Services >	1381 - Drilling Oil and Gas Wells >
	1382 - Oil and Gas Field Exploration Services >
	1389 - Oil and Gas Field Services, Not Elsewhere Classified >
122 - Bituminous Coal and Lignite Mining >	1221 - Bituminous Coal and Lignite Surface Mining >
	1222 - Bituminous Coal Underground Mining >
123 - Anthracite Mining >	1231 - Anthracite Mining >
124 - Coal Mining Services >	1241 - Coal Mining Services >
291 - Petroleum Refining >	2911 - Petroleum Refining >
295 - Asphalt Paving and Roofing Materials >	2951 - Asphalt Paving Mixtures and Blocks >
	2952 - Asphalt Felts and Coatings >
299 - Miscellaneous Products of Petroleum and Coal >	2992 - Lubricating Oils and Greases >
	2999 - Products of Petroleum and Coal, Not Elsewhere Classified >
492 - Gas Production and Distribution >	4922 - Natural Gas Transmission >
	4923 - Natural Gas Transmission and Distribution >
	4924 - Natural Gas Distribution >
	4925 - Mixed, Manufactured, or Liquefied Petroleum Gas Production and/or Distribution >



COUNTY OF SAN DIEGO INVESTMENT POOL
TREASURY INVESTMENT RESULTS

May
2026

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Note: The Information provided, including all charts, tables, graphs and numerical representations, are provided to readers solely as a general overview of the economic and market conditions which the Treasurer utilizes in making investment decisions.

SUMMARY PORTFOLIO STATISTICS

County of San Diego Pooled Money Fund

As of May 31, 2026

Investment Type	Par Value	Book Value	Market Value	% of Portfolio	Market Price	Days To Maturity	YTM	Accrued Interest	Unrealized Gain/Loss
ABS	394,013,530	393,980,067	396,152,863	2.29%	100.54	931	5.01%	807,901	2,172,797
Agency	2,334,310,000	2,334,034,404	2,327,554,120	13.43%	99.71	584	3.48%	16,945,804	(6,480,284)
Bank Deposit	65,629,196	65,629,196	65,629,196	0.38%	100.00	0	2.65%	-	-
Commercial Paper	3,242,000,000	3,209,211,996	3,208,550,697	18.51%	98.97	95	3.92%	-	(661,299)
Corporate	125,000,000	124,545,479	124,486,364	0.72%	99.59	664	4.28%	710,208	(59,115)
Local Gov Investment Pool	385,516,533	385,516,533	385,516,533	2.22%	100.00	0	3.77%	-	-
Money Market Fund FI	322,000,000	322,000,000	322,000,000	1.86%	100.00	0	3.55%	-	-
Municipal Bonds	401,245,000	403,736,333	404,764,011	2.34%	100.88	719	4.33%	4,594,423	1,027,679
Negotiable CD	4,118,000,000	4,118,000,000	4,118,236,998	23.76%	100.01	99	3.90%	49,306,372	236,998
Supranationals	2,122,080,000	2,111,199,695	2,111,809,439	12.18%	99.52	938	4.35%	23,143,997	609,745
US Treasury	3,775,000,000	3,775,329,787	3,762,471,390	21.71%	99.67	872	3.80%	44,279,739	(12,858,397)
Trade Payables/Receivables	105,079,225	105,079,225	105,079,225	0.61%	0.00	0	0.00%	-	-
Total for May 2026	17,389,873,485	17,348,262,715	17,332,250,838	100%	99.67	467	3.91%	139,788,445	(16,011,877)
Total for April 2026	18,148,298,147	18,093,765,062	18,095,634,088	100%	99.71	456	3.88%	125,744,395	1,869,025
Change from Prior Month	(758,424,662)	(745,502,347)	(763,383,250)		(0.04)	11	0.03%	14,044,050	(17,880,903)

Portfolio Effective Duration 1.06

Return Information	Monthly Return	Annualized	Fiscal Year To Date Return	Annualized	Calendar YTD Return	Annualized
Book Value	0.33%	3.91%	3.53%	3.85%	1.60%	3.90%

Notes

Yield to maturity (YTM) is the estimated rate of return on a bond given its purchase price, assuming all coupon payments are made on a timely basis and reinvested at this same rate of return to the maturity date. Weighted Days to Maturity is average time it takes for securities in a portfolio to mature, weighted in proportion to the dollar amount that is invested in the portfolio. Yields for the portfolio are aggregated based on the book value of each security.

All Investments held during the month of May 2026 were in compliance with the Investment Policy dated January 1, 2026. The County Treasurer believes the Treasury Investment Pool contains sufficient cash flow from liquid and maturing securities, bank deposits, and incoming cash to meet the next six months of expected expenditures. Bank Deposit may include restricted funds held in trust at US Bank for school district debt service payments.

Sustainalytics, a Morningstar Company, provides high-quality, analytical environmental, social and governance (ESG) research, ratings and data to institutional investors and companies. Using Sustainalytics scoring, which is available on Bloomberg, the Pool had a weighted average MTN/CP/CD score of 16.86 as of 05/31/26, placing it in the "Low Risk" category. Sustainalytics' ratings categories are: negligible (0-9.99), low (10-19.99), medium (20-29.99), high (30-39.99) and severe (40+).

PARTICIPANT CASH BALANCES

County of San Diego Pooled Money Fund

As of May 31, 2026

(\$000)

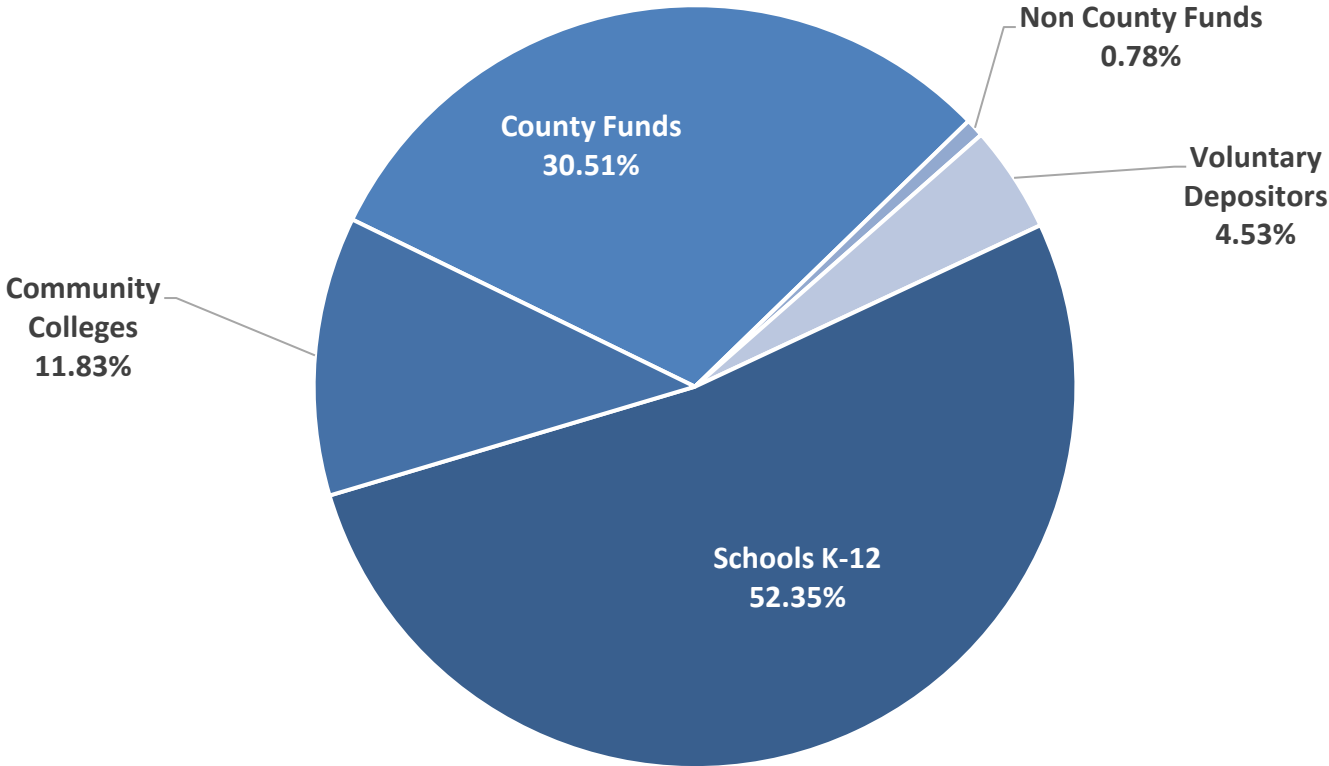
PARTICIPANT	FMV 03/31/26	FMV 04/30/26	FMV 05/31/26	% of Total	PARTICIPANT	FMV 03/31/26	FMV 04/30/26	FMV 05/31/26	% of Total
COUNTY	2,420,808	2,189,920	2,025,584	11.69%	Lakeside FPD	798	3,227	1,778	0.01%
COUNTY - SPECIAL TRUST FUNDS	2,594,745	3,476,638	3,263,070	18.83%	Leucadia Wastewater District ¹	0	0	0	0.00%
NON-COUNTY INVESTMENT FUNDS	136,326	135,197	134,380	0.78%	Lower Sweetwater FPD	633	819	753	0.00%
SCHOOLS - (K THRU 12)	8,455,888	9,425,821	9,073,529	52.35%	Metropolitan Transit System	323,019	310,996	301,710	1.74%
COMMUNITY COLLEGES					Mission Resource Conservation District	69	53	37	0.00%
Grossmont-Cuyamaca	205,374	278,380	267,783	1.54%	North County Transit District	40,591	40,762	40,860	0.24%
MiraCosta	154,032	196,350	203,781	1.18%	North County Cemetery District	11,890	11,890	12,196	0.07%
Palomar	219,800	250,424	234,112	1.35%	North County Dispatch	8,642	8,456	8,988	0.05%
San Diego	1,004,853	1,101,207	1,080,372	6.24%	North County FPD	3,386	4,823	3,775	0.02%
Southwestern	254,654	273,599	264,396	1.53%	Otay Water District	15,936	15,937	15,967	0.09%
Total Community Colleges	1,838,713	2,099,960	2,050,443	11.83%	Palomar Health ¹	0	0	0	0.00%
FIRST 5 COMMISSION	15,626	19,206	19,882	0.11%	Pomerado Cemetery District	2,791	2,998	2,998	0.02%
SDCERA	9,208	1,182	9,238	0.05%	Public Agencies Self-Insurance System ¹	0	0	0	0.00%
CITIES					Ramona Cemetery District	1,827	1,857	1,847	0.01%
Chula Vista	5,943	5,968	5,983	0.03%	Rancho Santa Fe FPD	10,400	15,413	14,613	0.08%
Coronado	16,447	26,515	26,542	0.15%	Resource Conservation District of Greater SD ¹	0	0	0	0.00%
Del Mar	117	118	118	0.00%	Rincon del Diablo Municipal Water District	2,158	2,165	2,169	0.01%
Encinitas	1,389	1,395	1,398	0.01%	SANDAG	11,115	11,167	11,197	0.06%
National City	41,430	41,604	41,704	0.24%	SD County Regional Airport Authority	68,358	70,370	72,149	0.42%
Oceanside ¹	0	0	0	0.00%	San Diego Housing Commission	8,899	8,937	8,958	0.05%
Solana Beach ¹	0	0	0	0.00%	San Diego Geographic Information Source	1,153	973	882	0.01%
Vista	95	1	1	0.00%	San Diego Law Library	9,688	9,804	9,934	0.06%
INDEPENDENT AGENCIES					San Diego Local Agency Formation Comm	1,926	1,788	1,553	0.01%
Air Pollution Control District	101,368	120,166	120,453	0.69%	San Diego Regional Training Center	1,638	1,414	1,553	0.01%
Alpine FPD	678	459	621	0.00%	San Dieguito River Park	1,489	1,636	1,562	0.01%
Bonita-Sunnyside FPD	2,765	4,452	3,753	0.02%	San Marcos FPD	1	1	1	0.00%
Borrego Springs FPD	15	15	15	0.00%	San Miguel Consolidated FPD	12,819	21,286	16,681	0.10%
Canebrake County Water District ¹	0	0	0	0.00%	Santa Fe Irrigation District	111	112	112	0.00%
Deer Springs FPD	11,338	13,900	14,129	0.08%	Upper San Luis Rey Resource Conserv Dist	39	40	40	0.00%
Grossmont Healthcare District	2	2	2	0.00%	Vallecitos Water District	1,052	1,056	1,059	0.01%
Julian-Cuyamaca FPD ¹	0	0	0	0.00%	Valley Center FPD	2,517	4,056	3,674	0.02%
Lake Cuyamaca Rec & Park District	23	23	23	0.00%	Valley Center Cemetery District	587	608	611	0.00%
					Valley Center Water District	2,803	2,815	2,821	0.02%
					Vista FPD	575	2,134	903	0.01%
					Whispering Palms Community Services District ¹	0	0	0	0.00%
					Total Voluntary Participants	753,354	792,596	785,245	4.53%
					Pooled Money Fund Total ²	\$ 16,199,833	\$ 18,120,132	\$ 17,332,251	100.00%

1. For these Pool participants, ending balances are less than \$500. Due to rounding, the FMV may display as zero, even though a balance exists.

2. Excludes any restricted funds held in trust at U.S. Bank for school district debt service payments.

INVESTMENT FUND PARTICIPANTS

County of San Diego Pooled Money Fund
As of May 31, 2026

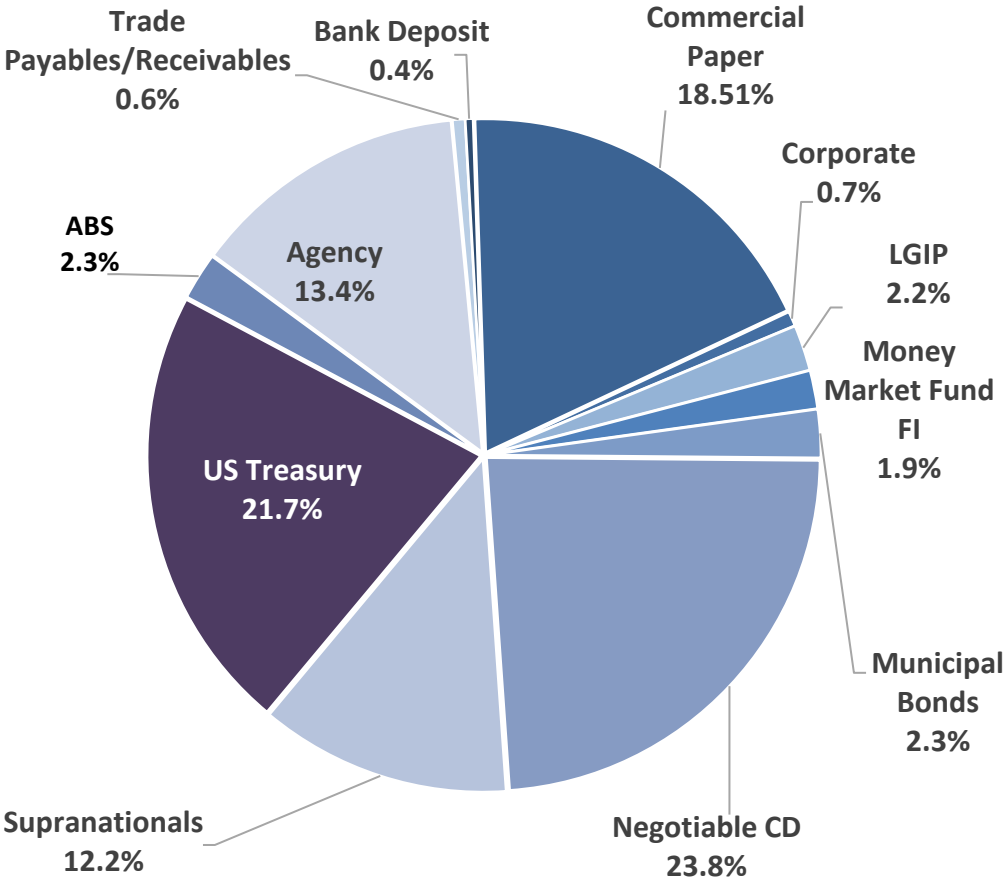


*Totals may not add to 100% due to rounding

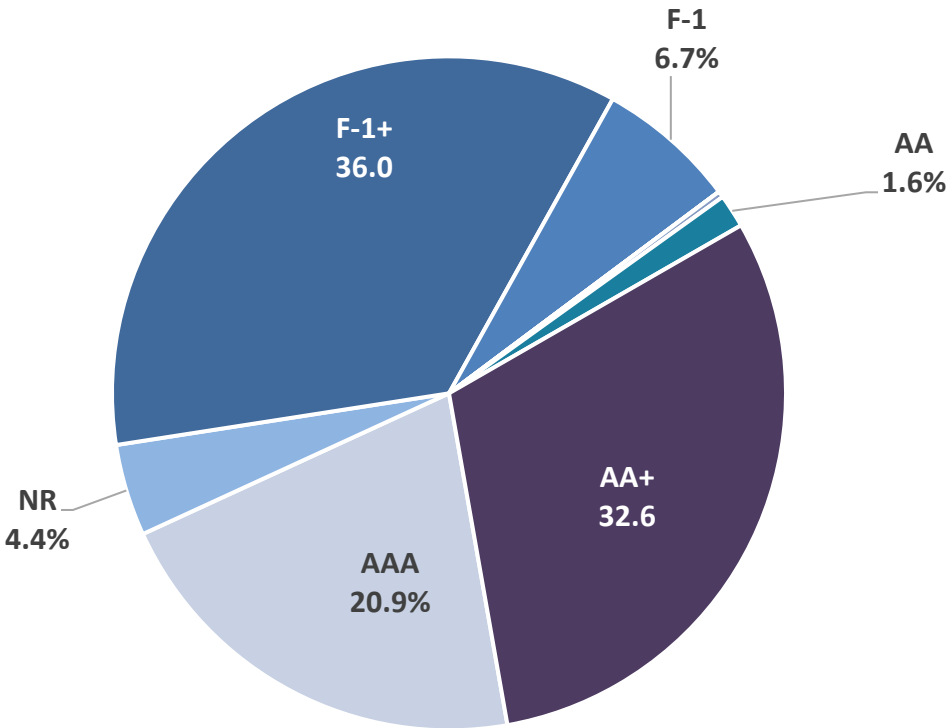
INVESTMENT FUND OVERVIEW

County of San Diego Pooled Money Fund As of May 31, 2026

ASSET ALLOCATION



CREDIT QUALITY**



Note: Totals in both charts may not add to 100% due to rounding.

**If a security is not rated by Fitch, the report uses the lowest rating provided by either Moody's or Standard and Poor's using the Fitch scale.



