

San Diego Community College District

San Diego, California

Basic Financial Statements and Independent Auditors' Report

For the year ended June 30, 2012

San Diego Community College District

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the business-type activities and the fiduciary funds of the San Diego Community College District (the "District") as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the foregoing table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of June 30, 2012, the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2012, 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 grants. 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedule of Funding Progress for Defined Benefit Plans be presented to supplement the basic financial statements. Such information, on page 3 through 12 and page 56, respectively, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The accompanying Combining Balance Sheet, Reconciliation of Combining Balance Sheet to Government-Wide Statement of Net Assets, Combining Schedule of Revenues, Expenditures (Expenses), and Changes in Fund Equity (Net Assets), Reconciliation of Combining Schedule of Revenue, Expenditures (Expenses), and Change in Fund Equity (Net Assets) to Government-Wide Statement of Activities, Reconciliation of Annual Financial and Budget Report (CCFS-311) with District Accounting System, Notes to Supplemental Information, and Schedules of Revenues and Expenditures of State Awards and Local Awards are presented for purpose of additional analysis and are not a required part of the basic financial statements. In addition, the accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the District, taken as a whole. The accompanying Schedule of Workload Measures for State General Apportionment, the Schedule of Annual Apprenticeship Hours of Instruction, and Continuing Disclosures are not a required part of the basic financial statements but are supplementary information required by the State of California Department of Education. This supplementary information is the responsibility of management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Supplementary Information. However, we did not audit the information and express no opinion on these schedules.

 Ron $\frac{1}{2}$ Mc Geady LLP

San Diego, California
November 20, 2012

San Diego Community College District
Management's Discussion and Analysis
For the year ended June 30, 2012

FINANCIAL HIGHLIGHTS FOR 2011-12

- Despite the decline in the current state and national economic condition, the District continues to meet all of its financial obligations while also maintaining adequate cash flow requirements.
- The District met all of its repayment obligations for Prop S and Prop N General Obligation Bonds.
- The District also met or exceeded all federal and state mandate requirements including the 50% Law and Faculty Obligation Numbers (FON).

DISTRICT BACKGROUND

The California Community College system is comprised of 72 districts, 112 campuses, and 69 approved Education Centers. San Diego Community College District (the "District") is one of five Community College districts located in San Diego County. The District is located within the metropolitan area of the city of San Diego and consists of six campuses for continuing education and three college campuses: San Diego City College, Mesa College, and Miramar College.

The mission of the District is to provide accessible, high quality learning experiences to meet the educational needs of the San Diego community it serves. The District offers a comprehensive curriculum responding to needs for university transfer, technical, vocational, military and general education, remedial and developmental, special education, human development, honors, and ethnic and linguistic diversity. The District also provides comprehensive support services, including counseling, financial aid, health, tutoring, career planning and placement, child care, transfer centers, disabled student services and extended opportunities programs and services.

Based on enrollment, the District is the second largest community college district in California and the sixth largest in the United States. California residents paid an enrollment fee of \$46 per credit unit during the 2011-12 academic year. Out-of-state residents paid the enrollment fee plus tuition fees of \$183 per credit.

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

ENROLLMENT HIGHLIGHTS

The State of California's economic, budgetary, and fiscal crisis has had a major impact on the District and all community college districts and colleges throughout the State. Over the past several years, the State has applied "workload" reductions to reduce the amount of funded Full Time Equivalent Students (FTES) while also applying deficit coefficients to the calculated apportionment revenues earned, which has resulted in permanent and temporary reductions in apportionment revenue paid to the District.

San Diego Community College District
Management's Discussion and Analysis, Continued
For the year ended June 30, 2012

The District's total FTES for Fiscal Year (FY) 2011-12 is currently estimated at 41,922; however, the funded FTES is projected at 38,717, which results in the District having served 1,609 unfunded FTES for FY2011-12. The amount of FTES funding a district receives is contingent on how much growth is experienced both system and district-wide; the community college system's annually approved state budget can vary throughout a year depending on several factors, and, is subject to change until the state closes out all apportionment reporting for a given fiscal year. Consequently, the final funded FTES will not be known at the District level until January or February of the year after the fiscal year has ended (in this case January or February 2013), when all the final FTES have been reported and calculated system-wide.

The District has made every effort to serve its community in spite of the State's fiscal and budgetary constraints as evidenced by the significant number of unfunded FTES served by the District in FY2011-12. This has occurred at a time when the District is experiencing tremendous enrollment demand due primarily to the downturn in the economy, which has resulted in individuals seeking development of enhanced or new job skills training in unprecedented numbers, significant cuts being made to other institutions of higher education, which has limited transferability opportunities within our community, and ever increasing operating costs. In addition, the state's fiscal situation has necessitated deferrals of apportionment payments to the community college districts throughout the state, resulting in a form of "internal borrowing" requiring districts and colleges to use its cash reserves and in many instances borrow cash in the short-term to meet local obligations.

The following discussion and analysis provides an overview of the financial position and activities of the District for the year ended June 30, 2012. This discussion has been prepared by college administration and should be read in conjunction with the financial statements and notes thereto which follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District is using the Business-Type Activity (BTA) model in which financial reports are generated using the full accrual basis of accounting. The California Community College Chancellor's Office, through its Fiscal Standards and Accountability Committee, recommends that all community college districts implement the reporting standards under the BTA model. To comply with the recommendations of the Chancellor's Office and to report in a manner consistent with other California Community College Districts, the District has adopted the BTA reporting model for these financial statements.

As required by the Governmental Accounting Standards Board (GASB) reporting standards, the annual report consists of three basic financial statements that provide information on the District as a whole:

- The Statement of Net Assets
- The Statement of Activities and Changes in Net Assets
- The Statement of Cash Flows

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

San Diego Community College District
Management's Discussion and Analysis, Continued
For the year ended June 30, 2012

Statement of Net Assets

The *Statement of Net Assets* presents assets, liabilities, and net assets of the District as of the end of the fiscal year and is prepared using the full accrual basis of accounting, which is similar to the accounting basis used by most private-sector organizations. The *Statement of Net Assets* is a point of time financial statement whose purpose is to present to the readers a fiscal snapshot of the District. The *Statement of Net Assets* presents end-of-year data concerning assets (current and non-current), liabilities (current and non-current), and net assets (assets minus liabilities).

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

The difference between total assets and total liabilities (net assets) is one indicator of the current financial condition of the District; the change in net assets is an indicator of whether the overall financial condition has improved or worsened during the year. Assets and liabilities are generally measured using current values. One notable exception is Capital Assets, which are stated at historical cost less an allocation for Depreciation expense.

The Net Assets listed on the *Statement of Net Assets* are divided into three major categories. The first category, Invested in Capital Assets Net of Related Debt, provides the equity amount in property, plant and equipment owned by the District with the debt related to those amounts subtracted. The second category is Restricted; these net assets are available for expenditure by the District, but must be spent for purposes as determined by external entities and/or donors that have place, time, or purpose restrictions on the use of the assets. The final category is Unrestricted; these represent net assets which are available to the District for any lawful purpose.

The following analysis focuses on the District's *Statement of Net Assets* (Table 1); *Statement of Activities and Changes in Net Assets* (Table 2); *Statement of Cash Flows* (Table 3); *Capital Assets Net of Accumulated Depreciation* (Table 4); *Summary of Long-Term Debt* (Table 5); and, *Functional Operating Expenses* (Table 6) for the fiscal year ended June 30, 2012.

San Diego Community College District
Management's Discussion and Analysis, Continued
For the year ended June 30, 2012

Table 1
Statement of Net Assets
(In thousands of dollars)

	June 30, 2012	June 30, 2011	Change	
Current assets	\$ 102,681	\$ 125,295	\$ (22,614)	-18.0%
Noncurrent assets	1,297,272	701,629	595,643	84.9%
Total assets	<u>1,399,953</u>	<u>826,924</u>	<u>573,029</u>	<u>69.3%</u>
Current liabilities	98,458	47,788	50,670	106.0%
Long-term liabilities	1,010,605	623,864	386,741	62.0%
Total liabilities	<u>1,109,063</u>	<u>671,652</u>	<u>437,411</u>	<u>65.1%</u>
Net assets:				
Invested in capital assets, net of related debt	230,757	225,403	5,354	2.4%
Restricted	38,820	35,840	2,980	8.3%
Unrestricted	21,312	35,510	(14,198)	-40.0%
Total net assets	<u>\$ 290,890</u>	<u>\$ 296,753</u>	<u>\$ (5,863)</u>	<u>-2.0%</u>

The District's total Net Assets decreased by \$5.8 million or about a 2% decline. Total assets increased by \$573 million or a nearly 70% increase while total liabilities also increased by \$437 million, which represents an increase of 65.1% from the previous year. These increases were primarily due to bond issuances during the fiscal year.

Statement of Activities and Changes in Net Assets

Changes in total net assets as presented on the *Statement of Net Assets* are based on the activity presented in the *Statement of Activities and Changes in Net Assets*. The purpose of this statement is to present the operating and non-operating revenues earned, whether received or not, by the District; the operating and non-operating expenses incurred, whether paid or not, by the District; and any other revenues, expenses, gains and/or losses earned or incurred by the District. Thus, this statement presents the District's result of operations.

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

San Diego Community College District
Management's Discussion and Analysis, Continued
For the year ended June 30, 2012

The *Changes in Net Assets* compares the District's changes in net assets over the past two years from the perspective of the *Statement of Activities and Changes in Net Assets*. There was an overall change in Net Assets of \$11.6 million for the year ended June 30, 2012 as compared to June 30, 2011. However, as previously mentioned, total Net Assets decreased for the year ended June 30, 2012 by \$5.9 million.

Table 2
Changes in Net Assets
(In thousands of dollars)

	June 30, 2012	June 30, 2011	Change	
Operating revenues	\$ 93,222	\$ 94,285	\$ (1,063)	-1.1%
Operating expenses	(312,260)	(362,023)	49,763	-13.7%
Deficit before depreciation and Nonoperating income and expenses	(219,038)	(267,738)	48,700	-18.2%
Depreciation	(14,680)	(12,488)	(2,192)	17.6%
Non-operating income and expenses, net	227,856	262,700	(34,844)	-13.3%
Increase (decrease) in net assets	\$ (5,862)	\$ (17,526)	\$ 11,664	-131.2%

Statement of Cash Flows

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

The *Statement of Cash Flows* is divided into five parts. The first part reflects operating cash flows and shows the net cash provided (used) by the operating activities of the District. The second part details cash received for non-operating, non-investing, and non-capital financing purposes. The third part shows cash flows from capital and related financing activities. This section deals with the cash used for the acquisition and construction of capital and related items. The fourth provides information from investing activities and the amount of interest received. The fifth and final section reconciles the net cash provided by operating activities to the operating loss reflected on the *Statement of Activities and Changes in Net Assets*.

San Diego Community College District
Management's Discussion and Analysis, Continued
For the year ended June 30, 2012

A Statement of Cash Flows for the fiscal year ended June 30, 2012 and 2011 is summarized and presented below:

Table 3
Statement of Cash Flows
(In thousands of dollars)

	June 30, 2012	June 30, 2011
Cash provided (used):		
Operating activities	\$ (204,234)	\$ (259,983)
Non-capital financing activities	277,510	288,997
Capital and related financing activities	90,435	(140,043)
Investing activities	1,343	2,921
Net decrease in cash and cash equivalents	165,053	(108,108)
Cash balance, beginning of year	220,194	328,302
Cash balance, end of year	\$ 385,247	\$ 220,194

- Cash receipts from operating activities are from student tuition and from federal, state, and local grants. Uses of cash are payments to employees, vendors, and students related to the instructional programs.
- Cash from non-capital financing activities include federal grants, state apportionments, local property taxes, state taxes, and other revenues.
- Cash flows from capital financing activities include acquisition of capital assets, payment of principal debt and miscellaneous investment expenses.
- Cash flows from investing activities include the investment earnings of the District.

The District is the fiduciary for certain funds held on behalf of other entities. The District's fiduciary activities are reported in separate Fiduciary Financial Statements. These activities are excluded from the District's other financial statements because these assets may not be used to finance District operations. However, the District, acting as a trustee, is responsible for ensuring that assets reported in these funds are used for their intended purposes.

San Diego Community College District
Management's Discussion and Analysis, Continued
For the year ended June 30, 2012

Capital Assets

Note 5 to the financial statements provide additional information on Capital Assets. A summary of capital assets, net of accumulated depreciation for 2012 and 2011, is presented below:

Table 4
Capital Assets Net of Accumulated Depreciation
(In thousands of dollars)

	June 30, 2012	June 30, 2011	Change	
Land	\$ 77,081	\$ 75,480	\$ 1,601	2.1%
Buildings	340,408	778	339,630	43654.2%
Infrastructure	649	260,142	(259,493)	-99.8%
Equipment	9,242	10,684	(1,442)	-13.5%
Construction in progress	489,525	354,545	134,980	38.1%
Net capital assets	<u>\$ 916,905</u>	<u>\$ 701,629</u>	<u>\$ 215,276</u>	<u>30.7%</u>

Depreciation expense for the year ended June 30, 2012 was \$14,680,467.

Long-Term Debt

Note 6 to the financial statements provide additional information on long-term liabilities. A summary of long-term debt as of 2012 and 2011 is presented below:

Table 5
Summary of Long-Term Debt
(In thousands of dollars)

	June 30, 2012	June 30, 2011
General Obligation Bonds:		
Proposition S:		
Election of 2002, 2003 Series A	\$ 1,130	\$ 40,440
Election of 2002, 2005 Series	8,528	239,912
Election of 2002, 2009 Series	131,294	131,294
Election of 2002, 2011 Series	104,977	-
Election of 2002, 2011 Series Refunding	24,647	-
Proposition N:		
Election of 2006, 2007 Series	156,357	206,062
Election of 2006, 2011 Series	261,214	-
Election of 2006, 2012 Series Refunding	332,324	-
	<u>\$ 1,020,470</u>	<u>\$ 617,708</u>

At June 30, 2012 the District had \$1.02 billion in general obligation bond debt.

San Diego Community College District
Management's Discussion and Analysis, Continued
For the year ended June 30, 2012

On July 7, 2011, the District issued the general obligation bonds, election of 2002, series 2011 in the amount of \$99,999,859. The purpose of the bonds is to finance the acquisition, construction and modernization of certain property and District facilities.

On July 7, 2011, the District issued the 2011 general obligation refunding bonds in the amount of \$22,230,000. The purpose of the bonds is to advance refund a portion of the District's outstanding general obligation bonds, election of 2002, series 2003A, and to pay the costs associated with the issuance of the refunding bonds.

On July 7, 2011, the District issued the general obligation bonds, election of 2006, Series 2011 in the amount of \$250,000,000. The purpose of the bonds is to finance the acquisition, construction, modernization, and equipping of certain property and District facilities.

On March 7, 2012, the District issued the 2012 general obligation refunding bonds in the amount of \$279,555,000. The purpose of the issuance is to advance refund a portion of the District's outstanding general obligation bonds, election of 2002, series 2003A, election of 2002, series 2005, and the election of 2006, series 2007, and to pay the costs associated with the issuance of the bonds.

Functional Expenses

Note 11 to the financial statements provides additional information on functional expenses. A summary of functional expenses is presented below:

Functional Operating Expenses
For the year ended June 30th
(In thousands of dollars)

	June 30, 2012	June 30, 2011
Instructional activities	\$ 103,355	\$ 108,667
Instructional administration	17,597	17,661
Instructional support services	6,510	6,375
Student services	30,734	30,618
Plant operations & maintenance	18,532	23,009
Planning & policymaking	7,124	7,277
Institutional support services	35,406	44,723
Community service	1,815	1,613
Ancillary services	26,127	30,837
Physical property	-	11,667
Student aid	65,058	67,087
Depreciation	14,680	12,488
Total	<u>\$ 326,940</u>	<u>\$ 362,022</u>

San Diego Community College District
Management's Discussion and Analysis, Continued
For the year ended June 30, 2012

ECONOMIC FACTORS THAT MAY AFFECT FUTURE BUDGETS

The major economic factors that have an effect on the District's and all California Community College Districts' financial condition are directly related to the overall economic, budgetary, and fiscal condition of the State of California and any future legislation that may impact the funding of all community colleges in the state.

Beginning in 2009-10, the state enacted its first of several workload reductions including a 3.39% reduction in funded Full-time Equivalent Students (FTES) apportionment revenue for each district and made significant cuts (approximately 49%) to categorical programs system-wide. The 3.39% workload reduction translated to a reduction to the District's apportionment revenue funding of \$6.5 million or equivalent to 1,638 FTES while categorical funding declined by \$24.5 million.

The State's 2011-12 *Budget Act* included a provision authorizing the California Community Colleges Chancellor to once again reduce base workload measures commensurate with reductions in general apportionment revenues. The adjustment was intended to align FTES workloads with the reduced apportionment revenues provided by the State in FY2011-12. Simply put, the workload adjustment provision acknowledged that significant budget cuts has reduced the capacity of community colleges to offer courses and reduced workload expectations accordingly. Language in the Budget Act stated the legislative intent that reductions in course sections, to the greatest extent possible, be achieved in areas other than basic skills, workforce training and transfer. The workload reduction for each district in FY2011-12 was a 6.2% reduction in FTES and apportionment FTES revenue funding, which reduced funding for the District by another 2,603 FTES or approximately \$11.5 million.

