

**FOOTHILL-DE ANZA COMMUNITY
COLLEGE DISTRICT**

FINANCIAL STATEMENTS

June 30, 2025

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
June 30, 2025

CONTENTS

INDEPENDENT AUDITOR'S REPORT	1
REQUIRED SUPPLEMENTARY INFORMATION:	
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS:	
STATEMENT OF NET POSITION	14
DISCRETELY PRESENTED COMPONENT UNIT -FOOTHILL-DE ANZA COMMUNITY COLLEGES FOUNDATION - STATEMENT OF FINANCIAL POSITION.....	15
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION	16
DISCRETELY PRESENTED COMPONENT UNIT -FOOTHILL-DE ANZA COMMUNITY COLLEGES FOUNDATION - STATEMENT OF ACTIVITIES	17
STATEMENT OF CASH FLOWS	18
DISCRETELY PRESENTED COMPONENT UNIT -FOOTHILL-DE ANZA COMMUNITY COLLEGES FOUNDATION - STATEMENT OF CASH FLOWS	20
NOTES TO THE FINANCIAL STATEMENTS	21
REQUIRED SUPPLEMENTARY INFORMATION:	
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY	53
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	54
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS	56
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION	58

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
June 30, 2025

CONTENTS
(Continued)

SUPPLEMENTARY INFORMATION:

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	59
SCHEDULE OF STATE FINANCIAL AWARDS.....	61
SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT	63
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (CCFS-311) WITH AUDITED FINANCIAL STATEMENTS	64
RECONCILIATION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION	65
RECONCILIATION OF EC 84362 (50 PERCENT LAW) CALCULATION	66
PROPOSITION 55 EDUCATION PROTECTION ACCOUNT (EPA) EXPENDITURE REPORT	68
NOTE TO SUPPLEMENTARY INFORMATION	69

OTHER INFORMATION:

ORGANIZATION (UNAUDITED).....	70
INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE	72
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.....	75
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE	77

FINDINGS AND RECOMMENDATIONS:

SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS	80
SCHEDULE OF PRIOR AUDIT FINDINGS	84

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Foothill-De Anza Community College District
Los Altos Hills, California

Report on the Audit of the Financial Statements***Opinions***

We have audited the financial statements of the business-type activities and the discretely presented component unit, of the Foothill-De Anza 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 the discretely presented component unit of the Foothill-De Anza Community College District, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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.

(Continued)

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 13 and the Schedule of Changes in the District's Net OPEB Liability, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions on pages 53 to 57 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

(Continued)

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and, except for that portion marked "unaudited," was derived from, and relates directly to, the underlying accounting and other records used to prepare the 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, that information is fairly stated in all material respects in relation to the basic financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the Organization page but does not include the basic financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 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, and grant agreements and other matters. The purpose of that report is 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.



Crowe LLP

Sacramento, California
January 23, 2026

INTRODUCTION TO THE FINANCIAL STATEMENTS

The Foothill-De Anza Community College District (the District) continues to present its financial statements in the Business-Type Activities reporting format required by statements released by the Government Accounting Standards Board (GASB) in 1999. The format prescribed by GASB focuses on the District as a whole rather than on individual funds.

The following management's discussion and analysis provides an overview of the financial position and activities of the Foothill-De Anza Community College District's Financial Report for the year ended June 30, 2025. The previous year's financial statements that provide information on the District as a whole:

The Statement of Net Position

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

The Statement of Cash Flows

Each of these statements will be reviewed and significant events discussed.

STATEMENT OF NET POSITION

The Statement of Net Position presents information on the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. A summarized Statement of Net Position is presented below.

Net position in thousands as of June 30:

	2025	2024	Net Change
ASSETS			
Current Assets	\$ 217,250	\$ 206,453	\$ 10,797
Noncurrent Assets	686,532	708,195	(21,663)
Total Assets	903,782	914,648	(10,866)
DEFERRED OUTFLOWS OF RESOURCES	117,437	129,139	(11,702)
LIABILITIES			
Current Liabilities	198,980	174,258	24,722
Noncurrent Liabilities	1,013,588	1,100,768	(87,180)
Total Liabilities	1,212,568	1,275,026	(62,458)
DEFERRED INFLOWS OF RESOURCES	37,689	34,671	3,018
NET POSITION			
Net Investment in Capital Assets	(4,908)	(26,037)	21,129
Restricted	111,870	107,142	4,728
Unrestricted	(336,000)	(347,015)	11,015
Total Net Position	\$ (229,038)	\$ (265,910)	\$ 36,872

STATEMENT OF NET POSITION (CONTINUED)

Assets

Total assets changed over last year by a net decrease of \$10.9 million because of a net increase of \$10.8 million in current assets combined with a net decrease of \$21.7 million in noncurrent assets. The major changes affecting total assets are listed below:

- The net \$10.9 million increase in current assets is mainly due to a \$12.3 million increase in accounts receivable and \$1.4 million decrease in prepaids and other categories resulting in the remaining changes.
 - The major portion of the accounts receivable change traces to a \$10 million state apportionment receivable due to a shift in state versus local funding related to the District's basic aid transition. The rest of the increase is due to \$1.8 million in interest receivable with the rest of the increases due to local receivables.
- Noncurrent assets decreased by a net \$21.7 million which is predominately related to restricted cash in two areas, a decrease of \$25.5 in restricted cash related to increase spending on capital projects along with an increase of \$4.8 million in restricted cash in the debt service fund. The remaining variance is connected to a decrease of \$1 million in capital assets made up of routine depreciation and expense.

Liabilities

Total liabilities decreased by a net \$62.5 million over prior year. The major changes affecting total liabilities are listed below:

- Current liabilities increased by a net \$24.4 million primarily due to a \$21.3 million payable to the state to return previously provided state apportionment funding toward the District's SCFF entitlement revenue that will instead be funded by local property taxes in connection with the transition to community supported or basic aid status. There was also a \$3 million increase to a reserve for anticipated future year claims for AB 218 liability. Other types of current liabilities were offsetting each other with a \$4.8 million decrease in unearned revenue related increased activity State Scheduled Maintenance, Student Equity and Achievement, and Student Success Completion grants that was countered by a \$5 million combined increase in accrued interest and the current portion of long-term debt
- Noncurrent liabilities decreased by \$86.9 million and was driven by \$48.7 million in bonds, \$24.5 million in pension liabilities, \$5.9 million in Other-Post Employer Benefits (OPEB), \$5.2 in Subscription-Based Information Technology Arrangements (SBITAs) liabilities, with the remaining difference from claims liabilities and other.

STATEMENT OF NET POSITION (CONTINUED)

Deferred Outflows/Deferred Inflows of Resources

In addition to assets, the District reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the District reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, the District recognized deferred outflows and inflows of resources related to pensions in the District-wide financial statements. Refer to Note 9 and 10 for the District's deferred outflows and inflows of resources related to pensions.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses, and Changes in Net Position present information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods, such as revenues pertaining to receivables and expenses pertaining to earned, but unused, compensated balances.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)

Revenues, expenses, and changes in net position in thousands as of June 30:

	2025	2024	\$ Change	% Change
OPERATING REVENUES				
Net Tuition and Fees	\$ 50,698	\$ 43,999	\$ 6,699	15.2%
Grants and Contracts, Noncapital	83,069	72,177	10,892	15.1%
Auxiliary Sales, Net	1,232	1,125	107	9.5%
Other	2,328	2,094	234	11.2%
Total Operating Revenues	137,327	119,395	17,932	15.0%
OPERATING EXPENSES				
Salaries	184,619	177,241	7,378	4.2%
Benefits	64,924	28,022	36,902	131.7%
Supplies, Materials, and Other Operating Expenses	45,262	36,478	8,784	24.1%
Financial Aid	45,088	36,501	8,587	23.5%
Utilities	6,959	5,285	1,674	31.7%
Depreciation	40,679	42,545	(1,866)	-4.4%
Total Operating Expenses	387,531	326,072	61,459	18.8%
OPERATING LOSS	(250,204)	(206,677)	(43,527)	-21.1%
NONOPERATING REVENUES AND EXPENSES				
State Apportionments, Noncapital	14,803	46,204	(31,401)	-68.0%
Federal Grants and Contracts	26,862	20,033	6,829	34.1%
Local Property Taxes	173,022	137,021	36,001	26.3%
State Taxes and Other Revenues	8,606	8,617	(11)	-0.1%
Interest and Investment Income	8,343	27,379	(19,036)	-69.5%
Transfer to OPEB Trust	(1,500)	(1,500)	-	-
Total Nonoperating Revenues	230,136	237,754	(7,618)	-3.2%
LOSS BEFORE OTHER REVENUES, EXPENSES, GAINS AND LOSSES	(20,068)	31,077	(51,145)	164.6%
OTHER REVENUES, EXPENSES, GAINS AND LOSSES	56,940	52,639	4,301	8.2%
CHANGE IN NET POSITION	\$ 36,872	\$ 83,716	\$ (46,844)	-56.0%

Operating Revenues

Total Operating Revenues increased over last year by a net \$17.9 million or 15% mainly caused by:

- increases in the state grants and contracts area of \$10.9 million with nearly half of the increase due state revenue support for pension at \$4.9 million. The other half related to increases in grant activity notably \$1.3 million increase in OEI/CVC, \$1 million with the remaining \$2.7 million in Student Equity and Achievement, Next Up, College Promise, Student Success Completion and other grants.
- increase of \$6.7 million in Tuition and Fees from gains in Full-Time Equivalent (FTES) Student enrollments. Resident enrollment increased by 1,141 FTES or 5.3% and nonresident enrollments grew by 264 FTES or 10.7%.
- increases of \$341 thousand in auxiliary enterprise operations, dining services, and other sales caused by more in-person classes and student presence on campus.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)

Operating Expenses

Total Operating Expenses increased \$61.5 million year-over-year overall or 18.8%. Items of significance resulting in the net changes include:

- Salaries experienced a \$7.3 million or 4.2% rise from increased spending of \$5.5 million in salaries, mainly in academic salaries to support the increased enrollment in 2024-25, increases in filled vacancies added to a negotiated salary compensation cost-of-living (COLA) increase valued at \$1.8 million or 1.07%.
- Benefits reflected a major increase of a net \$36.9 million increase over prior year primarily related to the calculated pension expense recognized which was \$29.4 million, \$3 million OPEB expense and differences in net deferred inflows/outflows. Operational changes were related to a \$3 million increase in employer provided health benefits with the remaining increase linked to payroll related benefits.
- Financial Aid's increase in expense of \$8.6 million was primarily comprised of nearly \$7 million more issued in PELL grant awards with the remaining \$1.6 million in other support.
- Utilities experienced an increase of \$1.7 million due to higher usage and rising rates.
- Depreciation and amortization expense was lower by \$1.9 million associated with standard use of assets during the fiscal year.

Nonoperating Revenues

Nonoperating Revenues decreased by \$7.6 million over prior year or -3.2% because of the following net effect:

The District recognized a \$4.6 million net increase between the two key areas – a decrease of \$31 million in State Apportionments and an increase of \$36 million in Local Property Taxes, which are two lead funding sources of the District's state apportionment entitlement under the Student Center Funding Model (SCFF). Of the net increase, \$3.5 million in new local property tax revenue was recognized because the transition to a Community Supported or Basic Aid District. The SCFF calls for a district's state apportionment entitlement to be funded first by local sources, resident enrollment fees and property taxes, and lastly by state general apportionment dollars. This fiscal year, the local sources exceeded the amount of the state calculated entitlement under the SCFF. As a result, the state apportionments line reflects a decrease with the corresponding shift and offsetting increase in local property taxes.

- Federal grants and contracts increased by a net \$6.8 million with the substantially all the increase attributable to PELL grants.
- Interest and Investment Income posted a notable \$19 million decrease due to decrease in debt service from an adjustment related to prior year.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)

Other Revenues, Expenses, Gains and Losses

The increase of net \$4.3 million is connected to a \$28.7 million increase in county property tax recordings for debt service offset by a decrease of \$24.6 million in capital debt interest expense and other minor changes of capital investment income.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2025, the District had approximately \$1.3 billion invested in capital assets. These assets had an accumulated depreciation of \$820.8 million leaving the net capital asset value at \$473.4 million which consists of land, construction in progress, buildings and improvements, vehicles, technology infrastructure, equipment, subscription assets and other office equipment. There are \$60.5 million in assets not being depreciated or work-in-progress which is a \$25.9 million increase over prior year because of the escalating capital construction and technology improvements activity associated with the Measure G Bond program along with state scheduled maintenance projects. Depreciation and amortization expense of \$40.7 million was recorded for fiscal year 2024-25.

Note 4 to the financial statements provides additional information on capital assets. A comparison of capital assets net of depreciation is summarized herein.

Capital assets in thousands as of June 30:

	2025	2024	Net Change
Land and Construction in Progress	\$ 60,457	\$ 34,555	\$ 25,902
Buildings and Equipment	1,226,287	1,220,590	5,697
Subscriptions	7,338	16,533	(9,195)
Accumulated Depreciation	(820,805)	(797,366)	(23,439)
Total Capital Assets	<u>\$ 473,277</u>	<u>\$ 474,312</u>	<u>\$ (1,035)</u>

Debt

On June 30, 2025, the District had \$1.1 billion in debt with a net decrease of \$82.9 million over prior year in most of its long-term liabilities categories. Bonds payable decreased by \$47 million in planned principal payments, net pension liability had a \$24.5 million decrease, OPEB Liability decreased by \$5.9 million, and subscription liabilities decreased by \$4.3 million. These changes were offset by minor increases in compensated absences. Notes 7 through 14 provide additional information on long-term liabilities. A comparison is summarized herein.

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Debt in thousands as of June 30:

	2025	2024	Net Change
Compensated Absences	\$ 8,981	\$ 8,608	\$ 373
Subscription liabilities	3,653	7,917	(4,264)
Claims Liability	3,890	5,381	(1,491)
Bonds and Notes Payable	814,246	861,287	(47,041)
OPEB Liability	56,643	62,511	(5,868)
Medicare Premium Program	304	367	(63)
Net Pension Liability	201,780	226,284	(24,504)
Total Long-Term Liabilities	<u>\$ 1,089,497</u>	<u>\$ 1,172,355</u>	<u>\$ (82,858)</u>

ECONOMIC OUTLOOK AND FACTORS AFFECTING NEXT YEAR'S BUDGET

FY 2025-26 Budget Overview

The FY 2025-26 Adopted Budget reflects the priorities of the Foothill-De Anza Community College District and reinforces the alignment of planning and budgeting with the District's mission of student success and educational excellence. As a community-supported (basic aid) district, Foothill-De Anza is now in a more stable position to advance its mission, vision, and goals. While this new funding status enhances long-term financial planning, ongoing work continues to ensure that strategies remain aligned with student needs, labor-market demands, and community expectations.

The District continues to track state-level fiscal conditions impacting community colleges. The California Community Colleges Chancellor's Office (CCCCO) Vision 2030 framework provides a statewide roadmap that complements the Governor's K-14 priorities, including targeted investments in student success, emergency financial aid, and categorical programs through Proposition 98. Although the State is experiencing a revenue deficit, the District's community-supported status shields the District from statewide deferrals, deficit factors, and revenue-reduction mechanisms that affect state-funded districts.

While many community college districts have recently experienced enrollment growth, the District remains in restoration mode as it rebuilds enrollment lost over multiple years. This dynamic reflects the "two fiscal realities" present in the system—statewide financial strain alongside rising demand for higher education.