APPENDIX



INVESTMENT POLICY COMPLIANCE REPORT

County of San Diego Pooled Money Fund As of May 31, 2026

Category	Standard	Comment
U.S. Treasury Issues	No limitations; Issued at the Federal level; Obligations are bills, notes, and bonds issued by the Treasury and are direct obligations of the Federal Government	<i>Complies</i>
Federal Agencies	35% max per Agency issuer; Issued at the Federal level; Agency obligations are notes and bonds of the federal agencies and government sponsored enterprise, including: FNMA, FHLB, FFCB, FHLMC, GNMA, TVA	<i>Complies</i>
Supranational Obligations	30% max; 10% max per issuer; "AA" rated or higher by at least one NRSRO; USD denominated senior unsecured unsubordinated obligations; Issued or unconditionally guaranteed by IBRD, IFC, or IADB	<i>Complies</i>
Municipal Securities (Local Agency & State Obligations)	30% max; 10% max per issuer; Minimum Credit Requirements: a) For securities with maturities 13 months or less, the rating must be in the highest short-term rating category by at least one NRSRO; b) For securities with maturities greater than 13 months, the rating must be "A" or higher by at least one NRSRO	<i>Complies</i>
Corporate Medium Term Notes	30% max; 10% max per issuer (inclusive of any other non-MTN investments with said issuer); Minimum Credit Requirements: a) For securities with maturities 13 months or less, the rating must be in the highest short-term rating category by at least one NRSRO; b) For securities with maturities greater than 13 months, the ratings must be "A" or higher by at least one NRSRO	<i>Complies</i>
Pass-Through Securities	20% max; 10% max per issuer; "AA" rated or higher by at least one NRSRO; Limited to equipment lease-backed certificates, consumer receivable pass-through certificates, or consumer receivable-backed bonds	<i>Complies</i>
Negotiable Certificates of Deposit (NCD)	30% max; 10% max per issuer (inclusive of any other non-NCD investments with said issuer); Minimum Credit Requirements: a) For securities with maturities 13 months or less, the rating must be in the highest short-term rating category by at least one NRSRO; b) For securities with maturities greater than 13 months, the ratings must be "A" or higher by at least one NRSRO; 5 years max maturity of an NCD Security; 13 months max maturity of any FDIC insured CDs	<i>Complies</i>
FDIC & NCUA Insured Deposits	5% max; 5 max per issuer; 13 months max maturity; There is no minimum credit requirement of FDIC or NCUA insured deposit accounts whether directly placed or placed through a private sector entity; The full amount of deposit and the interest that may accrue on each deposit shall at all times be insured by the FDIC or NCUA	<i>Complies</i>
Collateralized Certificates of Deposit	5% max; 5 max per issuer; 13 months max maturity; Deposit may not exceed the total of the paid-in capital and surplus of a depository; The depository must maintain securities with a market value of at least 10% in excess of the total amount of the Fund's deposits; The County Treasurer may waive the first \$250,000 of collateral for each depository, so long as the amount is insured by an agency of the Federal Government; Institutions at or above the highest short-term rating category by at least one NRSRO may pledge mortgage-based collateral for County deposits	<i>Complies</i>
Banker's Acceptances	40% max; 5% max per issuer; 180 days max maturity; Highest short-term rating category by at least one NRSRO	<i>Complies</i>
Commercial Paper	40% max; 10% max per issuer (inclusive of any other non-CP investments with said issuer); 270 days max maturity; Highest short-term rating category by at least one NRSRO	<i>Complies</i>
Money Market Mutual Funds	20% max; 10% max per fund; Highest rating category by at least two NRSROs; or Retained an investment adviser registered or exempt from SEC registration with > 5 years experience managing money market mutual funds with AUM >\$500 million; The purchase price of the mutual fund shall not include any commission	<i>Complies</i>
Local Government Investment Pool (LGIP)	5% max; Highest rating category by at least one NRSRO; Investments consist of (i) shares of beneficial interest issued by a joint powers authority (JPA) or (ii) the Local Agency investment Fund (LAIF); Invest in LGIPs that comply with California Government Code and all relevant sections of the Investment Policy and are managed to maintain a stable NAV.	<i>Complies</i>
Repurchase Agreements	40% max; 10% max exposure per broker-dealer when the dollar-weighted average maturity is >5 days or 15% of the fund when the dollar-weighted average maturity is 5 days or less; 1 year max maturity; Collateral eligible for repurchase agreements maturing from 7 days to 1 year shall be Treasury and Agency Obligations	<i>Complies</i>
Reverse Repurchase Agreements	20% max; 10% max per broker/dealer; 92 days max maturity if a securities lending loan, unless the agreement includes a written guarantee of a minimum earning or spread for the entire period of the RFP	<i>Complies</i>
Securities Lending	20% max exposed to securities lending and/or Reverse Repurchase Agreements; 10% max per loan with a single counterparty at any one time; 92 days max maturity; Loans must be secured by cash collateral or securities and maintained at a value of at least equal to 102% of the market value of the securities loan	<i>Complies</i>
Covered Call Option/Put Option	10% max; 90 days max maturity	<i>Complies</i>
Prohibited	Inverse floaters; Ranges notes, Interest-only strips from pool of mortgages; Any security that could result in zero interest accrual	<i>Complies</i>
Credit Rating Policy	For securities with maturities 13 months or less, the rating must be in the highest short-term rating category by at least one NRSRO; For securities with maturities greater than 13 months, the ratings must be "A" or higher by at least one NRSRO	<i>Complies</i>
Duration	2 years maximum effective duration	<i>Complies</i>
Maturity	5 years maximum maturity with shorter limitations specified for certain types of securities; At least 35% of the Fund maturing within 1 year; At least 15% of the Fund maturing within 90 days	<i>Complies</i>

*Complied at time of purchase

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

As of May 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
ABS									
345295AD1	FORDO 2022-D A3 5.27 05/17/2027	190,854.66	11/22/2022 5.33%	190,827.65 190,848.99	100.06 3.66%	190,975.66 447.02	0.00% 126.67	Aaa/NA AAA	0.96 0.04
65480JAC4	NAROT 2022-B A3 4.46 05/17/2027	670,963.55	09/28/2022 4.51%	670,824.73 670,935.62	100.02 3.93%	671,109.82 1,330.00	0.00% 174.20	Aaa/AAA NA	0.96 0.04
47800BAC2	JDOT 2022-C A3 5.09 06/15/2027	659,393.23	10/19/2022 5.15%	659,342.06 659,382.03	100.05 3.80%	659,729.52 1,491.69	0.00% 347.49	Aaa/NA AAA	1.04 0.04
89239HAD0	TAOT 2022-D A3 5.3 09/15/2027	6,665,756.66	11/01/2022 5.36%	6,665,098.75 6,665,585.13	100.24 3.92%	6,681,974.44 15,701.56	0.04% 16,389.31	Aaa/NA AAA	1.29 0.17
437927AC0	HAROT 2023-2 A3 4.93 11/15/2027	3,274,511.44	05/23/2023 3.45%	3,273,980.97 3,274,338.30	100.23 4.04%	3,282,131.23 7,174.82	0.02% 7,792.92	Aaa/AAA NA	1.46 0.24
362583AD8	GMCAR 2023-2 A3 4.47 02/16/2028	2,652,247.19	04/04/2023 4.51%	2,652,174.25 2,652,221.45	100.10 4.03%	2,654,839.76 4,939.81	0.02% 2,618.31	Aaa/AAA NA	1.71 0.20
43815QAC1	HAROT 2023-3 A3 5.41 02/18/2028	5,527,555.58	08/15/2023 5.48%	5,526,415.80 5,527,120.09	100.47 3.97%	5,553,374.79 10,798.69	0.03% 26,254.70	NA/AAA AAA	1.72 0.30
477920AC6	JDOT 2023-B A3 5.18 03/15/2028	3,129,310.43	06/21/2023 5.51%	3,128,788.46 3,129,112.49	100.47 3.69%	3,143,883.63 7,204.37	0.02% 14,771.13	Aaa/NA AAA	1.79 0.29
44933XAD9	HART 2023-B A3 5.48 04/17/2028	2,008,205.51	07/11/2023 5.77%	2,008,118.35 2,008,171.03	100.43 4.04%	2,016,783.56 4,891.10	0.01% 8,612.53	NA/AAA AAA	1.88 0.28
90291VAC4	USAOT 2023-A A3 5.58 05/15/2028	4,893,830.21	09/07/2023 5.58%	4,892,973.79 4,893,471.36	100.41 3.62%	4,913,973.22 12,136.70	0.03% 20,501.86	Aaa/AAA NA	1.96 0.20
438123AC5	HAROT 2023-4 A3 5.67 06/21/2028	2,508,184.62	11/01/2023 5.74%	2,507,742.92 2,507,987.99	100.75 4.15%	2,527,106.36 3,950.39	0.01% 19,118.37	Aaa/NA AAA	2.06 0.45
437918AC9	HAROT 2024-1 A3 5.21 08/15/2028	17,611,119.64	02/13/2024 5.27%	17,610,353.55 17,610,742.44	100.60 4.07%	17,717,103.35 40,779.53	0.10% 106,360.91	Aaa/AAA NA	2.21 0.50
379930AD2	GMCAR 2023-4 A3 5.78 08/16/2028	5,598,532.16	10/03/2023 5.86%	5,597,382.22 5,598,008.16	100.73 4.18%	5,639,227.89 13,483.13	0.03% 41,219.73	Aaa/AAA NA	2.21 0.43
44918CAD4	HART 2023-C A3 5.54 10/16/2028	3,534,314.10	11/03/2023 5.61%	3,533,849.34 3,534,089.86	100.67 4.11%	3,557,919.79 8,702.27	0.02% 23,829.92	NA/AAA AAA	2.38 0.45
89238DAD0	TAOT 2024-A A3 4.83 10/16/2028	13,794,285.72	01/23/2024 4.89%	13,791,525.48 13,792,893.57	100.42 4.05%	13,852,304.48 29,611.73	0.08% 59,410.91	Aaa/AAA NA	2.38 0.51
47800RAD5	JDOT 2024 A3 4.96 11/15/2028	5,104,546.04	03/11/2024 5.12%	5,104,260.18 5,104,395.22	100.54 3.96%	5,132,243.30 11,252.69	0.03% 27,848.09	Aaa/NA AAA	2.46 0.52

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of May 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
437930AC4	HAROT 2024-2 A3 5.27 11/20/2028	26,932,176.99	05/14/2024 5.27%	26,928,904.73 26,930,379.64	100.71 4.05%	27,123,637.84 51,253.43	0.16% 193,258.20	NA/AAA AAA	2.47 0.56
47787DAB7	JDOT 2026 A2A 3.85 12/15/2028	5,000,000.00	03/10/2026 3.88%	4,999,837.00 4,999,849.19	99.79 4.21%	4,989,425.00 8,555.56	0.03% (10,424.19)	Aaa/NA AAA	2.54 0.65
36268GAD7	GMCAR 2024-1 A3 4.85 12/18/2028	3,284,713.38	01/09/2024 4.91%	3,284,052.83 3,284,371.16	100.36 4.16%	3,296,498.93 6,637.86	0.02% 12,127.78	Aaa/NA AAA	2.55 0.48
89237NAD9	TAOT 2024-B A3 5.33 01/16/2029	24,487,964.47	04/23/2024 5.33%	24,484,472.49 24,486,017.72	100.81 4.06%	24,686,892.45 58,009.27	0.14% 200,874.73	Aaa/AAA NA	2.63 0.61
161571HV9	CHAIT 241 A 4.6 01/16/2029	43,000,000.00	01/24/2024 4.61%	42,993,451.10 42,996,530.38	100.39 4.00%	43,167,738.70 87,911.11	0.25% 171,208.32	NA/AAA PIF	2.63 0.60
448973AD9	HART 2024-A A3 4.99 02/15/2029	7,306,003.34	03/11/2024 5.05%	7,304,392.37 7,305,113.85	100.51 4.04%	7,343,212.82 16,203.09	0.04% 38,098.97	NA/AAA AAA	2.71 0.51
096919AD7	BMWOT 2024-A A3 5.18 02/26/2029	11,978,631.14	06/04/2024 5.18%	11,976,811.57 11,977,572.80	100.64 4.07%	12,054,743.36 10,341.55	0.07% 77,170.56	Aaa/AAA NA	2.74 0.55
47786WAD2	JDOT 2024-B A3 5.2 03/15/2029	21,109,274.01	06/11/2024 5.81%	21,105,147.14 21,106,847.00	100.84 3.97%	21,286,444.14 48,785.88	0.12% 179,597.14	Aaa/NA AAA	2.79 0.65
44934QAD3	HART 2024-B A3 4.84 03/15/2029	16,841,885.52	07/16/2024 5.45%	16,839,344.08 16,840,359.16	100.51 4.10%	16,928,313.03 36,228.77	0.10% 87,953.87	NA/AAA AAA	2.79 0.65
379931AD0	GMCAR 2024-2 A3 5.1 03/16/2029	9,679,796.70	04/04/2024 5.10%	9,677,923.66 9,678,736.94	100.55 4.08%	9,733,016.22 20,569.57	0.06% 54,279.28	Aaa/AAA AAA	2.79 0.51
43813YAC6	HAROT 2024-3 A3 4.57 03/21/2029	20,029,617.44	08/09/2024 4.66%	20,026,471.00 20,027,691.59	100.30 4.17%	20,089,005.25 25,426.49	0.12% 61,313.67	Aaa/NA AAA	2.80 0.66
02582JKH2	AMXCA 2024-1 A 5.23 04/16/2029	45,000,000.00	04/16/2024 5.30%	44,990,775.00 44,994,674.96	101.06 4.03%	45,476,550.00 104,600.00	0.26% 481,875.04	NA/AAA AAA	2.88 0.84
38013KAD2	GMCAR 2024-3 A3 5.13 04/16/2029	15,039,856.68	07/02/2024 5.13%	15,037,542.05 15,038,460.72	100.62 4.08%	15,133,570.03 32,147.69	0.09% 95,109.31	Aaa/AAA NA	2.88 0.56
448976AD2	HART 2024-C A3 4.41 05/15/2029	16,000,000.00	10/08/2024 4.46%	15,998,828.80 15,999,244.18	100.32 4.03%	16,051,744.00 31,360.00	0.09% 52,499.82	NA/AAA AAA	2.96 0.76
477911AD3	JDOT 2024-C A3 4.06 06/15/2029	32,000,000.00	09/10/2024 4.10%	31,992,556.80 31,995,229.82	99.92 4.21%	31,975,744.00 57,742.22	0.18% (19,485.82)	Aaa/NA AAA	3.04 0.67
02589BAE0	AMXCA 2024-3 A 4.65 07/15/2027	18,500,000.00	07/16/2024 4.70%	18,499,160.10 18,499,683.98	100.66 4.08%	18,621,646.75 38,233.33	0.11% 121,962.77	NA/AAA AAA	1.12 1.07
Total ABS		394,013,530.39	5.01%	393,953,329.23 393,980,066.83	100.54 4.05%	396,152,863.33 807,901.31	2.29% 2,172,796.50		2.55 0.62

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of May 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
AGENCY									
313385YD2	FEDERAL HOME LOAN BANKS 06/16/2026	50,000,000.00	04/08/2026 3.88%	49,655,000.00 49,925,000.00	99.82 4.42%	49,909,250.00 0.00	0.29% (15,750.00)	P-1/A-1+ F1+	0.04 0.04
3130AMSA1	FEDERAL HOME LOAN BANKS 0.915 06/24/2026	25,000,000.00	06/24/2021 0.91%	25,000,000.00 25,000,000.00	99.80 3.99%	24,950,725.00 99,760.42	0.14% (49,275.00)	Aa1/AA+ AA+	0.07 0.06
3130AMU75	FEDERAL HOME LOAN BANKS 1.0 06/26/2026	50,000,000.00	06/30/2021 1.00%	50,000,000.00 50,000,000.00	99.81 3.68%	49,906,600.00 215,277.78	0.29% (93,400.00)	Aa1/AA+ AA+	0.07 0.07
313385YT7	FEDERAL HOME LOAN BANKS 06/30/2026	100,000,000.00	-- 3.63%	99,175,569.44 99,710,201.39	99.68 4.07%	99,677,300.00 0.00	0.58% (32,901.39)	P-1/A-1+ F1+	0.08 0.08
3130AMYJ5	FEDERAL HOME LOAN BANKS 1.0 06/30/2026	25,000,000.00	06/30/2021 1.00%	25,000,000.00 25,000,000.00	99.78 3.74%	24,944,675.00 104,861.11	0.14% (55,325.00)	Aa1/AA+ AA+	0.08 0.08
313385YZ3	FEDERAL HOME LOAN BANKS 07/06/2026	50,000,000.00	04/08/2026 3.63%	49,555,618.06 49,825,243.06	99.62 3.98%	49,809,750.00 0.00	0.29% (15,493.06)	P-1/A-1+ F1+	0.10 0.10
313385ZH2	FEDERAL HOME LOAN BANKS 07/14/2026	50,000,000.00	04/08/2026 3.63%	49,515,673.61 49,785,298.61	99.54 3.93%	49,769,700.00 0.00	0.29% (15,598.61)	P-1/A-1+ F1+	0.12 0.12
313385ZP4	FEDERAL HOME LOAN BANKS 07/20/2026	50,000,000.00	04/08/2026 3.63%	49,485,715.28 49,755,340.28	99.48 3.90%	49,739,650.00 0.00	0.29% (15,690.28)	P-1/A-1+ F1+	0.14 0.13
3130AN4U1	FEDERAL HOME LOAN BANKS 1.0 07/22/2026	25,000,000.00	07/22/2021 1.00%	25,000,000.00 25,000,000.00	99.61 3.74%	24,903,150.00 89,583.33	0.14% (96,850.00)	Aa1/AA+ AA+	0.14 0.14
3130ANCM0	FEDERAL HOME LOAN BANKS 0.95 07/29/2026	25,000,000.00	07/14/2021 0.95%	25,000,000.00 25,000,000.00	99.56 3.68%	24,890,200.00 80,486.11	0.14% (109,800.00)	Aa1/AA+ AA+	0.16 0.16
313385A22	FEDERAL HOME LOAN BANKS 07/31/2026	100,000,000.00	04/08/2026 3.64%	98,861,583.32 99,400,833.33	99.37 3.86%	99,369,100.00 0.00	0.57% (31,733.33)	P-1/A-1+ F1+	0.17 0.16
313385B62	FEDERAL HOME LOAN BANKS 08/12/2026	50,000,000.00	04/09/2026 3.64%	49,375,868.06 49,640,500.00	99.25 3.84%	49,623,950.00 0.00	0.29% (16,550.00)	P-1/A-1+ F1+	0.20 0.20
3130ANLZ1	FEDERAL HOME LOAN BANKS 0.9 08/26/2026	25,000,000.00	08/26/2021 0.90%	25,000,000.00 25,000,000.00	99.33 3.77%	24,831,425.00 59,375.00	0.14% (168,575.00)	Aa1/AA+ AA+	0.24 0.23
3130ANV64	FEDERAL HOME LOAN BANKS 0.96 09/16/2026	25,000,000.00	09/16/2021 0.96%	25,000,000.00 25,000,000.00	99.15 3.88%	24,788,600.00 50,000.00	0.14% (211,400.00)	Aa1/AA+ AA+	0.30 0.29
3133EM6E7	FEDERAL FARM CREDIT BANKS FUNDING CORP 0.94 09/28/2026	50,000,000.00	09/28/2021 0.94%	50,000,000.00 50,000,000.00	99.09 3.78%	49,543,150.00 82,250.00	0.29% (456,850.00)	Aa1/AA+ AA+	0.33 0.32
3130APM28	FEDERAL HOME LOAN BANKS 1.32 10/28/2026	25,000,000.00	10/28/2021 1.32%	25,000,000.00 25,000,000.00	98.96 3.91%	24,739,775.00 30,250.00	0.14% (260,225.00)	Aa1/AA+ AA+	0.41 0.40

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of May 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
3133ENCQ1	FEDERAL FARM CREDIT BANKS FUNDING CORP 1.27 11/02/2026	25,000,000.00	11/02/2021 1.27%	25,000,000.00 25,000,000.00	98.93 3.85%	24,733,400.00 25,576.39	0.14% (266,600.00)	Aa1/AA+ AA+	0.42 0.41
3130APN92	FEDERAL HOME LOAN BANKS 1.34 11/09/2026	25,000,000.00	11/09/2021 1.34%	25,000,000.00 25,000,000.00	98.88 3.93%	24,720,550.00 20,472.22	0.14% (279,450.00)	Aa1/AA+ AA+	0.44 0.43
3133ENEM8	FEDERAL FARM CREDIT BANKS FUNDING CORP 1.43 11/23/2026	25,000,000.00	11/23/2021 1.43%	25,000,000.00 25,000,000.00	98.86 3.86%	24,714,850.00 7,944.44	0.14% (285,150.00)	Aa1/AA+ AA+	0.48 0.47
3133ENHA1	FEDERAL FARM CREDIT BANKS FUNDING CORP 1.5 12/14/2026	25,000,000.00	12/14/2021 1.50%	25,000,000.00 25,000,000.00	98.77 3.83%	24,693,100.00 173,958.33	0.14% (306,900.00)	Aa1/AA+ AA+	0.54 0.52
3130AQUT8	FEDERAL HOME LOAN BANKS 2.01 02/17/2027	39,580,000.00	12/28/2023 4.23%	37,023,923.60 38,997,856.95	98.70 3.87%	39,066,251.60 229,827.87	0.23% 68,394.65	Aa1/AA+ AA+	0.72 0.69
3130AL5A8	FEDERAL HOME LOAN BANKS 0.9 02/26/2027	25,000,000.00	06/24/2022 3.38%	22,312,675.00 24,575,188.67	97.86 3.87%	24,465,650.00 59,375.00	0.14% (109,538.67)	Aa1/AA+ AA+	0.74 0.72
3133ENQD5	FEDERAL FARM CREDIT BANKS FUNDING CORP 2.17 03/01/2027	25,000,000.00	03/01/2022 2.17%	25,000,000.00 25,000,000.00	98.73 3.90%	24,682,625.00 135,625.00	0.14% (317,375.00)	Aa1/AA+ AA+	0.75 0.73
3130ARGC9	FEDERAL HOME LOAN BANKS 2.55 03/25/2027	25,000,000.00	03/25/2022 2.55%	25,000,000.00 25,000,000.00	98.94 3.87%	24,735,900.00 116,875.00	0.14% (264,100.00)	Aa1/AA+ AA+	0.82 0.79
3130ARJZ5	FEDERAL HOME LOAN BANKS 2.95 04/19/2027	25,000,000.00	04/19/2022 2.95%	25,000,000.00 25,000,000.00	99.20 3.88%	24,799,200.00 86,041.67	0.14% (200,800.00)	Aa1/AA+ AA+	0.88 0.86
3130ARQV6	FEDERAL HOME LOAN BANKS 3.15 04/26/2027	25,000,000.00	04/26/2022 3.15%	25,000,000.00 25,000,000.00	99.34 3.90%	24,833,850.00 76,562.50	0.14% (166,150.00)	Aa1/AA+ AA+	0.90 0.88
3133ENXL9	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.53 05/24/2027	25,000,000.00	05/24/2022 3.53%	25,000,000.00 25,000,000.00	99.73 3.81%	24,932,625.00 17,159.72	0.14% (67,375.00)	Aa1/AA+ AA+	0.98 0.95
3130ASER6	FEDERAL HOME LOAN BANKS 3.64 06/16/2027	40,000,000.00	06/16/2022 3.64%	40,000,000.00 40,000,000.00	99.54 4.10%	39,814,240.00 667,333.33	0.23% (185,760.00)	Aa1/AA+ AA+	1.04 0.99
3130ASES4	FEDERAL HOME LOAN BANKS 3.39 06/28/2027	45,000,000.00	06/28/2022 3.39%	45,000,000.00 45,000,000.00	99.47 3.89%	44,763,390.00 648,337.50	0.26% (236,610.00)	Aa1/AA+ AA+	1.08 1.03
3133EPESO	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.65 06/30/2027	50,000,000.00	03/24/2023 3.68%	49,943,500.00 49,985,665.81	99.75 3.89%	49,875,350.00 765,486.11	0.29% (110,315.81)	Aa1/AA+ AA+	1.08 1.03
31422XV90	FEDERAL AGRICULTURAL MORTGAGE CORP 3.77 07/30/2027	100,000,000.00	01/25/2023 3.77%	100,000,000.00 100,000,000.00	99.84 3.91%	99,843,300.00 1,246,194.44	0.58% (156,700.00)	NA/NA NA	1.16 1.11
31422X2T8	FEDERAL AGRICULTURAL MORTGAGE CORP 3.865 07/30/2027	25,000,000.00	04/21/2023 3.87%	25,000,000.00 25,000,000.00	99.96 3.91%	24,989,175.00 80,520.83	0.14% (10,825.00)	NA/NA NA	1.16 1.12