The State's 2011-12 *Budget Act* also provided for additional "mid-year trigger cuts" in the form of two "tiers" if revenue projections for the state fell below specific projected revenue levels included in the annual budget. While the performance of the economy and state tax revenues have always shaped the State Budget, for FY2011-12 there was a direct link between revenues and the enacted mid-year trigger cuts. The State's 2011-12 *Budget Act* included two scenarios for the mid-year trigger cuts to the system of \$30 million (Tier 1) and \$72 million (Tier 2) if certain statewide revenue estimates were not met. Unfortunately, the state revenue estimates were not achieved and the District's apportionment funding was further reduced by \$1,061,130 or 250 FTES for Tier 1 and \$2,546,713 or 600 FTES for Tier 2. The District accounted for these reductions in its FY2011-12 Adopted Budget, however, the apportionment revenue reductions was covered mainly by elimination of course offerings and one-time reserve funds. The State's 2012-13 *Budget Act* also relied on midyear trigger cuts if state revenues failed to meet revenue estimates. While the FY2011-12 budget approved trigger cuts provided a check against overly optimistic revenue assumptions, the 2012-13 budget relied on voter approval of a November ballot measure initiative (Proposition 30) to fund essentially a "stay-the-course" budget for public education. If the ballot initiative failed, the axe would have fallen primarily on education to keep expenditures aligned with revenues.

Had the November initiative failed, K-14 education would have been slated for a trigger cut of nearly \$5.4 billion. The California Community Colleges would have lost \$209.9 million in new funding approved in the budget (\$50 million for growth/restoration and \$159.9 for reduction in the amount of apportionment payment deferrals) and would have resulted in an additional base cut of \$338.6 million (nearly 7.5%) in workload reductions. These cuts would have translated to another \$11.9 million apportionment reduction or 2,820 FTES for the District. Similar language as included in the 2009 and

San Diego Community College District
Management's Discussion and Analysis, Continued
For the year ended June 30, 2012

2011 Budget Acts would have resulted in workload reductions with further emphasis on the legislative intent that community college districts were to prioritize courses relating to transfer, career technical education, and basic skills. Clearly, this 7.5% trigger cut would have been devastating to all districts statewide. San Diego Community College District had a plan to ensure fiscal stability if the tax measure failed including eliminating approximately another 2,600 FTES, continue the ongoing hiring freeze, and utilization of reserves, which would have addressed the 2012-13 budget year; however, additional cost cutting efforts would have been required in subsequent budget years.

Fortunately, none of this was necessary because K-14 avoided the nearly \$6 billion in painful midyear reductions due to voter approval of the Governor's proposed tax increase on November 6, 2012. The Schools and Local Public Safety Protection Act (Proposition 30) raises income taxes on high-income taxpayers for seven years and increases the state sales tax by one-quarter percent for four years. It's estimated that the measure will raise about \$8.5 billion in state revenues for the FY12-13 fiscal year, which will allow the state to address its budgetary and financial deficits.

The state's economic recovery continues to be slow as reflected in the *2012-13 Budget Act*. Fortunately, Proposition 30 did pass on November 6th eliminating the possibility of these draconian cuts, however, the Legislative Analyst Office reported on November 14, 2012 that California faces an estimated \$943 million budget deficit through the year ending June 30, 2013 which could translate to a budget deficit coefficient applied to all districts revenue payments within the California Community College system. In addition while California Community Colleges have statutory protection from RDA-related property tax shortfalls for FY2012-13, any significant shortage in the overall state budget as noted above could create a budget problem that would possibly result in additional reductions. Furthermore, districts throughout the state continue to deal with ongoing state apportionment payment deferrals that hamper business operations.

Over the next several years, the District's square footage is expected to double from new construction funded by Proposition S and N general obligation bonds. The increased square footage is likely to result in higher annual maintenance and operations cost. Approximately \$3.4 million in continuous reserves were previously established to address the increased maintenance and operations cost; however, a new study is currently underway to insure adequate resources are identified and set aside to fund the future cost of operating facilities throughout the District.

Other than the items previously discussed, the District is unaware of any currently known facts, decisions, or conditions that are anticipated to have a significant impact on the financial position or results of operation during this fiscal year beyond those unforeseen events at a state national level that would have an effect on virtually all types of business operations.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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San Diego Community College District
Statement of Net Assets
June 30, 2012

ASSETS

Current assets:

Cash and cash equivalents	\$ 50,925,170
Receivables:	
Accounts receivable	42,950,110
Grants receivable:	
Federal	4,524,164
State	1,415,136
Local	761,212
Interest receivable	340,599
Total receivables	49,991,221
Inventories	1,724,078
Due from fiduciary funds	1,864
Prepaid items	38,699
Total current assets	102,681,032

Noncurrent assets:

Restricted cash and cash equivalents	334,322,087
Deferred charges	3,531,384
Prepaid interest on bond refundings	42,513,325
Capital assets, net	916,904,974
Total noncurrent assets	1,297,271,770
Total assets	1,399,952,802

LIABILITIES AND NET ASSETS

Liabilities:

Current liabilities:

Accounts payable and accrued liabilities	46,187,461
Payroll and related liabilities	8,626,064
Accrued interest	14,675,356
Unearned revenue	517,237
Due to trustholders	201,888
Insurance claims payable - due within one year	2,335,030
Compensated absences - due within one year	6,000,000
Long-term liabilities - due within one year	19,914,516
Total current liabilities	98,457,552

Noncurrent liabilities:

Insurance claims payable - due in more than one year	6,301,432
Compensated absences - due in more than one year	2,983,867
Net OPEB liability - due in more than one year	764,844
Long-term liabilities - due in more than one year	1,000,555,215
Total noncurrent liabilities	1,010,605,358
Total liabilities	1,109,062,910

Net Assets:

Invested in capital assets, net of related debt	230,757,330
Restricted	38,820,187
Unrestricted	21,312,375
Total net assets	\$ 290,889,892

See accompanying notes to basic financial statements.

San Diego Community College District
Statement of Activities and Changes in Net Assets
For the year ended June 30, 2012

OPERATING REVENUES:

Tuition and fees	\$ 14,825,317
Grants and contracts, noncapital:	
Federal	31,122,510
State	18,134,542
Local	12,219,025
Total grants and contracts, noncapital	61,476,077
Auxiliary enterprises sales and charges, net	13,541,633
Other operating revenues	3,379,012
Total operating revenues	93,222,039

OPERATING EXPENSES:

Salaries	166,295,817
Employee benefits	52,224,643
Payments to students	65,564,204
Supplies, materials, and other expenses	28,175,122
Depreciation	14,680,467
Total operating expenses	326,940,253
Operating income (loss)	(233,718,214)

NONOPERATING REVENUE (EXPENSES):

Federal grants, noncapital	51,831,101
State apportionments, noncapital	98,542,029
Local property taxes, noncapital	119,647,777
State taxes and other revenues	5,716,035
Investment income, noncapital	1,348,149
Interest expenses - capital assets related debt	(50,897,969)
Other nonoperating revenues (expenses)	1,772,671
Amortization expense	(104,062)
Total nonoperating revenues (expenses), net	227,855,731
Change in Net Assets	(5,862,483)

NET ASSETS:

Beginning of year	296,752,375
End of year	\$ 290,889,892

San Diego Community College District
Statement of Cash Flows
For the year ended June 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES:

Tuition and fees	\$ 8,798,466
Grants and contracts	62,226,238
Payments for supplies and services	(8,411,494)
Payments to/on behalf of employees	(218,157,433)
Financial aid to students	(65,610,451)
Auxiliary enterprise sales and charges	13,541,633
Other operating revenues	<u>3,379,012</u>
Net cash provided (used) by operating activities	<u>(204,234,029)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Federal Pell grants	51,831,101
State apportionments and receipts	98,542,029
Local property taxes	119,647,777
State taxes and other revenues	<u>7,488,706</u>
Net cash provided (used) by noncapital financing activities	<u>277,509,613</u>

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:

Acquisition of capital assets	(229,956,491)
Payment of principal	(6,568,869)
Advance refunding of debt	(313,830,000)
Excess deposit to escrow	(42,513,325)
Issuance of debt	723,161,519
Costs of bond issuance	(3,635,446)
Miscellaneous investment expenses	<u>(36,222,613)</u>
Net cash provided (used) by capital financing activities	<u>90,434,775</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Investment earnings	<u>1,342,657</u>
Net cash provided (used) by investing activities	<u>1,342,657</u>
Net increase (decrease) in cash and cash equivalents	165,053,016

CASH AND CASH EQUIVALENTS:

Beginning of year	<u>220,194,241</u>
End of year	<u>\$ 385,247,257</u>

RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET ASSETS:

Cash and cash equivalents	\$ 50,925,170
Restricted cash and cash equivalents	<u>334,322,087</u>
Total cash and investments	<u>\$ 385,247,257</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Amortization of deferred charges	<u>\$ (104,062)</u>
Amortization of bond premiums	<u>\$ (1,679,842)</u>
Amortization of prepaid interest on bond refunding	<u>\$ (888,316)</u>
Interest paid	<u>\$ (37,585,322)</u>

See accompanying notes to basic financial statements.

San Diego Community College District
Statement of Cash Flows, Continued
For the year ended June 30, 2012

RECONCILIATION OF NET OPERATING REVENUES (EXPENSES)
TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:

Operating income (loss)	\$ (233,718,214)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	14,680,467
Change in assets and liabilities:	
Accounts receivable	(6,026,851)
Grants and contracts receivable	1,258,924
Inventories	(396,810)
Due from fiduciary funds	(1,845)
Prepaid items	(2,510)
Accounts payable and accrued liabilities	19,908,078
Payroll and related liabilities	158,600
Unearned revenue	(508,763)
Due to Trustholders	(44,402)
Net OPEB Obligations	363,027
Insurance claims payable	(69,552)
Compensated absences	165,822
Net cash provided (used) by operating activities	\$ (204,234,029)

FIDUCIARY FUND FINANCIAL STATEMENTS

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San Diego Community College District
Statement of Fiduciary Net Assets
June 30, 2012

	Associated Students	Student Representation Fee Trust	Scholarship and Loan Fund	Other Trust and Agency	Other Post Employment Benefit Trust Fund	Total
ASSETS						
Current assets:						
Cash and investments	\$ 696,795	\$ 68,348	\$ 36,913	\$ 935,703	\$ 14,246,605	\$ 15,984,364
Accounts receivable	5,935	302	2,321	16,743	-	25,301
Due from SDCCD	-	76,207	41,282	186,127	-	303,616
Total assets	702,730	144,857	80,516	1,138,573	14,246,605	16,313,281
LIABILITIES AND NET ASSETS						
Liabilities:						
Accounts payable and accrued liabilities	4,356	-	384	4,666	-	9,406
Due to SDCCD	1,421	-	-	443	-	1,864
Amount held for trustholders	442,919	-	-	-	-	442,919
Total liabilities	448,696	-	384	5,109	-	454,189
Net Assets:						
Held in Trust for OPEB	-	-	-	-	14,246,605	14,246,605
Unrestricted (deficit)	254,034	144,857	80,132	1,133,464	-	1,612,487
Total net assets	\$ 254,034	\$ 144,857	\$ 80,132	\$ 1,133,464	\$ 14,246,605	\$ 15,859,092

See accompanying notes to basic financial statements.

San Diego Community College District
Statement of Changes in Fiduciary Net Assets
For the year ended June 30, 2012

	Associated Students	Student Representation Fee Trust	Scholarship and Loan Fund	Other Trust and Agency	Other Post Employment Benefits Trust Fund	Total
OPERATING REVENUES:						
Student fees	\$ -	\$ 74,045	\$ -	\$ -	\$ -	\$ 74,045
Interest and investment income	-	-	-	-	650,964	650,964
Other revenues	21,666	-	6,190	990,021	-	1,017,877
Total operating revenues	21,666	74,045	6,190	990,021	650,964	1,742,886
OPERATING EXPENSES:						
Salaries	18,705	-	-	148,215	-	166,920
Employee benefits	1,545	-	-	27,327	-	28,872
Payments to students	-	-	18,190	-	-	18,190
Supplies, materials, and other expenses	101,738	85,294	-	733,202	500	920,734
Total operating expenses	121,988	85,294	18,190	908,744	500	1,134,716
Operating income (loss)	(100,322)	(11,249)	(12,000)	81,277	650,464	608,170
TRANSFERS:						
Transfers from SDCCD	105,748	-	-	-	-	105,748
Total transfers	105,748	-	-	-	-	105,748
Net Change in Net Assets	5,426	(11,249)	(12,000)	81,277	650,464	713,918
NET ASSETS:						
Beginning of year	248,608	156,106	92,132	1,052,187	13,596,141	15,145,174
End of year	<u>\$ 254,034</u>	<u>\$ 144,857</u>	<u>\$ 80,132</u>	<u>\$ 1,133,464</u>	<u>\$ 14,246,605</u>	<u>\$ 15,859,092</u>

See accompanying notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

San Diego Community College District
Notes to Basic Financial Statements
For the year ended June 30, 2012

1. ORGANIZATION AND OPERATIONS

The San Diego 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. The District is located entirely within San Diego County and consists of three two-year colleges and six continuing education centers. All three colleges are fully accredited by the Accrediting Commission for Community and Junior Colleges of the Western Association of Schools and Colleges. The Continuing Education Centers are accredited by the Western Association of Schools and Colleges Accrediting Commissioner for Schools. The District is classified as a state instrumentality under Internal Revenue Code Section 115 and is also classified as a charitable organization under Internal Revenue Code Section 170(c)(1), and is therefore exempt from federal taxes.

The District is governed by an elected five member Board of Trustees. The five Trustees are elected in even-numbered years to four-year terms by the voters in the District. The boundaries of the District did not change during the year ended June 30, 2012.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the District have been prepared in conformity with generally accepted accounting principles in the United States of America ("U.S. GAAP") as applied to governmental agencies. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

The financial reporting entity, as defined by GASB, consists of the District, organizations for which the District is financially accountable, and any other organization for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The following criteria regarding financial accountability were considered by the District in its evaluation of District organizations and activities for the year ended June 30, 2012:

- Financial interdependency - the District receives financial support or provides financial benefit to the organization and is responsible for or has directly or indirectly guaranteed the organization's debts.
- Authoritative appointment of governing authority - the District's Board of Trustees appoints the organization's governing authority and maintains a significant continuing relationship with the governing authority pertaining to the functions of the organization.

San Diego Community College District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

A. Reporting Entity, Continued

The District determined that the following organizations met the criteria set forth above:

San Diego Community College District Auxiliary Organization

The San Diego Community College District Auxiliary Organization (Organization) was created to offer not-for-credit and other special programs for the District. The Organization has its own Board of Directors composed of District faculty and administrators; however, the District maintains oversight responsibility for the Organization as carried out by the District Chancellor in accordance with the provisions of §72670 of the California Education Code. Since the District significantly influences its operations, the Organization has been included in the District's financial statements as a blended component unit. Should the Organization be dissolved, its assets remaining after payment of liabilities would be distributed to the District.

The District determined that the following organization did not meet the criteria set forth above:

San Diego Community College District Endowment Trust

The Organization is a beneficiary of a trust fund held with the San Diego Foundation and managed by an independent Board of Trustees. The District has determined that the trust does not meet the criteria set forth above and, as such, its assets, liabilities and results of operations are not included in the accompanying basic financial statements at June 30, 2012.

B. Basis of Accounting and Measurement Focus

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities. The basic financial statements include a Statement of Net Assets, Statement of Activities and Change in Net Assets, and Statement of Cash Flows. Fiduciary activities of the District are not included in these statements.

The basic financial statements are presented on an "*economic resources*" measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned while expenses are recognized when the cost is incurred. The budgetary and financial accounts of the District are recorded and maintained in accordance with the California Community Colleges Chancellor's Office's *Budget and Accounting Manual*.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

San Diego Community College District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance subject to the same limitation. The District has elected not to follow subsequent private-sector guidance.

C. District's Fiduciary Responsibility

The District is the trustee, or fiduciary, for certain amounts held on behalf of students, clubs and donors for student loans and scholarships. The District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets. These activities are excluded from the District's other financial statements because the District cannot use these assets to finance operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

D. Cash, Cash Equivalents, and Investments

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is considered as fair value for those securities for which market quotations are readily available.

Certain disclosure requirements, if applicable for deposit and investment risk are specified for the following areas:

- Interest Rate Risk
- Credit Risk
 - ◆ Overall
 - ◆ Custodial Credit Risk
 - ◆ Concentration of Credit Risk
- Foreign Currency Risk

E. Restricted Cash and Investments

Cash and investments that are externally restricted for contractual obligations such as debt service payments, sinking or reserve funds, or to purchase or construct capital or other non-current assets are classified as a non-current asset in the statement of net assets.

San Diego Community College District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Accounts Receivable

Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff, the majority of each residing in the State of California. Accounts receivable also include amounts due from the federal government, state and local governments or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable is net of an allowance for uncollectible. The estimated allowance is based on historical collection experience and a review of accounts receivable.

G. Inventories

Inventories, primarily bookstore merchandise, are stated at the lower of cost or market using the first-in, first-out method.

H. Capital Assets

Capital assets, which include site and site improvements, buildings, equipment and infrastructure assets (e.g. roads, parking lots, sidewalks, and similar items), are defined by the District as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

Assets that do not meet the capitalization threshold of \$5,000 (costs for routine maintenance and repairs that do not add to the value of the asset or materially extend assets' lives) are expensed as incurred. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation of capital assets is computed using straight line basis with a half year convention over the estimated useful life of the asset as follows:

Asset	Years
Infrastructure	35-60
Buildings	50
Equipment/Vehicles	5-6
Technology equipment	3

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets acquired under capital lease are capitalized at the net present value of the total lease payments.

For all infrastructure systems, the District elected to use the Basic Approach for infrastructure reporting.