The Student Centered Funding Formula (SCFF) continues to be the basis for determining a district's Total Computational Revenue (TCR). The relationship between TCR and local property tax revenues determines whether a district qualifies as community-supported. Foothill-De Anza is in a unique position: the District was protected by hold-harmless provisions since the inception of the SCFF, allowing local revenues to gradually surpass TCR and ultimately transition the District to full basic-aid status beginning in FY 2024-25.

Locally, the County of Santa Clara continues to project stable growth in assessed valuation. Strong performance in the technology, commercial, and manufacturing sectors, especially in Sunnyvale, Mountain View, and Cupertino, supports continued increases in property tax revenues within the District's service area. Foothill-De Anza joins three neighboring districts as basic-aid institutions, and with its transition complete, the District will no longer experience negative ERAF adjustments.

ECONOMIC OUTLOOK AND FACTORS AFFECTING NEXT YEAR'S BUDGET (CONTINUED)

Enrollment and Funding Outlook

The District continues its recovery from multiyear enrollment declines. Over the last two years, the District has restored a significant amount of FTES. For FY 2024-25 recalculation, the District restored an additional 1,140.73 FTES, driven by enrollment gains and the implementation of the new Standardized Attendance Accounting Method (SAAM). SAAM alone contributed roughly 500 FTES toward the total restoration. Despite this progress, the restored FTES were not sufficient to exit hold-harmless funding, though the gains markedly reduced the remaining funding gap.

A key driver of the District's transition to basic-aid status was the CCCCCO recalculation of local revenue sources in FY 2024-25. Although the transition resulted in a modest increase of approximately \$3.5 million (1.46%) in unrestricted general fund revenues, it strengthened the District's financial position and allowed for more predictable long-term planning.

The remaining 400+ FTES needed for full restoration in FY 2025-26 is no longer achievable under updated SCFF rules. Because restoration is now based on dollars rather than raw FTES counts, increases in statewide SCFF rates reduced the District's practical restoration authority to approximately 200 FTES, depending on the mix of FTES types (CDCP, noncredit, incarcerated, special admit, etc.), which generate higher funding rates than traditional credit FTES.

The District also has 0.13% growth authority, equating to roughly 30 FTES. Combined with the 200 FTES restoration authority, Foothill-De Anza may be funded for approximately 230 FTES under the SCFF in FY 2025-26. The District is on track to exceed this level.

The District has adopted a theme of moderate strategic growth for FY 2025-26 and the next four fiscal years. This approach prioritizes high-demand programs and recognizes the need to manage growth-related expenditures carefully, even as a community-supported district.

A key area of concern is the volatility of nonresident enrollment revenues, which represent approximately 10% of the total unrestricted general fund. As of the fall quarter, the District has experienced declines in nonresident enrollment due to external geopolitical, economic, and regulatory factors.

In response, the Office of the Vice Chancellor of Strategy, Institutional Effectiveness, and Engagement, working closely with the International Student Programs (ISP) Office, is redesigning the District's international enrollment strategy. This includes expanding global program offerings, enhancing online learning opportunities for international learners, and exploring international dual enrollment models already used in other states. These new strategies aim to reduce reliance on traditional F-1 visa enrollments and mitigate volatility in future years.

Financial Stability and Reserve Policy

The District continues to commit itself to financial stability. Next year, the District anticipates growing its fund reserves by continuing prudent spending while focusing on student experience and success. Per the CCCCCO, the recommended fund reserve should be at least equal to two months of expenditures in the total unrestricted general funds. In the event of state economic difficulties, the District will have sufficient funds to pay its bills for at least two months without borrowing. The District is committed to growing the fund reserves from unspent funds and some of the excess revenues from local sources. From a policy perspective, the District needs to revise its 5% fund reserve policy to a more stable reserve beyond what the CCCCCO recommends. This shift from the recommended 16.67% to a higher reserve is needed because as a community supported district, most of the revenues only comes twice a year, aligned with the payment of property taxes.

ECONOMIC OUTLOOK AND FACTORS AFFECTING NEXT YEAR'S BUDGET (CONTINUED)

The Chancellor created a Somos Uno Task Force on Resource Allocation Model (RAM). Part of this effort is to recommend to the Board changes to policy that will increase the minimum fund reserve. This effort is reinforced by the Institutional Effectiveness Partnership Initiative (IEPI) grant to help the District research and conduct due diligence on using data and best practices statewide.

Looking Beyond FY 2025-26

FY 2025-26 marks the first full fiscal cycle in which the District operates fully as a community-supported district. This year is a planning year that will inform a redesigned RAM to better meet the operational needs of the colleges and the District. The RAM redesign will emphasize equity, transparency, alignment with the SCFF framework, and responsible stewardship of public funds.

The most unpredictable revenue source continues to be nonresident enrollment. Part of the task force's work will focus on establishing guidelines for the use of nonresident revenues as one-time resources, given their volatility and sensitivity to external conditions. Only when the District stabilizes and expands international enrollment through new programs and modalities can these revenues be considered more reliable and structurally sound.

As a community-supported district, the District's long-term financial health is closely tied to the performance of property taxes in Santa Clara County. The County Assessor's Office continues to project stable growth in assessed valuation over the next several years, supported by ongoing commercial development, continued modernization of existing corporate campuses, and historically strong residential demand in the region. While the technology sector, particularly in Cupertino, Mountain View, and Sunnyvale, remains a major driver of assessed value growth, the District recognizes that property tax revenues are inherently cyclical. New construction, changes in ownership, Proposition 13 protections, and broader economic shifts can influence year-over-year growth rates. Looking beyond FY 2025-26, the District anticipates moderate but steady increases in property tax receipts; however, the District will continue to model data-driven and data-informed revenue assumptions and maintain higher reserve levels appropriate for a district that receives its primary funding in two major installments each year. This approach provides a safeguard against economic downturns and ensures that the District can remain fiscally stable while advancing its long-term educational priorities.

Organizational Initiatives and Strategic Planning

On an organizational level, the District is in the process of updating its District Strategic Plan to integrate the Chancellor's priorities, Foothill College's Blueprint for Success, and De Anza College's Strategic Plan. These integrated plans reflect a unified approach to meeting workforce demands, responding to community needs, and advancing the CCCC goals of Vision 2030.

The District is also maximizing its investments in affordable student housing and affordable employee housing. These initiatives align with the basic-needs framework, strengthen student retention and success, and support the District's goal of becoming an employer of choice. The District's partnership with the Mountain View Whisman School District and the City of Mountain View represents an innovative, mission-aligned collaboration.

The District's moderate strategic growth framework continues to emphasize dual enrollment, career education pathways, and mission-aligned innovation. By linking financial policies with student-focused strategies and maintaining transparent communication with stakeholders, Foothill-De Anza Community College District demonstrates a strong commitment to responsible stewardship and continuous improvement.

ECONOMIC OUTLOOK AND FACTORS AFFECTING NEXT YEAR'S BUDGET (CONTINUED)

The District is also committed to addressing its long-term liabilities, specifically Other Post-employment Benefits (OPEB). Consistent with prior years, the FY2025-26 Adopted Budget planned for a \$1.5 million contribution to the CalPERS California Employers' Retiree Benefit Trust (CERBT), an irrevocable trust to fund the OPEB liability. During the 2024-25 fiscal year, a roll-forward actuarial study was prepared under the GASB 74/75 accounting standard to revise the retiree health benefit liability. The report was dated June 9, 2025, with a valuation date of June 30, 2023, and measurement date of June 30, 2024; it calculated the District's Total OPEB Liability at \$95,941,086. Per CalPERS, the market value of the assets held in the irrevocable trust with the CERBT as of June 30, 2025, was \$45,706,165.85.

Request for Information

The financial report is designed to provide citizens, taxpayers, students, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. For questions or additional financial information, contact Foothill-De Anza Community College District, Dr. Christopher F. Dela Rosa, Vice Chancellor of Business Services. Separately issued financial statements for the Foothill-De Anza Community College Foundation Component unit may be obtained by contacting Robin Latta at 12345 El Monte Road, Los Altos Hills, CA 94022.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
STATEMENT OF NET POSITION
Year Ended June 30, 2025

ASSETS

Current assets:

Cash and cash equivalents	\$ 164,554,837
Receivables, net	44,813,397
Prepaid expenses	6,421,816
Due from Foundations	1,459,851
Total current assets	<u>217,249,901</u>

Noncurrent assets:

Restricted cash and cash equivalents	213,254,622
Non-depreciable capital assets	60,457,518
Capital assets, net of accumulated depreciation and amortization	412,819,704
Total noncurrent assets	<u>686,531,844</u>

Total assets	<u>903,781,745</u>
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DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources - refunding	27,242,974
Deferred outflows of resources - pensions	77,083,076
Deferred outflows or resources - OPEB	13,110,762
Total deferred outflows resources	<u>117,436,812</u>

Total assets and deferred outflows of resources	<u>\$ 1,021,218,557</u>
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LIABILITIES

Current liabilities:

Accounts payable and other liabilities	\$ 52,692,621
Accrued liabilities	4,217,689
Accrued interest	14,169,662
Unearned revenue	51,990,748
Long-term liabilities - current portion	75,909,348
Total current liabilities	<u>198,980,068</u>

Noncurrent liabilities:

Long-term liabilities - noncurrent portion	<u>1,013,587,921</u>
Total liabilities	<u>1,212,567,989</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources - pensions	31,708,000
Deferred inflows of resources - OPEB	5,980,877
Total deferred inflows of resources	<u>37,688,877</u>

NET POSITION

Net investment in capital assets	(4,744,626)
Restricted for:	
Debt service	82,534,137
Scholarship and loans	15,026
Other special purposes	29,320,741
Unrestricted	(336,163,587)
Total net position	<u>(229,038,309)</u>

Total liabilities, deferred inflows of resources, and net position	<u>\$ 1,021,218,557</u>
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See accompanying notes to financial statements.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
DISCRETELY PRESENTED COMPONENT UNIT
FOOTHILL-DE ANZA COMMUNITY COLLEGES FOUNDATION
STATEMENT OF FINANCIAL POSITION
June 30, 2025

ASSETS

Current assets:

Cash and cash equivalents	\$ 3,938,410
Investments	9,261,478
Receivables, net	42,344
Total current assets	<u>13,242,232</u>

Noncurrent assets:

Investments	<u>53,306,645</u>
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Total assets	<u><u>\$ 66,548,877</u></u>
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LIABILITIES

Current liabilities:

Accounts payable and other liabilities	\$ 354,326
Accounts payable - due to District	877,886
Accrued liabilities - due to District	256,161
Total current liabilities	<u>1,488,373</u>

Net assets:

Without donor restrictions	13,199,888
With donor restrictions	51,860,616
Total net assets	<u>65,060,504</u>

Total liabilities and net assets	<u><u>\$ 66,548,877</u></u>
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See accompanying notes to financial statements.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
Year Ended June 30, 2025

Operating revenues:	
Tuition and fees	\$ 60,062,350
Less: scholarship discounts and allowances	<u>(9,364,242)</u>
Net tuition and fees	<u>50,698,108</u>
Grants and contracts, non-capital:	
Federal	3,950,991
State	73,633,340
Local	5,484,866
Auxiliary sales, net	1,232,056
Other	<u>2,327,832</u>
Total operating revenues	<u>137,327,193</u>
Operating expenses:	
Salaries	184,619,482
Employee benefits	64,923,724
Supplies, materials and other operating expenses	45,261,606
Student financial aid and scholarship	45,088,393
Utilities	6,958,727
Depreciation and amortization	<u>40,678,940</u>
Total operating expenses	<u>387,530,872</u>
Loss from operations	(250,203,679)
Non-operating revenues (expenses):	
State apportionment, non-capital	14,803,360
Federal grants and contracts, non-capital	26,861,846
Local property taxes	173,022,011
State taxes and other revenues	8,606,117
Interest and investment income, net	8,343,112
Transfer out to OPEB Trust	<u>(1,500,000)</u>
Total non-operating revenues (expenses)	<u>230,136,446</u>
Loss before other revenues, expenses, gains and losses	<u>(20,067,233)</u>
Other revenues, expenses, gains and losses	
State apportionment, capital	4,125,134
Local property taxes and revenues, capital	76,865,099
Interest and investment income, capital	5,291,971
Interest expense and cost of issuing capital asset-related debt	(30,934,318)
Local revenue, grants and gifts, capital	<u>1,591,805</u>
Total other revenues, expenses, gains and losses	<u>56,939,691</u>
Changes in net position	36,872,458
Net position, July 1, 2024	<u>(265,910,767)</u>
Net position, June 30, 2025	<u>\$ (229,038,309)</u>

See accompanying notes to financial statements.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
DISCRETELY PRESENTED COMPONENT UNIT
FOOTHILL-DE ANZA COMMUNITY COLLEGES FOUNDATION
STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue			
Support and revenue:			
Contributions	\$ 277,568	\$ 3,813,797	\$ 4,091,365
Contributions - stock donations	-	43,310	43,310
Contributions - other special programs	-	668,834	668,834
Special events	25,867	-	25,867
Program service fees	366,331	-	366,331
Donated facilities	88,717	-	88,717
Administrative fee	77,794	-	77,794
Total support	<u>836,277</u>	<u>4,525,941</u>	<u>5,362,218</u>
Other income:			
Interest and dividends, net of expenses	719,734	774,480	1,494,214
Realized loss on investments	13,125	167,507	180,632
Unrealized gain on investments	2,554,663	3,410,568	5,965,231
Total other income	<u>3,287,522</u>	<u>4,352,555</u>	<u>7,640,077</u>
Total revenues before net assets released from restriction	<u>4,123,799</u>	<u>8,878,496</u>	<u>13,002,295</u>
Net assets released from restrictions	<u>4,375,062</u>	<u>(4,375,062)</u>	<u>-</u>
Total revenue	<u>8,498,861</u>	<u>4,503,434</u>	<u>13,002,295</u>
Operating expenses			
Program services:			
Student and colleges support	4,260,898	-	4,260,898
Other special programs	1,208,672	-	1,208,672
Supporting services:			
Management and general	350,513	-	350,513
Fundraising	693,812	-	693,812
Total expenses	<u>6,513,895</u>	<u>-</u>	<u>6,513,895</u>
Change in net assets	1,984,966	4,503,434	6,488,400
Net assets, beginning of year	<u>11,214,922</u>	<u>47,357,182</u>	<u>58,572,104</u>
Net assets, end of year	<u>\$ 13,199,888</u>	<u>\$ 51,860,616</u>	<u>\$ 65,060,504</u>

See accompanying notes to financial statements.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
Year Ended June 30, 2025

Cash flows from operating activities:

Tuition and fees	\$ 50,807,235
Federal, grants and contracts	2,865,541
State grants and contracts	58,219,365
Local grants and contracts	7,455,506
Sales	2,591,753
Payments to suppliers and vendors	(31,234,980)
Payments to and on behalf of employees	(268,787,855)
Payments to and on behalf of students	(45,088,393)
Net cash used in operating activities	<u>(223,171,828)</u>

Cash flows from noncapital financing activities:

State apportionments and receipts	14,803,360
Property taxes	173,022,011
Grants and gifts for other than capital purposes	8,606,117
Local, nonoperating	78,456,904
State taxes and other revenues	4,125,134
Federal grants	26,861,846
Due to/from Foundations	441,853
Other non-operating revenues	32,546
Net cash provided by noncapital financing activities	<u>306,349,771</u>

Cash flows from capital and related financing activities:

Purchase of capital assets, net	(39,644,454)
Transfer out to OPEB Trust	(1,500,000)
Interest on investments, capital funds	5,291,971
Principal paid on capital debt	(51,525,818)
Interest paid on capital debt, net	(23,122,548)
Net cash used in capital and related financing activities	<u>(110,500,849)</u>