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

As of May 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
3133ERN31	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.34 12/23/2027	25,000,000.00	12/20/2024 4.42%	24,943,750.00 24,970,719.18	100.11 4.27%	25,027,400.00 476,194.44	0.14% 56,680.82	Aa1/AA+ AA+	1.56 0.54
31424WTB8	FEDERAL AGRICULTURAL MORTGAGE CORP 4.28 01/07/2028	13,681,000.00	01/31/2025 4.28%	13,681,000.00 13,681,000.00	100.48 3.97%	13,746,094.20 234,218.72	0.08% 65,094.20	NA/NA NA	1.61 1.51
3133ETCQ8	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.75 01/10/2028	48,500,000.00	04/07/2025 3.81%	48,426,765.00 48,457,152.06	99.48 4.09%	48,245,811.50 712,343.75	0.28% (211,340.56)	Aa1/AA+ AA+	1.61 1.52
3133EPGF6	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.64 01/28/2028	50,000,000.00	04/13/2023 3.64%	50,000,000.00 50,000,000.00	99.36 4.04%	49,679,700.00 621,833.33	0.29% (320,300.00)	Aa1/AA+ AA+	1.66 1.57
31422XZ88	FEDERAL AGRICULTURAL MORTGAGE CORP 3.87 01/28/2028	50,000,000.00	03/28/2023 3.87%	50,000,000.00 50,000,000.00	99.72 4.04%	49,862,350.00 661,125.00	0.29% (137,650.00)	NA/NA NA	1.66 1.57
880591EZ1	TENNESSEE VALLEY AUTHORITY 3.875 03/15/2028	25,000,000.00	03/27/2023 4.06%	24,796,750.00 24,926,753.73	99.83 3.97%	24,958,200.00 204,513.89	0.14% 31,446.27	Aa1/AA+ AA+	1.79 1.70
31424WXE7	FEDERAL AGRICULTURAL MORTGAGE CORP 3.96 03/27/2028	25,000,000.00	03/20/2025 3.96%	25,000,000.00 25,000,000.00	99.81 4.06%	24,953,475.00 176,000.00	0.14% (46,525.00)	NA/NA NA	1.82 1.73
31422X3J9	FEDERAL AGRICULTURAL MORTGAGE CORP 4.04 05/26/2028	25,000,000.00	05/25/2023 4.04%	25,000,000.00 25,000,000.00	99.90 4.09%	24,973,900.00 14,027.78	0.14% (26,100.00)	NA/NA NA	1.99 1.89
3133EPLD5	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.875 05/30/2028	25,000,000.00	05/23/2023 3.94%	24,932,500.00 24,973,066.50	99.74 4.01%	24,934,900.00 2,690.97	0.14% (38,166.50)	Aa1/AA+ AA+	2.00 1.90
31422X4T6	FEDERAL AGRICULTURAL MORTGAGE CORP 4.34 06/30/2028	25,000,000.00	07/05/2023 4.34%	25,000,000.00 25,000,000.00	100.46 4.10%	25,116,075.00 455,097.22	0.14% 116,075.00	NA/NA NA	2.08 1.94
31422X6E7	FEDERAL AGRICULTURAL MORTGAGE CORP 4.475 07/28/2028	50,000,000.00	08/15/2023 4.48%	50,000,000.00 50,000,000.00	100.75 4.11%	50,375,600.00 764,479.17	0.29% 375,600.00	NA/NA NA	2.16 2.01
31422X5V0	FEDERAL AGRICULTURAL MORTGAGE CORP 4.43 08/07/2028	25,000,000.00	08/03/2023 4.43%	25,000,000.00 25,000,000.00	100.65 4.11%	25,163,350.00 350,708.33	0.15% 163,350.00	NA/NA NA	2.19 2.04
3130BOLA5	FEDERAL HOME LOAN BANKS 4.0 09/22/2028	25,000,000.00	03/19/2024 4.57%	24,430,000.00 24,707,550.15	99.42 4.27%	24,854,250.00 191,666.67	0.14% 146,699.85	Aa1/AA+ AA+	2.31 2.17

INVESTMENT INVENTORY – MARKET VALUE

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Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
31424W3N0	FEDERAL AGRICULTURAL MORTGAGE CORP 3.88 11/24/2028	18,950,000.00	12/03/2025 3.91%	18,935,787.50 18,938,130.08	99.07 4.28%	18,774,238.75 14,296.72	0.11% (163,891.33)	NA/NA NA	2.48 2.34
3130AYF43	FEDERAL HOME LOAN BANKS 4.48 01/09/2029	25,000,000.00	01/09/2024 4.48%	25,000,000.00 25,000,000.00	99.93 4.51%	24,983,625.00 441,777.78	0.14% (16,375.00)	Aa1/AA+ AA+	2.61 2.39
3130AYHF6	FEDERAL HOME LOAN BANKS 4.3 01/12/2029	25,000,000.00	01/11/2024 4.30%	25,000,000.00 25,000,000.00	99.71 4.42%	24,927,700.00 415,069.44	0.14% (72,300.00)	Aa1/AA+ AA+	2.62 2.41
3130ARBZ3	FEDERAL HOME LOAN BANKS 2.7 03/28/2029	22,500,000.00	06/24/2024 4.42%	20,856,082.50 21,524,249.31	96.13 4.16%	21,630,172.50 106,312.50	0.12% 105,923.19	Aa1/AA+ AA+	2.82 2.67
3130BOYH6	FEDERAL HOME LOAN BANKS 5.01 04/19/2029	25,000,000.00	04/16/2024 5.01%	25,000,000.00 25,000,000.00	100.52 4.81%	25,130,475.00 146,125.00	0.14% 130,475.00	Aa1/AA+ AA+	2.88 0.85
3130B5WP9	FEDERAL HOME LOAN BANKS 4.44 06/29/2029	50,000,000.00	04/11/2025 4.44%	50,000,000.00 50,000,000.00	99.86 4.49%	49,930,400.00 937,333.33	0.29% (69,600.00)	Aa1/AA+ AA+	3.08 2.79
3136GA4H9	FEDERAL NATIONAL MORTGAGE ASSOCIATION 4.7 07/02/2029	25,000,000.00	12/20/2024 4.70%	25,000,000.00 25,000,000.00	99.89 4.74%	24,971,700.00 486,319.44	0.14% (28,300.00)	Aa1/AA+ AA+	3.09 2.79
3136GAEP0	FEDERAL NATIONAL MORTGAGE ASSOCIATION 4.35 07/02/2029	25,000,000.00	03/28/2025 4.35%	25,000,000.00 25,000,000.00	99.97 4.36%	24,991,275.00 450,104.17	0.14% (8,725.00)	Aa1/AA+ AA+	3.09 2.81
31424WLQ3	FEDERAL AGRICULTURAL MORTGAGE CORP 4.16 07/09/2029	15,000,000.00	07/17/2024 4.16%	15,000,000.00 15,000,000.00	100.02 4.15%	15,002,805.00 246,133.33	0.09% 2,805.00	NA/NA NA	3.11 2.84
31424WMH2	FEDERAL AGRICULTURAL MORTGAGE CORP 3.84 07/27/2029	50,000,000.00	08/07/2024 3.84%	50,000,000.00 50,000,000.00	99.07 4.16%	49,536,200.00 661,333.33	0.29% (463,800.00)	NA/NA NA	3.16 2.90
31424WUJ9	FEDERAL AGRICULTURAL MORTGAGE CORP 4.58 01/28/2030	50,000,000.00	01/24/2025 4.58%	50,000,000.00 50,000,000.00	100.09 4.55%	50,047,100.00 782,416.67	0.29% 47,100.00	NA/NA NA	3.66 1.56
3136GAC98	FEDERAL NATIONAL MORTGAGE ASSOCIATION 4.625 02/26/2030	50,000,000.00	02/21/2025 4.62%	50,000,000.00 50,000,000.00	99.97 4.63%	49,986,950.00 610,243.06	0.29% (13,050.00)	Aa1/AA+ AA+	3.74 3.36
3130B5FY9	FEDERAL HOME LOAN BANKS 4.225 02/28/2030	25,000,000.00	03/03/2025 4.21%	25,000,000.00 25,000,000.00	99.39 4.40%	24,847,900.00 272,864.58	0.14% (152,100.00)	Aa1/AA+ AA+	3.75 3.39
3133ETey9	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.36 04/29/2030	50,000,000.00	04/29/2025 4.36%	50,000,000.00 50,000,000.00	99.52 4.49%	49,759,750.00 193,777.78	0.29% (240,250.00)	Aa1/AA+ AA+	3.91 3.54
880591DM1	TENNESSEE VALLEY AUTHORITY 7.125 05/01/2030	38,329,000.00	05/02/2025 4.01%	43,675,895.50 42,525,520.62	110.51 4.19%	42,357,377.90 227,578.44	0.24% (168,142.72)	Aa1/AA+ AA+	3.92 3.42

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of May 31, 2026

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3133ETKB2	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.4 06/03/2030	15,770,000.00	06/04/2025 4.40%	15,770,000.00 15,770,000.00	99.13 4.64%	15,632,627.53 343,085.11	0.09% (137,372.47)	Aa1/AA+ AA+	4.01 3.55
880591FE7	TENNESSEE VALLEY AUTHORITY 3.875 08/01/2030	12,000,000.00	08/05/2025 3.97%	11,951,160.00 11,959,134.43	98.73 4.21%	11,847,636.00 155,000.00	0.07% (111,498.43)	Aa1/AA+ AA+	4.17 3.76
3136GARJ0	FEDERAL NATIONAL MORTGAGE ASSOCIATION 3.88 09/09/2030	25,000,000.00	09/04/2025 3.88%	25,000,000.00 25,000,000.00	98.83 4.18%	24,708,500.00 220,944.44	0.14% (291,500.00)	Aa1/AA+ AA+	4.28 3.86
31428JHH3	FEDERAL AGRICULTURAL MORTGAGE CORP 4.25 05/08/2031	50,000,000.00	05/01/2026 4.25%	50,000,000.00 50,000,000.00	99.15 4.44%	49,573,700.00 135,763.89	0.29% (426,300.00)	NA/NA NA	4.94 4.39
3136GDCW1	FEDERAL NATIONAL MORTGAGE ASSOCIATION 4.46 05/19/2031	25,000,000.00	05/15/2026 4.46%	25,000,000.00 25,000,000.00	99.93 4.48%	24,981,275.00 37,166.67	0.14% (18,725.00)	Aa1/AA+ AA+	4.97 4.40
3134HCY37	FHLMC 4 1/2 05/22/31	25,000,000.00	05/20/2026 4.50%	25,000,000.00 25,000,000.00	99.92 4.52%	24,981,150.00 28,125.00	0.14% (18,850.00)	Aa1/AA+ AA+	4.97 4.41
Total Agency		2,334,310,000.00	3.48%	2,327,304,816.87 2,334,034,404.14	99.73 4.09%	2,327,554,119.98 16,945,804.08	13.43% (6,480,284.16)		1.60 1.40

CASH									
90USB\$000	US Bank	109.77	05/06/2026 3.26%	109.77 109.77	1.00 3.26%	109.77 0.00	0.00% 0.00	NA/NA NA	0.00 0.00
90JPMC\$03	JP Morgan Chase Bank Deposit	65,629,085.94	-- 2.65%	65,629,085.94 65,629,085.94	1.00 2.65%	65,629,085.94 0.00	0.38% 0.00	NA/NA NA	0.00 0.00
CCYUSD	Receivable	25,475.34	--	25,475.34 25,475.34	1.00	25,475.34 0.00	0.00% 0.00	Aaa/AAA AAA	0.00 0.00
CCYUSD	Receivable	105,053,750.00	--	105,053,750.00 105,053,750.00	1.00	105,053,750.00 0.00	0.61% 0.00	Aaa/AAA AAA	0.00 0.00
Total Cash		170,708,421.05	2.65%	170,708,421.05 170,708,421.05	1.00 2.65%	170,708,421.05 0.00	0.98% 0.00		0.00 0.00

COMMERCIAL PAPER									
78015DF13	Royal Bank of Canada New York Branch 06/01/2026	100,000,000.00	11/10/2025 3.98%	97,806,472.22 100,000,000.00	99.97 3.64%	99,969,800.00 0.00	0.58% (30,200.00)	P-1/A-1+ F1+	0.00 0.01

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County of San Diego Pooled Money Fund

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06366HF28	Bank of Montreal - Chicago Branch 06/02/2026	50,000,000.00	12/02/2025 3.90%	49,034,388.89 49,994,694.44	99.96 4.86%	49,979,750.00 0.00	0.29% (14,944.44)	P-1/A-1 F1+	0.01 0.00
06366HF51	Bank of Montreal - Chicago Branch 06/05/2026	53,000,000.00	12/03/2025 3.89%	51,967,913.33 52,977,563.33	99.93 4.26%	52,962,370.00 0.00	0.31% (15,193.33)	P-1/A-1 F1+	0.01 0.01
06366HF85	Bank of Montreal - Chicago Branch 06/08/2026	70,000,000.00	12/02/2025 3.90%	68,603,577.78 69,948,005.56	99.90 4.07%	69,928,880.00 0.00	0.40% (19,125.56)	P-1/A-1 F1+	0.02 0.02
78015DFS4	Royal Bank of Canada New York Branch 06/26/2026	50,000,000.00	12/08/2025 3.85%	48,952,777.78 49,869,097.22	99.71 3.88%	49,855,000.00 0.00	0.29% (14,097.22)	P-1/A-1+ F1+	0.07 0.06
09659CG10	BNP Paribas New York Branch 07/01/2026	25,000,000.00	03/05/2026 3.79%	24,693,527.78 24,922,083.33	99.66 4.07%	24,915,475.00 0.00	0.14% (6,608.33)	P-1/A-1 F1+	0.08 0.08
89116FG12	Toronto Dominion Holdings (U.S.A.), Inc. 07/01/2026	250,000,000.00	12/09/2025 3.88%	244,616,666.65 249,208,333.33	99.66 4.12%	249,144,500.00 0.00	1.44% (63,833.33)	P-1/A-1 NA	0.08 0.08
78015DG12	Royal Bank of Canada New York Branch 07/01/2026	200,000,000.00	12/09/2025 3.84%	195,738,666.67 199,373,333.33	99.66 4.13%	199,314,000.00 0.00	1.15% (59,333.33)	P-1/A-1+ F1+	0.08 0.08
78015DG20	Royal Bank of Canada New York Branch 07/02/2026	275,000,000.00	12/09/2025 3.84%	269,111,944.44 274,109,611.11	99.65 4.12%	274,027,875.00 0.00	1.58% (81,736.11)	P-1/A-1+ F1+	0.09 0.08
09659CG28	BNP Paribas New York Branch 07/02/2026	75,000,000.00	11/24/2025 3.95%	73,230,833.33 74,750,708.33	99.65 4.06%	74,738,550.00 0.00	0.43% (12,158.33)	P-1/A-1 F1+	0.09 0.08
09659CG85	BNP Paribas New York Branch 07/08/2026	40,000,000.00	03/05/2026 3.79%	39,480,555.56 39,846,244.45	99.59 4.03%	39,835,080.00 0.00	0.23% (11,164.45)	P-1/A-1 F1+	0.10 0.10
89233HG81	Toyota Motor Credit Corporation 07/08/2026	50,000,000.00	12/09/2025 3.89%	48,886,388.89 49,804,722.22	99.58 4.08%	49,791,300.00 0.00	0.29% (13,422.22)	P-1/A-1+ F1	0.10 0.10
09659CGA0	BNP Paribas New York Branch 07/10/2026	25,000,000.00	12/10/2025 3.92%	24,436,138.89 24,896,270.83	99.57 4.02%	24,891,575.00 0.00	0.14% (4,695.83)	P-1/A-1 F1+	0.11 0.11
09659CGH5	BNP Paribas New York Branch 07/17/2026	35,000,000.00	03/05/2026 3.79%	34,512,761.11 34,832,738.89	99.49 4.00%	34,821,815.00 0.00	0.20% (10,923.89)	P-1/A-1 F1+	0.13 0.13
22533UGX5	Credit Agricole Corporate And Investment Bank, New 07/31/2026	100,000,000.00	11/03/2025 3.98%	97,105,000.00 99,356,666.67	99.35 3.91%	99,352,000.00 0.00	0.57% (4,666.67)	P-1/A-1 F1+	0.17 0.16
78015DH37	Royal Bank of Canada New York Branch 08/03/2026	25,000,000.00	12/12/2025 3.81%	24,395,500.00 24,837,250.00	99.30 4.02%	24,825,375.00 0.00	0.14% (11,875.00)	P-1/A-1+ F1+	0.18 0.17
06054PH74	BofA Securities, Inc. 08/07/2026	100,000,000.00	01/02/2026 3.81%	97,757,666.68 99,307,666.67	99.26 4.01%	99,259,800.00 0.00	0.57% (47,866.67)	P-1/A-1 F1+	0.19 0.18