San Diego Community College District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. State Apportionments

Certain current year apportionments from the state are estimates based on various financial and statistical information of the previous year. Any changes in estimates due to the annual recalculation each February will be recorded in the year computed by the State.

J. Unearned Revenues

Unearned revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but are earned in the subsequent accounting period. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned.

K. Compensated Absences

The District accounts for compensated absences in accordance with GAAP. Accrued compensated absences benefits are recorded as liabilities as vested and earned, but not taken. Employees are allowed to carry over a limited number of vacation days from year to year. The District has no commitment for accumulated sick leave and no liability is recorded.

L. Risk Management

Property/Liability

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

The amount of the outstanding liability at June 30, 2012 for property/liability claims is estimated to be approximately \$218,548.

Workers' Compensation

As of July 1, 2001, the District elected to be self-insured for workers' compensation claims. Currently, the District covers claims up to \$500,000 per individual claim. Case reserves and related incurred-but-not-reported (IBNR) liabilities are recorded for all periods of self insurance. The outstanding claims which are expected to become due and payable within the subsequent fiscal year, have been reflected as an accrued liability as of year-end. Such claims exposure is estimated based on information provided by the third party actuary and is reflected in the District's Statement of Net Assets.

The amount of the outstanding liability at June 30, 2012 for workers' compensation claims is estimated to be approximately \$8,417,914.

San Diego Community College District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

L. Risk Management, Continued

Comprehensive & Legal Liability

The District maintains a comprehensive and legal liability insurance policy for California whereby the District pays the first \$200,000 per occurrence and coverage is up to \$5 million. The District also maintains excess liability insurance for claims above \$5 million up to a maximum of \$20 million with no self retention between the \$5-\$20 million coverage ranges.

Health/Dental/Vision/Life

These programs are fully insured.

Student Accident

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

M. Long-Term Liabilities

Long-term debt and other financed obligations are reported as liabilities in the appropriate activities.

N. Classification of Revenues

The District has classified its revenues as either operating or non-operating. Certain significant revenue streams relied upon for operations are recorded as non-operating revenues, as defined by GASB Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*, including state appropriations, local property taxes and investment income. Revenues are classified according to the following criteria:

Operating Revenues

Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, (3) most federal, state and local grants and contracts and federal appropriations, and (4) interest on institutional student loans.

Non-operating Revenues

Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources as described in GASB Statement No. 35, such as state appropriations, state and local property taxes and investment income.

San Diego Community College District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

O. Property Taxes

The County of San Diego (County) bills and collects property taxes on behalf of numerous special districts and incorporated cities, including the District. The District's collections of current year's taxes are received through periodic apportionments from the County. The County's tax calendar is from July 1 to June 30. Property taxes attach as a lien on property on March 1. Taxes are levied on July 1 and are payable in two equal installments on November 1 and February 1, and become delinquent after December 10 and April 10, respectively.

Since the passage of California's Proposition 13, beginning with Fiscal Year 1978-79, general property taxes are based either on a flat 1% rate applied to the 1975-76 full value of the property or on 1% of the sales price of any property sold or the cost of any new construction after the 1975-76 valuation.

Taxable values of properties (exclusive of increases related to sales and new construction) can rise at a maximum of 2% per year.

This Proposition 13 limitation on general property taxes does not apply to taxes levied to pay the debt service on any indebtedness approved by the voters prior to June 6, 1978 (the date of the passage of Proposition 13).

Property tax revenue is recognized in the fiscal year for which the taxes have been levied based on actual and estimated receipts. Adjustments to estimates are made at the time of final apportionment for the applicable fiscal year.

P. Scholarship Discounts and Allowance

Student tuition and fee revenue are reported net of scholarship discounts and allowances in the statement of revenues, expenses and changes in net assets. Scholarship discounts and allowances represent the difference between stated charges for goods and services provided by the District and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state or nongovernmental programs, are recorded as operating and non-operating revenues in the District's basic financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the District has recorded a scholarship discount and allowance.

San Diego Community College District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Q. Net Assets

Net assets are classified in the following categories:

Invested in Capital Assets, Net of Related Debt - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted - This amount is all net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted" net assets, and represent resources derived from student tuition and fees, state apportionments, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the District, and may be used at the discretion of the governing board to meet current expenses for any purpose. Although the governing board may designate these funds for special purposes, the funds remain unrestricted.

R. Use of Estimates

The preparation of its basic financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and revenues and expenses in the basic financial statements and the accompanying notes. Actual results could differ from those estimates. Management believes that the estimates are reasonable.

3. CASH AND INVESTMENTS

The following is a summary of cash and investments at June 30, 2012:

	Business-Type Activities	Fiduciary Funds	Total
Cash and investments	\$ 50,925,170	\$ -	\$ 50,925,170
Restricted cash and investments	334,322,087	15,984,364	350,306,451
Total cash and investments	\$ 385,247,257	\$ 15,984,364	\$ 401,231,621

San Diego Community College District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

3. CASH AND INVESTMENTS, Continued

Cash, cash equivalents, and investments consisted as follows at June 30, 2012:

Demand Deposits:	
Cash on hand	\$ 106,040
Cash in bank accounts	2,764,453
Total demand deposits	2,870,493
 Investments:	
Annuity	9,504
Money Market Funds	126,741
San Diego County Investment Pool	383,238,689
Mutual Funds	14,246,605
Certificates of Deposit	739,589
Total investments	398,361,128
Total cash and investments	\$ 401,231,621

Cash Deposits

The carrying amounts of the District's cash deposits were \$2,764,453 at June 30, 2012. Bank balances before reconciling items were \$2,208,055 at that date, the total amount of which was collateralized or insured with securities held by the pledging financial institutions in the District's name as discussed in the Custodial Credit Risk section below.

Investments

As provided for by Education Code §41001, a significant portion of the District's cash balances is deposited with the County Treasurer to enhance interest earnings through County investment activities. In accordance with §53601 and §53602 of the California Government Code, the County may invest in the following types of investments:

- Local bonds or notes;
- Securities of the U.S. Government or its agencies;
- Registered State warrants or treasury notes or bonds of the State;
- Small Business Administration loans;
- Negotiable Certificates of Deposit;
- Bankers Acceptances;
- Commercial Paper (Prime Quality);
- Local Agency Investment Fund (State Pool) Deposits;
- Passbook Savings Account Demand Deposits;
- Medium-term notes (remaining maturity of five years or less; rated "A" or better);
- Repurchase agreements or reverse repurchase agreements; and
- Mortgage pass-through securities.

San Diego Community College District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

3. CASH AND INVESTMENTS, Continued

Restricted Cash and Investments

As of June 30, 2012, the District had the following restricted cash and investments:

Proceeds from General Obligation Bonds	\$ 334,322,087
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Proceeds are restricted to be used for acquisition, construction, renovation, repair, and modernization of certain District property and facilities and to refund or advance refund certain obligations of the District.

Interest Rate Risk

Interest rate risk is the risk that a change in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment is, the greater the sensitivity its fair value will be to changes in market interest rates. None of the District's investments are highly sensitive to interest rate fluctuation.

Credit Risk

The District's investments are not rated by the nationally recognized statistical rating organizations as follows:

	Moody's	Standard & Poor's
Annuity	Not Rated	Not Rated
Money Market Funds	Not Rated	Not Rated
San Diego County Investment Pool	Not Rated	Not Rated
Mutual Funds	Not Rated	Not Rated

Concentration of Credit Risk

The investment policy limits the amount of the percentage of the portfolio that can be invested by the type of investment. The District is in compliance with investment type percentages of the total portfolio of the investment policy.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the broker or dealer to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party.

San Diego Community College District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

3. CASH AND INVESTMENTS, Continued

Custodial Credit Risk, Continued

The California Government Code requires California banks and savings and loan associations to secure the District's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the District's name.

The market value of pledged securities must equal at least 110% of the District's cash deposits. California law also allows institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total cash deposits. The District may waive collateral requirements for cash deposits which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The District, however, has not waived the collateralization requirements.

4. RECEIVABLES

The following is a summary of receivables at June 30, 2012:

Grants:		
Federal	\$	4,524,164
State		1,415,136
Local		761,212
Total grants		6,700,512
State Apportionments		34,021,999
Lottery Apportionments		3,306,782
Interest		340,599
Other		5,621,329
Total	\$	49,991,221

San Diego Community College District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

5. CAPITAL ASSETS

The following summarizes the changes in the various capital asset categories for the year ended June 30, 2012:

	Balance July 1, 2011	Additions	Deletions	Transfers	Balance June 30, 2012
Nondepreciable:					
Land	\$ 75,479,639	\$ 1,601,350	\$ -	\$ -	\$ 77,080,989
Construction in progress	354,545,357	226,039,760	-	(91,059,785)	489,525,332
Total nondepreciable	430,024,996	227,641,110	-	(91,059,785)	566,606,321
Depreciable:					
Infrastructure	6,142,097	-	-	-	6,142,097
Buildings	339,709,715	-	(277,577)	91,059,785	430,491,923
Equipment	49,393,193	2,594,323	(420,712)	-	51,566,804
Total depreciable, at cost	395,245,005	2,594,323	(698,289)	91,059,785	488,200,824
Less accumulated depreciation:					
Infrastructure	(5,364,475)	(128,466)	-	-	(5,492,941)
Buildings	(79,566,935)	(10,517,479)	-	-	(90,084,414)
Equipment	(38,709,641)	(4,034,522)	419,347	-	(42,324,816)
Total accumulated depreciation	(123,641,051)	(14,680,467)	419,347	-	(137,902,171)
Total depreciable, net	271,603,954	(12,086,144)	(278,942)	91,059,785	350,298,653
Total capital assets, net	\$ 701,628,950	\$ 215,554,966	\$ (278,942)	\$ -	\$ 916,904,974

Depreciation expense for capital assets for the year ended June 30, 2012 was \$14,680,467.

6. BOND DEFEASANCE AND PREPAID INTEREST

On July 7, 2011, the District issued the 2011 general obligation refunding bonds in the amount of \$22,230,000 in order to advance refund \$23,150,000 of the District's outstanding general obligation bonds, election of 2002, series 2003A, and to pay the costs associated with the issuance of the refunding bonds. The District placed \$25,286,841 into an irrevocable escrow account in order to cover all future debt service payments according to the original bond official statement, creating an initial prepaid interest amount of \$2,136,841, which is being amortized over the life of the 2011 general obligation refunding bonds.

On March 7, 2012, the District issued the 2012 General Obligation Refunding Bonds in the amount of \$279,755,000 in order to advance refund a portion of the District's outstanding general obligation bonds, election of 2002, series 2003A (\$15,150,000), election of 2002, series 2005 (\$229,170,000), and election of 2006, Series 2007 (\$46,360,000), and to pay the costs associated with the issuance of the refunding bonds. The District placed \$331,944,800 into an irrevocable escrow account in order to cover all future debt service payments according to the original bond official statement, creating an initial prepaid interest amount of \$41,264,800, which is being amortized over the life of the 2012 general obligation refunding bonds.

San Diego Community College District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

6. BOND DEFEASANCE AND PREPAID INTEREST, Continued

At June 30, 2012, the total prepaid interest associated with these two advanced refundings is as follows:

	2011 Refunding Bonds	2012 Refunding Bonds	Total
Initial prepaid interest	\$ 2,136,841	\$ 41,264,800	\$ 43,401,641
(less amortization)	(164,372)	(723,944)	(888,316)
Net prepaid interest	<u>\$ 1,972,469</u>	<u>\$ 40,540,856</u>	<u>\$ 42,513,325</u>

A summary of the sources and uses of funds, cash flows, and economic gain are as follows:

Sources and Uses of Funds:

	2011 Refunding	2012 Refunding
Sources:		
Par	\$ 22,230,000	\$ 279,755,000
Premium	2,618,517	53,507,708
Transfer in from DS	577,181	-
Total	<u>\$ 25,425,698</u>	<u>\$ 333,262,708</u>
Uses:		
Deposit to Escrow	\$ 25,286,841	\$ 331,944,800
Deposit to Debt Service Fund	451	-
Costs of Issuance	138,406	1,317,908
Total	<u>\$ 25,425,698</u>	<u>\$ 333,262,708</u>

Cash Flows:

Debt Service 2003 Series A	Debt Service 2011 Refunding	Reduction (Increase) of Debt Service	Present Value of Reduction (Increase) of Debt Service @ 2.8675245%
\$ 32,843,906	\$ 30,064,231	\$ 2,779,675	\$ 1,791,329
Debt Service 2003 Series A 2005 Series 2007 Series	Debt Service 2012 Refunding	Reduction (Increase) of Debt Service	of Reduction (Increase) of Debt Service @ 2.571717%
\$ 473,108,750	\$ 442,986,420	\$ 30,122,330	\$ 18,914,592

San Diego Community College District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

6. BOND DEFEASANCE AND PREPAID INTEREST, Continued

Economic Gain:

	2011 Refunding	2012 Refunding
Present Value of Reduction (Increase) of Debt Service	\$ 1,791,329	\$ 18,914,592
Plus Refunding Funds on Hand	451	-
Net Present Value of Economic Gain (Loss)	\$ 1,791,780	\$ 18,914,592

7. LONG-TERM DEBT

The following is a summary of the changes in long-term debt for the year ended June 30, 2012:

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012	Due Within One Year	Due In More Than One Year
General Obligation Bonds:						
Proposition S:						
2003 Series A	\$ 40,440,000	\$ -	\$ (39,310,000)	\$ 1,130,000	\$ 1,130,000	\$ -
2005 Series	239,911,752	-	(231,383,869)	8,527,883	2,539,482	5,988,401
2009 Series	131,293,506	-	-	131,293,506	-	131,293,506
2011 Series	-	99,999,859	-	99,999,859	6,050,000	93,949,859
Premium on 2011 Series	-	5,142,976	(165,902)	4,977,074	-	4,977,074
2011 Series, Refunding	-	22,230,000	-	22,230,000	100,000	22,130,000
Premium on 2011 Series, Refunding	-	2,618,517	(201,424)	2,417,093	-	2,417,093
Proposition N:						
2007 Series	206,061,823	-	(49,705,000)	156,356,823	3,110,034	153,246,789
2011 Series	-	250,000,000	-	250,000,000	5,000,000	245,000,000
Premium on 2011 Series	-	11,587,301	(373,784)	11,213,517	-	11,213,517
2012 Series, Refunding	-	279,755,000	-	279,755,000	1,985,000	277,770,000
Premium on 2012 Series, Refunding	-	53,507,708	(938,732)	52,568,976	-	52,568,976
Total	\$ 617,707,081	\$ 724,841,361	\$ (322,078,711)	\$1,020,469,731	\$ 19,914,516	\$1,000,555,215

General Obligation Bonds – Proposition S

On November 5, 2002, by majority election of the District’s registered voters, \$685,000,000 in general obligation bonds (Proposition S) were authorized to be issued and sold for the benefit of the District. Proceeds from the issues are to be used for acquisition, construction, renovation, repair and modernization of certain District property and facilities and to refund or advance refund certain obligations of the District. Under the terms of Proposition S, a Citizens’ Oversight Committee was established to oversee the expenditure of the bond proceeds. The bonds are to be issued in four series over a ten-year period. Series currently outstanding are as follows:

San Diego Community College District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

7. LONG-TERM DEBT, Continued

General Obligation Bonds – Proposition S, continued

Tax-Exempt General Obligation Bonds, Election of 2002, Series 2003A

On May 29, 2003, \$86,345,000 in tax-exempt general obligation bonds were delivered to refund the District's Series 2000B Lease Revenue Bonds and to establish a project fund for the acquisition, construction, renovation, repair and modernization of certain District property and facilities. The serial bonds (\$71,195,000) mature in varying amounts from May 1, 2004 through 2024, with coupon rates ranging 3% to 5% and yield rates ranging 0.95% to 4.32%. The remaining \$15,150,000 term bond matures on May 1, 2028 with a 5% coupon rate and yield rate of 4.39%. Debt service consists of interest and principal payable May 1 of each year, commencing on May 1, 2004. Net proceeds of \$89,746,000 were deposited with the trustee for establishment of a building fund (\$77,234,000), a debt service fund (\$3,401,000) and refunding of the Series 2000B Lease Revenue Bonds (\$9,111,000 in bond proceeds plus \$14,439,000 in debt service and project funds from the Series 2000B Bonds).

Tax-Exempt General Obligation Bonds, Election of 2002, Series 2003A, continued

The bonds are solely payable from *ad valorem* property taxes levied. The District pledged all *ad valorem* property tax levied and collected to repay the outstanding principal and interest of the Tax-Exempt General Obligation Bonds, Election of 2002, Series 2003A. During the year, \$23,150,000 was advance refunded via the issuance of the Series 2011 General Obligation Refunding Bonds and \$15,150,000 was advance refunded via the issuance of the Series 2012 General Obligation Refunding Bonds. Total principal and interest remaining on the bonds is \$1,180,850, payable through 2013.

The District used the original proceeds of the Series 2000B Lease Revenue Bonds to finance the acquisition and construction of new buildings and the renovation of previously existing buildings.

Aggregate annual maturities and sinking fund requirements for the Series 2003A General Obligation Bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 1,130,000	\$ 50,850	\$ 1,180,850
Total	\$ 1,130,000	\$ 50,850	\$ 1,180,850

San Diego Community College District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

7. LONG-TERM DEBT, Continued

General Obligation Bonds – Proposition S, continued

General Obligation Bonds, Election of 2002, Series 2005

On October 19, 2005, the District issued the general obligation bonds, election of 2002, Series 2005 in the amount of \$244,999,901. The issue is comprised of \$229,170,000 of serial bonds maturing in varying amounts from May 1, 2015 through 2030, with coupon and yield rates ranging 3.95% to 5.00% and \$15,829,901 of capital appreciation bonds maturing in varying amounts from May 1, 2008 through 2015, with coupon and yield rates ranging 3.28% to 4.34%. The purpose of the bonds is to finance the acquisition, construction and modernization of certain property and District facilities.