Cash flows from investing activities:

Interest on investments	<u>6,586,871</u>
Net change in cash and cash equivalents	(20,736,035)
Cash and cash equivalents, July 1, 2024	<u>398,545,494</u>
Cash and cash equivalents, June 30, 2025	<u><u>\$ 377,809,459</u></u>

(Continued)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
Year Ended June 30, 2025

**Reconciliation of cash and cash equivalents, end of year to
amounts in the statement of net position:**

Cash and cash equivalents	\$ 164,554,837
Restricted cash and cash equivalents	<u>213,254,622</u>
 Total cash	 <u><u>\$ 377,809,459</u></u>

**Reconciliation of loss from operations to net cash used in
operating activities:**

Loss from operations	\$ (250,203,679)
Adjustments to reconcile loss from operations to net cash used in operating activities:	
Depreciation expense	40,678,940
Changes in assets and liabilities:	
Receivables, net	(10,403,506)
Inventory	18,752
Prepaid expenses	911,475
Deferred outflows of resources - pensions and OPEB	9,381,377
Accounts payable	24,228,190
Subscription liabilities	(4,264,028)
Unearned revenue	(4,984,287)
Compensated absences payable	373,102
Claims liability	(1,490,240)
Medical premium program	(63,294)
OPEB liability, net	(5,868,415)
Deferred inflows of resources - pensions and OPEB	3,017,785
Net pension liability	<u>(24,504,000)</u>
 Net cash used in operating activities	 <u><u>\$ (223,171,828)</u></u>

Supplementary disclosure of non-cash transactions:

Amortization of premiums on debt	\$ 4,146,950
Amortization of loss on refunding debt	\$ 2,320,858
Accretion of interest	\$ 4,484,482

See accompanying notes to financial statements.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
DISCRETELY PRESENTED COMPONENT UNIT
FOOTHILL-DE ANZA COMMUNITY COLLEGES FOUNDATION
STATEMENT OF CASH FLOWS
Year Ended June 30, 2025

Cash flows from operating activities

Cash received from donations and fundraising	\$ 3,646,884
Cash received from program service revenue	366,331
Cash paid for student scholarships and campus programs	(1,856,082)
Cash paid to employees for salaries and benefits	(2,857,688)
Cash paid for operating expenses and fundraising	(1,221,065)
Net cash used by operating activities	(1,921,620)

Cash flows from investing activities

Purchase of investments	(1,019,352)
Sale of investments	1,241,554
Reinvested investment income, net of expenses	1,463,323
Net cash provided by investing activities	1,685,525

Cash flows from financing activities

Cash received from endowed and quasi-endowed donations	1,147,980
Net cash provided by financing activities	1,147,980

Net decrease in cash and cash equivalents 911,885

Cash and cash equivalents - beginning of year 3,026,525

Cash and cash equivalents - end of year \$ 3,938,410

Reconciliation of changes in net assets to net cash

used by operating activities

Change in net assets	\$ 6,488,400
Adjustment to reconcile change in net assets to net cash used by operating activities	
Change in value of investments	(7,640,077)
Contributions – endowed and quasi-endowed	(1,147,980)
Contributions – stock donations	(43,310)
(Increase) decrease in operating assets	
Accounts receivable	(11,202)
Grants receivable	20,000
Prepaid expense	4,523
Increase (decrease) in operating liabilities	
Accounts payable	226,223
Accounts payable - due to district	177,597
Accrued liabilities - due to district	4,206
Net cash used by operating activities	<u>\$ (1,921,620)</u>

See accompanying notes to financial statements.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The decision to include potential component units in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America (GAAP) and GASB Cod. Sec. 2100.101. The three criteria for requiring a legally separate, tax-exempt organization to be presented as a component unit are the "direct benefit" criterion, the "entitlement/ability to access" criterion, and the "significance" criterion. The District identified the Foothill-De Anza Community College District Financing Corporation and the Foothill-De Anza Community Colleges Foundation as its potential component units.

The Foothill-De Anza Community College District Financing Corporation (the Corporation) is a legally separate organization and a component unit of the District. The Corporation was formed to issue debt specifically for the acquisition and construction of capital assets for the District. The board of trustees of the Corporation and the District are the same. The financial activity has been "blended" or consolidated within the financial statements of the District as if the activity was the District's. Certificates of participation issued by the Corporation are included as long-term liabilities of the District; individual financial statements are not prepared. The Financing Corporation had no activity for the year ended June 30, 2025 as the certificates of participation issued by the Corporation were fully repaid in a prior fiscal year.

The Foothill-De Anza Community Colleges Foundation (the Foundation) is a legally separate, tax-exempt component unit of the District. The Foundation acts primarily as a fundraising organization to provide grants and scholarships to students and support to employees, programs, and departments of the District. The 20 member board of the Foundation consists of community members, alumni, and other supporters of the Foundation. Although the District does not control the timing or amount of receipts from the Foundation, the majority of resources or income thereon that the Foundation holds and invests are restricted to the activities of the District by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the District, the Foundation is considered a component unit of the District with the inclusion of the statements as a discretely presented component unit. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below. The Foundation is a nonprofit organization under Internal Revenue Code (IRC) Section 501(c)(3) that reports its financial results in accordance with Financial Accounting Standards Codifications. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the District's financial reporting entity for these differences.

Complete financial statements for the Foundation can be obtained from the Foundation's Business Office at 12345 El Monte Road, Los Altos Hills, California 94022.

Basis of Presentation and Accounting: The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as prescribed by the GASB. The financial statement presentation required by GASB provides a comprehensive, entity-wide perspective of the District's financial activities. The entity-wide perspective replaces the fund-group perspective previously required. Fiduciary activities are included from the entity-wide statements.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of accounting refers to when revenues and expenditures or expense are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

For financial reporting purposes, the District is considered a special-purpose government engaged in business-type activities. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

For internal accounting purposes, the budgetary and financial accounts of the District have been recorded and maintained in accordance with the Chancellor's Office of the California Community College's Budget and Accounting Manual. 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.

By state law, the District's Governing Board must approve a budget no later than September 15. A public hearing must be conducted to receive comments prior to adoption. The District's Governing Board satisfied these requirements. Budgets for all governmental funds were adopted on a basis consistent with U.S. GAAP. These budgets are revised by the District's Governing Board during the year to give consideration to unanticipated income and expenditures. Formal budgetary integration was employed as a management control device during the year for all budgeted funds. Expenditures cannot legally exceed appropriations by major object account.

The Foundation's financial statements are prepared on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recognized when they are incurred in accordance with accounting principles generally accepted in the United States of America. Recognition of contributions is dependent upon whether the contribution is restricted or unrestricted. Net assets are classified on the Statement of Financial Position as net assets without donor restriction or net assets with donor restriction based on the absence or existence of donor-imposed restrictions. The Foundation's statements were prepared in accordance with the pronouncements of the Financial Accounting Standards Board ("FASB"). As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the District's report for these differences.

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

Restricted Cash, Cash Equivalents and Investments: Cash that is externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets, is classified as non-current assets in the statement of net position.

Fair Value of Investments and Investment Pools: The District records its investment in Santa Clara County Treasury at fair value. Changes in fair value are reported as revenue in the Statement of Revenues, Expenses and Change in Net Position. The fair value of investments, including the Santa Clara County Treasury external investment pool, at June 30, 2025 approximated their carrying value. Foundation investments in debt and equity securities are carried at fair value. Realized gains and losses and unrealized appreciation (depreciation) of those investments are reflected in the Statement of Activities. Fair values of investments in county and State investment pools are determined by the pool sponsor.

(Continued)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Under provisions of California Government Code Sections 16430, 53601 and 53602 and District Board Policy Section 3130, the District may invest in the types of investments shown herein. The District did not violate any provisions of the California Government Code or District Board policy during the year ended June 30, 2025.

- State of California Local Agency Investment Fund (LAIF)
- County Treasurer's Investment Pools
- U.S. Treasury notes, bonds, bills or certificates of indebtedness
- U.S. Government Agency guaranteed instruments
- Fully insured or collateralized certificates of deposit
- Fully insured and collateralized credit union accounts

The Foundation records its investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Investment income (interest and dividends) is included in the change in net assets without donor restrictions unless the income or loss is restricted by donor or law. The Foundations investment portfolio is reported at fair value based on readily observable market inputs.

Receivables: Receivable consists primarily of amounts due from the Federal government, state and local governments, students or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grant and contracts. Bad debts are accounted for by the direct write-off method for student receivables, which is not materially different from the allowance method.

Prepaid Expenses: Payments made to vendors for goods or services that will benefit periods beyond June 30, 2025, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is reported in the year in which goods or services are consumed.

Capital Assets: Capital assets are recorded at cost at the date of acquisition. Donated capital assets are recorded at their acquisition value at the date of donation. For equipment, the District's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life of greater than one year. Buildings valued at \$150,000 or more as well as renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized.

Prior to June 30, 2017, interest costs were capitalized as part of the historical cost of acquiring certain assets. To qualify for interest capitalization, assets must require a period of time before they are ready for their intended purpose. In determining the amount to be capitalized, interest costs were offset by interest earned on proceeds of the District's tax exempt debt restricted to the acquisition of qualifying assets. During the fiscal year ending June 30, 2018, accounting standards determined this is no longer required and the interest cost incurred before the end of a construction period will no longer be included in the historical cost of a capital asset reported, prospectively.

(Continued)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation of capital assets is computed and recorded utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Buildings	50 Years
Building Improvements	10 Years
Land Improvements	10 Years
Equipment and Vehicles	8 to 10 Years
Technology Equipment	3 to 10 Years

Unearned Revenue: Cash received for federal and state special projects, and programs is recognized as revenue to the extent that eligibility requirements have been met. Unearned revenue is recorded to the extent cash received on specific projects and programs exceeds qualified expenditures. Unearned revenue also includes summer enrollment fees received but not earned.

Compensated Absences: Accumulated unpaid employee vacation benefits are recognized as a liability in the statement of net position when incurred. The liability is for the earned but unused vacation and other leave balances which are more likely than not to be paid or used. In accordance with the provisions of both STRP and PERF B, when an employee retires, all unused sick leave is added to the creditable service period for the calculation of the employee's retirement benefits.

Net Position: The District's net position is classified as follows:

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

Restricted Net Position - Expendable: Restricted expendable net position includes resources in which the District is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties or by enabling legislation adopted by the District. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Restricted Net Position - Nonexpendable: Nonexpendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. The District has no restricted net position – nonexpendable net position.

Unrestricted Net Position - Unrestricted net position represents resources available to be used for transactions relating to the general operations of the District, and may be used at the discretion of meet current expenses for specific future purposes.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification of Net Assets: Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The Foundation reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

State Apportionments: Certain current year apportionments from the state under the Student Centered Funding Formula are based upon various financial and statistical information of the previous year. The California Community College Chancellor's Office recalculates apportionment on a statewide basis each February of the subsequent year; any difference in total computational revenue or state aid will be recorded in the year computed by the state.

The District also receives state apportionments for categorical programs. These allocations are based on various financial and statistical information from the current and previous years.

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

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

Nonoperating revenues and expenses - Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as Pell grants, gifts and contributions, and other revenue sources described in GASB Cod. Sec. Co5.101, such as State appropriations and investment income. Interest expense on capital related debt is the only non-operating expense.

(Continued)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes: Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31 and become delinquent after August 31.

Real and personal property tax revenues are reported in the same manner in which the County auditor records and reports actual property tax receipts to the Department of Education. This is generally on a cash basis with minor year-end accruals at the fund level. A receivable has not been accrued in these financial statements because it is not material. Property taxes for debt service purposes cannot be estimated and have therefore not been accrued in the financial statements.

Fee Waivers: Student tuition and fee revenue are reported net of the Board of Governors fee waivers in the Statement of Revenues, Expenses and Change in Net Position. Certain governmental grants, and other federal, state and nongovernmental programs are recorded as operating revenues, while Federal Pell Grants are classified as non-operating revenues in the District's financial statements.

Postemployment Benefits Other Than Pensions (OPEB): The District's OPEB liability, deferred outflows, and deferred inflows of resources related to OPEB, OPEB expense, and information about the fiduciary net position have been determined on the same basis as they are reported by the California Employers' Retiree Benefit Trust Program (CERBT). For this purpose, the CERBT recognizes benefit payments when due and payable in accordance with the benefit terms. The CERBT reports its investments at fair value, except for money market investments and participating interest earning investment contracts that have a maturity of purchase of one year or less, which are reported at cost.

Medicare Premium Liability: For purposes of measuring the District's liability related to the Medicare Premium Payment (MPP) Program, the fiduciary net position of the MPP Program and additions to/deductions from the MPP Program fiduciary net position have been determined on the same basis as they are reported by the MPP Program. There are no significant deferred outflows of resources or deferred inflows of resources related to the MPP Program or for MPP Program expenses. For this purpose, the MPP Program recognizes benefit payments when due and payable in accordance with the benefit terms. The MPP Program reports its investments 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 related liability for the District's proportionate share of the MPP Program is reported in the financial statements; as the plan is not material additional disclosures are not included.

Deferred Outflows/Inflows of Resources: In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The District has recognized a deferred loss on refunding reported in the Statement of Net Position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt. Additionally, the District has recognized a deferred outflow of resources related to the recognition of the pension liability and OPEB liability reported in the Statement of Net Position. In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time. The District has recognized a deferred inflow of resources related to the recognition of the pension liability and OPEB liability reported which is in the Statement of Net Position.

(Continued)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions: For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) plan for schools (Plans) and additions to/deductions from the Plan's 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.

	<u>STRP</u>	<u>PERF B</u>	<u>Total</u>
Deferred outflows of resources	\$ 40,108,259	\$ 36,974,817	\$ 77,083,076
Deferred inflows of resources	\$ 24,950,000	\$ 6,758,000	\$ 31,708,000
Net pension liability	\$ 78,747,000	\$ 123,033,000	\$ 201,780,000
Pension expense	\$ 9,925,245	\$ 19,520,824	\$ 29,446,069

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

New Accounting Pronouncements: In June 2022, the GASB issued GASB Statement No. 101, *Compensated Absences*, effective for fiscal years beginning after December 15, 2023. GASB Statement No. 101 requires recognition of a liability for leave when earned if it is attributable to services already rendered and is expected to be paid. The liability includes vacation, sick leave, and other forms of paid time off that accumulate and vest or are expected to be used in future periods. There was no impact to the District's July 1, 2024 net position as a result of the implementation of GASB Statement No. 101.

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents at June 30, 2025, consisted of the following:

Cash in County Treasury	\$ 159,920,065
Cash on hand and in banks	4,577,596
Cash in revolving accounts	57,176
Subtotal unrestricted cash and cash equivalents	164,554,837
Restricted cash and cash equivalents	213,254,622
Total cash and cash equivalents	\$ 377,809,459

(Continued)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 2 - CASH AND CASH EQUIVALENTS (Continued)

Cash in County Treasury: In accordance with the *Budget and Accounting Manual*, the District maintains substantially all of its cash in the Santa Clara County Treasury as part of the common investment pool. The District is considered an involuntary participant in the investment pool. These pooled funds are recorded at amortized cost which approximates fair value. Fair value of the pooled investments at June 30, 2025 is measured at 97% of amortized cost. The District's investments in the fund are considered to be highly liquid and reflected in the financial statements as cash and cash equivalents in the statement of net position.

The County is authorized to deposit cash and invest excess funds by California Government Code Sections 53534, 53601, 53635, and 53648. The County is restricted to invest time deposits, U.S. government securities, state registered warrants, notes, or bonds, state treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The funds maintained by the County are either secured by federal depository insurance or are collateralized. The County investment pool is not required to be rated. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

Custodial Credit Risk: Custodial Credit Risk 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 that are in possession of an outside party. The District amount of securities that can be held by counterparties.