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of May 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
06366HHC4	Bank of Montreal - Chicago Branch 08/12/2026	50,000,000.00	01/16/2026 3.77%	48,934,000.00 49,631,000.00	99.21 3.96%	49,607,300.00 0.00	0.29% (23,700.00)	P-1/A-1 F1+	0.20 0.20
21687BHU8	Coöperatieve Rabobank U.A., New York Branch 08/28/2026	70,000,000.00	03/24/2026 3.95%	68,815,522.22 69,336,088.89	99.04 3.91%	69,330,590.00 0.00	0.40% (5,498.89)	P-1/A-1 F1+	0.24 0.18
06366HHX8	Bank of Montreal - Chicago Branch 08/31/2026	100,000,000.00	03/03/2026 3.81%	98,119,611.11 99,054,611.11	99.01 3.90%	99,012,700.00 0.00	0.57% (41,911.11)	P-1/A-1 F1+	0.25 0.19
89233HJ13	Toyota Motor Credit Corporation 09/01/2026	74,000,000.00	02/25/2026 3.80%	72,558,562.22 73,294,615.55	98.99 4.01%	73,249,492.00 0.00	0.42% (45,123.55)	P-1/A-1+ F1	0.25 0.25
09659CJ25	BNP Paribas New York Branch 09/02/2026	50,000,000.00	03/27/2026 3.98%	49,136,541.67 49,494,958.34	98.99 3.96%	49,493,500.00 0.00	0.29% (1,458.34)	P-1/A-1 F1+	0.26 0.25
89116FJ35	Toronto Dominion Holdings (U.S.A.), Inc. 09/03/2026	25,000,000.00	04/09/2026 3.89%	24,609,020.83 24,749,986.11	98.98 3.96%	24,744,425.00 0.00	0.14% (5,561.11)	P-1/A-1 NA	0.26 0.25
89116FJ43	Toronto Dominion Holdings (U.S.A.), Inc. 09/04/2026	25,000,000.00	04/09/2026 3.89%	24,606,361.11 24,747,326.39	98.97 3.96%	24,741,675.00 0.00	0.14% (5,651.39)	P-1/A-1 NA	0.26 0.19
89233HJW5	Toyota Motor Credit Corporation 09/30/2026	100,000,000.00	-- 3.96%	97,890,763.89 98,697,569.45	98.67 4.01%	98,670,000.00 0.00	0.57% (27,569.45)	P-1/A-1+ F1	0.33 0.33
89233HK52	Toyota Motor Credit Corporation 10/05/2026	50,000,000.00	04/21/2026 3.90%	49,111,652.78 49,329,750.00	98.62 4.01%	49,307,900.00 0.00	0.28% (21,850.00)	P-1/A-1+ F1	0.35 0.23
06366HK63	Bank of Montreal - Chicago Branch 10/06/2026	40,000,000.00	03/30/2026 4.00%	39,172,444.44 39,446,844.44	98.63 3.95%	39,450,640.00 0.00	0.23% 3,795.56	P-1/A-1 F1+	0.35 0.34
06366HK71	Bank of Montreal - Chicago Branch 10/07/2026	70,000,000.00	03/30/2026 4.00%	68,544,155.56 69,024,355.56	98.62 3.95%	69,030,850.00 0.00	0.40% 6,494.44	P-1/A-1 F1+	0.35 0.35
06054PKD7	BofA Securities, Inc. 10/13/2026	70,000,000.00	04/06/2026 4.02%	68,544,388.89 68,973,411.11	98.53 4.00%	68,973,240.00 0.00	0.40% (171.11)	P-1/A-1 F1+	0.37 0.36
06366HKG1	Bank of Montreal - Chicago Branch 10/16/2026	50,000,000.00	04/02/2026 4.00%	48,930,180.56 49,256,013.89	98.52 3.96%	49,257,850.00 0.00	0.28% 1,836.11	P-1/A-1 F1+	0.38 0.37
06366HKW6	Bank of Montreal - Chicago Branch 10/30/2026	50,000,000.00	04/06/2026 4.00%	48,875,875.00 49,179,986.11	98.36 3.98%	49,179,950.00 0.00	0.28% (36.11)	P-1/A-1 F1+	0.42 0.41
06054PKW5	BofA Securities, Inc. 10/30/2026	100,000,000.00	04/06/2026 4.03%	97,734,500.00 98,347,388.89	98.35 4.00%	98,351,900.00 0.00	0.57% 4,511.11	P-1/A-1 F1+	0.42 0.24
06054PL20	BofA Securities, Inc. 11/02/2026	100,000,000.00	04/01/2026 3.99%	97,670,833.34 98,331,666.67	98.32 4.00%	98,318,900.00 0.00	0.57% (12,766.67)	P-1/A-1 F1+	0.42 0.41
21687BL66	Coöperatieve Rabobank U.A., New York Branch 11/06/2026	70,000,000.00	04/07/2026 3.98%	68,388,891.67 68,804,905.56	98.30 3.94%	68,808,740.00 0.00	0.40% 3,834.44	P-1/A-1 F1+	0.44 0.43

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of May 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
06054PLA2	BofA Securities, Inc. 11/10/2026	50,000,000.00	04/09/2026 4.05%	48,820,486.11 49,111,250.00	98.23 4.03%	49,115,400.00 0.00	0.28% 4,150.00	P-1/A-1 F1+	0.45 0.25
09659CLA4	BNP Paribas New York Branch 11/10/2026	50,000,000.00	04/15/2026 3.97%	48,873,722.22 49,127,000.00	98.23 4.01%	49,114,400.00 0.00	0.28% (12,600.00)	P-1/A-1 F1+	0.45 0.44
21687BMJ7	Coöperatieve Rabobank U.A., New York Branch 12/18/2026	100,000,000.00	04/09/2026 4.01%	97,259,166.67 97,833,333.34	97.83 3.99%	97,832,300.00 0.00	0.56% (1,033.34)	P-1/A-1 F1+	0.55 0.54
13607FMJ2	Canadian Imperial Holdings, Inc. 12/18/2026	200,000,000.00	04/10/2026 4.00%	194,554,000.00 195,677,777.78	97.83 3.99%	195,664,600.00 0.00	1.13% (13,177.78)	P-1/A-1 F1+	0.55 0.54
06054PMX1	BofA Securities, Inc. 12/31/2026	100,000,000.00	04/10/2026 4.05%	97,107,083.34 97,674,750.01	97.66 4.05%	97,661,200.00 0.00	0.56% (13,550.01)	P-1/A-1 F1+	0.59 0.57
06054PN44	BofA Securities, Inc. 01/04/2027	125,000,000.00	-- 4.03%	121,418,083.35 122,052,416.68	97.62 4.05%	122,020,000.00 0.00	0.70% (32,416.68)	P-1/A-1 F1+	0.60 0.58
Total Commercial Paper		3,242,000,000.00	3.92%	3,170,006,626.98 3,209,211,995.59	98.97 4.03%	3,208,550,697.00 0.00	18.51% (661,298.59)		0.26 0.24
CORPORATE									
037833DN7	APPLE INC 2.05 09/11/2026	25,000,000.00	04/18/2024 5.08%	23,315,000.00 24,802,901.38	99.51 3.83%	24,876,725.00 113,888.89	0.14% 73,823.62	Aaa/AA+ NA	0.28 0.27
023135DB9	AMAZON.COM INC 3.85 03/13/2028	25,000,000.00	-- 3.89%	24,979,750.00 24,981,966.14	99.58 4.09%	24,895,400.00 208,541.67	0.14% (86,566.14)	A1/AA AA-	1.79 1.69
037833EY2	APPLE INC 4.0 05/12/2028	40,000,000.00	05/05/2025 4.07%	39,921,600.00 39,949,140.15	99.93 4.04%	39,972,760.00 84,444.44	0.23% 23,619.85	Aaa/AA+ NA	1.95 1.85
023135DC7	AMAZON.COM INC 4.0 03/13/2029	35,000,000.00	-- 4.21%	34,806,250.00 34,811,471.76	99.26 4.28%	34,741,479.15 303,333.33	0.20% (69,992.61)	A1/AA AA-	2.78 2.58
Total Corporate		125,000,000.00	4.28%	123,022,600.00 124,545,479.42	99.59 4.07%	124,486,364.15 710,208.33	0.72% (59,115.27)		1.82 1.71
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	75,000,000.00	-- 3.81%	75,000,000.00 75,000,000.00	1.00 3.81%	75,000,000.00 0.00	0.43% 0.00	NA/NA NA	0.00 0.00
Total LAIF		75,000,000.00	3.81%	75,000,000.00 75,000,000.00	1.00 3.81%	75,000,000.00 0.00	0.43% 0.00		0.00 0.00

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of May 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
LOCAL GOV INVESTMENT POOL									
90CAMP\$00	CAMP	208,705,875.31	-- 3.76%	208,705,875.31 208,705,875.31	1.00 3.76%	208,705,875.31 0.00	1.20% 0.00	NA/AAAm NA	0.00 0.00
90CALFT\$0	CalFIT	101,810,658.10	-- 3.76%	101,810,658.10 101,810,658.10	1.00 3.76%	101,810,658.10 0.00	0.59% 0.00	NA/NA NA	0.00 0.00
Total Local Gov Investment Pool		310,516,533.41	3.76%	310,516,533.41 310,516,533.41	1.00 3.76%	310,516,533.41 0.00	1.79% 0.00		0.00 0.00
MONEY MARKET FUND									
09248U700	BLKRK LQ:FEDFUND INSTL	35,500,000.00	-- 3.52%	35,500,000.00 35,500,000.00	1.00 3.52%	35,500,000.00 0.00	0.20% 0.00	Aaa/AAAm AAA	0.00 0.00
31607A703	FIDELITY IMM:GOVT INSTL	191,000,000.00	-- 3.56%	191,000,000.00 191,000,000.00	1.00 3.56%	191,000,000.00 0.00	1.10% 0.00	Aaa/AAAm AAA	0.00 0.00
61747C707	MORG STAN I LQ:GV I	95,500,000.00	-- 3.54%	95,500,000.00 95,500,000.00	1.00 3.54%	95,500,000.00 0.00	0.55% 0.00	Aaa/AAAm AAA	0.00 0.00
Total Money Market Fund		322,000,000.00	3.55%	322,000,000.00 322,000,000.00	1.00 3.55%	322,000,000.00 0.00	1.86% 0.00		0.00 0.00
MUNICIPAL BONDS									
20772KNX3	CONNECTICUT ST 1.123 06/01/2026	5,600,000.00	06/04/2021 1.12%	5,600,000.00 5,600,000.00	100.00 1.12%	5,600,000.00 31,444.00	0.03% 0.00	Aa2/AA- AA	0.00 0.01
20772KQJ1	CONNECTICUT ST 3.531 06/15/2026	5,000,000.00	06/22/2022 3.53%	5,000,000.00 5,000,000.00	99.98 4.00%	4,998,970.00 81,409.17	0.03% (1,030.00)	Aa2/AA- AA	0.04 0.04
25477GUX1	DISTRICT COLUMBIA INCOME TAX REV 3.419 07/01/2026	4,500,000.00	07/27/2022 3.42%	4,500,000.00 4,500,000.00	99.94 4.03%	4,497,511.50 64,106.25	0.03% (2,488.50)	Aa1/AAA AA+	0.08 0.08
419792G26	HAWAII ST 1.283 08/01/2026	7,500,000.00	10/12/2021 1.28%	7,500,000.00 7,500,000.00	99.55 3.99%	7,466,205.00 32,075.00	0.04% (33,795.00)	Aa2/AA+ AA	0.17 0.17
13063EBN5	CALIFORNIA ST 5.5 09/01/2026	45,955,000.00	04/12/2024 5.10%	46,367,216.35 45,998,792.04	100.34 4.06%	46,112,717.56 631,881.25	0.27% 113,925.52	Aa2/AA- AA	0.25 0.25
798135E96	SAN JOSE CALIF 2.5 09/01/2026	10,000,000.00	04/28/2022 3.16%	9,730,500.00 9,984,376.81	99.63 3.98%	9,962,810.00 62,500.00	0.06% (21,566.81)	Aa1/AA+ AAA	0.25 0.25

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of May 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
798189TL0	SAN JOSE EVERGREEN CALIF CMNTY COLLEGE DIST 4.796 09/01/2026	2,500,000.00	03/01/2023 4.80%	2,500,000.00 2,500,000.00	100.20 3.95%	2,504,957.50 29,975.00	0.01% 4,957.50	Aaa/AA+ NA	0.25 0.25
419792J56	HAWAII ST 4.818 10/01/2026	8,450,000.00	10/20/2022 4.82%	8,450,000.00 8,450,000.00	100.28 3.94%	8,473,600.85 67,853.50	0.05% 23,600.85	Aa2/AA+ NA	0.34 0.33
880558QT1	TENNESSEE ST SCH BD AUTH 4.73 11/01/2026	3,650,000.00	10/26/2022 4.71%	3,652,774.00 3,650,293.31	100.30 3.99%	3,660,869.70 14,387.08	0.02% 10,576.39	Aa1/AA+ AA+	0.42 0.41
57582RK96	MASSACHUSETTS COMMONWEALTH 0.986 11/01/2026	6,710,000.00	10/27/2022 4.62%	5,823,541.90 6,617,231.13	98.81 3.89%	6,630,083.90 5,513.38	0.04% 12,852.77	Aa1/AA+ AA+	0.42 0.41
13063D3N6	CALIFORNIA ST 4.846 03/01/2027	18,500,000.00	03/09/2023 4.85%	18,500,000.00 18,500,000.00	100.67 3.93%	18,623,284.00 224,127.50	0.11% 123,284.00	Aa2/AA- AA	0.75 0.72
68609T7G7	OREGON 3.315 05/01/2027	1,000,000.00	05/17/2022 3.32%	1,000,000.00 1,000,000.00	99.48 3.90%	994,781.00 2,762.50	0.01% (5,219.00)	Aa1/AA+ AA+	0.92 0.89
68609UBF1	OREGON 4.112 05/01/2027	5,625,000.00	03/16/2023 4.11%	5,625,000.00 5,625,000.00	100.20 3.89%	5,636,103.75 19,275.00	0.03% 11,103.75	Aa1/AA+ AA+	0.92 0.89
20772KTJ8	CONNECTICUT ST 5.05 05/15/2027	8,670,000.00	06/01/2023 4.51%	8,836,464.00 8,710,709.40	100.97 4.00%	8,754,489.15 19,459.33	0.05% 43,779.75	Aa2/AA- AA	0.96 0.92
20772KQK8	CONNECTICUT ST 3.631 06/15/2027	5,000,000.00	06/22/2022 3.63%	5,000,000.00 5,000,000.00	99.62 4.01%	4,980,905.00 83,714.72	0.03% (19,095.00)	Aa2/AA- AA	1.04 0.99
25477GUY9	DISTRICT COLUMBIA INCOME TAX REV 3.499 07/01/2027	5,000,000.00	07/27/2022 3.50%	5,000,000.00 5,000,000.00	99.42 4.05%	4,971,045.00 72,895.83	0.03% (28,955.00)	Aa1/AAA AA+	1.08 1.04
373385KW2	GEORGIA ST 3.43 07/01/2027	8,210,000.00	07/07/2022 3.43%	8,210,000.00 8,210,000.00	99.53 3.88%	8,171,117.44 117,334.58	0.05% (38,882.56)	Aaa/AAA AAA	1.08 1.04
576004HD0	MASSACHUSETTS (COMMONWEALTH OF) 3.68 07/15/2027	5,000,000.00	08/30/2022 3.68%	5,000,000.00 5,000,000.00	99.68 3.97%	4,984,180.00 69,511.11	0.03% (15,820.00)	Aa1/NA AAA	1.12 1.07
46247SEC4	IOWA FIN AUTH REV 4.34 08/01/2027	2,000,000.00	06/02/2023 4.34%	2,000,000.00 2,000,000.00	100.42 3.97%	2,008,330.00 28,933.33	0.01% 8,330.00	Aaa/NA AAA	1.17 1.11
798189TM8	SAN JOSE EVERGREEN CALIF CMNTY COLLEGE DIST 4.718 09/01/2027	2,000,000.00	03/01/2023 4.72%	2,000,000.00 2,000,000.00	100.85 4.01%	2,017,038.00 23,590.00	0.01% 17,038.00	Aaa/AA+ NA	1.25 1.19
57582R4H6	MASSACHUSETTS COMMONWEALTH 5.5 10/01/2027	20,000,000.00	10/17/2023 5.20%	20,210,000.00 20,071,169.10	102.03 3.92%	20,406,180.00 183,333.33	0.12% 335,010.90	Aa1/AA+ AA+	1.34 1.27

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of May 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
882724T64	TEXAS ST 4.528 10/01/2027	5,000,000.00	08/10/2023 4.53%	5,000,000.00 5,000,000.00	100.75 3.94%	5,037,715.00 37,733.33	0.03% 37,715.00	NA/AAA AAA	1.34 1.28
419792M29	HAWAII ST 5.0 10/01/2027	5,000,000.00	12/07/2023 4.51%	5,084,150.00 5,029,653.44	101.35 3.95%	5,067,450.00 41,666.67	0.03% 37,796.56	Aa2/AA+ AA	1.34 1.27
419792J64	HAWAII ST 4.838 10/01/2027	6,750,000.00	10/20/2022 4.84%	6,750,000.00 6,750,000.00	101.14 3.95%	6,827,004.00 54,427.50	0.04% 77,004.00	Aa2/AA+ NA	1.34 1.27
20772KTK5	CONNECTICUT ST 4.506 05/15/2028	5,000,000.00	06/01/2023 4.51%	5,000,000.00 5,000,000.00	100.58 4.19%	5,028,970.00 10,013.33	0.03% 28,970.00	Aa2/AA- AA	1.96 1.85
57582TDY5	MASSACHUSETTS COMMONWEALTH 4.15 06/01/2028	10,000,000.00	06/10/2025 4.13%	10,005,300.00 10,003,590.64	100.15 4.07%	10,014,670.00 207,500.00	0.06% 11,079.36	Aa1/AA+ AA+	2.00 1.90
20772KD30	CONNECTICUT ST 4.25 08/15/2028	7,000,000.00	09/25/2025 3.75%	7,092,190.00 7,071,792.41	100.07 4.22%	7,004,641.00 87,597.22	0.04% (67,151.41)	Aa2/AA- AA	2.21 2.06
57582R4J2	MASSACHUSETTS COMMONWEALTH 5.5 10/01/2028	14,000,000.00	10/17/2023 5.25%	14,149,800.00 14,070,870.44	103.09 4.09%	14,433,146.00 128,333.33	0.08% 362,275.56	Aa1/AA+ AA+	2.34 2.16
13063D7D4	CALIFORNIA ST 5.5 10/01/2028	25,000,000.00	10/04/2023 5.17%	25,357,000.00 25,167,595.49	102.89 4.18%	25,722,975.00 229,166.67	0.15% 555,379.51	Aa2/AA- AA	2.34 2.16
57582TDZ2	MASSACHUSETTS COMMONWEALTH 4.25 06/01/2029	10,000,000.00	06/10/2025 4.22%	10,010,600.00 10,008,045.43	100.32 4.13%	10,032,330.00 212,500.00	0.06% 24,284.57	Aa1/AA+ AA+	3.00 2.79
13063EGT7	CALIFORNIA STATE 4.5 08/01/2029	50,000,000.00	10/30/2024 4.37%	50,272,000.00 50,181,909.83	100.90 4.19%	50,447,750.00 750,000.00	0.29% 265,840.17	Aa2/AA- AA	3.17 2.88
20772KD48	CONNECTICUT ST 3.865 08/15/2029	5,375,000.00	09/25/2025 3.86%	5,375,000.00 5,375,000.00	98.78 4.28%	5,309,290.63 61,168.99	0.03% (65,709.38)	Aa2/AA- AA	3.21 2.95
419792P75	HAWAII ST 4.287 10/01/2029	15,000,000.00	12/05/2024 4.29%	15,000,000.00 15,000,000.00	100.32 4.18%	15,047,655.00 107,175.00	0.09% 47,655.00	Aa2/AA+ AA	3.34 3.06
57582TEA6	MASSACHUSETTS COMMONWEALTH 4.35 06/01/2030	5,000,000.00	06/10/2025 4.32%	5,006,500.00 5,005,249.59	100.59 4.19%	5,029,460.00 108,750.00	0.03% 24,210.41	Aa1/AA+ AA+	4.00 3.64
20772KD55	CONNECTICUT ST 3.885 08/15/2030	7,250,000.00	09/25/2025 3.88%	7,250,000.00 7,250,000.00	98.28 4.34%	7,125,075.25 82,933.96	0.04% (124,924.75)	Aa2/AA- AA	4.21 3.79
US13063EHU38	CALIFORNIA ST 4.875 09/01/2030	50,000,000.00	09/24/2025 3.88%	52,210,500.00 51,905,053.55	102.36 4.26%	51,180,700.00 609,375.00	0.30% (724,353.55)	Aa2/AA- AA	4.25 3.77