The bonds are solely payable from *ad valorem* property taxes levied. The District pledged all *ad valorem* property tax levied and collected to repay the outstanding principal and interest of the Tax-Exempt General Obligation Bonds, Election of 2002, Series 2005. During the fiscal year, \$229,170,000 was advance refunded via issuance of the 2012 General Obligation Refunding Bonds. Total principal and interest remaining on the bonds is \$12,230,000, payable through 2015.

Aggregate annual maturities and sinking fund requirements for the Series 2005 General Obligation Bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 2,539,482	\$ 905,518	\$ 3,445,000
2014	2,854,576	1,215,424	4,070,000
2015	3,133,825	1,581,175	4,715,000
Total	\$ 8,527,883	\$ 3,702,117	\$ 12,230,000

General Obligation Bonds, Election of 2002, Series 2009

On April 28, 2009, the District issued the general obligation bonds, election of 2002, series 2009 in the amount of \$131,293,506. The issue is comprised of \$8,065,000 of current interest serial bonds maturing in varying amounts from August 1, 2015 through 2029, with coupon and yield rates ranging 2.70% to 4.87%, \$93,230,000 of term bonds due August 1, 2033, with coupon and yield rates at 5.10%, and \$29,998,506 of convertible capital appreciation bonds maturing August 1, 2033, with coupon and yield rates at 6.00%. The purpose of the bonds is to finance the acquisition, construction and modernization of certain property and District facilities.

The bonds are general obligations of the District and are payable solely from *ad valorem* taxes levied and collected by the County. The District pledged all *ad valorem* property tax levied and collected to repay the outstanding principal and interest of the Tax-Exempt General Obligation Bonds, Election of 2002, Series 2009. Total principal and interest remaining on the bonds is \$279,982,616 payable through 2034.

San Diego Community College District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

7. LONG-TERM DEBT, Continued

General Obligation Bonds - Proposition S, Continued

General Obligation Bonds, Election of 2002, Series 2009, Continued

Aggregate annual maturities and sinking fund requirements for the Series 2009 General Obligation Bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ -	\$ 5,277,088	\$ 5,277,088
2014	-	5,277,088	5,277,088
2015	-	5,277,088	5,277,088
2016	50,000	5,276,088	5,326,088
2017	625,000	5,262,588	5,887,588
2018-2022	4,725,000	33,749,813	38,474,813
2023-2027	-	41,590,688	41,590,688
2028-2032	43,010,000	40,017,038	83,027,038
2033-2034	82,883,506	6,961,631	89,845,137
Total	\$ 131,293,506	\$ 148,689,110	\$ 279,982,616

General Obligation Bonds, Election of 2002, Series 2011

On July 7, 2011, the District issued the general obligation bonds, election of 2002, Series 2011 in the amount of \$99,999,859. The issue is comprised of \$83,550,000 of current interest serial bonds maturing in varying amounts from August 1, 2012 through 2032, with coupon and yield rates ranging from .027% to 5.00% and \$16,449,859 of capital appreciation bonds maturing in varying amounts from August 1, 2034 through 2041, with coupon and yield rates ranging 6.53% to 6.69%. The purpose of the bonds is to finance the acquisition, construction and modernization of certain property and District facilities.

The bonds are solely payable from *ad valorem* property taxes levied and collected by the County of San Diego. The District pledged all *ad valorem* property tax levied and collected to repay the outstanding principal and interest of the Tax-Exempt General Obligation Bonds, Election of 2002, Series 2011. Total principal and interest remaining on the bonds is \$230,284,562, payable through 2042.

San Diego Community College District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

7. LONG-TERM DEBT, Continued

General Obligation Bonds – Proposition S, Continued

General Obligation Bonds, Election of 2002, Series 2011, Continued

Aggregate annual maturities and sinking fund requirements for the Series 2011 General Obligation Bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 6,050,000	\$ 6,605,784	\$ 12,655,784
2014	100,000	6,558,409	6,658,409
2015	165,000	6,554,759	6,719,759
2016	1,225,000	6,534,734	7,759,734
2017	1,290,000	6,490,559	7,780,559
2018-2022	6,900,000	31,783,251	38,683,251
2023-2027	21,560,000	28,849,357	50,409,357
2028-2032	37,245,000	21,287,732	58,532,732
2033-2037	16,261,921	12,227,198	28,489,119
2038-2042	9,202,938	3,392,920	12,595,858
Total	\$ 99,999,859	\$ 130,284,703	\$ 230,284,562

2011 General Obligation Refunding Bonds

On July 7, 2011, the District issued the 2011 general obligation refunding bonds in the amount of \$22,230,000. The issue is comprised of \$22,230,000 of current interest serial bonds maturing in varying amounts from August 1, 2012 through 2032, with coupon and yield rates ranging from .038% to 5.00%. The purpose of the bonds is to advance refund a portion of the District's outstanding general obligation bonds, election of 2002, series 2003A, and to pay the costs associated with the issuance of the refunding bonds.

The bonds are solely payable from *ad valorem* property taxes levied and collected by the County of San Diego. The District pledged all *ad valorem* property tax levied and collected to repay the outstanding principal and interest of the 2011 General Obligation Refunding Bonds. Total principal and interest remaining on the bonds is \$29,546,850, payable through 2024.

Aggregate annual maturities and sinking fund requirements for the 2011 General Obligation Refunding Bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 100,000	\$ 979,300	\$ 1,079,300
2014	1,300,000	952,300	2,252,300
2015	1,400,000	898,300	2,298,300
2016	1,570,000	838,900	2,408,900
2017	1,660,000	766,000	2,426,000
2018-2022	10,700,000	2,604,550	13,304,550
2023-2024	5,500,000	277,500	5,777,500
Total	\$ 22,230,000	\$ 7,316,850	\$ 29,546,850

San Diego Community College District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

7. LONG-TERM DEBT, Continued

General Obligation Bonds – Proposition N

On November 7, 2006, by majority election of the District’s registered voters, \$870,000,000 in general obligation bonds (Proposition N) were authorized to be issued and sold for the benefit of the District. Proceeds from the issues are to be used for acquisition, construction, renovation, repair and modernization of certain District property and facilities and to refund or advance refund certain obligations of the District. Under the terms of Proposition N, a Citizens’ Oversight Committee was established to oversee the expenditure of the bond proceeds. The bonds are to be issued in four series over a ten-year period. Series currently outstanding are as follows:

General Obligation Bonds, Election of 2006, Series 2007

On July 18, 2007, the District issued the general obligation bonds, election of 2006, Series 2007 in the amount of \$224,996,823. The issue is comprised of \$204,805,000 of serial bonds maturing in varying amounts from August 1, 2018 through 2032, with coupon and yield rates ranging 3.60% to 4.51% and \$20,191,823 of capital appreciation bonds maturing in varying amounts from August 1, 2012 through 2017, with coupon and yield rates ranging 4.05% to 4.42%. The purpose of the bonds is to finance the acquisition, construction and modernization of certain property and District facilities.

The bonds are solely payable from *ad valorem* property taxes levied. The District pledged all *ad valorem* property tax levied and collected to repay the outstanding principals and interest of the Tax-Exempt General Obligation Bonds, Election of 2006, Series 2007. During the fiscal year, \$46,360,000 was advance refunded via issuance of the Series 2012 General Obligation Refunding bonds. Total principal and interest remaining on the bonds is \$279,993,625, payable through 2033.

Aggregate annual maturities and sinking fund requirements for the Series 2007 General Obligation Bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 3,110,034	\$ 7,498,216	\$ 10,608,250
2014	3,235,814	7,702,436	10,938,250
2015	3,340,445	7,932,805	11,273,250
2016	3,433,522	8,184,728	11,618,250
2017	3,506,530	8,461,720	11,968,250
2018-2022	3,565,478	35,995,772	39,561,250
2023-2027	34,885,000	31,525,125	66,410,125
2028-2032	81,005,000	15,829,125	96,834,125
2033	20,275,000	506,875	20,781,875
Total	\$ 156,356,823	\$ 123,636,802	\$ 279,993,625

San Diego Community College District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

7. LONG-TERM DEBT, Continued

General Obligation Bonds – Proposition N, Continued

General Obligation Bonds, Election of 2006, Series 2011

On July 7, 2011, the District issued the general obligation bonds, election of 2006, Series 2011 in the amount of \$250,000,000. The issue is comprised of \$109,495,000 of current interest serial bonds maturing in varying amounts from August 1, 2012 through 2031, with coupon and yield rates ranging from .027% to 5.00%, \$61,060,000 of current interest term bonds due August 1, 2026 yielding 4.80%, and \$79,445,000 of current interest term bonds due August 1, 2041 yielding 4.86%. The purpose of the bonds is to finance the acquisition, construction, modernization, and equipping of certain property and District facilities.

The bonds are solely payable from *ad valorem* property taxes levied and collected by the County of San Diego. The District pledged all *ad valorem* property tax levied and collected to repay the outstanding principal and interest of the Tax-Exempt General Obligation Bonds, Election of 2006, Series 2011. Total principal and interest remaining on the bonds is \$500,444,175, payable through 2042.

Aggregate annual maturities and sinking fund requirements for the Series 2011 General Obligation Bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 5,000,000	\$ 12,250,550	\$ 17,250,550
2014	2,000,000	12,178,050	14,178,050
2015	300,000	12,138,050	12,438,050
2016	195,000	12,129,150	12,324,150
2017	845,000	12,104,125	12,949,125
2018-2022	17,335,000	58,730,875	76,065,875
2023-2027	37,125,000	51,534,375	88,659,375
2028-2032	46,695,000	41,216,625	87,911,625
2033-2037	61,060,000	27,817,250	88,877,250
2038-2042	79,445,000	10,345,125	89,790,125
Total	\$ 250,000,000	\$ 250,444,175	\$ 500,444,175

2012 General Obligation Refunding Bonds

On March 7, 2012, the District issued the 2012 General Obligation Refunding Bonds in the amount of \$279,755,000. The issue is comprised of \$279,755,000 of current interest serial bonds maturing in varying amounts from August 1, 2012 through 2029, with coupon and yield rates ranging from 0.18% to 5.00%. The purpose of the bonds is to advance refund a portion of the District's outstanding general obligation bonds, election of 2002, series 2003A, election of 2002, series 2005, and election of 2006, Series 2007, and to pay the costs associated with the issuance of the refunding bonds.

The bonds are solely payable from *ad valorem* property taxes levied and collected by the County of San Diego. The District pledged all *ad valorem* property tax levied and collected to repay the outstanding principal and interest of the 2012 General Obligation Refunding Bonds. Total principal and interest remaining on the bonds is \$442,986,420, payable through 2030.

San Diego Community College District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

7. LONG-TERM DEBT, Continued

General Obligation Bonds – Proposition N, Continued

General Obligation Bonds, Election of 2006, Series 2011, continued

Aggregate annual maturities and sinking fund requirements for the 2012 General Obligation Refunding bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 1,985,000	\$ 11,596,383	\$ 13,581,383
2014	145,000	13,492,325	13,637,325
2015	150,000	13,488,625	13,638,625
2016	5,230,000	13,407,925	18,637,925
2017	6,080,000	13,207,875	19,287,875
2018-2022	74,440,000	57,990,000	132,430,000
2023-2027	110,805,000	33,851,975	144,656,975
2028-2030	80,920,000	6,196,312	87,116,312
Total	\$ 279,755,000	\$ 163,231,420	\$ 442,986,420

8. COMPENSATED ABSENCES

The following is a summary of the changes in compensated absences for the year ended June 30, 2012:

	<u>Balance</u>			<u>Balance</u>	<u>Due Within</u>	<u>Due In More</u>
	<u>July 1, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2012</u>	<u>One Year</u>	<u>Than One Year</u>
Compensated absences	\$ 8,818,045	\$ 6,287,130	\$ (6,121,308)	\$ 8,983,867	\$ 6,000,000	\$ 2,983,867

Compensated absence costs are accrued when earned by employees. Accumulated unpaid employee vacation benefits are recognized at year-end as liabilities of the District. The District also participates in and accrues “load banking” with eligible academic employees whereby the employee may teach extra courses in one period in exchange for time off in another period.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District’s policy is to record sick leave as an operating expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits for eligible employees when they retire.

The District’s liability for vested and unpaid compensated absences (accrued vacation) has been accrued and amounts to \$8,983,867.

San Diego Community College District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

9. COMMITMENTS AND CONTINGENCIES

Leases

The District leases various facilities under formal lease agreements as well as month-to-month lease arrangements. Rental expense associated with all District leases for the fiscal year ended June 30, 2012 aggregated approximately \$341,355.

Construction

In addition to construction amounts in accounts payable and accrued liabilities, the District has construction commitments of approximately \$252,894,756 as of June 30, 2012.

Grants

The District receives a substantial portion of its total revenues under various governmental grants, all of which pay the District based on reimbursable costs, as defined by each grant. Reimbursement recorded under these grants is subject to audit by the grantors. Management believes that no material adjustments will result from subsequent audit of costs reflected in the accompanying basic financial statements.

Litigation

The District is a party to various legal actions arising in the ordinary course of its activities. In the opinion of the District's management, the District has adequate legal defenses and/or insurance coverage regarding each of these actions and does not believe that they will materially affect the District's operations or financial position.

San Diego Community College District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

10. EMPLOYEES' RETIREMENT SYSTEMS

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

California State Teachers' Retirement System (CalSTRS)

Most full-time certificated (academic) employees participate in CalSTRS, a cost-sharing multiple-employer contributory public employee retirement system defined benefit pension plan. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law (Part 13 of the California Education Code, §22000 et seq.). CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS' annual financial report may be obtained from the CalSTRS Executive Office located at 7667 Folsom Boulevard, Sacramento, California 95826.

At June 30, 2012, the District employed approximately 2,609 certificated employees with total creditable earnings of \$88,358,365.

Under State Teachers' Retirement Law, certain early retirement incentives require the employer to pay the present value of the additional benefit, which may be paid on either a current or deferred basis. The District has no obligations to CalSTRS for early retirement incentives granted to terminated employees as of June 30, 2012.

Funding Policy

Active plan members are required to contribute 8.0% of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalSTRS Teachers' Retirement Board. The required employer rate for fiscal year 2011-2012 was 8.25% of annual payroll. The contribution requirements on the plan members are established by state statute. The District's contributions to CalSTRS for the fiscal year ended June 30, 2012, 2011 and 2010 were \$7,295,856, \$7,734,455, and \$7,536,807, respectively, and equal to 100% of the Annual Required Contributions.

Most Recent Actuarial Study – Status of Funding Progress

The District's CalSTRS retirement plan is part of the State Pool, a cost-sharing multiple-employer contributory public employee retirement system defined benefit pension plan. As part of a cost-sharing multiple-employer defined benefit plan, disclosure of the schedule of funding progress is not required as information is not specific to the District.

San Diego Community College District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

10. EMPLOYEES' RETIREMENT SYSTEMS, Continued

California Public Employees' Retirement System (CalPERS)

Most full-time classified (non-academic) employees participate in the School Employer Pool under CalPERS, a cost-sharing multiple-employer contributory public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law (Part 3 of the California Government Code, §22000 et seq.). CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office located at 400 P Street, Sacramento, CA 95814.

At June 30, 2012, the District employed approximately 1,151 classified employees with total creditable earnings of \$58,968,898.

Funding Policy

Active plan members are required to contribute 7.0% of their salary, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2011-2012 was 10.923% of annual payroll. The contribution requirements of the plan members are established by state statute. The District's contributions to CalPERS for the fiscal years ended June 30, 2012, 2011 and 2010 were \$6,441,176, \$6,503,561, and \$5,528,580, respectively, and equal 100% of the Annual Required Contributions.

Most Recent Actuarial Study – Status of Funding Progress

The District's CalPERS retirement plan is part of the County of San Diego Pool, a cost-sharing multiple-employer contributory public employee retirement system defined benefit pension plan. As part of a cost-sharing multiple-employer defined benefit plan, disclosure of the schedule of funding progress is not required as information is not specific to the District.

On-behalf Payments Made by the State of California

GASB Statement No. 24 requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The State of California makes direct on-behalf payments for retirement benefits to the State Teachers and Public Employees Retirement Systems on behalf of all Community Colleges in California. A fiscal advisory issued by the California Department of Education instructed districts not to record revenue and expenditures for these on-behalf payments. However, the amount of on-behalf payments made for the District is estimated at \$0 for CalSTRS and \$1,827,771 for CalPERS for the year ended June 30, 2012.

San Diego Community College District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

10. EMPLOYEES' RETIREMENT SYSTEMS, Continued

Social Security Alternative Plan

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

Funding Policy

Contributions to the Social Security Alternative Plan are shared between the employee and the District. The District contributes 3.75% of eligible wages as defined under IRS regulations, and 3.75% of eligible wages are withheld from the employee's checks for deposit under the plan. The District's contributions to the Social Security Alternative Plan for the fiscal years ended June 30, 2012, 2011, and 2010 were \$478,928, \$432,206, and \$483,247, respectively.