Deposits – Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial risk. As of June 30, 2025, \$3,875,176 of the District's bank balance of \$4,125,176 was exposed to credit risk as uninsured and uncollateralized.

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

Credit Risk: Credit risk is the risk an issuer of an investment will not fulfill its obligations. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The District follows Government Code to reduce exposure to investment credit risk.

Concentration of Credit Risk: The District's investment policy places no limits on the amount it may invest in any one issuer. At June 30, 2025, the District had no concentration of credit risk.

(Continued)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 3 - RECEIVABLES

District receivables at June 30, 2025 are summarized as follows:

Federal and state	\$ 30,622,341
Student	12,328,313
Miscellaneous	6,562,245
	<u>49,512,899</u>
Less allowance for doubtful accounts	<u>(4,699,502)</u>
 Total accounts receivable, net	 <u><u>\$ 44,813,397</u></u>

The allowance for doubtful accounts is maintained at an amount which management considers sufficient to fully reserve and provide for the possible uncollectability of other receivable balances. The allowance is calculated based on a sliding scale of student receivable balances and provides for 4% for balances up for 31-60 days, 20% for 61-90 days, and 50% for amounts over 90 days.

NOTE 4 - CAPITAL ASSETS

A summary of changes for the District in capital assets for the year ended June 30, 2025 is shown as follows:

	Balance July 1, <u>2024</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfers</u>	Balance June 30, <u>2025</u>
Non-depreciable:					
Land	\$ 2,489,777	\$ -	\$ -	\$ -	\$ 2,489,777
Construction in progress	32,065,629	33,860,804	-	(7,958,692)	57,967,741
Depreciable:					
Land improvements	227,547,010	-	-	-	227,547,010
Buildings and improvements	906,830,225	-	(4,899,599)	4,189,576	906,120,202
Furniture and equipment	86,212,868	4,883,259	(2,245,436)	3,769,116	92,619,807
Total	<u>1,255,145,509</u>	<u>38,744,063</u>	<u>(7,145,035)</u>	<u>-</u>	<u>1,286,744,537</u>
Less accumulated depreciation:					
Land improvements	(187,353,636)	(9,413,282)	-	-	(196,766,918)
Buildings and improvements	(529,421,966)	(22,002,747)	4,899,599	-	(546,525,114)
Furniture and equipment	(71,975,578)	(4,098,492)	2,245,436	-	(73,828,634)
Total	<u>(788,751,180)</u>	<u>(35,514,521)</u>	<u>7,145,035</u>	<u>-</u>	<u>(817,120,666)</u>
Subscription assets:					
Software	16,533,201	900,391	(10,095,426)	-	7,338,166
Accumulated subscription amortization:					
Software	(8,615,822)	(5,164,419)	10,095,426	-	(3,684,815)
Capital assets, net	<u>\$ 474,311,708</u>	<u>\$ (1,034,486)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 473,277,222</u>

Depreciation and amortization expense of \$40,678,940 was recorded during the year.

(Continued)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 5 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities for the District consisted of the following:

Accounts payable:	
Vendors	\$ 51,695,125
Retention	997,496
Total accounts payable	52,692,621
Accrued liabilities:	
Payroll and benefits	2,080,022
Accrued expenses	2,137,667
Total accrued liabilities	4,217,689
Total accounts payable and accrued liabilities	\$ 56,910,310

NOTE 6 - UNEARNED REVENUE

Unearned revenue for the District consisted of the following:

Unearned federal and state revenue	\$ 42,077,446
Unearned tuition and student fees	7,838,623
Unearned local grant revenue and other	2,074,679
Total unearned revenue	\$ 51,990,748

NOTE 7 - LONG-TERM LIABILITIES

General Obligation Bonds

Measure E (1999): The District, Santa Clara County, California, Election of 1999 General Obligation Bonds (the Bonds) were authorized at an election of registered voters held on November 2, 1999, at which two thirds of the persons voting on the proposition voted to authorize the issuance and sale of \$248,000,000 in principal amount of general obligation bonds of the District. The Bonds were issued to construct and repair college educational facilities.

- Series A was sold on May 3, 2000 for a total of \$99,995,036.
- Series B was sold on September 9, 2003 for a total of \$90,100,063.
- Series C was sold on September 20, 2005 for a total of \$57,904,900.
- General Obligation Refunding Bonds were issued on October 2, 2002 in the amount of \$67,475,000 for the purpose of refunding a portion of the Measure E (1999), Series A General Obligation Bonds.
- 2005 General Obligation Refunding Bonds were issued on September 20, 2005 in the amount of \$22,165,000 for the purpose of refunding a portion of the Measure E (1999), Series B General Obligation Bonds.

2012 General Obligation Refunding Bonds were issued on May 3, 2012 in the amount of \$70,735,000 for the purpose of refunding portions of the Measure E (1999), Series B, Series C General Obligation Bonds, and the 2002 Refunding Obligation Bonds.

(Continued)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 7 - LONG-TERM LIABILITIES (Continued)

Measure E (1999) (Continued):

- 2014 General Obligation Refunding Bonds were issued on August 19, 2014 in the amount of \$17,615,000 for the purpose of refunding portions of Measure E (1999), Series C General Obligation Bonds.
- 2021 General Obligation Refunding Bonds were issued on April 21, 2021 in the amount of \$61,735,000 for the purpose of refunding portions of Measure E (1999) 2012 Refunding Bonds and 2014 Refunding Bonds.

Measure C (2006): The District, Santa Clara County, California Election of 2006, General Obligation Bonds (the Bonds) were authorized at an election of registered voters held on June 6, 2006 at which more than 55% of the persons voting on the proposition voted to authorize the issuance and sale of \$490,800,000 principal amount of general obligation bonds of the District. The Bonds were issued to finance the acquisition, construction, modernization, and renovation of certain District facilities approved by the District's registered voters and to pay costs of issuance associated with the Bonds.

- Series A was sold on May 10, 2007 for a total of \$149,995,250.
- Series B was sold on May 10, 2007 for a total of \$99,996,686.
- Series C was sold on May 19, 2011 for a total of \$184,000,000.
- Series D was sold on October 19, 2016 for a total of \$26,040,000.
- Series E was sold on October 19, 2016 for a total of \$30,765,000.
- 2014 General Obligation Refunding Bonds were issued on August 19, 2014 in the amount of \$85,400,000 for the purpose of refunding portions of Measure C (2006), Series A and B General Obligation Bonds.
- 2015 General Obligation Refunding Bonds were issued on September 1, 2015 in the amount of \$83,100,000 for the purpose of refunding portions of the Measure C (2006). Series A and B General Obligation Bonds.
- 2016 General Obligation Refunding Bonds were issued on October 19, 2016 in the amount of \$201,735,000 for the purpose of refunding \$184,000,000 of the Measure C (2006) Series C General Obligation Bonds.
- 2021 General Obligation Refunding Bonds were issued on April 21, 2021 in the amount of \$96,025,000 for the purpose of refunding portions of Measure C (2006) 2014 Refunding Bonds and 2016 Refunding Bonds.

Measure G (2020): On March 3, 2020, a general obligation bond proposition (Measure G) of the District was approved by the voters of the District. Measure G authorized the District to issue up to \$898,000,000 of general obligation bonds to finance various capital projects and related costs as specified in the bond measure provisions. The bylaws of the Independent Citizens Bond Oversight Committee have been revised to expand their duties to include oversight of the expenditures of bond proceeds for both Measure C (2006) and Measure G (2020) projects.

- Series A was sold on April 21, 2021 for a total of \$20,000,000.
- Series B was sold on April 21, 2021 for a total of \$90,000,000.
- Series C was sold on May 7, 2024 for a total of \$85,000,000

(Continued)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 7 - LONG-TERM LIABILITIES (Continued)

The annual requirements to amortize the District's General Obligation Bonds outstanding at June 30, 2025 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2026	\$ 54,622,271	\$ 27,898,194	\$ 82,520,465
2027	30,828,207	27,854,589	58,682,796
2028	30,962,322	28,284,000	59,246,322
2029	32,895,690	28,453,613	61,349,303
2030	35,579,114	28,560,367	64,139,481
2031-2035	149,827,769	210,894,508	360,722,277
2036-2040	198,340,205	109,701,674	308,041,879
2041-2042	59,745,000	1,286,803	61,031,803
	<u>592,800,578</u>	<u>462,933,748</u>	<u>1,055,734,326</u>
Accreted interest	182,512,431	-	182,512,431
Total	<u>\$ 775,313,009</u>	<u>\$ 462,933,748</u>	<u>\$1,238,246,757</u>

(Continued)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 7 - LONG-TERM LIABILITIES (Continued)

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

	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate %</u>	<u>Amount of Original Issue</u>	<u>Outstanding June 30, 2025</u>
Measure E (1999) General Obligation Bonds					
Series A	5/3/2000	8/1/2030	4.30 - 6.26%	\$ 99,995,036	\$ 6,411,883
Series B	9/9/2003	8/1/2036	2.00 - 5.79%	90,100,063	35,927,459
Series C	9/20/2005	8/1/2034	3.00 - 5.03%	57,904,900	18,319,300
2002 General Obligation Refunding Bonds	10/2/2002	08/01/30	2.00 - 5.00%	67,475,000	-
2005 General Obligation Refunding Bonds	9/20/2005	8/1/2021	3.00 - 5.25%	22,165,000	-
2012 General Obligation Refunding Bonds	5/3/2012	8/1/2030	0.25 - 5.00%	70,735,000	-
2014 General Obligation Refunding Bonds	8/19/2014	8/1/2036	2.00 - 5.00%	17,615,000	-
2021 General Obligation Refunding Bonds	4/21/2021	8/1/2036	3.00%	61,735,000	49,685,000
Accreted Interest					<u>137,177,200</u>
Total Measure E (1999)					<u>247,520,842</u>
Measure C (2006) General Obligation Bonds					
Series A	5/10/2007	8/1/2036	4.00 - 5.00%	149,995,250	21,455,250
Series B	5/10/2007	8/1/2036	4.00 - 5.00%	99,996,686	13,381,686
Series C	5/19/2011	8/1/2040	4.73 - 4.78%	184,000,000	-
Series D	10/19/2016	8/1/2038	3.00 - 4.00%	26,040,000	25,700,000
Series E	10/19/2016	8/1/2040	2.50 - 3.22%	30,765,000	30,765,000
2014 General Obligation Refunding Bonds	8/19/2014	8/1/2027	2.00 - 5.00%	85,400,000	-
2015 General Obligation Refunding Bonds	9/1/2015	8/1/2031	1.00 - 5.00%	83,100,000	82,565,000
2016 General Obligation Refunding Bonds	10/19/2016	8/1/2040	2.00 - 4.00%	201,735,000	124,330,000
2021 General Obligation Refunding Bonds	4/21/2021	8/1/2036	0.15 - 2.51%	96,025,000	92,340,000
Accreted Interest					<u>45,335,231</u>
Total Measure C (2006)					<u>435,872,167</u>
Measure G (2020) General Obligation Bonds					
Series A	4/21/2021	8/1/2041	2.13 - 3.00%	20,000,000	20,000,000
Series B	4/21/2021	8/1/2033	0.15 - 2.26%	90,000,000	9,590,000
Series C	5/7/2024	8/1/2041	5.00%	85,000,000	62,330,000
Total Measure G (2020)					<u>91,920,000</u>
Total General Obligation Bonds					<u>\$ 775,313,009</u>

(Continued)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 7 - LONG-TERM LIABILITIES (Continued)

Changes in Long-Term Debt: A schedule of changes in long-term debt for the year ended June 30, 2025 is as follows:

	Balance July 1 <u>2024</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2025</u>	Amounts Due Within <u>One Year</u>
<u>Debt</u>					
General Obligation Bonds	\$ 640,179,446	\$ -	\$ 47,378,868	\$ 592,800,578	\$ 54,622,271
Accreted Interest	178,027,949	14,820,614	10,336,132	182,512,431	14,752,729
General Obligation Bonds Premium, net	<u>43,079,637</u>	<u>-</u>	<u>4,146,950</u>	<u>38,932,687</u>	<u>4,146,950</u>
	861,287,032	14,820,614	61,861,950	814,245,696	73,521,950
<u>Other long-term liabilities</u>					
Net pension liability (Notes 8 and 9)	226,284,000	-	24,504,000	201,780,000	-
Net OPEB liability (Note 10)	62,511,033	-	5,868,415	56,642,618	-
Claims liability	5,380,616	-	1,490,240	3,890,376	1,137,909
Medicare Premium Program (MPP)	367,159	-	63,295	303,864	-
Subscription liabilities	7,917,379	900,391	5,164,419	3,653,351	1,195,845
Compensated absences	<u>8,608,262</u>	<u>373,102</u>	<u>-</u>	<u>8,981,364</u>	<u>53,644</u>
	<u>\$ 1,172,355,481</u>	<u>\$ 16,094,107</u>	<u>\$ 98,952,319</u>	<u>\$ 1,089,497,269</u>	<u>\$ 75,909,348</u>

Liabilities are liquidated for governmental activities by the fund for which the employee worked, including, other postemployment healthcare benefits, and net pension liability. General obligation bond liabilities are liquidated through property tax collections as administered by the County Auditor-Controller's Office through the Bond Interest and Redemption Fund. Payments on the claims liabilities will be paid by the Self-Insurance Fund.

(Continued)

NOTE 8 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLAN

General Information about the State Teachers' Retirement Plan

Plan Description: Employees of the District performing creditable services are provided with pensions through the State Teachers' Retirement Plan (STRP) – a cost-sharing multiple-employer defined benefit pension plan administered by the California State Teachers' Retirement System (CalSTRS). Teachers' Retirement Law (California Education Code Section 22000 et seq.), as enacted and amended by the California Legislature, established this plan with CalSTRS as the administrator. The benefit terms of the plan may be amended through legislation. CalSTRS issues a publicly available financial report that can be obtained at CalSTRS' website.

Benefits Provided: The STRP Defined Benefit Program has two benefit formulas:

- CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS.
- CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS.

The Defined Benefit (DB) Program provides retirement benefits based on members' final compensation, age and years of service credit. In addition, the retirement program provides benefits to members upon disability and to survivors/beneficiaries upon the death of eligible members. There are several differences between the two benefit formulas which are noted below.

CalSTRS 2% at 60 - CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to a factor of 2.0% of final compensation multiplied by the number of years of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to a maximum of 2.4% at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of 0.2% to the age factor, up to the 2.4% maximum.

CalSTRS calculates retirement benefits based on one-year final compensation for members with 25 or more years of credited service, or for classroom teachers with fewer than 25 years of credited service if the employer entered into, extended, renewed or amended an agreement prior to January 1, 2014, to elect to pay the additional benefit cost for all of its classroom teachers. One-year final compensation is the member's highest average annual compensation earnable for 12 consecutive months based on the creditable compensation that the member could earn in a school year while employed on a full-time basis. For most members with fewer than 25 years of credited service, final compensation is the highest average annual compensation earnable for any 36 consecutive months based on the creditable compensation that the member could earn in a school year while employed on a full-time basis.

CalSTRS 2% at 62 - CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0% of final compensation multiplied by the number of years of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4% at age 65 or older.