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of May 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
Total Municipal Bonds		401,245,000.00	4.33%	404,068,536.25 403,736,332.59	100.89 4.05%	404,764,011.23 4,594,422.89	2.34% 1,027,678.64		1.97 1.80
NEGOTIABLE CD									
06051WWM2	Bank of America, National Association 3.94 06/01/2026	50,000,000.00	10/01/2025 3.94%	50,000,000.00 50,000,000.00	100.00 3.67%	50,000,750.00 1,329,750.00	0.29% 750.00	P-1/NA F1+	0.00 0.01
06418NKS0	Bank of Nova Scotia, Houston Branch 3.89 06/01/2026	50,000,000.00	12/01/2025 3.89%	50,000,000.00 50,000,000.00	100.00 3.62%	50,000,750.00 983,305.56	0.29% 750.00	P-1/A-1 F1+	0.00 0.01
05593DJV6	BNP Paribas New York Branch 4.18 06/05/2026	25,000,000.00	08/19/2025 4.18%	25,000,000.00 25,000,000.00	100.00 4.05%	25,000,000.00 830,194.44	0.14% 0.00	P-1/A-1 F1+	0.01 0.01
65558WRD2	Nordea ABP - New York Branch 3.78 06/05/2026	100,000,000.00	12/15/2025 3.78%	100,000,000.00 100,000,000.00	100.00 3.53%	100,002,100.00 1,764,000.00	0.58% 2,100.00	P-1/A-1+ F1+	0.01 0.01
78015JUY1	Royal Bank of Canada New York Branch 3.85 06/09/2026	50,000,000.00	12/08/2025 3.85%	50,000,000.00 50,000,000.00	100.00 3.60%	50,002,000.00 935,763.89	0.29% 2,000.00	P-1/A-1+ F1+	0.02 0.02
21684X5V4	COÖPERATIEVE RABOBANK U.A., NEW YORK BRANCH 3.86 06/10/2026	50,000,000.00	12/09/2025 3.86%	50,000,000.00 50,000,000.00	100.00 3.62%	50,002,200.00 932,833.33	0.29% 2,200.00	P-1/A-1 F1+	0.03 0.02
65558WRF7	Nordea ABP - New York Branch 3.78 06/12/2026	50,000,000.00	12/15/2025 3.78%	50,000,000.00 50,000,000.00	100.00 3.63%	50,001,300.00 882,000.00	0.29% 1,300.00	P-1/A-1+ F1+	0.03 0.03
21684X5T9	Coöperatieve Rabobank U.A., New York Branch 3.86 06/18/2026	60,000,000.00	12/08/2025 3.86%	60,000,000.00 60,000,000.00	100.01 3.67%	60,003,360.00 1,125,833.33	0.35% 3,360.00	P-1/A-1 F1+	0.05 0.05
21684X5S1	Coöperatieve Rabobank U.A., New York Branch 3.86 06/22/2026	50,000,000.00	12/08/2025 3.86%	50,000,000.00 50,000,000.00	100.01 3.69%	50,002,850.00 938,194.44	0.29% 2,850.00	P-1/A-1 F1+	0.06 0.06
65558WRE0	Nordea ABP - New York Branch 3.78 06/23/2026	50,000,000.00	12/15/2025 3.78%	50,000,000.00 50,000,000.00	100.00 3.71%	50,000,150.00 882,000.00	0.29% 150.00	P-1/A-1+ F1+	0.06 0.06
22536XAK0	Credit Agricole Corporate And Investment Bank, New 3.75 06/30/2026	81,000,000.00	02/02/2026 3.75%	81,000,000.00 81,000,000.00	100.01 3.64%	81,004,293.00 1,004,062.50	0.47% 4,293.00	P-1/A-1 NA	0.08 0.08
65558WSQ2	Nordea ABP - New York Branch 3.71 06/30/2026	50,000,000.00	02/06/2026 3.71%	50,000,000.00 50,000,000.00	99.99 3.75%	49,996,500.00 592,569.44	0.29% (3,500.00)	P-1/A-1+ F1+	0.08 0.08
05593DKB8	BNP Paribas New York Branch 4.12 07/01/2026	50,000,000.00	09/02/2025 4.12%	50,000,000.00 50,000,000.00	100.00 4.00%	50,000,000.00 1,556,444.44	0.29% 0.00	P-1/A-1 F1+	0.08 0.08
05593DK69	BNP Paribas New York Branch 4.15 07/01/2026	100,000,000.00	08/27/2025 4.15%	100,000,000.00 100,000,000.00	100.00 4.02%	100,000,000.00 3,204,722.22	0.58% 0.00	P-1/A-1 F1+	0.08 0.08

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

As of May 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
87019WZ24	Swedbank AB (publ) 3.74 07/02/2026	150,000,000.00	12/18/2025 3.74%	150,000,000.00 150,000,000.00	100.00 3.71%	149,995,200.00 2,571,250.00	0.87% (4,800.00)	P-1/A-1+ F1+	0.09 0.09
87019WY82	Swedbank AB (publ) 3.75 07/02/2026	50,000,000.00	12/17/2025 3.75%	50,000,000.00 50,000,000.00	100.00 3.71%	49,998,850.00 864,583.33	0.29% (1,150.00)	P-1/A-1+ F1+	0.09 0.09
87019WY58	Swedbank AB (publ) 3.78 07/06/2026	40,000,000.00	12/09/2025 3.78%	40,000,000.00 40,000,000.00	100.00 3.73%	39,999,160.00 730,800.00	0.23% (840.00)	P-1/A-1+ F1+	0.10 0.10
06418NLM2	Bank of Nova Scotia, Houston Branch 3.87 07/07/2026	140,000,000.00	12/09/2025 3.87%	140,000,000.00 140,000,000.00	100.00 3.80%	140,000,000.00 2,618,700.00	0.81% 0.00	P-1/A-1 F1+	0.10 0.10
06418NLNO	Bank of Nova Scotia, Houston Branch 3.87 07/08/2026	60,000,000.00	12/09/2025 3.87%	60,000,000.00 60,000,000.00	100.00 3.80%	59,999,760.00 1,122,300.00	0.35% (240.00)	P-1/A-1 F1+	0.10 0.10
22536J3R4	Credit Agricole Corporate And Investment Bank, New 3.93 07/10/2026	25,000,000.00	12/10/2025 3.93%	25,000,000.00 25,000,000.00	100.02 3.66%	25,005,400.00 472,145.83	0.14% 5,400.00	P-1/A-1 NA	0.11 0.11
21684X5X0	Coöperatieve Rabobank U.A., New York Branch 3.87 07/13/2026	50,000,000.00	12/10/2025 3.87%	50,000,000.00 50,000,000.00	100.00 3.80%	50,000,050.00 929,875.00	0.29% 50.00	P-1/A-1 F1+	0.12 0.12
87019W2B0	Swedbank AB (publ) 3.73 07/16/2026	30,000,000.00	01/02/2026 3.73%	30,000,000.00 30,000,000.00	99.98 3.79%	29,995,470.00 466,250.00	0.17% (4,530.00)	P-1/A-1+ F1+	0.13 0.12
87019W2A2	Swedbank AB (publ) 3.73 07/17/2026	60,000,000.00	01/02/2026 3.73%	60,000,000.00 60,000,000.00	99.98 3.80%	59,990,340.00 932,500.00	0.35% (9,660.00)	P-1/A-1+ F1+	0.13 0.13
65558WRZ3	Nordea ABP - New York Branch 3.7 07/20/2026	30,000,000.00	01/02/2026 3.70%	30,000,000.00 30,000,000.00	99.98 3.81%	29,993,280.00 462,500.00	0.17% (6,720.00)	P-1/A-1+ F1+	0.14 0.14
22536J5C5	Credit Agricole Corporate And Investment Bank, New 3.78 07/21/2026	40,000,000.00	01/02/2026 3.78%	40,000,000.00 40,000,000.00	100.00 3.71%	40,000,800.00 630,000.00	0.23% 800.00	P-1/A-1 NA	0.14 0.14
87019W2D6	Swedbank AB (publ) 3.69 07/31/2026	100,000,000.00	01/05/2026 3.69%	100,000,000.00 100,000,000.00	99.96 3.85%	99,963,300.00 1,496,500.00	0.58% (36,700.00)	P-1/A-1+ F1+	0.17 0.17
65558WSB5	Nordea ABP - New York Branch 3.7 07/31/2026	50,000,000.00	01/06/2026 3.70%	50,000,000.00 50,000,000.00	99.97 3.82%	49,985,500.00 750,277.78	0.29% (14,500.00)	P-1/A-1+ F1+	0.17 0.17
06367DUB9	Bank of Montreal - Chicago Branch 3.77 07/31/2026	50,000,000.00	02/18/2026 3.77%	50,000,000.00 50,000,000.00	99.99 3.79%	49,995,400.00 534,083.33	0.29% (4,600.00)	P-1/A-1 F1+	0.17 0.17
05593DJQ7	BNP Paribas New York Branch 4.15 07/31/2026	62,000,000.00	08/15/2025 4.15%	62,000,000.00 62,000,000.00	100.04 3.93%	62,023,870.00 2,072,694.44	0.36% 23,870.00	P-1/A-1 F1+	0.17 0.17
05593DJL8	BNP Paribas New York Branch 4.11 07/31/2026	45,000,000.00	08/13/2025 4.11%	45,000,000.00 45,000,000.00	100.03 3.79%	45,014,220.00 1,500,150.00	0.26% 14,220.00	P-1/A-1 F1+	0.17 0.17

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of May 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
05593DJP9	BNP Paribas New York Branch 4.14 07/31/2026	50,000,000.00	08/14/2025 4.14%	50,000,000.00 50,000,000.00	100.04 3.79%	50,018,350.00 1,673,250.00	0.29% 18,350.00	P-1/A-1 F1+	0.17 0.17
06418NMY5	Bank of Nova Scotia, Houston Branch 3.73 07/31/2026	60,000,000.00	02/18/2026 3.73%	60,000,000.00 60,000,000.00	99.97 3.88%	59,980,920.00 640,316.67	0.35% (19,080.00)	P-1/A-1 F1+	0.17 0.17
22536XDG6	Credit Agricole Corporate And Investment Bank, New 3.94 08/03/2026	100,000,000.00	03/19/2026 3.94%	100,000,000.00 100,000,000.00	100.03 3.71%	100,034,100.00 809,888.89	0.58% 34,100.00	P-1/A-1 NA	0.18 0.17
21684X7A8	Coöperatieve Rabobank U.A., New York Branch 3.9 08/04/2026	50,000,000.00	03/24/2026 3.90%	50,000,000.00 50,000,000.00	100.00 3.85%	50,001,300.00 373,750.00	0.29% 1,300.00	P-1/A-1 F1+	0.18 0.11
21684X7B6	Coöperatieve Rabobank U.A., New York Branch 3.9 08/05/2026	50,000,000.00	03/24/2026 3.90%	50,000,000.00 50,000,000.00	100.00 3.85%	50,001,500.00 373,750.00	0.29% 1,500.00	P-1/A-1 F1+	0.18 0.18
89115DY59	Toronto-Dominion Bank - New York Branch 3.86 08/10/2026	50,000,000.00	04/08/2026 3.86%	50,000,000.00 50,000,000.00	100.01 3.81%	50,003,050.00 289,500.00	0.29% 3,050.00	P-1/NA F1+	0.19 0.19
21684X7C4	Coöperatieve Rabobank U.A., New York Branch 3.92 08/11/2026	50,000,000.00	03/24/2026 3.92%	50,000,000.00 50,000,000.00	100.01 3.84%	50,004,650.00 375,666.67	0.29% 4,650.00	P-1/A-1 F1+	0.20 0.20
89115DY91	Toronto-Dominion Bank - New York Branch 3.87 08/14/2026	50,000,000.00	04/08/2026 3.87%	50,000,000.00 50,000,000.00	100.01 3.81%	50,004,000.00 290,250.00	0.29% 4,000.00	P-1/NA F1+	0.21 0.20
89115DYD2	Toronto-Dominion Bank - New York Branch 3.88 08/18/2026	50,000,000.00	04/08/2026 3.63%	50,000,000.00 50,000,000.00	100.01 3.81%	50,005,050.00 291,000.00	0.29% 5,050.00	P-1/NA F1+	0.22 0.21
22536XBR4	Credit Agricole Corporate And Investment Bank, New 3.8 08/31/2026	50,000,000.00	02/25/2026 3.80%	50,000,000.00 50,000,000.00	100.01 3.71%	50,006,850.00 506,666.67	0.29% 6,850.00	P-1/A-1 NA	0.25 0.25
65558WUR7	Nordea ABP - New York Branch 3.88 09/08/2026	70,000,000.00	04/08/2026 3.88%	70,000,000.00 70,000,000.00	100.03 3.76%	70,018,340.00 407,400.00	0.40% 18,340.00	P-1/A-1+ F1+	0.27 0.27
06418NPU0	Bank of Nova Scotia, Houston Branch 3.93 09/08/2026	50,000,000.00	03/27/2026 3.93%	50,000,000.00 50,000,000.00	100.00 3.89%	50,002,150.00 360,250.00	0.29% 2,150.00	P-1/A-1 F1+	0.27 0.27
22536XEA8	Credit Agricole Corporate And Investment Bank, New 3.9 09/09/2026	30,000,000.00	04/06/2026 3.90%	30,000,000.00 30,000,000.00	100.04 3.73%	30,012,210.00 182,000.00	0.17% 12,210.00	P-1/A-1 NA	0.28 0.27
22536XDZ4	Credit Agricole Corporate And Investment Bank, New 3.9 09/10/2026	30,000,000.00	04/06/2026 3.90%	30,000,000.00 30,000,000.00	100.04 3.73%	30,012,120.00 182,000.00	0.17% 12,120.00	P-1/A-1 NA	0.28 0.28
65558WUS5	Nordea ABP - New York Branch 3.88 09/11/2026	110,000,000.00	04/08/2026 3.88%	110,000,000.00 110,000,000.00	100.02 3.77%	110,026,730.00 640,200.00	0.63% 26,730.00	P-1/A-1+ F1+	0.28 0.28

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of May 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
89115M5P7	Toronto-Dominion Bank - New York Branch 3.93 09/14/2026	70,000,000.00	04/06/2026 3.93%	70,000,000.00 70,000,000.00	100.02 3.85%	70,010,710.00 427,933.33	0.40% 10,710.00	P-1/A-1 F1+	0.29 0.29
89115MAN6	Toronto-Dominion Bank - New York Branch 4.03 09/18/2026	50,000,000.00	03/25/2026 4.03%	50,000,000.00 50,000,000.00	100.04 3.86%	50,021,200.00 380,611.11	0.29% 21,200.00	P-1/A-1 F1+	0.30 0.30
89115MB70	Toronto-Dominion Bank - New York Branch 4.03 10/01/2026	90,000,000.00	03/26/2026 4.03%	90,000,000.00 90,000,000.00	100.04 3.88%	90,036,630.00 675,025.00	0.52% 36,630.00	P-1/A-1 F1+	0.34 0.33
86959TUR5	Svenska Handelsbanken AB (publ) 3.94 10/07/2026	50,000,000.00	03/18/2026 3.94%	50,000,000.00 50,000,000.00	100.04 3.79%	50,020,200.00 410,416.67	0.29% 20,200.00	P-1/A-1+ F1+	0.35 0.35
89115MB88	Toronto-Dominion Bank - New York Branch 4.03 10/09/2026	70,000,000.00	03/26/2026 4.03%	70,000,000.00 70,000,000.00	100.04 3.88%	70,028,910.00 525,019.44	0.40% 28,910.00	P-1/A-1 F1+	0.36 0.36
06418NPZ9	Bank of Nova Scotia, Houston Branch 3.98 11/06/2026	100,000,000.00	04/08/2026 3.98%	100,000,000.00 100,000,000.00	100.03 3.90%	100,026,200.00 597,000.00	0.58% 26,200.00	P-1/A-1 F1+	0.44 0.43
06418NQA3	Bank of Nova Scotia, Houston Branch 3.92 11/10/2026	50,000,000.00	04/09/2026 3.92%	50,000,000.00 50,000,000.00	100.00 3.90%	49,998,600.00 288,555.56	0.29% (1,400.00)	P-1/A-1 F1+	0.45 0.44
65558WVJ4	Nordea ABP - New York Branch 3.91 11/25/2026	100,000,000.00	04/20/2026 3.91%	100,000,000.00 100,000,000.00	99.98 3.93%	99,982,000.00 456,166.67	0.58% (18,000.00)	P-1/A-1+ F1+	0.49 0.48
13606DUX8	Canadian Imperial Bank Of Commerce, New York Branc 3.985 11/25/2026	100,000,000.00	04/10/2026 3.99%	100,000,000.00 100,000,000.00	100.03 3.91%	100,026,400.00 575,611.11	0.58% 26,400.00	P-1/A-1 F1+	0.49 0.48
22536XEN0	Credit Agricole Corporate And Investment Bank, New 3.99 12/18/2026	100,000,000.00	04/14/2026 3.99%	100,000,000.00 100,000,000.00	100.01 3.96%	100,005,300.00 532,000.00	0.58% 5,300.00	P-1/A-1 NA	0.55 0.54
87019W4M4	Swedbank AB (publ) 3.99 12/18/2026	100,000,000.00	04/13/2026 3.99%	100,000,000.00 100,000,000.00	100.03 3.92%	100,028,800.00 543,083.33	0.58% 28,800.00	P-1/A-1+ F1+	0.55 0.54
13606DVK5	Canadian Imperial Bank Of Commerce, New York Branc 3.92 01/08/2027	100,000,000.00	05/01/2026 3.92%	100,000,000.00 100,000,000.00	99.98 3.95%	99,975,000.00 337,555.56	0.58% (25,000.00)	P-1/A-1 F1+	0.61 0.60
13606DVM1	Canadian Imperial Bank Of Commerce, New York Branc 3.94 01/13/2027	25,000,000.00	05/05/2026 3.94%	25,000,000.00 25,000,000.00	99.99 3.95%	24,996,275.00 73,875.00	0.14% (3,725.00)	P-1/A-1 F1+	0.62 0.61
13606DVJ8	Canadian Imperial Bank Of Commerce, New York Branc 3.93 01/21/2027	100,000,000.00	05/01/2026 3.93%	100,000,000.00 100,000,000.00	99.97 3.96%	99,972,600.00 338,416.67	0.58% (27,400.00)	P-1/A-1 F1+	0.64 0.63
06367DVF9	Bank of Montreal - Chicago Branch 3.98 01/21/2027	50,000,000.00	05/20/2026 3.98%	50,000,000.00 50,000,000.00	100.00 3.98%	50,000,000.00 66,333.33	0.29% 0.00	P-1/A-1 F1+	0.64 0.65

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of May 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
06418NRA2	Bank of Nova Scotia, Houston Branch 3.97 01/29/2027	50,000,000.00	05/27/2026 3.97%	50,000,000.00 50,000,000.00	100.00 3.97%	50,000,000.00 27,569.44	0.29% 0.00	P-1/NA F1+	0.67 0.67
06418NQX3	Bank of Nova Scotia, Houston Branch 3.99 01/29/2027	100,000,000.00	05/26/2026 3.99%	100,000,000.00 100,000,000.00	100.00 3.99%	100,000,000.00 66,500.00	0.58% 0.00	P-1/NA F1+	0.67 0.67
05593DPC1	BNP Paribas New York Branch 3.98 02/01/2027	25,000,000.00	05/06/2026 3.98%	25,000,000.00 25,000,000.00	100.00 3.97%	25,000,000.00 71,861.11	0.14% 0.00	P-1/A-1 F1+	0.67 0.66
22536XFW9	Credit Agricole Corporate And Investment Bank, New 4.0 02/05/2027	100,000,000.00	05/04/2026 4.00%	100,000,000.00 100,000,000.00	100.00 4.00%	100,000,000.00 311,111.11	0.58% 0.00	P-1/A-1 NA	0.68 0.69
22536XGL2	Credit Agricole Corporate And Investment Bank, New 4.03 02/08/2027	40,000,000.00	05/12/2026 4.03%	40,000,000.00 40,000,000.00	100.00 4.03%	40,000,000.00 89,555.56	0.23% 0.00	P-1/A-1 NA	0.69 0.70
Total Negotiable CD		4,118,000,000.00	3.90%	4,118,000,000.00	100.01 3.83%	4,118,236,998.00 49,306,372.22	23.76% 236,998.00		0.27 0.27
SUPRANATIONAL									
45906M2P5	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 0.875 06/30/2026	25,000,000.00	06/30/2021 0.87%	25,000,000.00 25,000,000.00	99.75 4.01%	24,936,750.00 91,753.47	0.14% (63,250.00)	Aaa/AAA NA	0.08 0.08
459058LK7	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 4.0 08/27/2026	25,000,000.00	08/20/2024 4.06%	24,971,000.00 24,996,543.84	100.03 3.84%	25,007,275.00 261,111.11	0.14% 10,731.16	Aaa/AAA NA	0.24 0.24
4581X0EM6	INTER-AMERICAN DEVELOPMENT BANK 4.375 02/01/2027	50,000,000.00	04/16/2024 4.92%	49,289,000.00 49,829,052.99	100.31 3.90%	50,152,650.00 729,166.67	0.29% 323,597.01	Aaa/AAA NA	0.67 0.64
45950VRW8	INTERNATIONAL FINANCE CORP 3.81 06/30/2027	25,000,000.00	02/07/2023 3.81%	25,000,000.00 25,000,000.00	99.26 4.52%	24,815,200.00 399,520.83	0.14% (184,800.00)	Aaa/AAA NA	1.08 1.03
45818WEH5	INTER-AMERICAN DEVELOPMENT BANK 3.96 06/30/2027	50,000,000.00	02/07/2023 3.96%	50,000,000.00 50,000,000.00	99.48 4.46%	49,740,100.00 829,972.60	0.29% (259,900.00)	Aaa/AAA NA	1.08 1.03
45950KDM9	INTERNATIONAL FINANCE CORP 3.88831 07/30/2027	100,000,000.00	04/11/2025 4.63%	100,000,000.00 100,000,000.00	100.10 3.80%	100,103,800.00 344,656.89	0.58% 103,800.00	Aaa/AAA NA	1.16 0.00
45950VTR7	INTERNATIONAL FINANCE CORP 3.58 09/07/2027	50,000,000.00	09/11/2024 3.58%	50,000,000.00 50,000,000.00	98.85 4.52%	49,426,350.00 417,666.67	0.29% (573,650.00)	Aaa/AAA NA	1.27 1.21