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

San Diego Community College District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

11. OTHER POST EMPLOYMENT BENEFITS (OPEB)

San Diego Community College District Retiree Health Plan

The District provides medical benefits to its retirees through the Kaiser HMO and four United Healthcare options (PPO, HMO Network 1, 2, & 3, and OOA), as well as their Medicare equivalents for Medicare eligible retirees (United Healthcare Senior Supplement, United Healthcare Medicare Advantage Secure Horizons, and Kaiser Senior Advantage.) Dental benefits are provided through Delta Dental.

The District's share of retiree premium depends on classification, age, years of service (YOS) and the applicable cap. For the 2011 calendar year the cap is \$812 per month (equal to the Kaiser HMO active composite rate) and \$903 per month for the 2012 calendar year.

Following is a table showing benefit details by bargaining unit:

Unit	Job Code	Description	Benefits	Benefits End Date
	A1-A4, A7-A9,			
1	AA, AB, AC	AFT - Faculty	Age 60 & 20 YOS	Age 65
2	B1-B4	Adult Education	Age 60 & 20 YOS	Age 65
3	C1-C4	Management - After 4/1/89	Age 60 & 20 YOS	Age 65
3	C1-C4	Management - Prior to 4/1/89	Age 55 & 8 YOS	Lifetime ¹
4	D1-D2	Supervisory/Professional	Age 60 & 20 YOS	Age 65
5	E1, E3, E4	SEIU/Operations	Age 60 & 20 YOS	Age 65
6	H1	Police Unit	Age 60 & 20 YOS	Age 65
7	J1-J3	AFT - Office Technical	Age 60 & 20 YOS	Age 65
8	K2	Food Services	Age 60 & 20 YOS	Age 65
9	L1	Confidential	Age 60 & 20 YOS	Age 65
10	C1	Board - Active Only	Age 60 & 20 YOS	Age 65
11	C1	Board - Lifetime Only	Age 55 & 8 YOS	Lifetime ²

* Must be eligible to retire from retirement system (CalPERS - age 50; CalSTRS - age 50 with 30 years of service credit or age 55 with 5 years of service credit.

¹ Lifetime benefits are provided only to those employees who were in a management position prior to the April 1989 cutoff date. Currently there is 1 active employee in this category.

² Currently there are 4 retirees in this category. No future retirees will qualify for District-paid benefits.

Under the early retirement program instituted in 2003, the District pays medical premiums for five years (or until age 65, if later, for faculty.) Supervisory and Professional, and Office Technical employees may delay the 5 years of District-paid benefits until age 60 by participating in the District plan at their own expense during the deferral period. District-paid dental premiums are provided only to retirees with lifetime benefits.

San Diego Community College District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

11. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

The District pays for the cost of spousal coverage for all retirees, both before and after age 65, up to the District cap. The cap is set equal to the active employee composite rate for the VEBA Kaiser HMO, which the District pays to active employees. The cap was \$812 per month for July 2011 - December 2011 and \$903 per month for January 2012 - June 2012. The cap was assumed to grow at the medical trend rate of 8% for healthcare and Medicare Part B and 4% for dental.

The District also pays Medicare Part B premiums for all retirees and spouses of retirees entitled to lifetime District-paid medical benefits beyond age 65. Survivor benefits are provided for the spouses of those retirees eligible for lifetime benefits. Benefits are paid for one year following the retiree's death, and are limited to medical and dental premiums only. An automobile allowance of \$100 per month and automobile club dues of \$3.58 per month are paid from retirement until age 65 for three retired managers and two active managers eligible for lifetime benefits.

Funding Policy

On June 26, 2006, the District contributed \$11,000,000 to the Community College League of California - Joint Powers Authority (CCLC-JPA) and has adopted a goal of fully funding the plan on a fully projected basis by allowing the \$11,000,000 to grow with interest until it is sufficient to pay all future retiree benefits. This is projected to occur within 20 years of the initial investment, however, GASB Statement 45 provides for up to 30 years for amortization of the current and future retiree health benefit liabilities. This funding is being reported in a Fiduciary Fund titled *Other Post Employment Benefits Trust Fund*, an irrevocable trust fund.

Annual OPEB Cost

For the year ended June 30, 2012, the District's Annual Required Contribution ("ARC") for OPEB was \$1,643,608. The District's annual OPEB cost, the percentage of annual OPEB cost to be contributed to the plan, and the Net OPEB Obligation are as follows:

Fiscal Year Ended	Annual Required Contribution	Actual Contribution	Percentage of Annual OPEB Cost Contributed	Increase (Decrease) in OPEB Obligation	Net OPEB Obligation
6/30/2010	\$ 1,413,224	\$ 1,140,041	81%	\$ 273,183	\$ 543,713
6/30/2011	\$ 1,406,929	\$ 1,548,825	110%	\$ (141,896)	\$ 401,817
6/30/2012	\$ 1,643,608	\$ 1,280,581	78%	\$ 363,027	\$ 764,844

San Diego Community College District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

11. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

Most Recent Actuarial Study – Status of Funding Progress

The funded status of the plan as of June 30, 2012 was as follows:

Actuarial Valuation Date	Actuarial Asset Value	Entry Age Actuarial Accrued Liabilities	Unfunded Actuarial Accrued Liabilities	Funded Ratio	Covered Payroll	Unfunded Actuarial Liabilities as Percentage of Liabilities as Covered Payroll
6/30/2011	\$ 12,317,587	\$ 21,305,524	\$ 8,987,937	57.81%	\$ 128,861,312	6.97%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The plan's most recent actuarial valuation was performed as of June 30, 2011. In that valuation, the Projected Unit Credit (PUC) Cost Method was used. The actuarial assumptions included a 6.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 7 percent initially, reduced by decrements to an ultimate rate of 5 percent after 2 years. Both assumptions reflect an implicit 3 percent general inflation assumption. The District's unfunded actuarial accrued liability is being amortized as a level dollar amount on a rolling basis. The remaining amortization period as of June 30, 2012 was 29 years.

San Diego Community College District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

12. FUNCTIONAL EXPENSES

Functional operating expenses for the year ended June 30, 2012 were as follows:

	Salaries	Employee Benefits	Student Financial Aid	Supplies, Materials & Other Expenses	Depreciation	Total
Instructional activities	\$ 77,045,363	\$ 20,590,566	\$ 105,107	\$ 5,613,865	\$ -	\$ 103,354,901
Instructional administration & instructional governance	12,989,099	3,946,353	-	662,046	-	17,597,498
Instructional support services	4,157,278	1,516,827	7,563	828,771	-	6,510,439
Student services	21,454,294	7,395,820	391,992	1,492,104	-	30,734,210
Plant operations & maintenance	7,693,825	3,298,078	-	7,540,466	-	18,532,369
Planning, policymaking & coordination	4,557,132	1,411,184	-	1,156,083	-	7,124,399
General institutional support services	22,689,346	10,309,988	-	2,406,498	-	35,405,832
Community services & economic development	796,793	272,580	550	744,667	-	1,814,590
Ancillary services & auxiliary operations	14,912,687	3,483,247	500	7,730,622	-	26,127,056
Physical property	-	-	-	-	-	-
Student aid	-	-	65,058,492	-	-	65,058,492
Depreciation expenses	-	-	-	-	14,680,467	14,680,467
Total	\$ 166,295,817	\$ 52,224,643	\$ 65,564,204	\$ 28,175,122	\$ 14,680,467	\$ 326,940,253

REQUIRED SUPPLEMENTARY INFORMATION

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**San Diego Community College District
Required Supplementary Information
For the year ended June 30, 2012**

1. SCHEDULE OF FUNDING PROGRESS FOR DEFINED BENEFIT PLANS

California State Teachers' Retirement System (CalSTRS)

The District's CalSTRS retirement plan is part of the State Pool, a cost-sharing multiple-employer contributory public employee retirement system defined benefit pension plan. As part of a cost-sharing multiple-employer defined benefit plan, disclosure of the schedule of funding progress is not required as information is not specific to the District.

California Public Employees' Retirement System (CalPERS)

The District's CalPERS retirement plan is part of the County of San Diego Pool, a cost-sharing multiple-employer contributory public employee retirement system defined benefit pension plan. As part of a cost-sharing multiple-employer defined benefit plan, disclosure of the schedule of funding progress is not required as information is not specific to the District.

Other Post Employment Benefits (OPEB)

A schedule of funding progress for the year ended June 30, 2012 including the actuarial valuations is presented below.

Actuarial Valuation Date	Actuarial Asset Value	Entry Age Actuarial Accrued Liabilities	Unfunded Actuarial Accrued Liabilities	Funded Ratio	Covered Payroll	Unfunded Actuarial Liabilities as Percentage of Liabilities as Covered Payroll
6/30/2007	\$ 11,737,000	\$ 19,622,286	\$ 7,885,286	59.81%	\$ 147,271,464	5.35%
6/30/2009	\$ 12,534,273	\$ 19,606,548	\$ 7,072,275	63.93%	\$ 153,768,568	4.60%
6/30/2011	\$ 12,317,587	\$ 21,305,524	\$ 8,987,937	57.81%	\$ 128,861,312	6.97%

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SUPPLEMENTARY INFORMATION

San Diego Community College District
Combining Balance Sheet
June 30, 2012

	General Fund Unrestricted	General Fund Restricted	Special Revenue Funds	Bond Interest and Redemption Fund
ASSETS				
Current assets:				
Cash and investments	\$ 20,633,439	\$ -	\$ 455,177	\$ 43,330,140
Accounts receivable, net	41,605,590	-	-	-
Federal grants receivable	-	4,524,164	-	-
State grants receivable	-	1,415,136	-	-
Local grants receivable	-	722,684	-	-
Interest receivable	-	-	-	-
Student loans receivable	-	-	(115)	-
Stores inventories	-	-	-	-
Prepaid expenses	-	-	-	-
Due from (to) other funds	(6,632,769)	32,592,054	510,322	-
Total current assets	55,606,260	39,254,038	965,384	43,330,140
Noncurrent assets:				
Capital assets, net	-	-	-	-
Total noncurrent assets	-	-	-	-
Total assets	\$ 55,606,260	\$ 39,254,038	\$ 965,384	\$ 43,330,140
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 31,385,328	\$ 6,435	\$ -	\$ -
Payroll and related liabilities	8,609,747	-	-	-
Deferred revenue	117,137	133,840	-	-
Due to other funds	277,965	293,576	-	-
Amount held in trust for others	-	-	-	-
Compensated absences	913,260	-	-	-
Insurance claims payable	-	-	-	-
Total liabilities	41,303,437	433,851	-	-
Fund Balances	14,302,823	38,820,187	965,384	43,330,140
Total liabilities and fund balances	\$ 55,606,260	\$ 39,254,038	\$ 965,384	\$ 43,330,140

San Diego Community College District
Combining Balance Sheet, Continued
June 30, 2012

	Prop S Bonds Capital Projects Fund	Capital Outlay	Prop N Bonds Capital Projects Fund	San Diego Community College District Auxiliary Organization
ASSETS				
Current assets:				
Cash and investments	\$ 90,641,860	\$ 9,873,222	\$ 200,350,087	\$ 1,411,593
Accounts receivable, net	86,407	271,116	205,601	-
Federal grants receivable	-	-	-	-
State grants receivable	-	-	-	-
Local grants receivable	-	-	-	38,528
Interest receivable	-	-	-	-
Student loans receivable	-	-	-	-
Stores inventories	-	-	-	-
Prepaid expenses	-	-	-	6,176
Due from (to) other funds	(6,547,930)	520,398	-	3,327
Total current assets	84,180,337	10,664,736	200,555,688	1,459,624
Noncurrent assets:				
Capital assets, net	-	-	-	-
Total noncurrent assets	-	-	-	-
Total assets	\$ 84,180,337	\$ 10,664,736	\$ 200,555,688	\$ 1,459,624
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 3,713,817	\$ -	\$ 10,529,093	\$ 102,908
Payroll and related liabilities	-	-	-	16,317
Deferred revenue	-	-	-	28,207
Due to other funds	-	519,753	19,423,507	3,327
Amount held in trust for others	-	-	-	201,888
Compensated absences	-	-	-	-
Insurance claims payable	-	-	-	-
Total liabilities	3,713,817	519,753	29,952,600	352,647
Fund Balances	80,466,520	10,144,983	170,603,088	1,106,977
Total liabilities and fund balances	\$ 84,180,337	\$ 10,664,736	\$ 200,555,688	\$ 1,459,624

San Diego Community College District
Combining Balance Sheet, Continued
June 30, 2012

	<u>Bookstore</u>	<u>Cafeteria</u>	<u>Other Enterprise</u>	<u>Self Insurance</u>
ASSETS				
Current assets:				
Cash and investments	\$ 3,938,158	\$ 303,509	\$ 19,262	\$ 6,285,703
Accounts receivable, net	751,923	3,813	-	15,017
Federal grants receivable	-	-	-	-
State grants receivable	-	-	-	-
Local grants receivable	-	-	-	-
Interest receivable	-	-	-	-
Student loans receivable	-	-	-	-
Stores inventories	1,698,023	26,055	-	-
Prepaid expenses	-	11,338	-	-
Due from (to) other funds	(340,873)	102,420	418,257	31,212
Total current assets	<u>6,047,231</u>	<u>447,135</u>	<u>437,519</u>	<u>6,331,932</u>
Noncurrent assets:				
Capital assets, net	47,783	156,929	-	-
Total noncurrent assets	<u>47,783</u>	<u>156,929</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 6,095,014</u>	<u>\$ 604,064</u>	<u>\$ 437,519</u>	<u>\$ 6,331,932</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 104,565	\$ 2,988	\$ -	\$ 155
Payroll and related liabilities	-	-	-	-
Deferred revenue	224,235	6,088	-	-
Due to other funds	198,452	-	-	-
Amount held in trust for others	-	-	-	-
Compensated absences	-	-	-	-
Insurance claims payable	-	-	-	2,335,030
Total liabilities	<u>527,252</u>	<u>9,076</u>	<u>-</u>	<u>2,335,185</u>
Fund Balances	<u>5,567,762</u>	<u>594,988</u>	<u>437,519</u>	<u>3,996,747</u>
Total liabilities and fund balances	<u>\$ 6,095,014</u>	<u>\$ 604,064</u>	<u>\$ 437,519</u>	<u>\$ 6,331,932</u>

San Diego Community College District
Combining Balance Sheet, Continued
June 30, 2012

	<u>Other Internal Service</u>	<u>Associated Students</u>	<u>Student Representation Fee Trust</u>	<u>Financial Aid</u>
ASSETS				
Current assets:				
Cash and investments	\$ 7,922,603	\$ 696,795	\$ 68,348	\$ 82,504
Accounts receivable, net	5,243	5,935	302	346,114
Federal grants receivable	-	-	-	-
State grants receivable	-	-	-	-
Local grants receivable	-	-	-	-
Interest receivable	-	-	-	-
Student loans receivable	-	-	-	-
Stores inventories	-	-	-	-
Prepaid expenses	21,185	-	-	-
Due from (to) other funds	144,607	-	76,207	-
Total current assets	<u>8,093,638</u>	<u>702,730</u>	<u>144,857</u>	<u>428,618</u>
Noncurrent assets:				
Capital assets, net	-	-	-	-
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u><u>\$ 8,093,638</u></u>	<u><u>\$ 702,730</u></u>	<u><u>\$ 144,857</u></u>	<u><u>\$ 428,618</u></u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 993	\$ 4,356	\$ -	\$ 37,563
Payroll and related liabilities	-	-	-	-
Deferred revenue	398	-	-	7,332
Due to other funds	3,037	1,421	-	383,160
Amount held in trust for others	-	442,919	-	-
Compensated absences	-	-	-	-
Insurance claims payable	-	-	-	-
Total liabilities	<u>4,428</u>	<u>448,696</u>	<u>-</u>	<u>428,055</u>
Fund Balances	<u>8,089,210</u>	<u>254,034</u>	<u>144,857</u>	<u>563</u>
Total liabilities and fund balances	<u><u>\$ 8,093,638</u></u>	<u><u>\$ 702,730</u></u>	<u><u>\$ 144,857</u></u>	<u><u>\$ 428,618</u></u>

San Diego Community College District
Combining Balance Sheet, Continued
June 30, 2012

	Scholarship and Loan Fund	Other Trust and Agency	Total
ASSETS			
Current assets:			
Cash and investments	\$ 36,913	\$ 15,182,308	\$ 401,231,621
Accounts receivable, net	2,321	16,743	43,316,125
Federal grants receivable	-	-	4,524,164
State grants receivable	-	-	1,415,136
Local grants receivable	-	-	761,212
Interest receivable	-	-	-
Student loans receivable	-	-	(115)
Stores inventories	-	-	1,724,078
Prepaid expenses	-	-	38,699
Due from (to) other funds	41,282	186,127	21,104,641
	80,516	15,385,178	474,115,561
Total current assets			
Noncurrent assets:			
Capital assets, net	-	-	204,712
	-	-	204,712
Total noncurrent assets			
	-	-	204,712
Total assets	\$ 80,516	\$ 15,385,178	\$ 474,320,273
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 384	\$ 4,666	\$ 45,893,251
Payroll and related liabilities	-	-	8,626,064
Deferred revenue	-	-	517,237
Due to other funds	-	443	21,104,641
Amount held in trust for others	-	-	644,807
Compensated absences	-	-	913,260
Insurance claims payable	-	-	2,335,030
	384	5,109	80,034,290
Total liabilities			
	80,132	15,380,069	394,285,983
Fund Balances			
	80,132	15,380,069	394,285,983
Total liabilities and fund balances	\$ 80,516	\$ 15,385,178	\$ 474,320,273

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San Diego Community College District
Reconciliation of Combining Balance Sheet to Government-Wide Statement of Net Assets
June 30, 2012