All CalSTRS 2% at 62 members' final compensation is based on their highest average annual compensation earnable for 36 consecutive months based on the creditable compensation that the member could earn in a school year while employed on a full-time basis.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 8 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLAN (Continued)

Contributions: Required member, employer and State contribution rates are set by the California Legislature and the Governor and detailed in Teachers' Retirement Law. Current contribution rates were established by California Assembly Bill 1469 (CalSTRS Funding Plan), which was passed into law in June 2014, and established a schedule of contribution rate increases shared among members, employers, and the State of California to bring CalSTRS toward full funding by 2046.

A summary of statutory contribution rates and other sources of contributions to the DB Program pursuant to the CalSTRS Funding Plan, are as follows:

Members - Under CalSTRS 2% at 60, the member contribution rate was 10.250% of applicable member earnings for fiscal year 2023-24.

Under CalSTRS 2% at 62, members pay 9% toward the normal cost and an additional 1.205% as per the CalSTRS Funding Plan for a total member contribution rate of 10.205%. The contribution rate for CalSTRS 2% at 62 members is adjusted if the normal cost increases or decreases by more than 1% annually. Based on the June 30, 2023, actuarial valuation adopted by the CalSTRS Board in May 2024, the increase in normal cost was less than 1%. Therefore, the contribution rate for CalSTRS 2% at 62 members did not change effective July 1, 2024.

Employers - Employers are required to contribute a base contribution rate set in statute at 8.25%. Pursuant to the CalSTRS Funding Plan, employers also have a supplemental contribution rate to eliminate their share of the CalSTRS unfunded actuarial obligation by 2046. The CalSTRS Funding Plan authorizes the CalSTRS Board to adjust the employer supplemental contribution rate up or down by a maximum of 1% annually for a total rate of no higher than 20.25% and no lower than 8.25%. In May 2024, the CalSTRS Board voted to keep the employer supplemental contribution rate at 10.85% for fiscal year June 30, 2025 for a total employer contribution rate of 19.10%.

The CalSTRS employer contribution rate increases effective for fiscal year 2024-25 through fiscal year 2046-47 are summarized in the table below:

<u>Effective Date</u>	<u>Base Rate</u>	<u>Supplemental Rate Per CalSTRS Funding Plan</u>	<u>Total</u>
July 1, 2024	8.250%	10.850%	19.100%
July 1, 2025 to June 30, 2046	8.250%	(1)	(1)
July 1, 2046	8.250%	AB1469 rate increase ends for 2046-47 and beyond	

(1) The CalSTRS Funding Plan authorizes the board to adjust the employer contribution rate up or down by up to 1% each year, but no higher than 20.250% total and no lower than 8.250%.

The District contributed \$16,288,259 to the plan for the fiscal year ended June 30, 2025.

State - The state is required to contribute 10.828% of the members' creditable compensation from the two fiscal years prior.

(Continued)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 8 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLAN (Continued)

The State is required to contribute a base contribution rate set in statute at 2.017%. Pursuant to the CalSTRS Funding Plan, the State also has a supplemental contribution rate, which the Board can increase by no more than 0.5% each fiscal year to help eliminate the State's share of the CalSTRS unfunded actuarial obligation by 2046. In May 2024, the CalSTRS Board voted to keep the State supplemental contribution rate at 6.311% for fiscal year 2024–25.

The total State contribution rate also includes a portion to fund the Supplemental Benefit Maintenance Account (SBMA), which provides inflation protection to CalSTRS members whose current purchasing power has fallen below 85% of the purchasing power of their initial benefit. The SBMA is funded through a continuous appropriation from the State's General Fund in an amount equal to 2.5% of the total creditable compensation of the fiscal year ended in the immediately preceding calendar year, reduced by \$72.0 million, pursuant to Education Code section 22954.

The CalSTRS state contribution rates effective for fiscal year 2024-25 and beyond are summarized in the table below.

<u>Effective Date</u>	<u>Base Rate</u>	<u>Supplemental Rate Per CalSTRS Funding Plan</u>	<u>SBMA Funding⁽¹⁾</u>	<u>Total</u>
July 01, 2024	2.017%	6.311%	2.50%	10.828%
July 01, 2025 to June 30, 2046	2.017%	(1)	2.50%	(1)
July 01, 2046	2.017%	(2)	2.50%	(2)

(1) The CalSTRS Board has limited authority to adjust the State contribution rate annually through June 2046 to eliminate the remaining unfunded actuarial obligation. The CalSTRS Board cannot increase the supplemental rate by more than 0.5% in a fiscal year, and if there is no unfunded actuarial obligation, the supplemental contribution rate imposed would be reduced to 0%.

(2) From July 1, 2046, and thereafter, the rates in effect prior to July 1, 2014, are reinstated, if necessary, to address any remaining unfunded actuarial obligation.

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

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

District's proportionate share of the net pension liability	\$ 78,747,000
State's proportionate share of the net pension liability associated with the District	<u>36,130,000</u>
Total	<u><u>\$ 114,877,000</u></u>

(Continued)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 8 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLAN (Continued)

The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, updated and rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on the District's share of contributions to the STRP relative to the contributions of all participating contributing employers and the State. At June 30, 2025, the District's proportion was 0.12%, which was a decrease of 0.01% in proportion as of June 30, 2024.

For the year ended June 30, 2025, the District recognized pension expense of \$9,925,245. The District recognized revenue of \$7,295,308 with an additional \$4,925,748 in State funding, resulting in a total of \$12,221,056 for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 8,907,000	\$ 3,444,000
Changes of assumptions	345,000	5,378,000
Net differences between projected and actual earnings on investments	-	318,000
Changes in proportion and differences between District contributions and proportionate share of contributions	14,568,000	15,810,000
Contributions made subsequent to measurement date	<u>16,288,259</u>	<u>-</u>
Total	<u>\$ 40,108,259</u>	<u>\$ 24,950,000</u>

\$16,288,259 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2026	\$ (7,804,750)
2027	\$ 5,033,250
2028	\$ (1,050,750)
2029	\$ 951,583
2030	\$ 2,911,833
2031	\$ (1,171,166)

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 7 years as of the June 30, 2024 measurement date. Deferred outflows and deferred inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

(Continued)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 8 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLAN (Continued)

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

Valuation Date	June 30, 2023
Experience Study	July 1, 2007 through June 30, 2022
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%
Post-retirement Benefit Increases	2.00% simple for DB, maintain 85% purchasing power level for DB

Discount Rate: The discount rate used to measure the total pension liability was 7.10%, which was unchanged from the prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increases per the CalSTRS Funding Plan. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments, and administrative expense occur midyear.

Based on those 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 the total pension liability.

The long-term expected rate of return on pension plan investments was calculated using a building-block approach. This method involves developing best-estimate ranges of 20- to 30-year geometrically linked expected future real rates of return for each major asset class. These expected returns are net of pension plan investment expenses and inflation. The best estimate ranges were created using capital market assumptions provided by CalSTRS investment staff and investment consultants.

The actuarial investment rate of return assumption was adopted by the CalSTRS 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/strategy as of 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	38.0%	5.25%
Real Estate	15.0	4.05
Private Equity	14.0	6.75
Fixed Income	14.0	2.45
Risk Mitigating Strategies	10.0	2.25
Inflation Sensitive	7.0	3.65
Cash / Liquidity	2.0	0.05

* 20- to 30-year geometric average

(Continued)

NOTE 8 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLAN (Continued)

Mortality: 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 its 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 issued by the Society of Actuaries.

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

Rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.10%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10%) or 1-percentage-point higher (8.10%) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the net pension liability	<u>\$ 140,066,000</u>	<u>\$ 78,747,000</u>	<u>\$ 27,544,000</u>

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CalSTRS annual comprehensive financial report available at the CalSTRS website.

NOTE 9 - NET PENSION LIABILITY - PUBLIC EMPLOYER'S RETIREMENT FUND B

General Information about the Public Employer's Retirement Fund B

Plan Description: The schools' cost-sharing multiple-employer defined benefit pension plan Public Employer's Retirement Fund B (PERF B) is administered by the California Public Employees' Retirement System (CalPERS). Plan membership consists of non-teaching and non-certified employees of public schools (K-12), community college districts, offices of education, charter and private schools (elective) in the State of California.

The Plan was established to provide retirement, death and disability benefits to non-teaching and non-certified employees in schools. The benefit provisions for Plan employees are established by statute. CalPERS issues a publicly available financial report that can be obtained at CalPERS' website.

Benefits Provided: The benefits for the defined benefit plan are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years (10 years for State Second Tier members) of credited service. All non-state Second Tier members are eligible to receive cost-of-living adjustments (COLA) up to a maximum of 2% compounded annually (up to 5% maximum as a contract option for retired members of local agencies). State Second Tier members are eligible for a COLA of 3 percent fixed compounded annually.

(Continued)

NOTE 9 - NET PENSION LIABILITY - PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

Contributions: The benefits for the defined benefit pension plan are funded by contributions from members, employers, non-employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer's benefit formulas. In some circumstances, contributions are made by the employer to satisfy member contribution requirements. Member and employer contribution rates are determined by periodic actuarial valuations or by State statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Non-employer contributions are not expected each year, but when provided they are accrued for.

The required contribution rates of most active plan members are based on a percentage of salary in excess of a base compensation amount ranging from zero dollars to \$863 monthly.

The Public Employees' Pension Reform Act of 2013 (PEPRA) became effective in January 2013, and changed how benefits are applied as well as placed compensation limits on certain members as listed below. Members which do not fall into the definitions below, are generally be considered "classic" members in PERF B:

- Members joining on or after January 1, 2013, with no prior membership in another California public retirement system.
- Members joining before January 1, 2013, who are hired by a different CalPERS employer after January 1, 2013, and have a break in service greater than six months.
- Members joining on or after January 1, 2013, who are ineligible for reciprocity with another California public retirement system.

Required contribution rates for active plan members and employers as a percentage of payroll for the year ended June 30, 2025 were as follows:

Members - The classic member contribution rate was 7.0% of applicable member earnings for fiscal year 2024-25. The PEPRA member contribution rate was 8.0% of applicable member earnings for fiscal year 2024-25.

Employers - The employer contribution rate was 27.05% of applicable member earnings for fiscal year 2024-25.

The District contributed \$19,160,817 to the plan for the fiscal year ended June 30, 2025.

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

At June 30, 2025, the District reported a liability of \$123,033,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, updated and rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on the District's share of contributions to the PERF B plan relative to the contributions of all participating school districts. At June 30, 2025 the District's proportion was 0.34%, which was a decrease of 0.02% from its proportion at June 30, 2024.

For the year ended June 30, 2025, the District recognized a pension expense of \$19,520,824. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

(Continued)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 9 - NET PENSION LIABILITY - PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 10,315,000	\$ 881,000
Changes of assumptions	2,719,000	-
Net differences between projected and actual earnings on investments	4,780,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	5,877,000
Contributions made subsequent to measurement date	19,160,817	-
Total	\$ 36,974,817	\$ 6,758,000

\$19,160,817 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2026	\$ 3,293,250
2027	\$ 9,304,250
2028	\$ (29,250)
2029	\$ (1,512,250)

Differences between expected and actual experience, changes in assumptions and changes in proportion and differences between District contributions and proportionate share of contributions are amortized over a closed period equal to the expected average remaining service life of plan members, which was 3.9 years in the June 30, 2024 measurement. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

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

Valuation Date	June 30, 2023
Experience Study	June 30, 2000 through June 30, 2019
Actuarial Cost Method	Entry age normal
Investment Rate of Return	6.90%
Consumer Price Inflation	2.30%
Wage Growth	Varies by entry age and service
Post-retirement Benefit Increases	2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power Applies, 2.30% thereafter

(Continued)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 9 - NET PENSION LIABILITY - PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries 80% of scale MP2020. For more details on this table, please refer to the 2021 experience study report.

All other actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from 2000 to 2019, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found at CalPERS' website.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Expected Real Rates of Return Years 1-10 (1, 2)</u>
Global Equity – cap-weighted	30.00%	4.54%
Global Equity non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	.27%
Mortgage-backed Securities	5.00%	.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

(1) An expected inflation rate of 2.30% used for this period

(2) Figures are based on the 2021-22 CalPERS Asset Liability Management Study

Discount Rate: The discount rate used to measure the total pension liability was 6.90 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Plan. The results of the crossover testing for the Plan are presented in a detailed report that can be obtained at CalPERS' website.

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.

In determining the long-term expected rate of return, CalPERS considered 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.

(Continued)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 9 - NET PENSION LIABILITY - PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:
The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability	\$ 182,766,000	\$ 123,033,000	\$ 73,688,000

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS

General Information Other Postemployment Benefits Plan (OPEB)

Plan Description: In addition to the pension benefits described in Notes 8 and 9, the District established an Other Postemployment Benefit Plan (the Plan) which is an agent multiemployer defined benefit healthcare plan administered by the California Employers Retirement Benefit Trust (CERBT). CERBT serves as an irrevocable trust, ensuring that funds contributed into its Investment Trust are dedicated to serving the needs of member districts, and their employees and retirees. The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Separate financial statements are prepared for the CERBT and can be found at <https://www.calpers.ca.gov>.

The District provides retirees, hired before July 1, 1997, their dependents, and domestic partners with health and hospital benefits, prescription drug benefits, vision care benefits, and dental care benefits, subject to eligibility requirements. Employees hired on or after July 1, 1997, are eligible for a health benefits bridge program to cover the period of time between retirement eligibility and Medicare coverage.

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 required contribution is based on projected pay-as-you-go financing requirements with an additional amount to prefund benefits as determined annually through agreements between the District and the bargaining units.

Employees Covered by Benefit Terms: The following is a table of plan participants at June 30, 2025:

	<u>Number of Participants</u>
Inactive Plan members receiving benefits	753
Inactive employees/dependents entitled to but not yet receiving benefits	-
Active employees	<u>933</u>
	<u>1,686</u>

(Continued)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Benefits Provided: The following is a description of the current retiree benefit plan:

The following is a description of the retiree benefit plan available to employees hired before July 1, 1997:

	<u>Faculty</u>	<u>Classified</u>	<u>Management</u>
Benefit Types Provided	Medical, Dental, Vision, Part B Medicare	Medical, Dental, Vision, Part B Medicare	Medical, Dental, Vision, Part B Medicare
Duration of Benefits	Lifetime	Lifetime	Lifetime
Required Service	10 years	10 years*	10 years*
Minimum Age	55	55*	55*
Dependent Coverage	Yes**	Yes**	Yes**
District Contribution	100%***	100%***	100%***
District Cap	Based on active benefit	Based on active benefit	Based on active benefit

*Certain employees with 20+ years' service may receive District-paid retiree health benefits earlier than age 55.

**The District's medical plan is secondary to other coverage the dependent may have.

***Retirees must contribute an amount that depends on the plan elected and the number of dependents covered.

The following is a description of the current retiree benefit plan available to employees hired after July 1, 1997:

	<u>Faculty</u>	<u>Classified</u>	<u>Management</u>
Benefit Types Provided	Medical	Medical	Medical,
Duration of Benefits	To Medicare age	To Medicare age	To Medicare age
Required Service	15 years	15 years	15 years
Minimum Age	55	55	55
Dependent Coverage	Yes*	Yes*	Yes*
District Contribution	100%	100%	100%
District Cap	Single: \$500 per month Two Party: \$1,000 per month	Single: \$500 per month Two Party: \$1,000 per month	Single: \$500 per month Two Party: \$1,000 per month

*The District's medical plan is secondary to other coverage the dependent may have.

Contributions to the Plan from the District were \$10,052,338 for the year ended June 30, 2025. Employees are not required to contribute to the OPEB plan.