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of May 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
45906M4E8	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 4.5 06/26/2028	35,000,000.00	01/23/2024 4.54%	34,947,500.00 34,975,408.92	99.45 4.78%	34,806,905.00 678,125.00	0.20% (168,503.92)	Aaa/AAA NA	2.07 1.92
45818WFB7	INTER-AMERICAN DEVELOPMENT BANK 4.16 06/30/2028	50,000,000.00	01/19/2024 4.16%	50,000,000.00 50,000,000.00	99.34 4.49%	49,670,150.00 872,444.44	0.29% (329,850.00)	Aaa/AAA NA	2.08 1.94
45950VUH7	INTERNATIONAL FINANCE CORP 4.3 06/30/2028	50,000,000.00	01/30/2025 4.32%	49,964,000.00 49,977,917.68	99.62 4.49%	49,812,050.00 901,805.56	0.29% (165,867.68)	Aaa/AAA NA	2.08 1.93
459058LS0	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.89515 06/30/2028	50,000,000.00	03/27/2025 4.24%	50,000,000.00 50,000,000.00	100.00 3.88%	49,998,850.00 340,529.88	0.29% (1,150.00)	Aaa/NA NA	2.08 0.00
45818WFM3	INTER-AMERICAN DEVELOPMENT BANK 4.76 07/03/2028	50,000,000.00	04/11/2024 4.76%	50,000,000.00 50,000,000.00	100.52 4.49%	50,261,950.00 978,444.44	0.29% 261,950.00	Aaa/AAA NA	2.09 1.93
45818WFP6	INTER-AMERICAN DEVELOPMENT BANK 4.82 07/05/2028	50,000,000.00	05/03/2024 4.82%	50,000,000.00 50,000,000.00	100.64 4.49%	50,321,850.00 977,388.89	0.29% 321,850.00	Aaa/AAA NA	2.10 1.94
459058KT9	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.5 07/12/2028	50,835,000.00	-- 4.10%	49,596,943.80 50,253,807.29	98.91 4.04%	50,281,966.04 686,978.54	0.29% 28,158.75	Aaa/AAA NA	2.11 1.99
4581X0DX3	INTER-AMERICAN DEVELOPMENT BANK 1.125 07/20/2028	50,801,000.00	01/22/2024 4.17%	44,531,140.58 47,817,174.28	94.09 4.04%	47,798,864.10 207,966.59	0.28% (18,310.18)	Aaa/AAA AAA	2.14 2.07
45950VST4	INTERNATIONAL FINANCE CORP 4.07 07/31/2028	50,000,000.00	01/08/2024 4.07%	50,000,000.00 50,000,000.00	99.14 4.49%	49,568,650.00 683,986.11	0.29% (431,350.00)	Aaa/AAA NA	2.17 2.02
459058KW2	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 4.625 08/01/2028	75,000,000.00	-- 4.46%	75,490,750.00 75,248,303.66	101.19 4.04%	75,891,750.00 1,156,250.00	0.44% 643,446.34	Aaa/AAA NA	2.17 2.02
459058JZ7	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 1.125 09/13/2028	35,000,000.00	12/28/2023 3.95%	30,794,750.00 32,958,497.82	93.65 4.06%	32,778,095.00 85,312.50	0.19% (180,402.82)	Aaa/AAA NA	2.29 2.21
45818WEY8	INTER-AMERICAN DEVELOPMENT BANK 4.05 09/29/2028	50,000,000.00	01/10/2024 4.05%	50,000,000.00 50,000,000.00	99.03 4.49%	49,515,200.00 742,500.00	0.29% (484,800.00)	Aaa/AAA NA	2.33 2.16
45818WFAQ4	INTER-AMERICAN DEVELOPMENT BANK 4.815 11/07/2028	50,000,000.00	04/30/2024 4.82%	50,000,000.00 50,000,000.00	100.72 4.50%	50,362,200.00 160,500.00	0.29% 362,200.00	Aaa/AAA NA	2.44 2.27
459058KH5	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.9227 01/24/2029	50,000,000.00	04/08/2025 4.66%	49,965,000.00 49,975,555.56	100.17 3.85%	50,082,950.00 206,602.31	0.29% 107,394.44	Aaa/AAA NA	2.65 0.00

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

As of May 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
45818WEZ5	INTER-AMERICAN DEVELOPMENT BANK 4.125 01/29/2029	28,405,000.00	02/13/2024 4.39%	28,075,786.05 28,228,024.77	99.07 4.50%	28,142,140.13 397,078.23	0.16% (85,884.64)	Aaa/AAA NA	2.67 2.46
45818WFJ0	INTER-AMERICAN DEVELOPMENT BANK 4.46 01/31/2029	50,000,000.00	04/05/2024 4.47%	49,987,500.00 49,993,055.56	99.90 4.50%	49,951,900.00 749,527.78	0.29% (41,155.56)	Aaa/AAA NA	2.67 2.45
45818WFH4	INTER-AMERICAN DEVELOPMENT BANK 4.5 02/01/2029	50,000,000.00	04/03/2024 4.50%	50,000,000.00 50,000,000.00	100.01 4.49%	50,005,350.00 750,000.00	0.29% 5,350.00	Aaa/AAA NA	2.67 2.45
45818WFC5	INTER-AMERICAN DEVELOPMENT BANK 4.22 02/07/2029	25,000,000.00	02/05/2024 4.22%	25,000,000.00 25,000,000.00	99.31 4.49%	24,826,875.00 334,083.33	0.14% (173,125.00)	Aaa/NA NA	2.69 2.48
4581X0EN4	INTER-AMERICAN DEVELOPMENT BANK 4.125 02/15/2029	50,000,000.00	-- 4.44%	49,307,250.00 49,617,601.95	100.14 4.07%	50,068,950.00 607,291.67	0.29% 451,348.05	Aaa/AAA NA	2.71 2.51
45818WFF8	INTER-AMERICAN DEVELOPMENT BANK 4.328 03/29/2029	25,000,000.00	03/22/2024 4.33%	25,000,000.00 25,000,000.00	99.56 4.49%	24,889,950.00 186,344.44	0.14% (110,050.00)	Aaa/AAA NA	2.83 2.61
45950VTF3	INTERNATIONAL FINANCE CORP 4.47 03/29/2029	25,000,000.00	04/05/2024 4.47%	25,000,000.00 25,000,000.00	99.94 4.49%	24,984,100.00 152,104.17	0.14% (15,900.00)	Aaa/AAA NA	2.83 2.61
45818WFS0	INTER-AMERICAN DEVELOPMENT BANK 4.33 05/30/2029	25,000,000.00	06/13/2024 4.34%	24,990,675.00 24,994,345.04	100.76 4.06%	25,189,775.00 3,006.94	0.15% 195,429.96	Aaa/AAA NA	3.00 2.79
45818WFR2	INTER-AMERICAN DEVELOPMENT BANK 4.6 06/07/2029	25,000,000.00	06/04/2024 4.44%	25,174,250.00 25,105,160.73	100.29 4.50%	25,072,650.00 555,833.33	0.14% (32,510.73)	Aaa/AAA NA	3.02 2.73
4581X0DGO	INTER-AMERICAN DEVELOPMENT BANK 2.25 06/18/2029	56,440,000.00	-- 4.28%	51,382,442.48 53,331,201.25	94.78 4.09%	53,492,364.56 574,982.50	0.31% 161,163.31	Aaa/AAA AAA	3.05 2.87
45950KDHO	INTERNATIONAL FINANCE CORP 4.25 07/02/2029	50,000,000.00	06/25/2024 4.36%	49,753,000.00 49,847,552.57	100.46 4.09%	50,232,300.00 879,513.89	0.29% 384,747.43	Aaa/AAA NA	3.09 2.82
45818WFU5	INTER-AMERICAN DEVELOPMENT BANK 4.343 07/02/2029	50,000,000.00	07/09/2024 4.34%	50,000,000.00 50,000,000.00	99.56 4.50%	49,780,400.00 898,759.72	0.29% (219,600.00)	Aaa/AAA NA	3.09 2.81
4581X0EQ7	INTER-AMERICAN DEVELOPMENT BANK 3.98735 08/01/2029	105,599,000.00	-- 4.68%	105,594,632.78 105,595,791.83	100.36 3.87%	105,981,479.58 361,430.21	0.61% 385,687.75	Aaa/AAA NA	3.17 0.00
45950KDL1	INTERNATIONAL FINANCE CORP 3.9734 08/28/2029	50,000,000.00	03/04/2025 4.66%	50,061,622.50 50,044,569.97	100.26 3.89%	50,132,450.00 21,473.17	0.29% 87,880.03	Aaa/AAA NA	3.24 0.00
45905U2K9	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 2.778 09/13/2029	10,000,000.00	11/01/2024 4.27%	9,349,400.00 9,559,909.81	94.73 4.52%	9,472,560.00 60,190.00	0.05% (87,349.81)	Aaa/AAA NA	3.29 3.07
459058KL6	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.625 09/21/2029	10,000,000.00	10/04/2024 3.83%	9,907,000.00 9,937,931.49	98.55 4.10%	9,854,930.00 70,486.11	0.06% (83,001.49)	Aaa/AAA NA	3.31 3.06

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

As of May 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
459058LN1	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.875 10/16/2029	65,000,000.00	-- 4.14%	64,266,600.00 64,480,426.68	99.28 4.10%	64,534,210.00 314,600.00	0.37% 53,783.32	Aaa/AAA NA	3.38 3.12
45950VUG9	INTERNATIONAL FINANCE CORP 4.665 01/23/2030	50,000,000.00	01/14/2025 4.66%	50,000,000.00 50,000,000.00	100.29 4.58%	50,143,650.00 829,333.33	0.29% 143,650.00	Aaa/AAA NA	3.65 3.27
45950VUK0	INTERNATIONAL FINANCE CORP 4.55 01/28/2030	50,000,000.00	02/11/2025 4.55%	50,000,000.00 50,000,000.00	100.63 4.36%	50,313,500.00 777,291.67	0.29% 313,500.00	Aaa/AAA NA	3.66 1.56
45906M5Z0	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 4.42 01/31/2030	50,000,000.00	01/28/2025 4.42%	50,000,000.00 50,000,000.00	99.45 4.58%	49,723,200.00 742,805.56	0.29% (276,800.00)	Aaa/AAA NA	3.67 3.30
4581X0ES3	INTER-AMERICAN DEVELOPMENT BANK 4.5 02/15/2030	50,000,000.00	02/12/2025 4.58%	49,814,000.00 49,861,749.86	101.27 4.12%	50,636,950.00 662,500.00	0.29% 775,200.14	Aaa/AAA NA	3.71 3.34
4581X0ET1	INTER-AMERICAN DEVELOPMENT BANK 4.02991 03/13/2030	100,000,000.00	-- 4.77%	99,935,000.00 99,950,075.08	100.31 3.92%	100,314,200.00 895,491.11	0.58% 364,124.92	Aaa/AAA NA	3.78 0.00
459058LR2	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 4.125 03/20/2030	50,000,000.00	-- 4.22%	49,782,000.00 49,834,291.35	100.02 4.12%	50,007,700.00 406,770.83	0.29% 173,408.65	Aaa/AAA NA	3.80 3.46
459058LY7	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.5 10/28/2030	50,000,000.00	10/21/2025 3.61%	49,757,000.00 49,785,744.80	97.45 4.14%	48,724,300.00 160,416.67	0.28% (1,061,444.80)	Aaa/AAA NA	4.41 4.02
Total Supranational		2,122,080,000.00	4.35%	2,101,688,243.19 2,111,199,694.77	99.54 4.22%	2,111,809,439.41 23,143,997.16	12.18% 609,744.64		2.57 1.79
US TREASURY									
91282CHH7	UNITED STATES TREASURY 4.125 06/15/2026	50,000,000.00	-- 4.72%	49,380,859.38 49,989,173.23	100.01 3.71%	50,006,577.00 951,923.08	0.29% 17,403.77	Aa1/AA+ AA+	0.04 0.04
9128287B0	UNITED STATES TREASURY 1.875 06/30/2026	200,000,000.00	12/10/2025 3.67%	198,031,250.00 199,717,357.67	99.85 3.71%	199,702,620.00 1,574,585.64	1.15% (14,737.67)	Aa1/AA+ AA+	0.08 0.08
91282CKY6	UNITED STATES TREASURY 4.625 06/30/2026	225,000,000.00	-- 3.71%	226,191,406.25 225,150,253.25	100.07 3.71%	225,151,969.50 4,369,475.14	1.30% 1,716.25	Aa1/AA+ AA+	0.08 0.08
91282CCJ8	UNITED STATES TREASURY 0.875 06/30/2026	25,000,000.00	10/05/2021 0.94%	24,924,804.69 24,998,738.77	99.77 3.71%	24,943,175.00 91,850.83	0.14% (55,563.77)	Aa1/AA+ AA+	0.08 0.08
91282CHM6	UNITED STATES TREASURY 4.5 07/15/2026	50,000,000.00	-- 4.77%	49,712,890.63 49,984,733.03	100.09 3.68%	50,045,898.50 851,519.34	0.29% 61,165.47	Aa1/AA+ AA+	0.12 0.12

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of May 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CCP4	UNITED STATES TREASURY 0.625 07/31/2026	100,000,000.00	-- 1.05%	98,006,835.88 99,930,894.04	99.49 3.71%	99,490,885.00 208,908.84	0.57% (440,009.04)	Aa1/AA+ AA+	0.17 0.16
91282CHU8	UNITED STATES TREASURY 4.375 08/15/2026	25,000,000.00	04/12/2024 4.82%	24,754,882.81 24,978,422.78	100.12 3.76%	25,029,297.00 320,269.34	0.14% 50,874.22	Aa1/AA+ AA+	0.21 0.21
9128282A7	UNITED STATES TREASURY 1.5 08/15/2026	25,000,000.00	06/16/2022 3.45%	23,105,468.75 24,906,581.30	99.52 3.80%	24,880,850.00 109,806.63	0.14% (25,731.30)	Aa1/AA+ AA+	0.21 0.21
91282CCW9	UNITED STATES TREASURY 0.75 08/31/2026	25,000,000.00	09/24/2021 0.90%	24,819,335.94 24,990,876.56	99.26 3.75%	24,816,015.50 47,384.51	0.14% (174,861.06)	Aa1/AA+ AA+	0.25 0.25
91282CHY0	UNITED STATES TREASURY 4.625 09/15/2026	25,000,000.00	04/10/2024 4.84%	24,877,929.69 24,985,412.12	100.24 3.73%	25,061,198.00 245,074.73	0.14% 75,785.88	Aa1/AA+ AA+	0.29 0.28
91282CCZ2	UNITED STATES TREASURY 0.875 09/30/2026	50,000,000.00	10/13/2021 1.05%	49,564,453.13 49,970,931.51	99.07 3.73%	49,533,203.00 74,112.02	0.29% (437,728.51)	Aa1/AA+ AA+	0.33 0.33
91282CJC6	UNITED STATES TREASURY 4.625 10/15/2026	25,000,000.00	04/10/2024 4.83%	24,880,859.38 24,982,330.29	100.32 3.74%	25,078,776.00 148,480.19	0.14% 96,445.71	Aa1/AA+ AA+	0.38 0.37
91282CJT9	UNITED STATES TREASURY 4.0 01/15/2027	50,000,000.00	04/09/2025 4.01%	49,988,281.25 49,995,857.56	100.13 3.77%	50,066,894.50 756,906.08	0.29% 71,036.94	Aa1/AA+ AA+	0.63 0.60
91282CEF4	UNITED STATES TREASURY 2.5 03/31/2027	50,000,000.00	01/23/2025 4.27%	48,169,921.88 49,303,374.79	98.92 3.83%	49,460,950.00 211,748.63	0.29% 157,575.21	Aa1/AA+ AA+	0.83 0.81
91282CEN7	UNITED STATES TREASURY 2.75 04/30/2027	25,000,000.00	01/24/2025 4.26%	24,190,429.69 24,673,623.59	99.00 3.87%	24,750,725.00 59,782.61	0.14% 77,101.41	Aa1/AA+ AA+	0.91 0.89
91282CEW7	UNITED STATES TREASURY 3.25 06/30/2027	220,000,000.00	-- 3.87%	216,042,968.73 218,557,153.02	99.30 3.91%	218,470,313.60 3,002,209.94	1.26% (86,839.42)	Aa1/AA+ AA+	1.08 1.04
91282CGH8	UNITED STATES TREASURY 3.5 01/31/2028	100,000,000.00	-- 3.82%	99,148,437.50 99,493,467.14	99.20 4.00%	99,203,125.00 1,169,889.50	0.57% (290,342.14)	Aa1/AA+ AA+	1.67 1.58
91282CGP0	UNITED STATES TREASURY 4.0 02/29/2028	25,000,000.00	03/03/2025 3.98%	25,012,695.31 25,007,417.22	100.01 3.99%	25,001,953.00 252,717.39	0.14% (5,464.22)	Aa1/AA+ AA+	1.75 1.66
91282CHK0	UNITED STATES TREASURY 4.0 06/30/2028	245,000,000.00	-- 4.04%	244,452,539.07 244,671,765.03	99.97 4.01%	244,933,115.00 4,114,917.13	1.41% 261,349.97	Aa1/AA+ AA+	2.08 1.94
91282CHQ7	UNITED STATES TREASURY 4.125 07/31/2028	250,000,000.00	-- 4.01%	250,014,648.45 250,091,549.46	100.21 4.02%	250,537,000.00 3,446,995.86	1.45% 445,450.54	Aa1/AA+ AA+	2.17 2.03
91282CJW2	UNITED STATES TREASURY 4.0 01/31/2029	150,000,000.00	-- 3.89%	150,603,515.63 150,421,645.23	99.87 4.05%	149,800,800.00 2,005,524.86	0.86% (620,845.23)	Aa1/AA+ AA+	2.67 2.47
91282CKD2	UNITED STATES TREASURY 4.25 02/28/2029	40,000,000.00	04/25/2025 3.85%	40,571,875.00 40,408,249.56	100.51 4.05%	40,204,687.60 429,619.57	0.23% (203,561.96)	Aa1/AA+ AA+	2.75 2.54