Total Fund Balances reported in the Combining Balance Sheet	\$ 394,285,983
 Amounts reported in the Statement of Net Assets are differently because:	
 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.	
Government-Wide capital assets	916,904,974
Less enterprise funds capital assets	<u>(204,712)</u>
Total capital assets not reported in the funds	<u>916,700,262</u>
 Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Compensated absences - due within one year	(6,000,000)
Compensated absences - due in more than one year (net of \$913,260 in the General Fund Unrestricted)	(2,070,607)
Insurance claims payable (net of \$2,335,030 in the Self Insurance Fund)	(6,301,432)
Long-term liabilities - due within one year	(19,914,516)
Long-term liabilities - due in more than one year	<u>(1,000,555,215)</u>
Total long-term liabilities not reported in the funds	<u>(1,034,841,770)</u>
 Student activities are fiduciary activities and therefore are not reported in the Government-Wide Statement of Net Assets.	
Associated Students	(254,034)
Student Representation Fee Trust	(144,857)
Scholarship and Loan Fund	(80,132)
Other Trust and Agency	(1,133,464)
Other Post Employment Benefits Trust Fund	<u>(14,246,605)</u>
Total fiduciary activities	<u>(15,859,092)</u>
 Deferred charges, such as bond issuance costs, were expenditures in the fund financial statements but were deferred and subject to capitalization and amortization in the government-wide statement of net assets.	
	<u>3,531,384</u>
 Prepaid interest on advance bond refundings is not a financial resource and therefore is not reported in the governmental funds.	
	<u>42,513,325</u>
 Interest payable on long-term debt did not require current financial resources. Therefore, interest payable is not included in the governmental funds.	
	<u>(14,675,356)</u>
 Net OPEB liability is not due and payable in the current period and therefore is not reported in the governmental funds.	
	<u>(764,844)</u>
 Net assets	 \$ 290,889,892

San Diego Community College District
Combining Schedule of Revenues, Expenditures (Expenses) and Changes in Fund Equity
For the year ended June 30, 2012

	General Fund Unrestricted	General Fund Restricted	Special Revenue Funds	Bond Interest and Redemption Fund
OPERATING REVENUES:				
Tuition and fees	\$ 14,791,687	\$ -	\$ 33,630	\$ -
Federal grant, non-capital	-	20,525,264	64,887	-
State grant, non-capital	-	14,922,885	612,481	-
Local grant, non-capital	-	11,492,403	-	-
Auxiliary enterprise sales and charges	-	-	-	-
Interest on student loans	-	-	-	-
Other operating revenues	13,411	-	612,972	-
Total operating revenues	<u>14,805,098</u>	<u>46,940,552</u>	<u>1,323,970</u>	<u>-</u>
OPERATING EXPENDITURES/EXPENSES:				
Salaries	131,160,873	29,531,882	695,844	-
Employee benefits	42,517,709	7,064,130	214,585	-
Payments to students	-	499,513	-	-
Supplies, materials, and other expenses	19,180,714	8,759,613	469,589	-
Depreciation	-	-	-	-
Total operating expenditures/expenses	<u>192,859,296</u>	<u>45,855,138</u>	<u>1,380,018</u>	<u>-</u>
OPERATING REVENUES OVER (UNDER) EXPENDITURES/EXPENSES	<u>(178,054,198)</u>	<u>1,085,414</u>	<u>(56,048)</u>	<u>-</u>
NONOPERATING REVENUE/(EXPENSES):				
Federal grant, non-capital	-	-	-	-
State apportionments, non-capital	98,542,029	-	-	-
Local property taxes, non-capital	69,443,692	-	-	50,204,085
State taxes and other revenues	5,716,035	-	-	-
Investment income - non-capital	-	-	-	409,255
Other non-operating revenue	1,063,506	-	-	577,181
Proceeds from bond issuance	-	-	-	301,985,000
Premium on bond issuance	-	-	-	56,126,225
Deposit to escrow	-	-	-	(357,231,641)
Costs of bond issuance	-	-	-	(1,456,314)
Principal payments	-	-	-	(6,568,869)
Interest and fiscal charges	-	-	-	(37,014,139)
Total non-operating revenues/expenses	<u>174,765,262</u>	<u>-</u>	<u>-</u>	<u>7,030,783</u>
NET REVENUE/EXPENSE	<u>(3,288,936)</u>	<u>1,085,414</u>	<u>(56,048)</u>	<u>7,030,783</u>
Transfers in	-	6,134,925	102,600	16,730,277
Transfers out	(3,139,714)	(4,240,150)	(70,077)	-
Transfers in/(out), net	<u>(3,139,714)</u>	<u>1,894,775</u>	<u>32,523</u>	<u>16,730,277</u>
NET CHANGES IN FUND EQUITY	<u>(6,428,650)</u>	<u>2,980,189</u>	<u>(23,525)</u>	<u>23,761,060</u>
FUND EQUITY:				
Beginning of year	20,731,473	35,839,998	988,909	19,569,080
End of year	<u>\$ 14,302,823</u>	<u>\$ 38,820,187</u>	<u>\$ 965,384</u>	<u>\$ 43,330,140</u>

San Diego Community College District
Combining Schedule of Revenues, Expenditures (Expenses) and Changes in Fund Equity
For the year ended June 30, 2012

	Prop S Bonds Capital Projects Fund	Capital Outlay	Prop N Bonds Capital Projects Fund	San Diego Community College District Auxiliary Organization
OPERATING REVENUES:				
Tuition and fees	\$ -	\$ -	\$ -	\$ -
Federal grant, non-capital	-	-	-	-
State grant, non-capital	-	-	-	-
Local grant, non-capital	-	-	-	726,622
Auxiliary enterprise sales and charges	-	-	-	-
Interest on student loans	-	-	-	-
Other operating revenues	698,777	301,106	1,554,485	32,634
Total operating revenues	<u>698,777</u>	<u>301,106</u>	<u>1,554,485</u>	<u>759,256</u>
OPERATING EXPENDITURES/EXPENSES:				
Salaries	436,364	-	877,707	432,560
Employee benefits	158,293	-	317,154	119,358
Payments to students	-	-	-	-
Supplies, materials, and other expenses	60,106,488	644,658	158,444,211	490,101
Depreciation	-	-	-	-
Total operating expenditures/expenses	<u>60,701,145</u>	<u>644,658</u>	<u>159,639,072</u>	<u>1,042,019</u>
OPERATING REVENUES OVER (UNDER) EXPENDITURES/EXPENSES	<u>(60,002,368)</u>	<u>(343,552)</u>	<u>(158,084,587)</u>	<u>(282,763)</u>
NONOPERATING REVENUE/(EXPENSES):				
Federal grant, non-capital	-	-	-	-
State apportionments, non-capital	-	-	-	-
Local property taxes, non-capital	-	-	-	-
State taxes and other revenues	-	-	-	-
Investment income - non-capital	-	-	-	938,894
Other non-operating revenue	-	-	-	-
Proceeds from bond issuance	99,999,859	-	250,000,000	-
Premium on bond issuance	5,142,976	-	11,587,301	-
Deposit to escrow	-	-	-	-
Costs of bond issuance	(622,609)	-	(1,556,523)	-
Principal payments	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total non-operating revenues/expenses	<u>104,520,226</u>	<u>-</u>	<u>260,030,778</u>	<u>938,894</u>
NET REVENUE/EXPENSE	<u>44,517,858</u>	<u>(343,552)</u>	<u>101,946,191</u>	<u>656,131</u>
Transfers in	59,658,313	1,452,485	153,359,610	-
Transfers out	(64,801,289)	(1,276,818)	(164,946,909)	-
Transfers in/(out), net	<u>(5,142,976)</u>	<u>175,667</u>	<u>(11,587,299)</u>	<u>-</u>
NET CHANGES IN FUND EQUITY	<u>39,374,882</u>	<u>(167,885)</u>	<u>90,358,892</u>	<u>656,131</u>
FUND EQUITY:				
Beginning of year	41,091,638	10,312,868	80,244,196	450,846
End of year	<u>\$ 80,466,520</u>	<u>\$ 10,144,983</u>	<u>\$ 170,603,088</u>	<u>\$ 1,106,977</u>

(Continued)

San Diego Community College District
Combining Schedule of Revenues, Expenditures (Expenses) and Changes in Fund Equity
For the year ended June 30, 2012

	Bookstore	Cafeteria	Other Enterprise	Self-Insurance Internal Service Fund
OPERATING REVENUES:				
Tuition and fees	\$ -	\$ -	\$ -	\$ -
Federal grant, non-capital	-	-	-	-
State grant, non-capital	-	-	-	-
Local grant, non-capital	-	-	-	-
Auxiliary enterprise sales and charges	10,720,206	2,821,427	-	-
Interest on student loans	-	-	-	-
Other operating revenues	70,105	95,390	-	-
Total operating revenues	10,790,311	2,916,817	-	-
OPERATING EXPENDITURES/EXPENSES:				
Salaries	1,652,106	1,508,481	-	-
Employee benefits	626,826	677,739	-	-
Payments to students	-	-	-	-
Supplies, materials, and other expenses	8,291,172	1,697,888	-	2,772,564
Depreciation	21,755	50,915	-	-
Total operating expenditures/expenses	10,591,859	3,935,023	-	2,772,564
OPERATING REVENUES OVER (UNDER) EXPENDITURES/EXPENSES	198,452	(1,018,206)	-	(2,772,564)
NONOPERATING REVENUE/(EXPENSES):				
Federal grant, non-capital	-	-	-	-
State apportionments, non-capital	-	-	-	-
Local property taxes, non-capital	-	-	-	-
State taxes and other revenues	-	-	-	-
Investment income - non-capital	-	-	-	-
Other non-operating revenue	-	-	-	3,377,444
Proceeds from bond issuance	-	-	-	-
Premium on bond issuance	-	-	-	-
Deposit to escrow	-	-	-	-
Costs of bond issuance	-	-	-	-
Principal payments	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total non-operating revenues/expenses	-	-	-	3,377,444
NET REVENUE/EXPENSE	198,452	(1,018,206)	-	604,880
Transfers in	-	1,018,207	-	-
Transfers out	(198,452)	-	-	-
Transfers in/(out), net	(198,452)	1,018,207	-	-
NET CHANGES IN FUND EQUITY	-	1	-	604,880
FUND EQUITY:				
Beginning of year	5,567,762	594,987	437,519	3,391,867
End of year	<u>\$ 5,567,762</u>	<u>\$ 594,988</u>	<u>\$ 437,519</u>	<u>\$ 3,996,747</u>

(Continued)

San Diego Community College District
Combining Schedule of Revenues, Expenditures (Expenses) and Changes in Fund Equity
For the year ended June 30, 2012

	Other Internal Service	Associated Students	Student Representation Fee Trust	Financial Aid
OPERATING REVENUES:				
Tuition and fees	\$ -	\$ -	\$ 74,045	\$ -
Federal grant, non-capital	-	-	-	10,532,359
State grant, non-capital	-	-	-	2,599,176
Local grant, non-capital	-	-	-	-
Auxiliary enterprise sales and charges	-	-	-	-
Interest on student loans	-	-	-	-
Other operating revenues	-	21,666	-	132
Total operating revenues	-	21,666	74,045	13,131,667
OPERATING EXPENDITURES/EXPENSES:				
Salaries	-	18,705	-	-
Employee benefits	-	1,545	-	-
Payments to students	-	-	-	65,064,691
Supplies, materials, and other expenses	28,807,273	101,738	85,294	-
Depreciation	-	-	-	-
Total operating expenditures/expenses	28,807,273	121,988	85,294	65,064,691
OPERATING REVENUES OVER (UNDER) EXPENDITURES/EXPENSES	(28,807,273)	(100,322)	(11,249)	(51,933,024)
NONOPERATING REVENUE/(EXPENSES):				
Federal grant, non-capital	-	-	-	51,831,101
State apportionments, non-capital	-	-	-	-
Local property taxes, non-capital	-	-	-	-
State taxes and other revenues	-	-	-	-
Investment income - non-capital	-	-	-	-
Other non-operating revenue	28,718,942	-	-	-
Proceeds from bond issuance	-	-	-	-
Premium on bond issuance	-	-	-	-
Deposit to escrow	-	-	-	-
Costs of bond issuance	-	-	-	-
Principal payments	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total non-operating revenues/expenses	28,718,942	-	-	51,831,101
NET REVENUE/EXPENSE	(88,331)	(100,322)	(11,249)	(101,923)
Transfers in	105,008	105,748	-	149,203
Transfers out	(95,825)	-	-	(47,142)
Transfers in/(out), net	9,183	105,748	-	102,061
NET CHANGES IN FUND EQUITY	(79,148)	5,426	(11,249)	138
FUND EQUITY:				
Beginning of year	8,168,358	248,608	156,106	425
End of year	<u>\$ 8,089,210</u>	<u>\$ 254,034</u>	<u>\$ 144,857</u>	<u>\$ 563</u>

(Continued)

San Diego Community College District
Combining Schedule of Revenues, Expenditures (Expenses) and Changes in Fund Equity
For the year ended June 30, 2012

	Scholarship and Loan Fund	Other Trust and Agency	Total
OPERATING REVENUES:			
Tuition and fees	\$ -	\$ -	\$ 14,899,362
Federal grant, non-capital	-	-	31,122,510
State grant, non-capital	-	-	18,134,542
Local grant, non-capital	6,190	-	12,225,215
Auxiliary enterprise sales and charges	-	-	13,541,633
Interest on student loans	-	-	-
Other operating revenues	-	-	3,400,678
Total operating revenues	6,190	-	93,323,940
OPERATING EXPENDITURES/EXPENSES:			
Salaries	-	148,215	166,462,737
Employee benefits	-	27,327	51,724,666
Payments to students	18,190	-	65,582,394
Supplies, materials, and other expenses	-	733,702	290,585,005
Depreciation	-	-	72,670
Total operating expenditures/expenses	18,190	909,244	574,427,472
OPERATING REVENUES OVER (UNDER) EXPENDITURES/EXPENSES	(12,000)	(909,244)	(481,103,532)
NONOPERATING REVENUE/(EXPENSES):			
Federal grant, non-capital	-	-	51,831,101
State apportionments, non-capital	-	-	98,542,029
Local property taxes, non-capital	-	-	119,647,777
State taxes and other revenues	-	-	5,716,035
Investment income - non-capital	-	650,964	1,999,113
Other non-operating revenue	-	990,021	34,727,094
Proceeds from bond issuance	-	-	651,984,859
Premium on bond issuance	-	-	72,856,502
Deposit to escrow	-	-	(357,231,641)
Costs of bond issuance	-	-	(3,635,446)
Principal payments	-	-	(6,568,869)
Interest and fiscal charges	-	-	(37,014,139)
Total non-operating revenues/expenses	-	1,640,985	632,854,415
NET REVENUE/EXPENSE	(12,000)	731,741	151,750,883
Transfers in	-	-	238,816,376
Transfers out	-	-	(238,816,376)
Transfers in/(out), net	-	-	-
NET CHANGES IN FUND EQUITY	(12,000)	731,741	151,750,883
FUND EQUITY:			
Beginning of year	92,132	14,648,328	242,535,100
End of year	\$ 80,132	\$ 15,380,069	\$ 394,285,983

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San Diego Community College District
Reconciliation of Combining Schedule of Revenues, Expenditures (Expenses) and Changes in Fund Equity to Government-Wide Statement of Revenues, Expenses and Changes in Net Assets
For the year ended June 30, 2012

Revenues and other financing sources over (under) expenditures/expenses and other financing uses \$ 151,750,883

Amounts reported in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. Capital outlay expenditures are included in the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances. However, in the Government-Wide Statement of Activities and Changes in Net Assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period. 229,941,817

Repayment of long-term liabilities was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Assets. 6,568,869

The issuance of long-term liabilities provided current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Assets.