OPEB Plan Investments: All Plan investments are held in the California Employers' Retiree Benefit Trust Program (CERBT) through CalPERS. The plan discount rate of 6.75% was determined using the following asset allocation and assumed rate of return:

<u>Asset Class</u>	<u>Percentage of Portfolio</u>	<u>Rate of Return*</u>
Equities	49.0%	7.25%
Fixed Income	23.0%	4.25%
Real estate investment trusts	20.0%	7.25%
All commodities	3.0%	7.25%
Treasury inflation protected securities (TIPS)	5.0%	3.00%

* Geometric average

(Continued)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Rolling periods of time for all asset classes in combination were used to appropriately reflect correlation between asset classes. This means that the average returns for any asset class do not necessarily reflect the averages over time individually but reflect the return for the asset class for the portfolio average. Additionally, the historic 16-year real rates of return for each asset class along with the assumed long-term inflation assumption was used to set the discount rate. The investment return was offset by assumed investment expenses of 50 basis points. It was further assumed that contributions to the plan would be sufficient to fully fund the obligation over a period not to exceed 16 years.

Net OPEB Liability

Actuarial Assumptions: The District's net OPEB liability for fiscal year ending June 30, 2025, 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 total OPEB liability was determined using the actuarial assumptions shown as follows, applied to all periods included in the measurement, unless otherwise specified.

Valuation date	June 30, 2023
Census data	The census was provided by the District as of June 30, 2023
Actuarial cost method	Entry age actuarial cost method
Inflation rate	2.50%
Investment rate of return	6.75%
Discount rate	6.75%
Health care cost trend rate	4.00%
Payroll increase	2.75%
Participation rates	100% for certificated and classified employees.
Mortality	For certificated employees the 2020 CalSTRS mortality tables were used. For classified employees the 2021 CalPERS active mortality for miscellaneous employees were used.
Spouse prevalence	To the extent not provided and when needed to calculate benefit liabilities, 80% of retirees assumed to be married at retirement. After retirement, the percentage married is adjusted to reflect mortality.

(Continued)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Spouse ages	To the extent spouse dates of birth are not provided and when needed to calculate benefit liabilities, female spouse assumed to be three years younger than male.
Turnover	For certificated employees the 2020 CalSTRS termination rates were used. For classified employees the 2021 CalPERS termination rates for school employees were used.
Retirement rates	For certificated employees the 2020 CalSTRS retirement rates were used. For classified employees the 2021 CalPERS retirement rates for school employees were used.

Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Total Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2024	\$ 96,351,823	\$ 33,840,790	\$ 62,511,033
Changes for the year:			
Service cost	580,604	-	580,604
Interest	6,278,003	3,969,075	2,308,928
Employer contributions	-	9,331,747	(9,331,747)
Benefit payments	(7,831,747)	(7,831,747)	-
Differences between actual and expected experience	562,403	-	562,403
Administrative expenses	-	(11,397)	11,397
Net change	(410,737)	5,457,678	(5,868,415)
Balance at June 30, 2025	<u>\$ 95,941,086</u>	<u>\$ 39,298,468</u>	<u>\$ 56,642,618</u>

Fiduciary Net Position as a % of the Total OPEB Liability at June 30, 2025: 41.0%

(Continued)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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 percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease <u>(5.75%)</u>	Current Discount Rate <u>(6.75%)</u>	1% Increase <u>(7.75%)</u>
Net OPEB liability	\$ 64,662,944	\$ 56,642,618	\$ 49,684,443

Sensitivity of the Net OPEB Liability to changes in the Healthcare Cost Trend Rates: 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 healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease <u>(3.0%)</u>	Healthcare Cost Trend Rates Rate <u>(4.00%)</u>	1% Increase <u>(5.0%)</u>
Net OPEB liability	\$ 48,288,360	\$ 56,642,618	\$ 66,240,072

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$3,009,620. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 479,367	\$ 5,980,877
Changes of assumptions	2,133,733	-
Net differences between projected and actual earnings on investments	445,324	-
Contributions made subsequent to measurement date	10,052,338	-
Total	<u>\$ 13,110,762</u>	<u>\$ 5,980,877</u>

(Continued)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Amounts reported as deferred outflows of revenues related to OPEB will be recognized in pension expense as follows:

2026	\$ (1,251,379)
2027	\$ 470,362
2028	\$ (958,564)
2029	\$ (1,000,821)
2030	\$ (217,198)
Thereafter	\$ 35,147

NOTE 11 - FUNCTIONAL EXPENSES

Operating expenses are reported by natural classification in the statement of revenues, expense and change in net position. A schedule of expenses by function is shown as follows:

	Salaries	Benefits	Supplies, Materials, and Other Operating Expenses and Services	Financial Aid	Depreciation	Total
Instructional activities	\$ 94,603,888	\$ 28,859,093	\$ 2,281,101	\$ -	\$ -	\$ 125,744,082
Academic support	30,994,472	10,090,133	1,949,324	-	-	43,033,929
Student services	7,392,879	2,455,615	5,388,014	-	-	15,236,508
Operation and maintenance of plant	6,653,453	2,912,498	6,781,407	-	-	16,347,358
Instructional support services	34,432,544	17,199,835	33,305,289	-	-	84,937,668
Community services and economic development	6,629,747	2,134,920	1,175,614	-	-	9,940,281
Ancillary services and auxiliary operation	3,912,499	1,271,630	1,339,584	-	-	6,523,713
Transfers, student aid, and other outgo	-	-	-	45,088,393	-	45,088,393
Depreciation and amortization expense	-	-	-	-	40,678,940	40,678,940
	<u>\$ 184,619,482</u>	<u>\$ 64,923,724</u>	<u>\$ 52,220,333</u>	<u>\$ 45,088,393</u>	<u>\$ 40,678,940</u>	<u>\$ 387,530,872</u>

NOTE 12 - COMMITMENTS AND CONTINGENCIES

The District is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the District's financial statements.

State and Federal Allowances, Awards, and Grants: The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursement will not be material.

(Continued)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 12 - COMMITMENTS AND CONTINGENCIES (Continued)

Accreditation: The District's two Colleges maintain their accreditation by fulfilling criteria that are determined by the Accrediting Commission of Community Junior Colleges (ACCJC). Throughout its continuous seven-year review cycle, each College conducts and publishes several review instruments, including an annual report, annual fiscal report, midterm report, comprehensive institutional self-study, and an evaluation review by a team of peers. The ACCJC reaffirmed both Colleges' accreditation for the full seven-year cycle through 2025. The District's two Colleges have completed their focused site visits and comprehensive review in Fall 2025 and are awaiting the determination of the reaffirmation of accreditation.

Purchase Commitments: As of June 30, 2025, the District was committed under various capital expenditure purchase agreements for construction and modernization projects totaling approximately \$55.4 million. Projects will be funded through unrestricted local, state funds and general obligation bonds.

NOTE 13 - RISK MANAGEMENT

Worker's Compensation: Effective March 1, 2003, the District is self-insured for certain risks and employee benefits. Workers' compensation claims are self-insured to \$750,000. Excess insurance has been purchased which covers worker's compensation claims between \$250,000 and \$750,000. The estimate of incurred but not reported and reported claims was actuarially determined based upon historical experience and actuarial assumptions. The current and long-term portions of the liability for the unpaid claims for worker's compensation losses as of June 30, 2025 were \$1,137,909 and \$2,752,467 respectively.

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.

	<u>Beginning Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending Fiscal Year Liability</u>
<u>Reported Liability</u>				
Worker's Compensation	\$ 5,380,616	\$ (1,448,803)	\$ (41,437)	\$ 3,890,376

NOTE 14 - JOINT POWERS AGREEMENTS

The District is exposed to various risks of loss related to tort claims; theft, damage, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For the 2024–25 fiscal year, the District participates in the Statewide Association of Community Colleges (SWACC) and the Statewide Educational Wrap Up Program (SEWUP) joint powers authority (JPA) insurance pools. These JPAs are administered through Keenan & Associates, a public agency insurance pool administrator.

Statewide Association of Community Colleges (SWACC) provides liability and property insurance for fifty-seven of the seventy-three California community college districts. SWACC is governed by a board comprised of a representative for each of the participating members. The board controls the operations of SWACC, including selection of management and approval of members beyond their representation on the board. Each member shares surpluses and deficits proportionately to its participation in SWACC. The SWACC JPA includes the following: Standard insurance pool program; and Schools Association for Excess Risk (SAFER) excess liability program. This consideration of loss exposure leverages the market and further spreads the risk of loss.

(Continued)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 14 - JOINT POWERS AGREEMENTS (Continued)

The most current condensed financial information derived from the SWACC JPA financial statement for the fiscal year ended June 30, 2024, the more recent financial statement available, is as follows:

	<u>SWACC</u> <u>June 30, 2024</u>
Total assets	\$ 58,187,117
Total liabilities	\$ 47,743,353
Net position	\$ 10,443,764
Total revenues	\$ 44,006,598
Total expenses	\$ 48,660,263
Change in net position	\$ (4,653,665)

Statewide Educational Wrap Up Program (SEWUP) is a consolidated construction insurance program covering the District's construction projects. SEWUP provides comprehensive general liability, pollution liability, workers' compensation, and owner's professional protective insurance (OPPI) for the District, contractors, and subcontractors working on eligible projects. SEWUP is governed by a board comprised of representatives from participating educational agencies. The board oversees the program's operations, including the selection of administrators and approval of new members. Participation in SEWUP allows the District to manage construction risks more effectively and potentially reduce insurance costs through group purchasing power and consolidated loss control programs.

The most current condensed financial information derived from the SEWUP JPA financial statement for the fiscal year ended June 30, 2024, the more recent financial statement available, is as follows:

	<u>SEWUP</u> <u>June 30, 2024</u>
Total assets	\$ 71,607,933
Total liabilities	\$ 60,344,736
Net position	\$ 11,263,197
Total revenues	\$ 30,102,385
Total expenses	\$ 27,140,090
Change in net position	\$ 2,962,295

NOTE 15 - DONATED SERVICES AND FACILITIES

Donated facilities to the Foothill-De Anza Community Colleges Foundation totaling \$88,717 for the year ended June 30, 2025 consisted of accounting and management support, comprehensive insurance, office space and other miscellaneous internal services provided by the District.

The valuation of such services and facilities is determined based upon various factors, including employee salaries and benefits, office rent, and certain other operating expenses. All significant related costs are recognized and reported annually.

(Continued)

NOTE 16 – SUBSEQUENT EVENTS

On July 9, 2025, the District issued 2020 General Obligation Bonds, Series D totaling \$151,000,000. The bonds were issued under the 2020 Measure G Bond measure. The 2020 General Obligation Bonds are scheduled to mature August 1, 2025 with an interest rate of 5%.

On July 31, 2025, the District acquired its affordable student housing property (McClellan Apartment Complex) in the city of Cupertino near the De Anza College campus for both Foothill and De Anza College students. The \$65.6 million property purchase was funded by Measure G Bond funds. The apartment complex has 94 units with a combination of one- and two-bedroom units, and students began to occupy certain units in mid-September 2025.

On November 20, 2025, the District closed escrow and acquired a thirty-five percent (35%) co-tenancy interest valued at \$54.45 million using Measure G Bond funds. The property is a 144-unit residential housing complex in Mountain View, CA for affordable employee housing partnering with Mountain View Whisman School District (MVWSD). Among the conditions to close escrow is that MVWSD and the District entered into a Tenancy in Common Agreement, a Maintenance and Operation Agreement, and an amendment to the Below Market Rate Agreement with the City of Mountain View. MVWSD formed a non-profit 501(c)(3) corporation to manage and operate the property after close of escrow with Foothill-De Anza given a board seat to ensure its ongoing interest. The 501(c)(3) corporation will serve as oversight entity to ensure the operations and management of the co-tenancy property referred to as “The Scholars’ Row at The Sevens.”

REQUIRED SUPPLEMENTARY INFORMATION

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY
Year Ended June 30, 2025

	Last 10 Fiscal Years							
	2018	2019	2020	2021	2022	2023	2024	2025
Total OPEB liability								
Service cost	\$ 412,154	\$ 423,488	\$ 435,134	\$ 477,705	\$ 490,842	\$ 610,020	\$ 626,796	\$ 580,604
Interest	7,262,034	7,298,943	7,324,225	6,846,312	7,102,496	6,640,764	6,621,023	6,278,003
Actuarial experience	-	-	(7,204,559)	-	(3,786,328)	-	(5,519,483)	-
Actual minus Expected Benefit Payments	-	37,284	(59,869)	-	-	8,767	-	562,403
Change in assumptions	-	-	-	-	4,205,996	-	638,227	-
Benefit payments	(7,047,542)	(7,306,240)	(7,405,332)	(7,341,633)	(7,457,527)	(7,403,972)	(7,644,604)	(7,831,747)
Net change in total OPEB liability	626,646	453,475	(6,910,401)	(17,616)	555,479	(144,421)	(5,278,041)	(410,737)
Total OPEB liability, beginning of year	107,066,702	107,693,348	108,146,823	101,236,422	101,218,806	101,774,285	101,629,864	96,351,823
Total OPEB liability, end of year	<u>\$107,693,348</u>	<u>\$108,146,823</u>	<u>\$101,236,422</u>	<u>\$101,218,806</u>	<u>\$101,774,285</u>	<u>\$101,629,864</u>	<u>\$ 96,351,823</u>	<u>\$ 95,941,086</u>
Plan fiduciary net position								
Employer contributions	\$ 8,547,542	\$ 8,768,956	\$ 8,905,332	\$ 8,841,633	\$ 8,957,527	\$ 8,903,972	\$ 9,144,604	\$ 9,331,747
Actual investment income	1,474,081	1,364,217	1,437,170	1,633,470	7,102,132	2,311,312	2,101,969	2,334,494
Investment gains (losses)	-	-	(124,874)	(809,334)	-	(7,050,702)	-	1,634,581
Benefits payment	(7,047,542)	(7,306,240)	(7,405,332)	(7,341,633)	(7,457,527)	(7,403,972)	(7,644,604)	(7,831,747)
Actual minus Expected Benefit Payments	-	37,284	-	-	-	-	-	-
Administrative Expense	(12,538)	(31,884)	(4,471)	(11,546)	(9,777)	(8,705)	(9,093)	(11,397)
Change in plan fiduciary net position	2,961,543	2,832,333	2,807,825	2,312,590	8,592,355	(3,248,095)	3,592,876	5,457,678
Fiduciary trust net position, beginning of year	13,989,363	16,950,906	19,783,239	22,591,064	24,903,654	33,496,009	30,247,914	33,840,790
Fiduciary trust net position, end of year	<u>\$ 16,950,906</u>	<u>\$ 19,783,239</u>	<u>\$ 22,591,064</u>	<u>\$ 24,903,654</u>	<u>\$ 33,496,009</u>	<u>\$ 30,247,914</u>	<u>\$ 33,840,790</u>	<u>\$ 39,298,468</u>
Net OPEB liability, ending	<u>\$ 90,742,442</u>	<u>\$ 88,363,584</u>	<u>\$ 78,645,358</u>	<u>\$ 76,315,152</u>	<u>\$ 68,278,276</u>	<u>\$ 71,381,950</u>	<u>\$ 62,511,033</u>	<u>\$ 56,642,618</u>
Covered employee payroll	\$101,240,000	\$100,791,000	\$102,699,000	\$100,174,000	\$101,564,000	\$109,246,000	\$112,009,000	\$120,156,000
Total OPEB liability as a percentage of covered-employee payroll	106.37%	107.30%	98.58%	101.04%	100.21%	93.03%	86.02%	79.85%

This is a 10-year schedule, however the information in this schedule is not required to be presented retrospectively. The schedule of changes in Net OPEB Liability reports prior year covered-employee payroll as of the measurement date.