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of May 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CKX8	UNITED STATES TREASURY 4.25 06/30/2029	130,000,000.00	-- 4.02%	131,296,875.01 130,951,442.20	100.53 4.06%	130,690,625.00 2,319,889.50	0.75% (260,817.20)	Aa1/AA+ AA+	3.08 2.81
91282CEV9	UNITED STATES TREASURY 3.25 06/30/2029	50,000,000.00	04/02/2025 3.89%	48,763,671.88 49,102,665.07	97.67 4.06%	48,833,984.50 682,320.44	0.28% (268,680.57)	Aa1/AA+ AA+	3.08 2.86
91282CLC3	UNITED STATES TREASURY 4.0 07/31/2029	297,000,000.00	-- 4.02%	296,067,265.64 296,383,714.81	99.80 4.07%	296,408,319.57 3,970,939.23	1.71% 24,604.76	Aa1/AA+ AA+	3.17 2.91
91282CLK5	UNITED STATES TREASURY 3.625 08/31/2029	25,000,000.00	01/10/2025 4.51%	24,080,078.13 24,355,403.03	98.63 4.08%	24,658,203.00 229,025.14	0.14% 302,799.97	Aa1/AA+ AA+	3.25 3.00
91282CFLO	UNITED STATES TREASURY 3.875 09/30/2029	50,000,000.00	02/12/2025 4.50%	48,710,937.50 49,071,722.45	99.37 4.08%	49,685,550.00 328,210.38	0.29% 613,827.55	Aa1/AA+ AA+	3.33 3.07
91282CFT3	UNITED STATES TREASURY 4.0 10/31/2029	25,000,000.00	11/12/2024 4.33%	24,631,835.94 24,746,569.91	99.74 4.08%	24,934,570.25 86,956.52	0.14% 188,000.34	Aa1/AA+ AA+	3.42 3.15
91282CLR0	UNITED STATES TREASURY 4.125 10/31/2029	25,000,000.00	01/03/2025 4.38%	24,722,656.25 24,803,561.29	100.12 4.09%	25,030,273.50 89,673.91	0.14% 226,712.21	Aa1/AA+ AA+	3.42 3.14
91282CMA6	UNITED STATES TREASURY 4.125 11/30/2029	25,000,000.00	05/21/2025 4.08%	25,041,015.63 25,031,691.64	100.13 4.09%	25,031,250.00 2,817.62	0.14% (441.64)	Aa1/AA+ AA+	3.50 3.23
91282CMG3	UNITED STATES TREASURY 4.25 01/31/2030	150,000,000.00	-- 4.11%	151,681,640.63 151,283,707.13	100.52 4.10%	150,773,400.00 2,130,870.17	0.87% (510,307.13)	Aa1/AA+ AA+	3.67 3.32
91282CMU2	UNITED STATES TREASURY 4.0 03/31/2030	50,000,000.00	04/09/2025 4.00%	49,996,093.75 49,996,992.38	99.65 4.10%	49,826,172.00 338,797.81	0.29% (170,820.38)	Aa1/AA+ AA+	3.83 3.49
91282CGZ8	UNITED STATES TREASURY 3.5 04/30/2030	50,000,000.00	05/01/2025 3.81%	49,291,015.63 49,444,551.17	97.81 4.11%	48,906,250.00 152,173.91	0.28% (538,301.17)	Aa1/AA+ AA+	3.91 3.60
91282CMZ1	UNITED STATES TREASURY 3.875 04/30/2030	75,000,000.00	-- 3.85%	75,082,031.26 75,064,208.84	99.18 4.10%	74,384,775.00 252,717.39	0.43% (679,433.84)	Aa1/AA+ AA+	3.91 3.58
91282CNG2	UNITED STATES TREASURY 4.0 05/31/2030	85,000,000.00	-- 4.04%	84,830,468.76 84,863,812.74	99.61 4.11%	84,667,990.00 9,289.62	0.49% (195,822.74)	Aa1/AA+ AA+	4.00 3.66
91282CNK3	UNITED STATES TREASURY 3.875 06/30/2030	100,000,000.00	-- 3.98%	99,511,718.76 99,598,545.90	99.11 4.11%	99,113,281.00 1,627,071.82	0.57% (485,264.90)	Aa1/AA+ AA+	4.08 3.68
91282CHJ3	UNITED STATES TREASURY 3.75 06/30/2030	100,000,000.00	12/05/2025 3.68%	100,273,437.50 100,244,844.88	98.64 4.12%	98,636,719.00 1,574,585.64	0.57% (1,608,125.88)	Aa1/AA+ AA+	4.08 3.68
91282CNN7	UNITED STATES TREASURY 3.875 07/31/2030	200,000,000.00	-- 3.76%	200,983,398.45 200,885,097.01	99.09 4.11%	198,179,600.00 2,590,469.61	1.14% (2,705,497.01)	Aa1/AA+ AA+	4.17 3.76
91282CHR5	UNITED STATES TREASURY 4.0 07/31/2030	53,000,000.00	01/15/2026 3.73%	53,592,109.38 53,543,183.57	99.55 4.12%	52,761,924.00 708,618.78	0.30% (781,259.57)	Aa1/AA+ AA+	4.17 3.75

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of May 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CHW4	UNITED STATES TREASURY 4.125 08/31/2030	50,000,000.00	09/26/2025 3.78%	50,763,671.88 50,658,454.87	99.99 4.13%	49,994,150.00 521,229.62	0.29% (664,304.87)	Aa1/AA+ AA+	4.25 3.82
91282CHZ7	UNITED STATES TREASURY 4.625 09/30/2030	50,000,000.00	10/29/2025 3.70%	52,058,593.75 51,813,304.74	101.96 4.12%	50,980,450.00 391,734.97	0.29% (832,854.74)	Aa1/AA+ AA+	4.33 3.87
91282CPA3	UNITED STATES TREASURY 3.625 09/30/2030	25,000,000.00	10/08/2025 3.71%	24,905,273.44 24,917,570.18	98.05 4.12%	24,511,718.75 153,517.76	0.14% (405,851.43)	Aa1/AA+ AA+	4.33 3.94
91282CPD7	UNITED STATES TREASURY 3.625 10/31/2030	30,000,000.00	11/05/2025 3.75%	29,830,078.13 29,849,487.11	97.99 4.13%	29,397,656.40 94,565.22	0.17% (451,830.71)	Aa1/AA+ AA+	4.42 4.02
91282CJM4	UNITED STATES TREASURY 4.375 11/30/2030	50,000,000.00	-- 3.69%	51,549,804.69 51,398,313.62	100.99 4.13%	50,496,100.00 5,976.78	0.29% (902,213.62)	Aa1/AA+ AA+	4.50 4.05
91282CJQ5	UNITED STATES TREASURY 3.75 12/31/2030	100,000,000.00	01/02/2026 3.72%	100,121,093.75 100,111,135.38	98.40 4.14%	98,398,400.00 1,574,585.64	0.57% (1,712,735.38)	Aa1/AA+ AA+	4.59 4.10
Total US Treasury		3,775,000,000.00	3.80%	3,764,231,054.78 3,775,329,787.08	99.67 3.98%	3,762,471,390.17 44,279,739.33	21.71% (12,858,396.91)		2.39 2.19
Total Portfolio		17,389,873,484.85	3.91%	17,280,500,161.76 17,348,262,714.87	94.66 3.98%	17,332,250,837.72 139,788,445.33	100.00% (16,011,877.15)		1.28 1.06
Total Market Value + Accrued						17,472,039,283.04			

TRANSACTION ACTIVITY REPORT

County of San Diego Pooled Money Fund As of May 31, 2026

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	05/01/2026	13606DVK5	100,000,000.00	Canadian Imperial Bank Of Commerce, New York Branc 3.92 01/08/2027	100.000	3.92%	(100,000,000.00)	0.00	(100,000,000.00)	0.00
Purchase	05/01/2026	13606DVJ8	100,000,000.00	Canadian Imperial Bank Of Commerce, New York Branc 3.93 01/21/2027	100.000	3.93%	(100,000,000.00)	0.00	(100,000,000.00)	0.00
Purchase	05/04/2026	023135DC7	30,000,000.00	AMAZON.COM INC 4.0 03/13/2029	99.356	4.24%	(29,806,800.00)	(170,000.00)	(29,976,800.00)	0.00
Purchase	05/04/2026	22536XFW9	100,000,000.00	Credit Agricole Corporate And Investment Bank, New 4.0 02/05/2027	100.000	4.00%	(100,000,000.00)	0.00	(100,000,000.00)	0.00
Purchase	05/05/2026	13606DVM1	25,000,000.00	Canadian Imperial Bank Of Commerce, New York Branc 3.94 01/13/2027	100.000	3.94%	(25,000,000.00)	0.00	(25,000,000.00)	0.00
Purchase	05/06/2026	05593DPC1	25,000,000.00	BNP Paribas New York Branch 3.98 02/01/2027	100.000	3.98%	(25,000,000.00)	0.00	(25,000,000.00)	0.00
Purchase	05/07/2026	06054PN44	25,000,000.00	BofA Securities, Inc. 01/04/2027	97.419	3.94%	(24,354,666.67)	0.00	(24,354,666.67)	0.00
Purchase	05/08/2026	31428JHH3	50,000,000.00	FEDERAL AGRICULTURAL MORTGAGE CORP 4.25 05/08/2031	100.000	4.25%	(50,000,000.00)	0.00	(50,000,000.00)	0.00
Purchase	05/12/2026	22536XGL2	40,000,000.00	Credit Agricole Corporate And Investment Bank, New 4.03 02/08/2027	100.000	4.03%	(40,000,000.00)	0.00	(40,000,000.00)	0.00
Purchase	05/13/2026	09659CEE4	35,000,000.00	BNP Paribas New York Branch 05/14/2026	99.990	3.62%	(34,996,480.56)	0.00	(34,996,480.56)	0.00
Purchase	05/14/2026	US09659CEF14	53,000,000.00	BNP Paribas New York Branch 05/15/2026	99.990	3.62%	(52,994,670.56)	0.00	(52,994,670.56)	0.00

TRANSACTION ACTIVITY REPORT

County of San Diego Pooled Money Fund As of May 31, 2026

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Purchase	05/15/2026	09659CEJ3	121,000,000.00	BNP Paribas New York Branch 05/18/2026	99.970	3.62%	(120,963,498.33)	0.00	(120,963,498.33)	0.00
Purchase	05/18/2026	09659CEK0	83,000,000.00	BNP Paribas New York Branch 05/19/2026	99.990	3.61%	(82,991,676.94)	0.00	(82,991,676.94)	0.00
Purchase	05/19/2026	3136GDCW1	25,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION 4.46 05/19/2031	100.000	4.46%	(25,000,000.00)	0.00	(25,000,000.00)	0.00
Purchase	05/19/2026	09659CEL8	58,000,000.00	BNP Paribas New York Branch 05/20/2026	99.990	3.60%	(57,994,200.00)	0.00	(57,994,200.00)	0.00
Purchase	05/20/2026	09659CEM6	55,000,000.00	BNP Paribas New York Branch 05/21/2026	99.990	3.59%	(54,994,515.28)	0.00	(54,994,515.28)	0.00
Purchase	05/20/2026	06367DVF9	50,000,000.00	Bank of Montreal - Chicago Branch 3.98 01/21/2027	100.000	3.98%	(50,000,000.00)	0.00	(50,000,000.00)	0.00
Purchase	05/21/2026	09659CEN4	38,000,000.00	BNP Paribas New York Branch 05/22/2026	99.990	3.59%	(37,996,210.56)	0.00	(37,996,210.56)	0.00
Purchase	05/22/2026	3134HCY37	25,000,000.00	FHLMC 4 1/2 05/22/31	100.000	4.50%	(25,000,000.00)	0.00	(25,000,000.00)	0.00
Purchase	05/22/2026	09659CES3	53,000,000.00	BNP Paribas New York Branch 05/26/2026	99.960	3.60%	(52,978,800.00)	0.00	(52,978,800.00)	0.00
Purchase	05/26/2026	06418NQX3	100,000,000.00	Bank of Nova Scotia, Houston Branch 3.99 01/29/2027	100.000	3.99%	(100,000,000.00)	0.00	(100,000,000.00)	0.00
Purchase	05/27/2026	09659CEU8	83,000,000.00	BNP Paribas New York Branch 05/28/2026	99.990	3.61%	(82,991,676.94)	0.00	(82,991,676.94)	0.00
Purchase	05/27/2026	21687BEU1	250,000,000.00	Coöperatieve Rabobank U.A., New York Branch 05/28/2026	99.990	3.62%	(249,974,861.11)	0.00	(249,974,861.11)	0.00
Purchase	05/27/2026	90LAIF\$00	5,000,000.00	Local Agency Investment Fund State Pool	1.000	3.81%	(5,000,000.00)	0.00	(5,000,000.00)	0.00
Purchase	05/27/2026	06418NRA2	50,000,000.00	Bank of Nova Scotia, Houston Branch 3.97 01/29/2027	100.000	3.97%	(50,000,000.00)	0.00	(50,000,000.00)	0.00
Purchase	05/28/2026	09659CEV6	316,000,000.00	BNP Paribas New York Branch 05/29/2026	99.990	3.61%	(315,968,312.22)	0.00	(315,968,312.22)	0.00

TRANSACTION ACTIVITY REPORT

County of San Diego Pooled Money Fund As of May 31, 2026

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Purchase	05/29/2026	90LAIF\$00	70,000,000.00	Local Agency Investment Fund State Pool	1.000	3.81%	(70,000,000.00)	0.00	(70,000,000.00)	0.00
Purchase	05/29/2026	90CAMP\$00	663,733.41	CAMP	1.000	3.76%	(663,733.41)	0.00	(663,733.41)	0.00
Purchase	05/31/2026	90CALFT\$0	323,854.26	CalFIT	1.000	3.76%	(323,854.26)	0.00	(323,854.26)	0.00
Total Purchase								(170,000.00)	(1,965,163,956.84)	0.00
TOTAL ACQUISITIONS								(170,000.00)	(1,965,163,956.84)	0.00
DISPOSITIONS										
Call Redemption	05/14/2026	31424WJC7	(25,000,000.00)	FEDERAL AGRICULTURAL MORTGAGE CORP 5.19 05/14/2029	100.000	5.19%	25,000,000.00	0.00	25,000,000.00	0.00
Total Call Redemption			(25,000,000.00)				25,000,000.00	0.00	25,000,000.00	0.00
Maturity	05/01/2026	06054PE10	(50,000,000.00)	BofA Securities, Inc. 05/01/2026	100.000	3.90%	50,000,000.00	0.00	50,000,000.00	0.00
Maturity	05/01/2026	US09659CE127	(50,000,000.00)	BNP Paribas New York Branch 05/01/2026	100.000	3.93%	50,000,000.00	0.00	50,000,000.00	0.00
Maturity	05/01/2026	68609T7F9	(1,400,000.00)	OREGON ST 3.215 05/01/2026	100.000	3.22%	1,400,000.00	0.00	1,400,000.00	0.00
Maturity	05/01/2026	641462NU6	(8,205,000.00)	STATE OF NEVADA 3.08 05/01/2026	100.000	3.08%	8,205,000.00	0.00	8,205,000.00	0.00
Maturity	05/01/2026	641462NZ5	(7,180,000.00)	STATE OF NEVADA 3.08 05/01/2026	100.000	3.08%	7,180,000.00	0.00	7,180,000.00	0.00
Maturity	05/01/2026	22536JT70	(100,000,000.00)	Credit Agricole Corporate And Investment Bank, New 3.9 05/01/2026	100.000	3.90%	100,000,000.00	0.00	100,000,000.00	0.00
Maturity	05/04/2026	21684X5N2	(50,000,000.00)	Coöperatieve Rabobank U.A., New York Branch 3.86 05/04/2026	100.000	3.86%	50,000,000.00	0.00	50,000,000.00	0.00

TRANSACTION ACTIVITY REPORT

County of San Diego Pooled Money Fund As of May 31, 2026

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Maturity	05/07/2026	313385WM4	(40,000,000.00)	FEDERAL HOME LOAN BANKS 05/07/2026	100.000	3.65%	40,000,000.00	0.00	40,000,000.00	0.00
Maturity	05/07/2026	06054PE77	(150,000,000.00)	BofA Securities, Inc. 05/07/2026	100.000	3.90%	150,000,000.00	0.00	150,000,000.00	0.00
Maturity	05/08/2026	06418NKQ4	(50,000,000.00)	Bank of Nova Scotia, Houston Branch 3.9 05/08/2026	100.000	3.90%	50,000,000.00	0.00	50,000,000.00	0.00
Maturity	05/11/2026	06418NKR2	(50,000,000.00)	Bank of Nova Scotia, Houston Branch 3.9 05/11/2026	100.000	3.90%	50,000,000.00	0.00	50,000,000.00	0.00
Maturity	05/12/2026	313589WS8	(50,000,000.00)	FEDERAL NATIONAL MORTGAGE ASSOCIATION 05/12/2026	100.000	3.60%	50,000,000.00	0.00	50,000,000.00	0.00
Maturity	05/13/2026	87019WW35	(150,000,000.00)	Swedbank AB (publ) 3.84 05/13/2026	100.000	3.84%	150,000,000.00	0.00	150,000,000.00	0.00
Maturity	05/14/2026	09659CEE4	(35,000,000.00)	BNP Paribas New York Branch 05/14/2026	100.000	3.62%	35,000,000.00	0.00	35,000,000.00	0.00
Maturity	05/15/2026	US09659CEF14	(53,000,000.00)	BNP Paribas New York Branch 05/15/2026	100.000	3.62%	53,000,000.00	0.00	53,000,000.00	0.00
Maturity	05/15/2026	91282CHB0	(25,000,000.00)	UNITED STATES TREASURY 3.625 05/15/2026	100.000	4.72%	25,000,000.00	0.00	25,000,000.00	0.00
Maturity	05/18/2026	09659CEJ3	(121,000,000.00)	BNP Paribas New York Branch 05/18/2026	100.000	3.62%	121,000,000.00	0.00	121,000,000.00	0.00
Maturity	05/19/2026	09659CEK0	(83,000,000.00)	BNP Paribas New York Branch 05/19/2026	100.000	3.61%	83,000,000.00	0.00	83,000,000.00	0.00
Maturity	05/20/2026	313385XA9	(43,000,000.00)	FEDERAL HOME LOAN BANKS 05/20/2026	100.000	3.66%	43,000,000.00	0.00	43,000,000.00	0.00
Maturity	05/20/2026	09659CEL8	(58,000,000.00)	BNP Paribas New York Branch 05/20/2026	100.000	3.60%	58,000,000.00	0.00	58,000,000.00	0.00
Maturity	05/21/2026	09659CEM6	(55,000,000.00)	BNP Paribas New York Branch 05/21/2026	100.000	3.59%	55,000,000.00	0.00	55,000,000.00	0.00
Maturity	05/22/2026	09659CEN4	(38,000,000.00)	BNP Paribas New York Branch 05/22/2026	100.000	3.59%	38,000,000.00	0.00	38,000,000.00	0.00

TRANSACTION ACTIVITY REPORT

County of San Diego Pooled Money Fund As of May 31, 2026

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Maturity	05/22/2026	65558WKH0	(13,250,000.00)	Nordea ABP - New York Branch 4.35 05/22/2026	100.000	3.80%	13,250,000.00	0.00	13,250,000.00	0.00
Maturity	05/22/2026	65558WRQ3	(50,000,000.00)	Nordea ABP - New York Branch 3.77 05/22/2026	100.000	3.77%	50,000,000.00	0.00	50,000,000.00	0.00
Maturity	05/26/2026	3130AMME9	(4,600,000.00)	FEDERAL HOME LOAN BANKS 1.0 05/26/2026	100.000	1.00%	4,600,000.00	0.00	4,600,000.00	0.00
Maturity	05/26/2026	3133EMB76	(20,000,000.00)	FEDERAL FARM CREDIT BANKS FUNDING CORP 0.95 05/26/2026	100.000	0.97%	20,000,000.00	0.00	20,000,000.00	0.00
Maturity	05/26/2026	09659CES3	(53,000,000.00)	BNP Paribas New York Branch 05/26/2026	100.000	3.60%	53,000,000.00	0.00	53,000,000.00	0.00
Maturity	05/28/2026	09659CEU8	(83,000,000.00)	BNP Paribas New York Branch 05/28/2026	100.000	3.61%	83,000,000.00	0.00	83,000,000.00	0.00
Maturity	05/28/2026	21687BEU1	(250,000,000.00)	Coöperatieve Rabobank U.A., New York Branch 05/28/2026	100.000	3.62%	250,000,000.00	0.00	250,000,000.00	0.00
Maturity	05/29/2026	22533UEV1	(100,000,000.00)	Credit Agricole Corporate And Investment Bank, New 05/29/2026	100.000	3.86%	100,000,000.00	0.00	100,000,000.00	0.00
Maturity	05/29/2026	89233HEV2	(68,000,000.00)	Toyota Motor Credit Corporation 05/29/2026	100.000	3.93%	68,000,000.00	0.00	68,000,000.00	0.00
Maturity	05/29/2026	09659CEV6	(316,000,000.00)	BNP Paribas New York Branch 05/29/2026	100.000	3.61%	316,000,000.00	0.00	316,000,000.00	0.00
Maturity	05/29/2026	21684X5J1	(100,000,000.00)	Coöperatieve Rabobank U.A., New York Branch 3.87 05/29/2026	100.000	3.87%	100,000,000.00	0.00	100,000,000.00	0.00
Maturity	05/29/2026	05593DJS3	(25,000,000.00)	BNP Paribas New York Branch 4.18 05/29/2026	100.000	4.18%	25,000,000.00	0.00	25,000,000.00	0.00

TRANSACTION ACTIVITY REPORT

County of San Diego Pooled Money Fund As of May 31, 2026

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Maturity	05/31/2026	9128286X3	(50,000,000.00)	UNITED STATES TREASURY 2.125 05/31/2026	100.000	1.76%	50,000,000.00	0.00	50,000,000.00	0.00
Maturity	05/31/2026	91282CCF6	(50,000,000.00)	UNITED STATES TREASURY 0.75 05/31/2026	100.000	0.74%	50,000,000.00	0.00	50,000,000.00	0.00
Total Maturity							2,450,635,000.00	0.00	2,450,635,000.00	0.00
TOTAL DISPOSITIONS							2,475,635,000.00	0.00	2,475,635,000.00	0.00

CONTACT US



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Treasurer-Tax Collector**

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APPENDIX G

GENERAL INFORMATION REGARDING THE CITY OF SAN DIEGO AND SAN DIEGO COUNTY

The following information concerning the City of San Diego (the “City”) and San Diego County (the “County”) is included only for the purpose of supplying general information regarding the area of the City. The Bonds are not a debt of the City, the County, the State of California (the “State”) or any of its political subdivisions, and neither the City, the County, the State nor any of its political subdivisions is liable therefor.