Proceeds from bond issuance	(651,984,859)
Premium on bond issuance	<u>(72,856,502)</u>
	(724,841,361)

Governmental funds report bond issuance costs as expenditures. Bond issuance costs are included in the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances. However, in the Government-Wide Statement of Activities and Changes in Net Assets, the cost of those assets is allocated over their estimated useful lives as amortization expense. This is the amount of bond issuance costs recorded in the current period. 3,635,446

Amortization expense on bond premiums is reported in the Government-Wide Statement of Activities and Changes in Net Assets, but it does not require the use of current financial resources. Therefore, amortization is not reported as an expenditure in governmental funds. 1,679,842

Deposit to escrow is an expenditure in the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances. However, in the Government-Wide Statement of Activities and Changes in Net Assets, this serves to advance refund long-term debt and prepay future interest. This is the amount of long-term debt retired and interest prepaid. 357,231,641

Amortization expense on prepaid interest on advance bond refundings is reported in the Government-Wide Statement of Activities and Changes in Net Assets, but it does not require the use of current financial resources. Therefore, amortization is not reported as an expenditure in governmental funds. (888,316)

Compensated absences are reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they do not require the use of current financial resources. Therefore, long-term compensated absences are not reported as expenditures in governmental funds. (165,822)

Insurance Claims are reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they do not require the use of current financial resources. Therefore, insurance claims are not reported as expenditures in governmental funds. (311,322)

San Diego Community College District
Reconciliation of Combining Schedule of Revenues, Expenditures (Expenses) and Changes in
Fund Equity to Government-Wide Statement of Revenues, Expenses and Changes in Net Assets
(Continued)
For the year ended June 30, 2012

Net OPEB liability is reported in the Government-Wide Statement of Activities and Changes in Net Assets, but it does not require the use of current financial resources. Therefore, the change in the OPEB liability is not reported as an expenditure in governmental funds.	<u>(363,027)</u>
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Assets, but it does not require the use of current financial resources. Therefore, depreciation is not reported as an expenditure in governmental funds.	<u>(14,607,797)</u>
Amortization expense on deferred charges is reported in the Government-Wide Statement of Activities and Changes in Net Assets, but it does not require the use of current financial resources. Therefore, amortization is not reported as an expenditure in governmental funds.	<u>(104,062)</u>
Interest expense on long-term debt is reported in the Government-Wide Statement of Activities and Changes in Net Assets, but it did not require the use of current financial resources.	<u>(14,675,356)</u>
Student activities are fiduciary activities and therefore are not reported in the government-wide statement of activities.	
Associated Students	(5,426)
Student representation Fee Trust	11,249
Scholarship and loan Fund	12,000
Other Trust and Agency	<u>(731,741)</u>
Total fiduciary activities	<u>(713,918)</u>
Change in Net Assets	<u><u>\$ (5,862,483)</u></u>

San Diego Community College District
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2012

Program Title	CFDA No.	Agency or Pass-Through No.	Federal Expenditures
<u>U.S. Department of Education:</u>			
Financial Aid Cluster:			
PELL	84.063		\$ 51,831,101
SEOG	84.007	00127300/00127500/01182000/02241600	942,839
Direct Loans	84.268		8,924,620
ACG	84.375		12,563
Federal Work Study	84.033	POC033A090065	807,482
		Subtotal Financial Aid Cluster	62,518,605
VATEA Curriculum Development & Instruction	84.048	09-C01-047	1,321,995
VATEA Student Support	84.048	09-C01-047	868,007
VATEA Professional Development	84.048	09-C01-047	14,709
VATEA Partnership Development	84.048	09-C01-047	27,453
VATEA Administration	84.048	09-C01-047	115,466
VATEA Evaluation	84.048	09-C01-047	25,116
VATEA Research & Development	84.048	09-C01-047	4,000
		Subtotal 84.048	2,376,746
USDE Title III Grant	84.031		748,518
Gear UP I	84.334		10,786
Gear UP II	84.334		17,154
Gear UP Summer	84.334		21,169
		Subtotal 84.334	49,109
College to Career	84.126A		262,914
Workability	84.126A		447,315
		Subtotal 84.126A	710,229
League for Innovation	84.369		8,039
Admin. Allowance - City/CE	84.007,84.033,84.063		64,547
Admin. Allowance - Mesa	84.007,84.033,84.063		23,723
Admin. Allowance - Miramar	84.007,84.033,84.063		10,038
		Subtotal	98,308
Student Support. Services - Mesa	84.042	P042A - 050895/050502/050945	281,960
Adult Education El Civics	84.002A		482,491
Adult Education & Family Literacy	84.002A		1,246,644
		Subtotal 84.002A	1,729,135
		Total U.S. Department of Education	68,520,649
<u>U.S. Department of Labor:</u>			
SDWFP - Clean Energy	17.258	33-0660504	10,251
ARRA - SDWFP - Urban Teachers	17.258/17.260		109,277
ARRA - SDWFP - SESP	17.258/17.260		104,268
SDWF Partnership Step Up 10/11	17.259		3,591
		Total U.S. Department of Labor	\$ 227,387

San Diego Community College District
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2012

Program Title	CFDA No.	Agency or Pass-Through No.	Federal Expenditures
<u>Transportation Security Administration:</u>			
Aircraft Crew Self Defense Training	unk		\$ 13,450
		Total Transportation Security Administration	13,450
<u>U.S. Department of Justice:</u>			
COPS UHP Grant	16.710		1,744
		Total U.S. Department of Justice	1,744
<u>U.S. Department of Energy:</u>			
South Coast Air Q-Truck ORC	81.086		80,363
		Total U.S. Department of Energy	80,363
<u>U.S. Department of Defense:</u>			
Military CIP Projects:			
USN Force Protection Program 08	12.unk	N61339-03-D0166	133,112
CIP - Personal Financial Mgmt 11	12.unk	N00189-08-D-Z-032	418,218
Homeport Training Norfolk 11	12.unk	N61339-09-D-001	613,136
US Army PFM 11	12.unk	None	225,199
CIP Meridian 11	12.unk	N00889-08-C-Z006	356,810
Corry Station 11	12.unk	N00189-08-C-Z005	40,212
CIP Great Lakes Engineering 11	12.unk	N0018910DZ049	745,586
Combat Systems - Great Lakes 11	12.unk	N00178-04-D-4079	1,121,694
Combat Systems - San Diego 11	12.unk	N00178-04-D-4079	213,899
CIP Navy PFM 12	12.unk	N00189-08-D-Z-032	786,722
Homeport Training Norfolk 12	12.unk	N00189-08-D-Z-032	889,035
US Army PFM 12	12.unk	None	771,263
CIP Meridian 12	12.unk	N00189-08-D-Z006	606,634
CIP Corry Station 12	12.unk	N00189-08-D-Z005	27,078
CIP Great Lakes Engineering 12	12.unk	N00189-10-D-Z049	1,910,992
Combat Systems - Great Lakes 12	12.unk	PO7200007645-T ORD 00-19	2,981,914
Combat Systems - San Diego 11 2	12.unk	PO7200007645-T ORD 00-14	683,938
Navy SOM Windborne Prod 12	12.unk	None	42,851
US Marines - EMT 12	12.unk	None	16,030
		Total Military CIP Projects	12,584,323
<u>National Science Foundation:</u>			
NSF - MESA Program	47.076	n/a	53,119
NSF - SDSU Service Grant	47.076	n/a	2,047
NSF - SDSU-NSDL Math	47.076	n/a	20,764
		Subtotal 47.076	75,930
<u>U.S. Department of Health and Human Services:</u>			
Hi-Tech Community College Consortium 11	93.721	n/a	97,469
Hi-Tech Community College Consortium 12	93.721	n/a	289,976
		Subtotal 93.721	387,445
Bridges to the Future 08	93.859	n/a	214,875
Bridges to Baccalaureate	93.859	n/a	9,979
Bridges Project	93.859	n/a	319,250
		Subtotal 93.859	544,104
		Total U.S. Department of Health and Human Services	931,549
International Rescue Committee	unk	n/a	4,000
VETS Admin Allow - City	unk	n/a	2,144
VETS Admin Allow - Mesa	unk	n/a	15,062
VETS Admin Allow - Miramar	unk	n/a	5,174
		Subtotal	22,380
		Total Expenditures of Federal Awards	\$ 82,461,775

San Diego Community College District
Schedule of Revenues and Expenditures of State Awards
For the year ended June 30, 2012

Budget Element	Allocation/ Entitlements Current Year	Program Revenues			Total
		Cash Received	Accounts Receivable	Deferred Revenue	
STATE FUNDING					
BFAP Admin. - City	\$ 637,877	\$ 637,877	\$ -	\$ -	\$ 637,877
BFAP Admin. - Mesa	655,793	655,793	-	-	655,793
BFAP Admin. - Miramar	312,691	312,691	-	-	312,691
BFAP Admin	1,606,361	1,606,361	-	-	1,606,361
EOPS Adm/Services - City	575,525	575,525	-	-	575,525
EOPS Adm/Services - Mesa	490,889	490,889	-	-	490,889
EOPS Adm/Services - Miramar	275,709	275,709	-	-	275,709
Extended Opportunity Programs and Services	1,342,123	1,342,123	-	-	1,342,123
EOPS Financial Aid - FS	6,044	6,044	-	-	6,044
EOPS Financial Aid - FS	19,600	19,600	-	-	19,600
EOPS Financial Aid - FS	-	-	-	-	-
Extended Opportunity Prg FA	25,644	25,644	-	-	25,644
Extended Opportunity Programs and Services	1,367,767	1,367,767	-	-	1,367,767
EOPS Textbook Augmentation- City	8,849	8,849	-	-	8,849
EOPS Textbook Augmentation- Mesa	8,850	8,850	-	-	8,850
EOPS Textbook Augmentation- Miramar	8,850	8,850	-	-	8,850
EOPS Textbook Augmentation	26,549	26,549	-	-	26,549
Care Program - City	48,120	48,120	-	-	48,120
Care Program - Mesa	43,001	43,001	-	-	43,001
Care Program - Miramar	20,820	20,820	-	-	20,820
Cooperative Agencies	111,941	111,941	-	-	111,941
Care Program Financial Aid -FS	13,095	13,095	-	-	13,095
Care Program Financial Aid -FS	8,600	8,600	-	-	8,600
Care Program Financial Aid -FS	-	-	-	-	-
Cooperative Agencies - FS	21,695	21,695	-	-	21,695
Care Program	133,636	133,636	-	-	133,636
AB1725 Staff Diversity	86,396	15,439	-	-	15,439
Staff Development	24,006	-	-	-	-
AB1725 Staff Diversity/Development	110,402	15,439	-	-	15,439
Program for Disabled	2,113,892	2,119,194	-	-	2,119,194
Deaf & Hard of Hearing/State	377,671	377,671	-	-	377,671
Disabled Students Program	2,491,563	2,496,865	-	-	2,496,865

San Diego Community College District
Schedule of Revenues and Expenditures of State Awards
For the year ended June 30, 2012

Budget Element	Program Expenditures				Status
	Transfers In	Direct	Indirect	Total	
STATE FUNDING					
BFAP Admin. - City	\$ -	\$ 637,877	\$ -	\$ 637,877	Continuous
BFAP Admin. - Mesa	-	655,793	-	655,793	Continuous
BFAP Admin. - Miramar	-	312,688	-	312,688	Continuous
BFAP Admin	-	1,606,358	-	1,606,358	Continuous
EOPS Adm/Services - City	-	575,525	-	575,525	Continuous
EOPS Adm/Services - Mesa	-	490,889	-	490,889	Continuous
EOPS Adm/Services - Miramar	-	275,704	-	275,704	Continuous
Extended Opportunity Programs and Services	-	1,342,118	-	1,342,118	Continuous
EOPS Financial Aid - FS	-	6,044	-	6,044	Continuous
EOPS Financial Aid - FS	-	19,600	-	19,600	Continuous
EOPS Financial Aid - FS	-	-	-	-	Continuous
Extended Opportunity Prg FA	-	25,644	-	25,644	Continuous
Extended Opportunity Programs and Services	-	1,367,762	-	1,367,762	Continuous
EOPS Textbook Augmentation- City	-	8,849	-	8,849	Continuous
EOPS Textbook Augmentation- Mesa	-	8,850	-	8,850	Continuous
EOPS Textbook Augmentation- Miramar	-	8,850	-	8,850	Continuous
EOPS Textbook Augmentation	-	26,549	-	26,549	Continuous
Care Program - City	-	48,120	-	48,120	Continuous
Care Program - Mesa	-	43,001	-	43,001	Continuous
Care Program - Miramar	-	20,816	-	20,816	Continuous
Cooperative Agencies	-	111,937	-	111,937	Continuous
Care Program Financial Aid -FS	-	13,095	-	13,095	Continuous
Care Program Financial Aid -FS	-	8,600	-	8,600	Continuous
Care Program Financial Aid -FS	-	-	-	-	Continuous
Cooperative Agencies - FS	-	21,695	-	21,695	Continuous
Care Program	-	133,632	-	133,632	Continuous
AB1725 Staff Diversity	-	5,313	-	5,313	Continuous
Staff Development	-	4,097	-	4,097	Continuous
AB1725 Staff Diversity/Development	-	9,410	-	9,410	Continuous
Program for Disabled	-	2,119,194	-	2,119,194	Continuous
Deaf & Hard of Hearing/State	-	377,671	-	377,671	Continuous
Disabled Students Program	-	2,496,865	-	2,496,865	Continuous

San Diego Community College District
Schedule of Revenues and Expenditures of State Awards
For the year ended June 30, 2012

Budget Element	Allocation/ Entitlements Current Year	Program Revenues			
		Cash Received	Accounts Receivable	Deferred Revenue	Total
STATE FUNDING					
Puente Program	1,890	1,500	-	-	1,500
Career Ladders Project	31,000	-	3,942	-	3,942
CA Adv. Lighting Controls Program	37,160	35,871	-	-	35,871
CalWorks Welfare to Work	278,241	132,000	1,000	-	133,000
CACT-SAN DIEGO 11-12	205,000	123,000	8,312	-	131,312
CACT-SAN DIEGO	125,105	79,950	-	-	79,950
CACT	330,105	202,950	8,312	-	211,262
Basic Skills 08-09	344	-	-	-	-
Basic Skills 09-10	661,051	-	-	-	-
Basic Skills 10-11	800,399	-	-	-	-
Basic Skills 11-12	970,227	970,227	-	-	970,227
Basic Skills	2,432,021	970,227	-	-	970,227
CDTC - Yosemite CCD	12,500	8,158	-	-	8,158
Part Time Faculty	883,449	883,449	-	-	883,449
Telecom & Technology	27,076	-	-	-	-
Governor's IELM	144,772	-	-	-	-
IELM Block Grant	152,316	-	-	-	-
Instructional Equipment and Library Materials	297,088	-	-	-	-
Matriculation	1,421,895	1,421,895	-	-	1,421,895
Non-Credit Matric	1,319,868	1,319,868	-	-	1,319,868
Matriculation	2,741,763	2,741,763	-	-	2,741,763
Middle College	99,454	39,782	52,471	-	92,253
Tech Prep	140,910	-	140,910	-	140,910
CERT Grant	6,000	6,000	-	-	6,000
Employment Training Panel - ECCCD	75,000	-	-	-	-
CTE Collaboration 11	400,000	-	-	-	-
CTE Collaboration & Supplement 11	130,000	-	-	-	-
CTE Collaboration 12	411,350	329,080	-	-	329,080
CTE Supplement 10	49,824	-	-	-	-
CTE Collaboration & Supplement 10	157,715	-	-	-	-
CTE Collaboration Grants	1,148,889	329,080	-	-	329,080

San Diego Community College District
Schedule of Revenues and Expenditures of State Awards
For the year ended June 30, 2012

Budget Element	Program Expenditures				Status
	Transfers In	Direct	Indirect	Total	
STATE FUNDING					
Puente Program	-	1,390	-	1,390	Open
Career Ladders Project	-	9,560	382	9,942	Open
CA Adv. Lighting Controls Program	-	34,491	1,380	35,871	Open
CalWorks Welfare to Work	-	87,644	6,135	93,779	Open
CACT-SAN DIEGO 11-12	-	126,261	5,050	131,311	Open
CACT-SAN DIEGO	-	118,316	4,739	123,055	Open
CACT	-	244,577	9,789	254,366	
Basic Skills 08-09	-	344	-	344	Open
Basic Skills 09-10	-	661,051	-	661,051	Open
Basic Skills 10-11	-	143,272	-	143,272	Open
Basic Skills 11-12	-	103,894	-	103,894	Open
Basic Skills	-	908,561	-	908,561	
CDTC - Yosemite CCD	-	7,563	595	8,158	Open
Part Time Faculty	-	883,449	-	883,449	Open
Telecom & Technology	-	3,278	-	3,278	Open
Governor's IELM	-	24,340	-	24,340	Open
IELM Block Grant	-	22,606	-	22,606	Open
Instructional Equipment and Library Materials	-	46,946	-	46,946	
Matriculation	-	1,421,895	-	1,421,895	Continuous
Non-Credit Matric	-	1,319,868	-	1,319,868	Continuous
Matriculation	-	2,741,763	-	2,741,763	
Middle College	-	88,705	3,548	92,253	Open
Tech Prep	-	135,490	5,420	140,910	Open
CERT Grant	-	6,000	-	6,000	Open
Employment Training Panel - ECCCD	-	-	-	-	Open
CTE Collaboration 11	-	196,940	7,877	204,817	Open
CTE Collaboration & Supplement 11	-	19,604	784	20,388	Open
CTE Collaboration 12	-	21,749	870	22,619	Open
CTE Supplement 10	-	47,908	1,916	49,824	Open
CTE Collaboration & Supplement 10	-	151,649	6,066	157,715	Open
CTE Collaboration Grants	-	437,850	17,513	455,363	Closed

San Diego Community College District
Schedule of Revenues and Expenditures of State Awards
For the year ended June 30, 2012

Budget Element	Allocation/ Entitlements Current Year	Program Revenues			Total
		Cash Received	Accounts Receivable	Deferred Revenue	
STATE FUNDING					
Math ESA/CCCP City College	62,121	43,001	-	-	43,001
Articulation Number System	858	-	-	-	-
Responsive Training Grant	300,000	180,000	-	-	180,000
Nursing Retention Grant	203,687	171,100	-	-	171,100
Adv Transportation 12	205,000	123,000	10,892	-	133,892
ATTE CTE 11	119,767	-	-	-	-
ATTE Solar	70,000	(61,517)	61,517	-	-
Adv Transportation	128,318	72,152	-	-	72,152
Adv - Transportation Tech	523,085	133,635	72,409	-	206,044
Cal - Works	996,520	996,538	-	-	996,538
TANF Child Development	-	-	-	-	-
TANF	297,946	297,946	-	-	297,946
TANF	297,946	297,946	-	-	297,946
Proposition 20 Lottery Funds	750,000	403,994	1,130,551	-	1,534,545
Biotech CTE HUB 10	150,000	120,000	-	-	120,000
Biotech CTE HUB 11	161,988	-	-	-	-
Bio Technology 12	205,000	123,000	5,541	-	128,541
Bio Technologies	91,469	81,904	-	-	81,904
Bio Technologies	608,457	324,904	5,541	-	330,445
TSA Security Officer Trng	7,500	6,570	-	-	6,570
Cal Grant	2,402,000	2,490,591	61,246	-	2,551,837
Total State District Funding	\$ 20,430,998	\$ 16,045,676	\$ 1,476,382	\$ -	\$ 17,522,058