See accompanying note to required supplementary information.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
Year Ended June 30, 2025

	State Teacher's Retirement Plan Last 10 Fiscal Years									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
District's proportion of the net pension liability	0.15%	0.14%	0.13%	0.13%	0.12%	0.13%	0.12%	0.10%	0.13%	0.12%
District's proportionate share of the net pension liability	\$ 102,319,350	\$ 114,042,210	\$ 122,073,600	\$ 115,802,820	\$ 108,379,200	\$ 122,105,340	\$ 55,974,840	\$ 67,666,000	\$ 94,991,000	\$ 78,747,000
State's proportionate share of the net pension liability associated with the District	<u>54,115,656</u>	<u>64,931,754</u>	<u>72,218,299</u>	<u>66,302,855</u>	<u>59,128,566</u>	<u>62,944,808</u>	<u>28,164,955</u>	<u>38,247,000</u>	<u>45,514,000</u>	<u>36,130,000</u>
Total net pension liability	<u>\$ 156,435,006</u>	<u>\$ 178,973,964</u>	<u>\$ 194,291,899</u>	<u>\$ 182,105,675</u>	<u>\$ 167,507,766</u>	<u>\$ 185,050,148</u>	<u>\$ 84,139,795</u>	<u>\$ 105,913,000</u>	<u>\$ 140,505,000</u>	<u>\$ 114,877,000</u>
District's covered payroll	\$ 64,900,000	\$ 67,100,000	\$ 73,400,000	\$ 71,700,000	\$ 71,200,000	\$ 70,400,000	\$ 70,300,000	\$ 68,100,000	\$ 79,400,000	\$ 82,300,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	158%	170%	169%	162%	152%	173%	80%	99%	120%	96%
Plan fiduciary net position as a percentage of the total pension liability	74.00%	70.00%	69.00%	71.00%	73.00%	72.00%	87.00%	81.20%	80.62%	83.55%

The schedule of changes in Net Pension Liability reports prior year covered-employee payroll as of the measurement date.

(Continued)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
Year Ended June 30, 2025

	Public Employers Retirement Fund B Last 10 Fiscal Years									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
District's proportion of the net pension liability	0.44%	0.44%	0.43%	0.42%	0.40%	0.37%	0.38%	0.37%	0.36%	0.34%
District's proportionate share of the net pension liability	\$ 64,924,007	\$ 86,801,522	\$ 102,174,896	\$ 112,571,812	\$ 117,480,477	\$ 113,772,846	\$ 76,823,484	\$ 128,097,000	\$ 131,293,000	\$ 123,033,000
District's covered payroll	\$ 48,600,000	\$ 52,800,000	\$ 54,700,000	\$ 55,800,000	\$ 55,900,000	\$ 53,200,000	\$ 54,600,000	\$ 61,600,000	\$ 67,700,000	\$ 70,700,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	134%	164%	186%	202%	210%	214%	141%	208%	194%	174%
Plan fiduciary net position as a percentage of the total pension liability	83.00%	74.00%	72.00%	71.00%	70.00%	70.00%	81.00%	69.76%	69.96%	72.29%

The schedule of changes in Net Pension Liability reports prior year covered-employee payroll as of the measurement date.

See accompanying note to required supplementary information.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
Year Ended June 30, 2025

	State Teachers' Retirement Plan Last 10 Fiscal Years									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Contractually required contribution	\$ 7,276,038	\$ 9,099,696	\$ 10,329,430	\$ 11,460,643	\$ 11,935,159	\$ 11,321,984	\$ 11,480,264	\$ 14,997,450	\$ 15,549,717	\$ 16,288,259
Contributions in relation to the contractually required contribution	<u>\$ 7,276,038</u>	<u>\$ 9,099,696</u>	<u>\$ 10,329,430</u>	<u>\$ 11,460,643</u>	<u>\$ 11,935,159</u>	<u>\$ 11,321,984</u>	<u>\$ 11,480,264</u>	<u>\$ 14,997,450</u>	<u>\$ 15,549,717</u>	<u>\$ 16,288,259</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 67,100,000	\$ 73,400,000	\$ 71,700,000	\$ 71,200,000	\$ 70,400,000	\$ 70,300,000	\$ 68,100,000	\$ 79,400,000	\$ 82,300,000	\$ 85,279,000
Contributions as a percentage of covered payroll	10.73%	12.58%	14.43%	16.28%	17.10%	16.15%	16.92%	19.10%	19.10%	19.10%

(Continued)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
Year Ended June 30, 2025

	Public Employers Retirement Fund B Last 10 Fiscal Years									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Contractually required contribution	\$ 6,255,896	\$ 7,593,407	\$ 8,654,851	\$ 10,093,326	\$ 10,487,637	\$ 11,269,837	\$ 13,827,325	\$ 16,732,943	\$ 18,293,824	\$ 19,160,817
Contributions in relation to the contractually required contribution	<u>\$ 6,255,896</u>	<u>\$ 7,593,407</u>	<u>\$ 8,654,851</u>	<u>\$ 10,093,326</u>	<u>\$ 10,487,637</u>	<u>\$ 11,269,837</u>	<u>\$ 13,827,325</u>	<u>\$ 16,732,943</u>	<u>\$ 18,293,824</u>	<u>\$ 19,160,817</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 52,800,000	\$ 54,700,000	\$ 55,800,000	\$ 55,900,000	\$ 53,200,000	\$ 54,600,000	\$ 61,600,000	\$ 67,700,000	\$ 70,700,000	\$ 70,835,000
Contributions as a percentage of covered payroll	11.85%	13.89%	15.53%	18.09%	19.72%	20.70%	22.91%	25.37%	26.68%	27.05%

See accompanying note to required supplementary information.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

NOTE 1 - PURPOSE OF SCHEDULE

Schedule of Changes in Net Other Postemployment Benefits (OPEB) Liability: The Schedule of Changes in Net OPEB liability is presented to illustrate the elements of the District's Net OPEB liability. There is a requirement to show information for 10 years.

Schedule of the District's Proportionate Share of the Net Pension Liability: The schedule is intended to show trends about the rate of return on plan assets.

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

Changes of Benefit Terms: There are no changes in benefit terms reported in the Required Supplementary Information.

Changes of Assumptions:

The following are the assumptions for the Public Employer's Retirement Fund B (PERF B) Plan:

	<u>Measurement Period</u>									
<u>Assumption</u>	As of June 30, <u>2024</u>	As of June 30, <u>2023</u>	As of June 30, <u>2022</u>	As of June 30, <u>2021</u>	As of June 30, <u>2020</u>	As of June 30, <u>2019</u>	As of June 30, <u>2018</u>	As of June 30, <u>2017</u>	As of June 30, <u>2016</u>	As of June 30, <u>2015</u>
Inflation rate	2.30%	2.30%	2.30%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Discount rate	6.90%	6.90%	6.90%	7.15%	7.15%	7.15%	7.15%	7.65%	7.65%	7.50%

The following are the assumptions for State Teachers' Retirement Plan:

	<u>Measurement Period</u>									
<u>Assumption</u>	As of June 30, <u>2024</u>	As of June 30, <u>2023</u>	As of June 30, <u>2022</u>	As of June 30, <u>2021</u>	As of June 30, <u>2020</u>	As of June 30, <u>2019</u>	As of June 30, <u>2018</u>	As of June 30, <u>2017</u>	As of June 30, <u>2016</u>	As of June 30, <u>2015</u>
Consumer price inflation	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	3.00%	3.00%
Investment rate of return	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.60%	7.60%
Wage growth	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.75%	3.75%

SUPPLEMENTARY INFORMATION

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2025

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Education</u>			
<i>Direct Programs:</i>			
Student Financial Assistance Cluster:			
Federal Pell Grants (PELL)	84.063	-	\$ 26,827,666
Federal Pell Administrative Allowance	84.063	-	34,180
Federal Supplemental Educational Opportunity Program (FSEOG)	84.007	-	622,741
Federal Work Study (FWS)	84.033	-	488,753
Federal Direct Student Loans	84.268	-	5,376,130
Subtotal Financial Assistance Cluster			<u>33,349,470</u>
COVID 19 Education Stabilization Fund	84.425	-	304
Undergraduate International Studies and Foreign Language Programs	84.016	-	9,000
Strengthening Institutions Program	84.031	-	546,754
<i>Passed through California Community College Chancellor's Office:</i>			
Career Technical Education - Basic Grants to States	84.048	14-112-016	1,100,762
Total U.S. Department of Education			<u>35,006,290</u>
<u>U.S. Department of Agriculture</u>			
<i>Passed through California Department of Education:</i>			
Child and Adult Care Food Program	10.558	03628	35,901
Total U.S. Department of Agriculture			<u>35,901</u>
<u>U.S. Department of Labor</u>			
<i>Passed through Employment Development Department State of California:</i>			
Occupational Training Institute (OTI) - General Grants	17.258	03573	13,513
WIA-Adult Program	17.258	03573	1,805
<i>Pass through City of San Jose:</i>			
DA-WIA NOVA	17.258	03573	367
WIA Work 2 Future	17.258	03573	2,774
Strengthening Community Colleges	17.261	03573	720
<i>Direct Programs:</i>			
Veterans' Employment Program	17.802	-	29,596
Total U.S. Department of Labor			<u>48,775</u>

(Continued)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2025

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Health and Human Services</u>			
<i>Pass through California Community College Chancellor's Office:</i>			
Temporary Assistance for Needy Families (TANF)	93.558	-	\$ 33,374
<i>Pass through Santa Clara County:</i>			
Substance Abuse Block Grant	93.959	-	6,555
Total U.S. Department of Health and Human Services			<u>39,929</u>
<u>Corporation for National and Community Service</u>			
AmeriCorps State and National	94.006	-	41,217
Total Corporation for National and Community Service			<u>41,217</u>
<u>National Endowment for the Humanities</u>			
Promotion of the Humanities Teaching and Learning Resources and Curriculum Development	45.162	-	56,144
Total National Endowment for the Humanities			<u>56,144</u>
<u>U.S. National Science Foundation (R&D Cluster)</u>			
National Science Foundation - Advanced Technological Education	47.076	-	103,195
Total U.S. National Science Foundation Programs (R&D Cluster)			<u>103,195</u>
<u>U.S. Department of Treasury</u>			
<i>Passed through California Community College Chancellor's Office:</i>			
COVID 19 SB85 Emergency Financial Assistance	21.027	-	891,696
Total U.S. Department of Treasury			891,696
Total Federal Programs			<u>\$ 36,223,147</u>
<u>Reconciliation to Federal Revenue</u>			
Total Expenditures Federal Programs			\$ 36,223,147
Federal Pell Administrative Allowance			(34,180)
Federal Direct Student Loans			(5,376,130)
Total Federal Program Revenue			<u>\$ 30,812,837</u>

See accompanying note to supplementary information.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF STATE FINANCIAL AWARDS
Year Ended June 30, 2025

	Program Revenues			Total	Total Program Expenditures
	Cash Received	Accounts Receivable	Unearned Revenue		
A2MEND	\$ 40,864	\$ -	\$ 13,171	\$ 27,693	\$ 27,693
AANHPI	565,377	-	501,163	64,214	64,214
Adult Education Block Grant	1,433,785	-	779,148	654,637	654,637
Basic Needs Center	1,718,062	-	1,051,336	666,726	666,726
BFAP Administration	982,226	-	-	982,226	982,226
BFAP (One-Time Funds)	344,888	-	161,829	183,059	183,059
Butte-Glenn OER	11,013	-	11,013	-	-
Cal Grant	2,357,592	371,688	-	2,729,280	2,729,280
Cal Works	440,176	3,040	63,858	379,358	379,358
Cal Works SSA	138,333	24,396	-	162,729	162,729
California Apprenticeship Initiative	-	1,030,445	-	1,030,445	619,930
California Education Learning Lab	-	165,773	-	165,773	42,791
Career Technical Education	5,150,900	1,687,423	2,169,889	4,668,434	4,668,434
CCAP Instructional Materials	57,464	-	54,566	2,898	2,898
CDC Stipend (AB-82)	17,640	-	17,640	-	-
CHAFEE	110,597	-	6,667	103,930	103,930
Child Development Center Bailout	571,164	-	-	571,164	571,164
Child Development Center State Contracts	1,053,347	42,307	-	1,095,654	1,095,654
Child Development Training Consortium	33,180	-	33,284	(104)	(104)
Classified Professional Development	107,361	-	107,361	-	-
Common Cloud Data Platform	50,000	215,050	27,416	237,634	237,634
Common Course Numbering	1,826,086	-	1,776,654	49,432	49,432
Cooperative Agencies Resources for Education	349,157	-	184,150	165,007	165,007
COVID Recovery Block Grant	-	-	-	-	2,752,160
Culturally Competent Faculty PD	100,870	-	100,870	-	-
Culturally Responsive Pedagogy and Practices	233,133	-	113,696	119,437	119,437
CVC/OEI	11,617,514	-	1,207,029	10,410,485	10,410,485
Disabled Student Services and Programs	4,790,253	-	-	4,790,253	4,790,253
Disaster Relief Emergency	12,488	-	12,488	-	-
Early Childhood Education	3,486	-	3,486	-	-
Emergency Financial Assistance Supplemental	533,590	-	504,340	29,250	29,250
Equal Employment Opportunity	645,413	-	590,998	54,415	54,415
Equitable Placement Support and Completion	704,451	-	404,737	299,714	299,714
Ethnic Studies	49,197	-	5,452	43,745	43,745
Extended Opportunity Programs and Services	3,037,391	-	183,057	2,854,334	2,854,334
Financial Aid and Basic Needs Stipend	91,453	-	91,453	-	-
Financial Aid Technology	94,572	-	-	94,572	94,572
First 5 CDC	121,700	23,534	145,234	-	-
Guided Pathways	374,376	-	373,696	680	680
Institutional Effectiveness Partnership Initiative (IEPI)	400,000	-	126,512	273,488	273,488
Instructional Equipment	4,973,590	-	4,073,214	900,376	900,376
LGBTQ+	593,366	-	458,547	134,819	134,819
Library Services Platform	14,967	-	2,967	12,000	12,000
Lottery-Instructional Materials	1,446,616	938,933	-	2,385,549	1,920,389
Mathematics, Engineering, Science Achievement (MESA)	2,026,043	-	1,187,810	838,233	838,233
Mental Health Support	1,143,541	-	392,972	750,569	750,569
Next Up	5,545,492	-	4,672,825	872,667	872,667
Nursing Education	265,504	-	165,637	99,867	99,867
Promise Grants (AB19)	4,602,769	-	170,071	4,432,698	4,432,698
Puente	200,000	-	200,000	-	-
Rising Scholars	242,755	-	143,426	99,329	99,329
Scheduled Maintenance	6,887,444	-	2,762,310	4,125,134	4,125,134

(Continued)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF STATE FINANCIAL AWARDS
Year Ended June 30, 2025

	Program Revenues			Total	Total Program Expenditures
	Cash Received	Accounts Receivable	Unearned Revenue		
Student Equity and Achievement (SEA)	\$ 17,452,614	\$ -	\$ 5,085,144	\$ 12,367,470	\$ 12,367,470
Student Food and Housing Support	1,454,232	-	1,038,052	416,180	416,180
Student Housing Planning	171,165	-	171,165	-	-
Student Retention and Enrollment	1,921,365	-	1,056,884	864,481	864,481
Student Success Completion Grants	11,487,479	-	5,161,436	6,326,043	6,326,043
Student Transfer Achievement Reform Act	1,119,350	-	1,048,993	70,357	70,357
TANF	17,355	16,019	-	33,374	33,374
Technology and Data Security	1,047,359	-	838,151	209,208	209,208
TTIP Telecom & Technology	46,884	-	46,884	-	-
UMOJA	416,594	-	239,303	177,291	177,291
Undocumented Resources Liaisons	343,549	-	89,572	253,977	253,977
Veteran Resource Center	683,114	-	605,756	77,358	77,358
Veterans Resource Center One-Time	23,969	-	14,062	9,907	9,907
Zero Textbook Cost Program	2,037,478	-	1,728,749	308,729	308,729
STRS On-Behalf	920,657	-	-	920,657	920,657
CDC State Meal Reimbursement	948	-	-	948	948
Total State Programs	<u>\$ 107,255,298</u>	<u>\$ 4,518,608</u>	<u>\$ 42,176,123</u>	<u>\$ 69,597,783</u>	<u>\$ 71,351,286</u>

* Cash received includes funds received in prior years.