General

The City of San Diego. Incorporated in 1850, the City lies adjacent to the border of Mexico in southern California and is 120 miles south of the City of Los Angeles. The City’s economic base has evolved from one with a greater reliance on defense spending and tourism to one that includes more high-technology manufacturing and an expanded international trade sector, anchored by major scientific research institutions and higher education. The Mayor is elected at large to serve a four-year term and may serve up to two consecutive terms. The Mayor is the Chief Executive Officer of the City. The City Council consists of nine members who are elected to staggered four-year terms, with each limited to two consecutive terms. The Council has legislative authority, however, other than certain emergency declarations and salary ordinances, all City Council resolutions and ordinances are subject to a veto by the Mayor.

San Diego County. The County is the southernmost major metropolitan area in the State of California. The County covers 4,255 square miles, extending 70 miles along the Pacific Coast from the border with Mexico to Orange County, and inland 75 miles to Imperial County. The County was incorporated on February 18, 1850 and functions under a charter adopted in 1933, and is amended from time to time. The County is governed by a five-member Board of Supervisors elected to four-year terms in district nonpartisan elections. The Board of Supervisors appoints the Chief Administrative Officer and the County Counsel. Elected officials include the Assessor/County Clerk/Recorder, District Attorney, Sheriff and Treasurer/Tax Collector.

Population

The populations of the City, the County and the State during the period from 2022 through 2026 are set forth in the following table.

Population Figures 2022 through 2026⁽¹⁾

Year	City of San Diego	San Diego County	State of California
2022	1,377,336	3,286,310	39,159,480
2023	1,384,174	3,296,097	39,167,274
2024	1,394,421	3,318,648	39,446,835
2025	1,409,429	3,339,392	39,646,907
2026	1,419,531	3,344,322	39,592,978

⁽¹⁾ Population statistics are as of January 1.

Source: California State Department of Finance.

Income

The following table shows per capita personal income for the County, the State, and the United States for the past 5 years of data currently available.

PER CAPITA PERSONAL INCOME
2021 through 2025
San Diego County, State of California, and the United States

Year	San Diego County	State of California	United States
2021	73,319	77,113	64,692
2022	75,055	77,230	66,303
2023	79,921	81,231	70,013
2024	84,312	86,378	73,227
2025	-	91,116	76,393

Note: Per capita personal income is total personal income divided by total midyear population. All dollar estimates are in thousands of current dollars (not adjusted for inflation). Statistics presented in thousands of dollars do not indicate more precision than statistics presented in millions of dollars. 2025 County data not yet available. Source: U.S. Department of Commerce, Bureau of Economic Analysis.

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Employment

The following chart compares labor force, employment, civilian employment and the unemployment rate in the City, the County, the State and the United States during the period from 2020 through 2024.

**CITY OF SAN DIEGO, SAN DIEGO COUNTY
STATE OF CALIFORNIA AND UNITED STATES OF AMERICA
LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
Yearly Average for Years 2020 through 2024**

<u>Year and Area</u>	<u>Labor Force</u>	<u>Civilian Employment</u>	<u>Civilian Unemployment</u>	<u>Unemployment Rate (%)</u>
<u>2020</u>				
City of San Diego	701,100	636,900	64,200	9.2%
San Diego County	1,547,300	1,401,900	145,400	9.4
California	18,971,600	17,047,600	1,924,000	10.1
United States	160,742,000	147,795,000	12,947,000	8.1
<u>2021</u>				
City of San Diego	701,300	657,700	43,700	6.2%
San Diego County	1,547,800	1,447,500	100,300	6.5
California	18,973,400	17,586,300	1,387,100	7.3
United States	161,204,000	152,581,000	8,623,000	5.3
<u>2022</u>				
City of San Diego	721,000	697,300	23,700	3.3%
San Diego County	1,589,600	1,534,800	54,700	3.4
California	19,252,000	18,440,900	811,100	4.2
United States	164,287,000	158,291,000	5,996,000	3.6
<u>2023</u>				
City of San Diego	735,800	708,900	26,800	3.6%
County of San Diego	1,636,700	1,575,700	61,000	3.7
California	19,471,000	18,551,800	919,200	4.7
United States	167,116,000	161,037,000	6,080,000	3.6
<u>2024</u>				
City of San Diego	741,000	709,600	31,300	4.2%
County of San Diego	1,648,500	1,577,300	71,200	4.3
California	19,644,100	18,600,900	1,043,100	5.3
United States	168,106,000	161,346,000	6,761,000	4.0

Source: State of California Employment Development Department; U.S. Department of Labor, Bureau of Labor Statistics.

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City Economy

A factor in the City's growth is a diversified economy. Expansion has been concentrated in four major areas: high tech manufacturing and research (including electronics, communications equipment, scientific instruments, drugs, and biomedical equipment); professional services; tourism; and international trade. In addition to these industries, the City benefits from an economic foundation composed of basic manufacturing (ship building, industrial machinery, television and video equipment, and printing and publishing), public and private higher education, health services, military, and local government.

The Manchester Pacific Gateway is a \$1.5 billion mixed-use waterfront project featuring more than 1 million square feet of office space and encompasses seven buildings, plus a 1.9-acre public park, replacing what is known as the Navy Broadway Complex, which the Navy occupied since the early 1920's. Taking over eight city blocks, the 13.5-acre project calls for multiple office towers, including a 17-story, 372,000 square foot Navy headquarters, a 1,100-room convention hotel, a retail-lined paseo, and a museum of more than 12 acres south of Broadway between Pacific Highway and Harbor Drive. The Navy headquarters portion of the project was completed in Fall 2020. In September 2020, IQHQ, Inc. a life sciences real estate development company, acquired more than 8 acres of the Manchester Pacific Gateway project site to build a Research and Development District for biotech and life sciences offices, retail and museum. The project was completed in October 2024.

On August 17, 2020, San Diego State University commenced construction of its Mission Valley project ("SDSU Mission Valley"). SDSU Mission Valley is designed as a mixed-use, medium-density development that is transit-oriented, and expands the San Diego State University's educational, research, entrepreneurial, and technology transfer programs. SDSU Mission Valley will also include transit, retail, housing, and the development of more than 80 acres of community parks and open space, including the 34-acre River Park. The first stage of construction includes a new 35,000 capacity multi-use stadium completed in 2022, the River Park completed in early 2024, and the initial phase of a 1.6 million square feet of residential housing and research/innovation space. The annual economic impact of SDSU Mission Valley is estimated at approximately \$3 billion, including \$21 million in annual tax revenue for the City.

The United States armed forces represent a substantial economic presence within the District, including several United States Navy and Marine Corps facilities. Civilian employees of military establishments and service members are among the largest groups of employees within the District.

Expansion in the high tech manufacturing and research component of the City's economic base has been led by the emergence of telecommunications. Major participants in the City's telecommunications industry include manufacturers of personal communications equipment, radio/TV communications equipment, network communications equipment/systems, satellite communications equipment, and military surveillance/guidance systems. The City is a major location for telecommunications firms in the County, with the Sorrento Valley area emerging as a center in the development and manufacturing of products using wireless and digital technology.

Another component of the City's high tech industry is the biotechnology sector, which includes companies involved in developing chemical and biological products for use in the treatment and diagnosis of diseases and various medical conditions. As with telecommunications, the biotechnology industry is concentrated in the City, with the highest concentration in the area around the University of California at San Diego. Growth in both biotechnology and other high tech industries has been facilitated by the City's various research organizations. Among the more important research facilities located in the City are the Scripps Research Institute, the Salk Institute for Biological Studies, and the San Diego Super Computer Center.

The City is also home to a software industry. Components within this industry include basic computer programming services, prepackaged software, systems integration services, and development of multimedia products.

Principal Employers

The following tables list the principal employers located in the City for fiscal year ended June 30, 2025.

**CITY OF SAN DIEGO
2025 PRINCIPAL EMPLOYERS
(Ranked by number of employees)**

<u>Employer</u>	<u>Employees</u>
Naval Base San Diego	38,852
University of California, San Diego	32,465
Sharp Health Care	21,105
County of San Diego	18,197
Scripps Health	13,572
City of San Diego	13,078
San Diego Unified School District	12,794
Qualcomm Inc	10,073
Kaiser Permanente	8,566
Rady Children’s Hospital	6,539

Source: City of San Diego Comprehensive Annual Financial Report for the fiscal year ended June 30, 2025.

The County is host to a diverse mix of major employers representing industries ranging from education and health services, to diversified manufacturing, financial services, retail trade, amusement, and recreation. The following table lists the County’s major employers for fiscal year ended June 30, 2025.

**SAN DIEGO COUNTY
2025 PRINCIPAL EMPLOYERS
(Ranked by number of employees)**

<u>Employer</u>	<u>Number of Employees</u>	<u>Rank</u>
U.S. Navy	91,317	1
MCCS MCRD San Diego Marine Corps	42,687	2
University of California, San Diego	41,698	3
County of San Diego	20,471	4
Sharp	20,432	5
Scripps San Diego	17,760	6
Kaiser Permanente Vandever Med	12,859	7
UC San Diego Health	12,675	8
Merchants Building Maintenance	6,000	9
Cubic Corporation	6,000	10

Source: County of San Diego, Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025.

Industry

Annual wage and salary workers by industry for 2021 through 2025 are shown below.

**SAN DIEGO COUNTY
NON-AGRICULTURAL LABOR FORCE AND INDUSTRY EMPLOYMENT
ANNUAL AVERAGES
2021 through 2025 by Class of Work⁽¹⁾**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Mining and Logging	300	400	300	300	300
Construction	83,800	87,400	89,300	90,500	88,700
Manufacturing	114,400	116,900	115,500	112,900	110,400
Trade, Transportation and Public Utilities	216,800	222,400	223,500	222,600	219,000
Information	21,500	22,100	22,000	20,400	18,100
Financial Activities	76,200	76,900	73,100	72,900	73,200
Professional and Business Services	265,300	282,500	275,600	267,000	263,100
Private Education & Health Services	216,700	228,700	246,600	261,800	273,100
Leisure & Hospitality	161,600	193,100	200,900	202,300	203,200
Other Services	47,500	54,400	56,800	57,600	58,000
Government	237,900	246,600	250,100	258,400	257,300
Non-Farm Total	1,442,100	1,531,400	1,553,800	1,566,600	1,564,400

⁽¹⁾ Data as of May 1, 2026. Totals may not add due to rounding.

Source: California Employment Development Department.

Building Permits

Provided below is information regarding residential building permits issued for the City of San Diego for calendar years 2021 through 2025.

**CITY OF SAN DIEGO
Housing Unit Building Permits Issued**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total Units	4,788	4,422	5,765	6,615	6,828
Units in Single Family	539	506	516	775	819
Units in All Multifamily	4,249	3,916	5,249	5,840	6,009
Units in 2-Unit - Multifamily	78	100	146	574	510
Units in 3 & 4 - Unit Multifamily	115	80	123	158	149
Units in 5+ - Unit Multifamily	4,056	3,736	4,980	5,108	5,350

Source: U.S. Department of Housing and Urban Development, HUD User, Office of Policy Development and Research, SOCDs (State of the Cities Data Systems) Building Permits.

Median Home Sale Prices

The table below provides a summary of the median home sale prices in the City of San Diego from 2021 through 2026.

CITY OF SAN DIEGO Home (SFR) Sale Median Prices

<u>Year</u> ⁽¹⁾	<u>Home Sales Median Prices</u>
2021	\$940,000
2022	1,175,000
2023	1,085,000
2024	1,225,000
2025	1,256,000
2026	1,250,000

⁽¹⁾ Data for May of each year.

Source: California Association of Realtors Sales YTD Comparative Report.

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Commerce

Taxable transactions from 2021 through 2025 are summarized below.

CITY OF SAN DIEGO Taxable Transactions (in thousands)⁽¹⁾

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Retail and Food Services					
Motor Vehicle and Parts Dealers	\$3,276,839	\$3,236,281	\$2,910,702	\$2,959,446	\$3,167,096
Home Furnishings and Appliance Stores	1,234,739	1,518,280	1,297,159	1,219,603	1,943,756
Bldg. Mat'l. and Garden Equip. and Supplies	1,276,380	1,331,525	1,282,876	1,313,578	1,299,269
Food and Beverage Stores	1,250,946	1,317,823	1,303,207	1,319,487	1,371,402
Gasoline Stations	1,807,736	2,147,379	1,935,632	1,829,569	1,718,162
Clothing and Clothing Accessories Stores	1,895,916	2,167,040	2,155,533	2,202,282	2,280,230
General Merchandise Stores	1,823,348	2,011,311	1,979,763	1,968,758	1,955,619
Food Services and Drinking Places	4,420,223	5,620,278	5,882,884	6,037,293	5,989,139
Other Retail Group	2,232,497	2,544,178	2,502,006	2,449,241	2,509,905
Total Retail and Food Services	\$19,218,625	\$21,894,095	\$21,249,762	\$21,299,256	\$21,485,197
All Other Outlets	\$7,858,185	\$9,631,730	\$9,692,973	\$9,407,893	\$8,780,465
Total All Outlets	\$27,076,810	\$31,525,825	\$30,942,735	\$30,707,149	\$30,265,662

⁽¹⁾ Detail may not compute to total due to rounding.

Source: "Taxable Sales in California," California Department of Tax and Fee Administration

Transportation

Excellent surface, sea and air transportation facilities serve county residents and businesses. Interstate 5 parallels the coast from Mexico to the Los Angeles area and points north. Interstate 15 runs inland, leading to Riverside-San Bernardino, Las Vegas and Salt Lake City. Interstate 8 runs eastward to Phoenix, Arizona.

San Diego's International Airport (Lindbergh Field) is located approximately one mile west of the downtown area at the edge of the San Diego Bay. The airport is one of the most active commercial airports in California, served by 16 airline carriers. The airport is currently undergoing improvements through its \$3.8 billion New Terminal 1 project, which will replace the current Terminal 1 with a modern facility and is slated to be complete by 2028. In addition to San Diego International Airport, there are two military air stations and seven general aviation airports located in the county.

The City is the terminus of the Santa Fe Railway's main line from Los Angeles. Amtrak passenger service is available within the County with stops at Solana Beach and Oceanside in the north county. San Diego's harbor is one of the world's largest natural harbors. The harbor, a busy commercial port, has also become an extremely popular destination for cruise ships. The Port of San Diego is administered by the San Diego Unified Port District, which includes the cities of San Diego, National City, Chula Vista, Imperial Beach and Coronado.

Public transportation through the City and surrounding communities is provided by the San Diego Metropolitan Transit Development Board. The San Diego Trolley, Inc. operates a fleet of electric trolleys that provides transportation for commuters and tourists from downtown San Diego to San Ysidro (adjacent to Tijuana), and from downtown San Diego to the southern part of the County and East County. The East Line extension to Santee was completed in 1996. This 3.6-mile extension connects the cities of El Cajon and Santee. The trolley also provides service from downtown San Diego to the waterfront area, including the Convention Center. An extension providing additional service from downtown to the historical Old Town section of the City was completed in 1996. In addition, the Mission Valley extension, which connects Old Town with Qualcomm Stadium, ending at the Mission San Diego, opened in 1997. In May 1998, the U.S. Congress approved a transportation bill that earmarked \$325 million for a 6-mile trolley extension connecting the Mission Valley Line with the East Line in La Mesa. This extension, completed in 2004, extends east from Qualcomm Stadium connecting Mission Valley with San Diego State University, La Mesa, and East County.

A 43-mile Coaster Commuter rail line from Oceanside to downtown San Diego came into service in 1995. This line links communities along the coast from Oceanside to Del Mar with downtown San Diego and is operated by North County Transit District.

Research and Development

Research and development activity plays an important role in the area's economy. Construction of a major campus of the University of California at San Diego ("UCSD") in 1964 gave significant impetus to this development.

The County is a leading health sciences and biomedical center. Approximately 35,000 persons are engaged in life sciences-related activities in the metropolitan area, with over 28,000 employed directly in health services. In addition to UCSD, other established research institutions in the La Jolla area of the City include the Salk Institute for Biological Studies, the Scripps Clinic and Research Foundation, and the Scripps Institution of Oceanography.

Visitor and Convention Activity and Recreation

An excellent climate, proximity to Mexico, extensive maritime facilities, and such attractions as the San Diego Zoo, the San Diego Zoo Safari Park (previously known as Wild Animal Park), Sea World, Cabrillo National Monument on Point Loma, and Palomar Observatory allow San Diego to attract visitor and convention business each year. The development of the 4,600-acre Mission Bay Park at San Diego and the construction of meeting and convention facilities at the San Diego Community Concourse have contributed to the growth in tourism.

The visitor industry is one of the County's main sources of income generation, along with manufacturing and the military. The following table depicts total visitor spending in the County for calendar years 2016 to 2025.

SAN DIEGO COUNTY
Total Visitor Spending
2016 – 2025
(\$ billions)

<u>Calendar Year</u>	<u>Amount</u>
2016	\$10.4
2017	10.8
2018	11.5
2019	11.6
2020	5.2
2021	7.5
2022	13.6
2023	14.3
2024	14.8
2025	14.4

Source: San Diego Tourism Authority.

The Convention Center hosts various conventions, meetings and events throughout the year, attracting visitors from around the world and driving the region’s economy. Some of the largest events hosted at the Convention Center on a recurring basis are Comic-Con International, Esri, TwitchCon and the American Society of Hematology. The following table provides information on the Convention Center’s regional economic impact in recent Fiscal Years.

SAN DIEGO CONVENTION CENTER⁽¹⁾
2020 – 2025

<u>Fiscal Year</u>	<u>Direct Attendee Spending (in millions)</u>	<u>Number of Conventions</u>	<u>Total Delegate Attendance</u>
2020 ⁽¹⁾	\$575.1	115	615,774
2021 ⁽²⁾	-	-	-
2022	507.8	91	300,000 ⁽³⁾
2023	800.0 ⁽³⁾	101	736,000 ⁽³⁾
2024	855.0 ⁽³⁾	80	663,000 ⁽³⁾
2025	921.0 ⁽³⁾	92	730,000 ⁽³⁾

⁽¹⁾ The economic impact figures for this year reflect the period from July 1, 2019, through March 11, 2020, when the restriction on large gatherings were implemented in response to the COVID-19 pandemic.

⁽²⁾ Annual Report for this Fiscal Year did not report the following data. Restrictions on large gatherings were implemented in response to the COVID-19 pandemic.

⁽³⁾ Exact amount exceeds the data presented.

Source: San Diego Convention Center Annual Reports for respective Fiscal Years.

The City is the focal point for tourism in the County and includes downtown’s historic Gaslamp Quarter and the Old Town State Park. The San Diego Padres play home games at PETCO Park, a \$449.4 million project, located on 18 acres, with a capacity of 46,000. The City’s cruise ship industry is another important sector of the local visitor industry.

The City has constructed the San Diego Community Concourse, with its Convention and Performing Arts Center, the downtown Sports Arena, and the San Diego Stadium, located at the intersection of two interstate freeways. The City’s Park and Recreation Department offers a comprehensive program of activities for all ages.

Balboa Park covers 1,200 acres in the city and includes museums, art galleries, theaters and recreation areas, in addition to miles of garden walks. Covering 128 acres within the park is the San Diego Zoo, famous for its innovative methods of displaying animals. The San Diego Planetarium Authority has constructed a Planetarium and Hall of Science on a three-acre site in Balboa Park. Mission Bay Park is a 4,600-acre public and private development including hotels and motels, marinas, restaurants and Sea World.

There are over 90 golf courses in the County, including the La Costa Golf Course, scene of the Tournament of Champions in 2006 and the championship Torrey Pines Golf Course, where the U.S. Open was held in 2008 and 2021.

The San Diego region benefits greatly from its natural geography and from its proximity to Mexico, with its sporting attractions such as Jai Alai, thoroughbred racing and ocean fishing, as well as the shopping and entertainment venues of Tijuana. Tijuana may be reached from downtown San Diego by the Red Trolley, and within a short drive from the center of the City, visitors may take in the many beaches, mountains and desert areas within the County.

Utilities

The San Diego Gas and Electric Company provides electric power and natural gas in the City and most communities in the western half of the County. Water service is supplied by the City. An adequate supplemental water supply is available from the Metropolitan Water District of Southern California via the San Diego County Water Authority. The Metropolitan Sewer System of the City of San Diego furnishes sewer service in the City and surrounding developed areas.

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