See accompanying note to supplementary information.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF WORKLOAD MEASURES FOR
STATE GENERAL APPORTIONMENT
Annual Attendance as of June 30, 2025

<u>Categories</u>	<u>Reported Data</u>	<u>Audit Adjustments</u>	<u>Revised Data</u>
A. Summer Intersession (Summer 2024 only)			
1. Noncredit	76	-	76
2. Credit	2,749	-	2,749
B. Summer Intersession (Summer 2025) - Prior to July 1, 2025)			
1. Noncredit	-	-	-
2. Credit	-	-	-
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
a. Weekly Census Contact Hours	19,415	-	19,415
b. Daily Census Contact Hours	-	-	-
2. Actual Hours of Attendance Procedure Courses			
a. Noncredit	314	-	314
b. Credit	-	-	-
3. Independent Study/Work Experience			
a. Weekly Census Contact Hours	-	-	-
b. Daily Census Contact Hours	-	-	-
c. Noncredit Independent Study/ Distance Education Courses	189	-	189
D. Total FTES	<u>22,743</u>	<u>-</u>	<u>22,743</u>
Supplemental Information:			
E. In-Service Training Courses (FTES)	-	-	-
F. Basic Skills Courses and Immigrant Education			
a. Noncredit	353	-	353
b. Credit	314	-	314
CCFS 320 Addendum			
CDCP	453	-	453
Centers FTES			
a. Noncredit	117	-	117
b. Credit	44	-	44

See accompanying note to supplementary information.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (CCFS-311)
WITH AUDITED FINANCIAL STATEMENTS
Year Ended June 30, 2025

There were no adjustments proposed to any funds of the District.

See accompanying note to supplementary information.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2025

Unrestricted Fund	\$ 52,144,941	
Restricted Fund	23,010,721	
Debt Service Fund	82,534,137	
Child Development Fund	4,438,429	
Cafeteria Fund	280,795	
Capital Outlay Funds	150,906,628	
Enterprise Fund	1,801,399	
Self Insurance Fund	-	
Associated Students & Student Representation Funds	2,527,372	
All Other Funds	<u>15,026</u>	
Total Audited Fund Balances as reported on the Annual Financial and Budget Report (CCFS-311)		317,659,448
Amounts reported for governmental activities in the statement of net position are different because:		
Capital and leased assets used for governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. However, capital assets, net of accumulated depreciation are added to total net assets.		
		473,277,222
Losses on refunding of debt are categorized as deferred outflows and are amortized over the shortened life of the refunded or refunding of the debt.		
		27,242,974
In government funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported (Notes 8, 9 & 10):		
Deferred outflows of resources relating to pensions	77,083,076	
Deferred inflows of resources relating to pensions	(31,708,000)	
Deferred outflows of resources relating to OPEB	13,110,762	
Deferred inflows of resources relating to OPEB	<u>(5,980,877)</u>	
		52,504,961
Unmatured interest on long-term liabilities is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred.		
		(14,169,662)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. The short term portion of compensated absences of \$53,641 is already recorded in the General Fund. Long-term liabilities at June 30, 2025 consisted of (Note 6):		
General Obligation Bonds	(592,800,578)	
Accreted interest	(182,512,431)	
Bond premiums	(38,932,687)	
Net pension liability	(201,780,000)	
OPEB liability	(56,642,618)	
MPPP liability	(303,864)	
Subscription liabilities	(3,653,351)	
Compensated absences	<u>(8,927,723)</u>	
		(1,085,553,252)
Total net position - business-type activities		<u>\$ (229,038,309)</u>

See accompanying note to supplementary information.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF ECS 84362 (50 PERCENT LAW) CALCULATION
Year Ended June 30, 2025

		Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100- 5900 & AC 6110			Activity (ECSB) ECS 84362 B Total CEE AC 0100- 6799		
Object/TOP		Reported	Audit	Revised	Reported	Audit	Revised
<u>Codes</u>		<u>Data</u>	<u>Adjustments</u>	<u>Data</u>	<u>Data</u>	<u>Adjustments</u>	<u>Data</u>
Academic Salaries							
Instructional salaries:							
Contract or regular	1100	\$ 36,229,629	\$ -	\$ 36,229,629	\$ 36,229,629	\$ -	\$ 36,229,629
Other	1300	4,863,387	-	4,863,387	4,863,387	-	4,863,387
Total instructional salaries		78,093,016	-	78,093,016	78,093,016	-	78,093,016
Non- instructional salaries:							
Contract or regular	1200	-	-	-	19,065,120	-	19,065,120
Other	1400	-	-	-	1,861,909	-	1,861,909
Total non- instructional salaries		-	-	-	20,927,029	-	20,927,029
Total academic salaries		78,093,016	-	78,093,016	99,020,045	-	99,020,045
Classified Salaries							
Non- instructional salaries:							
Regular status	2100	-	-	-	34,947,795	-	34,947,795
Other	2300	-	-	-	3,706,299	-	3,706,299
Total non- instructional salaries		-	-	-	38,654,094	-	38,654,094
Instructional aides:							
Regular status	2200	2,668,345	-	2,668,345	2,668,345	-	2,668,345
Other	2400	91,904	-	91,904	91,904	-	91,904
Total instructional aides		2,760,249	-	2,760,249	2,760,249	-	2,760,249
Total classified salaries		2,760,249	-	2,760,249	41,414,343	-	41,414,343
Employee benefits	3000	33,236,852	-	33,236,852	62,100,338	-	62,100,338
Supplies and materials	4000	-	-	-	3,398,545	-	3,398,545
Other operating expenses	5000	-	-	-	23,972,852	-	23,972,852
Equipment replacement	6420	-	-	-	-	-	-
Total expenditures prior to exclusions		114,090,117	-	114,090,117	229,906,123	-	229,906,123

(Continued)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF ECS 84362 (50 PERCENT LAW) CALCULATION
Year Ended June 30, 2025

	Object/TOP Codes	Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100- 5900 & AC 6110			Activity (ECSB) ECS 84362 B Total CEE AC 0100- 6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Exclusions							
<u>Activities to exclude:</u>							
Instructional staff- retirees' benefits and retirement incentives	5900	\$ 4,393,238	\$ -	\$ 4,393,238	\$ 4,393,238	\$ -	\$ 4,393,238
Student health services above amount collected	6441	-	-	-	-	-	-
Student transportation	6491	-	-	-	-	-	-
Noninstructional staff- retirees' benefits and retirement incentives	6740	-	-	-	4,166,066	-	4,166,066
<u>Objects to exclude:</u>							
Rents and leases	5060	-	-	-	193,944	-	193,944
Lottery expenditures		-	-	-	-	-	-
Academic salaries	1000	-	-	-	-	-	-
Classified salaries	2000	-	-	-	-	-	-
Employee benefits	3000	-	-	-	-	-	-
Supplies and materials:							
Software	4100	-	-	-	-	-	-
Books, magazines and periodicals	4200	-	-	-	-	-	-
Instructional supplies and materials	4300	-	-	-	-	-	-
Noninstructional supplies and materials	4400	-	-	-	-	-	-
Total supplies and materials		-	-	-	-	-	-
Other operating expenses and services	5000	-	-	-	5,046,087	-	5,046,087
Capital outlay	6000	-	-	-	-	-	-
Library books	6300	-	-	-	-	-	-
Equipment:							
Equipment - additional	6410	-	-	-	-	-	-
Equipment - replacement	6420	-	-	-	-	-	-
Total equipment		-	-	-	-	-	-
Total capital outlay		-	-	-	-	-	-
Other outgo	7000	-	-	-	-	-	-
Total exclusions		4,393,238	-	4,393,238	13,799,335	-	13,799,335
Total for ECS 84362, 50% Law		\$ 109,696,879	\$ -	\$ 109,696,879	\$ 216,106,788	\$ -	\$ 216,106,788
Percent of CEE (instructional salary cost /Total CEE)		50.76%	0.00%	50.76%	100%	0%	100%
50% of current expense of education					\$ 108,053,394	\$ -	\$ 108,053,394

See accompanying note to supplementary information.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
 PROPOSITION 55 EDUCATION PROTECTION ACCOUNT (EPA) EXPENDITURE REPORT
 Year Ended June 30, 2025

EPA Proceeds: \$ 2,138,141

<u>Activity Classification</u>	<u>Activity Code (0100-5900)</u>	<u>Salaries and Benefits (1000-3000)</u>	<u>Operating Expenses (4000-5000)</u>	<u>Capital Outlay (6000)</u>	<u>Total</u>
Instructional Activities	\$ -	\$ 2,138,141	\$ -	\$ -	\$ 2,138,141

See accompanying note to supplementary information.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
June 30, 2025

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards: The Schedule of Expenditures of Federal Awards includes the federal award activity of Foothill-De Anza Community College District, and is presented on the accrual basis of accounting. The information in this schedule 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)*. 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. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Schedule of State Financial Awards: The accompanying Schedule of Expenditures of State Awards includes State grant activity of the District and is presented on the accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic 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: Full-time equivalent students is a measurement of the number of students attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to community college districts. This schedule provides information regarding the attendance of students based on various methods of accumulating attendance data.

Reconciliation of Annual Financial and Budget Report (CCFS-311) with Audited Financial Statements: This schedule provides the information necessary to reconcile the fund balance of all funds reported on the CCFS-311 to the audited financial statements.

Reconciliation of Governmental Funds to the Statement of Net Position: This schedule provides the information necessary to reconcile the fund balances to the audited financial statements.

Reconciliation of ECS 84362 (50 Percent Law) Calculation: This schedule provides the information necessary to reconcile the 50 Percent Law Calculation reported on the CCFS-311 to the audited data.

Proposition 55 Education Protection Account (EPA) Expenditure Report: This schedule provides information about the District's EPA proceeds and summarizes how the EPA proceeds were spent.

OTHER INFORMATION

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
ORGANIZATION
(UNAUDITED)
June 30, 2025

The Board of Trustees and the District Administrators for the fiscal year ended June 30, 2025 were as follows:

BOARD OF TRUSTEES

<u>Members</u>	<u>Office</u>	<u>Term Expires</u>
Peter Landsberger	President	Dec 2024-Nov 2028
Pearl Cheng	Vice President	Dec 2022-Nov 2026
Laura Casas	Member	Dec 2024-Nov 2028
Terry Godfrey	Member	Dec 2024-Nov 2028
Alexander Gvatua	Member	Jan 2025-Nov 2026*

DISTRICT ADMINISTRATION

Lee Lambert
Chancellor

Christopher Dela Rosa
Vice Chancellor, Business Services

Dianna L. Rose
Vice Chancellor, Human Resources and Equal Employment Opportunity

Jory Hadsell
Vice Chancellor, Technology and Innovation

Gohar Momjian
Vice Chancellor, Institutional Effectiveness and Engagement

Kristina Whalen
President, Foothill College

Omar Torres
President, De Anza College

FISCAL ADMINISTRATION

Christopher Dela Rosa
Vice Chancellor, Business Services

Raquel Puentes-Griffith
Executive Director, Fiscal Services

Sirisha Pingali
Director, Budget Operations

Edith Aiwarz
Manager, Accounting

* Appointed to the Board of Trustees on January 15, 2025, to fill a vacant position on the governing board.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
ORGANIZATION
(UNAUDITED)
June 30, 2025

AUXILIARY ORGANIZATIONS IN GOOD STANDING

Foothill-De Anza Community Colleges Foundation, established in 1996
Master Agreement signed 1998
Dennis Cima, Director

California History Center, established in 1987
Master Agreement signed in 1987
Lori Clinchard, Director

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Trustees
Foothill-De Anza Community College District
Los Altos Hills, California

Report on Compliance with State Laws and Regulations***Opinion on Compliance with State Laws and Regulations***

We have audited Foothill-De Anza Community College District's (the "District") compliance with the types of compliance requirements described in Section 400 of the *California State Chancellor's Office's California Community College Contracted District Audit Manual (CDAM)* applicable to community colleges in the State of California for the year ended June 30, 2025:

Description

SCFF Data Management Control Environment
SCFF Supplemental Allocation Metrics
SCFF Success Allocation Metrics
Salaries of Classroom Instructors (50 Percent Law)
Apportionment for Activities Funded From Other Sources
Student Centered Funding Formula Base Allocations: FTES
Residency Determination for Credit Courses
Students Actively Enrolled
Dual Enrollment (CCAP)
Scheduled Maintenance Program
Gann Limit Calculation
Apprenticeship Related and Supplemental Instruction (RSI) Funds
Disabled Student Programs and Services (DSPS)
Proposition 1D and 51 State Bond Funded Projects
Education Protection Account Funds
Student Representation Fee
State Fiscal Recovery Fund
COVID-19 Response Block Grant Expenditures

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the state laws and regulations referred to above for the year ended June 30, 2025.

(Continued)

Basis for Opinion on Compliance with State Laws and Regulations

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 the *Contracted District Audit Manual*. Our responsibilities under those standards and the *Contracted District Audit Manual* 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. 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 government 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 *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 of the government program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *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 and to test and report on internal control over compliance in accordance with the *Contracted District Audit Manual*, 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.

Purpose of this Report

The purpose of this report on compliance is solely to describe the scope of our testing of compliance and the results of that testing based on the requirements of the *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

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

Crowe LLP

Sacramento, California
January 23, 2026

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

Board of Trustees
Foothill-De Anza Community College District
Los Altos Hills, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the business-type activities and the discretely presented component unit of Foothill-De Anza 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 date January 23, 2026. The financial statements of Foothill-De Anza Community Colleges Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Foothill-De Anza Community Colleges Foundation.

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 have not been identified.

(Continued)

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.



Crowe LLP

Sacramento, California
January 23, 2026

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Board of Trustees
Foothill-De Anza Community College District
Los Altos Hills, California

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited Foothill-De Anza 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 Foothill-De Anza Community College District's major federal program for the year ended June 30, 2025. Foothill-De Anza Community College District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on 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.

(Continued)

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 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.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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.

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

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

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


Crowe LLP

Sacramento, California
January 23, 2026

FINDINGS AND RECOMMENDATIONS

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2025

SECTION I – SUMMARY OF AUDITOR'S REPORT

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified not considered to be material weakness(es)?	<u> </u> Yes	<u> X </u> None reported

Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No
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FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified not considered to be material weakness(es)?	<u> </u> Yes	<u> X </u> None reported

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 2 CFR 200.516(a)?	<u> </u> Yes	<u> X </u> No
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Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.063, 84.007, 84.033, 84.268	Student Financial Assistance Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$ 1,086,694

Auditee qualified as low-risk auditee?	<u> X </u> Yes	<u> </u> No
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STATE AWARDS

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

(Continued)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2025

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

(Continued)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2025

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

(Continued)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2025

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

**STATUS OF PRIOR YEAR
FINDINGS AND RECOMMENDATIONS**

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2025

No matters were reported.