San Diego Community College District
Schedule of Revenues and Expenditures of State Awards
For the year ended June 30, 2012

Budget Element	Program Expenditures			Total	Status
	Transfers In	Direct	Indirect		
STATE FUNDING					
Math ESA/CCCP City College	-	38,215	1,529	39,744	Open
Articulation Number System	-	281	-	281	Open
Responsive Training Grant	-	20,112	804	20,916	Closed
Nursing Retention Grant	-	142,742	5,713	148,455	Open
Adv Transportation 12	-	128,742	5,150	133,892	Open
ATTE CTE 11	-	115,161	4,606	119,767	
ATTE Solar	-	-	-	-	Open
Adv Transportation	-	113,913	4,557	118,470	Open
Adv - Transportation Tech	-	357,816	14,313	372,129	Open
Cal - Works	-	990,158	31	990,189	Open
TANF Child Development	-	(55)	55	-	Open
TANF	-	297,946	1	297,947	Closed
TANF	-	297,891	56	297,947	
Proposition 20 Lottery Funds	-	748,140	-	748,140	Continuous
Biotech CTE HUB 10	-	7,741	310	8,051	Open
Biotech CTE HUB 11	-	155,757	6,231	161,988	Closed
Bio Technology 12	-	123,597	4,944	128,541	Open
Bio Technologies	-	87,858	3,515	91,373	Open
Bio Technologies	-	374,953	15,000	389,953	Open
TSA Security Officer Trng	-	6,083	487	6,570	Open
Cal Grant	-	2,551,837	-	2,551,837	Continuous
Total State District Funding	\$ -	\$ 16,961,398	\$ 82,695	\$ 16,888,766	

San Diego Community College District
Schedule of Revenues and Expenditures of Local Awards
For the year ended June 30, 2012

Budget Element	Allocation/ Entitlements Current Year	Program Revenues			
		Cash Received	Accounts Receivable	Deferred Revenue	Total
LOCAL FUNDING					
Student Accident Insurance	\$ -	\$ (2,664)	\$ 2,664	\$ -	\$ -
Student Health Services	2,298,909	1,528,327	(2,386)	-	1,525,941
Student Liability Insurance	19,648	10,507	(7)	-	10,500
STUDENT HEALTH SERVICES	2,318,557	1,536,171	271	-	1,536,441
ROP Stampmaker	69,905	69,905	-	-	69,905
CACT - Incubator	536,200	79,069	-	-	79,069
CACT - Implemented Prog.	210,918	3,646	-	-	3,646
Center for Applied Technology	747,118	82,715	-	-	82,715
Districtwide Cocurricular	1,949,774	36,612	39	-	36,651
Districtwide Civic Center	1,651,297	438,953	-	-	438,953
Biotechnology Center Revenue	50,313	53,338	-	-	53,338
SDSU-FACCTS (Math Grant)	568	-	-	-	-
Smog Referee Station Prgm	21,545	12,000	-	-	12,000
AMGEN - SDWF Partnership	26,788	14,500	-	-	14,500
Solar ProEngineer Software	5,450	5,000	-	-	5,000
Pearson/Vue Computer Testing	310	-	-	-	-
Military Cash Flow Reserve	422,119	-	-	-	-
Indirect Cost Recovery	1,522,988	11	-	-	11
Cash Contingency Reserve	18,890,770	-	-	-	-
Military Education Support	647,372	-	-	-	-
Military Education - Auxiliary	626,481	-	-	-	-
Hourglass Park Miramar & Pool	1,194,475	513,244	177,940	(85,092)	606,092
Parking	1,879,500	1,887,116	(905)	-	1,886,211
Hazardous Materials	59,320	-	-	-	-
Library Fines	65,666	19,830	11	-	19,841
Wal-Mart Veteran's Grant	9,583	-	-	-	-
South Crest Air Quality Mgmt	357,800	28,800	56,143	-	84,943
Carnegie Foundation	37,666	35,000	-	-	35,000
San Diego County Mental Helath Career Pathways	230,345	123,491	47,545	-	171,036
Student Travel	866	-	-	-	-
ATTI Revenue	36,497	26,360	-	-	26,360
SCGS Natural Gas Vehicle ATTE	50,106	9,116	-	-	9,116
Price Scholarship Program	506,858	148,209	62,954	-	211,163
Radio Station KSDS	605,000	141,389	362,702	-	504,091
Jobs for the Future	28,645	12,645	12,009	-	24,654
Educational Broadband	1,185,326	299,927	-	-	299,927
Early Middle College HS	20,821	5,666	3,304	-	8,970
Rape Aggress.Defense Classes	563	-	-	-	-
Medical Billing Technology	60,000	-	-	-	-
SDUSD - SDEMC Leasing	40,800	-	-	-	-
Cuyamaca College Consortium MMR	3,000	3,000	-	-	3,000
Student Copy Charges	83,394	20,061	-	-	20,061
APPA Award	4,000	4,000	-	-	4,000
Cuyamaca College Consortium	3,000	3,000	-	-	3,000
Centre City Redevelopment	9,547,197	5,239,420	-	-	5,239,420
Hit The Books	21,035	3,581	-	-	3,581
Basic Skills Professional Development Grant	37,500	37,500	-	-	37,500
Administrative Computing	739,094	-	-	-	-

San Diego Community College District
Schedule of Revenues and Expenditures of Local Awards
For the year ended June 30, 2012

Budget Element	Program Expenditures				Status
	Transfers In	Direct	Indirect	Total	
LOCAL FUNDING					
Student Accident Insurance	\$ -	\$ -	\$ -	\$ -	Continuous
Student Health Services	-	1,388,733	-	1,388,733	Continuous
Student Liability Insurance	(9,148)	19,648	-	19,648	Continuous
STUDENT HEALTH SERVICES	(9,148)	1,408,381	-	1,408,381	Continuous
ROP Stampmaker	-	67,216	2,689	69,905	Closed
CACT - Incubator	-	121,245	-	121,245	Continuous
CACT - Implemented Prog.	-	64,343	474	64,817	Continuous
Center for Applied Technology	-	185,588	474	186,062	
Districtwide Cocurricular	(1,769,471)	1,717,007	-	1,717,007	Continuous
Districtwide Civic Center	-	297,278	-	297,278	Continuous
Biotechnology Center Revenue	-	1,364	-	1,364	Open
SDSU-FACCTS (Math Grant)	-	-	-	-	Closed
Smog Referee Station Prgm	-	7,140	286	7,426	Open
AMGEN - SDWF Partnership	-	8,167	163	8,330	Open
Solar ProEngineer Software	-	-	-	-	Open
Pearson/Vue Computer Testing	-	-	-	-	Open
Military Cash Flow Reserve	(859,988)	-	528,645	528,645	Continuous
Indirect Cost Recovery	(1,048,097)	-	1,048,108	1,048,108	Continuous
Cash Contingency Reserve	(45,077)	-	-	-	Continuous
Military Education Support	(644,372)	644,372	-	644,372	Open
Military Education - Auxiliary	(595,879)	595,879	-	595,879	Open
Hourglass Park Miramar & Pool	(526,960)	1,098,729	-	1,098,729	Continuous
Parking	-	1,713,039	-	1,713,039	Continuous
Hazardous Materials	(50,000)	51,757	-	51,757	Continuous
Library Fines	-	11,019	-	11,019	Continuous
Wal-Mart Veteran's Grant	-	7,394	837	8,231	Open
South Crest Air Quality Mgmt	-	75,318	9,625	84,943	Open
Carnegie Foundation	-	28,270	1,131	29,401	
San Diego County Mental Helath Career Pathways	-	168,105	7,019	175,124	
Student Travel	-	866	-	866	
ATTI Revenue	-	20,909	-	20,909	Open
SCGS Natural Gas Vehicle ATTE	-	8,428	688	9,116	
Price Scholarship Program	-	211,163	-	211,163	Open
Radio Station KSDS	(135,000)	639,091	-	639,091	Continuous
Jobs for the Future	-	24,654	-	24,654	
Educational Broadband	-	171,322	-	171,322	Open
Early Middle College HS	-	9,540	-	9,540	Open
Rape Aggress.Defense Classes	-	-	-	-	Open
Medical Billing Technology	-	-	-	-	
SDUSD - SDEMC Leasing	-	-	-	-	
Cuyamaca College Consortium MMR	-	3,000	-	3,000	Closed
Student Copy Charges	-	13,747	-	13,747	Continuous
APPA Award	-	-	-	-	
Cuyamaca College Consortium	-	3,000	-	3,000	Closed
Centre City Redevelopment	-	3,418,552	368,134	3,786,686	Open
Hit The Books	-	159	-	159	Continuous
Basic Skills Professional Development Grant	-	37,500	-	37,500	
Administrative Computing	-	-	-	-	Open

San Diego Community College District
Schedule of Revenues and Expenditures of Local Awards
For the year ended June 30, 2012

Budget Element	Allocation/ Entitlements Current Year	Program Revenues			Total
		Cash Received	Accounts Receivable	Deferred Revenue	
LOCAL FUNDING					
Child Care Center	176,175	17,865	-	-	17,865
Electronic Music Tutorial	1,081	-	-	-	-
Curricunet License Fees	39,735	-	-	-	-
City College Urban Farm	17,000	11,287	670	-	11,957
Center for Human & Community Services	17,286	15,572	-	-	15,572
California College for International Education	302	-	-	-	-
Total Local District Funding	\$ 46,010,991	\$ 10,855,284	\$ 722,683	\$ (85,092)	\$ 11,492,874
San Diego Community College Auxiliary Grants					
Allied Hit	120,000	141,437	-	-	141,437
Boston Reed	100,000	91,887	-	-	91,887
Career Step	30,000	31,847	-	-	31,847
Cisco Academy Training	10,000	20,260	-	(6,020)	14,240
CTC - Rock Church, SDSU, UCSD, SDCCD	20,000	6,900	-	-	6,900
EMT Certification	75,000	65,200	-	-	65,200
Fluoroscopy - Mesa	11,000	10,500	-	-	10,500
Joint Journeymen- JJATT	22,000	15,263	-	-	15,263
Military Education Program	210,000	184,955	36,315	-	221,271
On-Line Courses	3,500	2,825	-	(99)	2,726
Price Scholarship	3,000	3,000	-	-	3,000
Proctor Services	500	100	-	-	100
SDCSS - Mitchell International	14,000	14,000	-	-	14,000
San Diego County Regional Airport Authority	40,000	41,060	-	-	41,060
San Diego Unified - City Schools	50,000	51,064	1,712	-	52,776
Solar Turbunes	15,000	11,900	-	-	11,900
The San Diego Foundation	960,982	960,982	-	(22,088)	938,894
Other Income	2,514	2,514	-	-	2,514
Total Local Auxiliary Funding	\$ 1,687,496	\$ 1,655,695	\$ 38,027	\$ (28,207)	\$ 1,665,515
Total Local Funding	\$ 47,698,487	\$ 12,510,978	\$ 760,710	\$ (113,299)	\$ 13,158,389

San Diego Community College District
Schedule of Revenues and Expenditures of Local Awards
For the year ended June 30, 2012

Budget Element	Program Expenditures				Status
	Transfers In	Direct	Indirect	Total	
LOCAL FUNDING					
Child Care Center	-	57,595	-	57,595	Open
Electronic Music Tutorial	-	-	-	-	Open
Curricunet License Fees	-	-	-	-	Open
City College Urban Farm	-	11,957	-	11,957	Open
Center for Human & Community Services	-	4,929	-	4,929	Open
California College for International Education	-	302	-	302	Open
Total Local District Funding	\$ (5,683,992)	\$ 12,722,737	\$ 1,967,799	\$ 14,690,536	
San Diego Community College Auxiliary Grants					
Allied Hit	-	109,217	32,220	141,437	
Boston Reed	-	56,408	35,479	91,887	
Career Step	-	20,134	11,713	31,847	
Cisco Academy Training	-	7,162	7,078	14,240	
CTC - Rock Church, SDSU, UCSD, SDCCD	-	2,400	4,500	6,900	
EMT Certification	-	48,121	17,079	65,200	
Fluoroscopy - Mesa	-	7,526	2,974	10,500	
Joint Journeymen- JJATT	-	13,628	1,635	15,263	
Military Education Program	-	201,160	20,111	221,271	
On-Line Courses	-	1,826	900	2,726	
Price Scholarship	-	-	-	-	
Proctor Services	-	-	100	100	
SDCSS - Mitchell International	-	13,158	842	14,000	
San Diego County Regional Airport Authority	-	12,626	28,434	41,060	
San Diego Unified - City Schools	-	47,122	5,654	52,776	
Solar Turbunes	-	2,853	9,047	11,900	
The San Diego Foundation	-	257,580	-	257,580	
Other Income	-	-	-	-	
Total Local Auxiliary Funding	\$ -	\$ 800,921	\$ 177,766	\$ 978,687	
Total Local Funding	\$ (5,683,992)	\$ 13,523,658	\$ 2,145,565	\$ 15,669,223	

San Diego Community College District
Schedule of Workload Measures for State General Apportionment
Annual Actual Attendance
For the year ended June 30, 2012

	Reported Data	Audit Adjustments	Revised Data
A. Summer Intersession (Summer 2011 only)			
1. Noncredit	688	-	688
2. Credit	929	-	929
B. Summer Intersession (Summer 2011 - Prior to July 1, 2011)			
1. Noncredit	88	-	88
2. Credit	34	-	34
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	22,950	-	22,950
(b) Daily Census Contact Hours	1,660	-	1,660
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	7,355	-	7,355
(b) Credit	1,819	-	1,819
3. Alternative Attendance Accounting Procedure			
(a) Weekly Census Procedure Courses	3,179	-	3,179
(b) Daily Census Procedure Courses	921	-	921
(c) Noncredit Independent Study/Distance Education Courses	62	-	62
D. Total FTES	39,685	-	39,685

Supplemental Information (subset of above information)

E. In-Service Training Courses (FTES)	1,278	-	1,278
H. Basic Skills courses and Immigrant Education			
(a) Noncredit	4,412	-	4,412
(b) Credit	3,162	-	3,162

CCFS-320 Addendum

CDCP Noncredit FTES	-	-	-
Centers FTES			
(a) Noncredit	-	-	-
(b) Credit	-	-	-

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San Diego Community College District
Reconciliation of Annual Financial and Budget Report (CCFS-311)
With District Accounting System
June 30, 2012

These fund financial statement balances are prior to various eliminations and reclassifications necessary to convert to the presentation of the financial statements as identified in the accompanying table of contents.

	General Fund Unrestricted	General Fund Restricted	Bond Interest and Redemption Fund	Special Revenue Funds
Fund balance per the CCFS-311 at June 30, 2012	\$ 14,302,828	\$ 38,820,181	\$ 43,446,415	\$ 965,382
Miscellaneous adjustments and reclassifications	(5)	6	(116,275)	2
Net adjustments and reclassifications	(5)	6	(116,275)	2
Fund balance, June 30, 2012 per the audited fund financial statements	\$ 14,302,823	\$ 38,820,187	\$ 43,330,140	\$ 965,384

San Diego Community College District
Reconciliation of Annual Financial and Budget Report (CCFS-311)
With District Accounting System
June 30, 2012

	Capital Outlay Fund	Prop S & Prop N Capital Projects Funds	Enterprise Funds	Internal Service Funds	Fiduciary Funds
Fund balance per the CCFS-311 at June 30, 2012	\$ 10,144,982	\$ 251,069,604	\$ 6,600,268	\$ 12,085,959	\$ 15,859,656
Miscellaneous adjustments and reclassifications	1	4	1	(2)	(1)
Net adjustments and reclassifications	1	4	1	(2)	(1)
Fund balance, June 30, 2012 per the audited fund financial statements	\$ 10,144,983	\$ 251,069,608	\$ 6,600,269	\$ 12,085,957	\$ 15,859,655

San Diego Community College District
Notes to Supplementary Information
For the year ended June 30, 2012

A. SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, AND LOCAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal, State and Local Awards (Schedule) summarizes the expenditures of the San Diego Community College District (District) under programs of the federal, state and local governments for the year ended June 30, 2012. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the District.

For purposes of the Schedule, awards include all grants and contracts entered into directly between the District and agencies and departments of the federal government. The awards are classified into major program categories in accordance with the provisions of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Government and Non-Profit Organizations*.

Basis of Accounting

For purposes of the Schedule, expenditures for federal programs are recognized on the accrual basis of accounting. Expenditures are determined using the cost accounting principles and procedures set forth in the OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*.

Relationship of Schedule of Expenditures of Federal, State and Local Awards to Basic Financial Statements

Consistent with management's policy, federal, state and local awards are recorded in various revenue categories. As a result, the amount of total awards expended on the Schedule does not agree to total grant and contract revenues on the Statement of Revenues, Expenditures and Changes in Net Assets.

B. SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT AND ANNUAL APPRENTICESHIP HOURS INSTRUCTION

These schedules represent the basis of apportionment of the District's annual source of funding.

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INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

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

We have audited the basic financial statements of the San Diego Community College District (the "District") for the year ended June 30, 2012 and have issued our report thereon dated November 20, 2012.

Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial and compliance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with our audit referred to above, we selected and tested transactions and records to determine the District's compliance with the following state laws and regulations in accordance with Section 400 of the Chancellor's Office's California Community College Contracted District Audit Manual (CDAM).

421 - Salaries of Classroom Instructors (Fifty Percent Law)

The District's salaries of classroom instructors equaled or exceeded fifty percent of the District's current expense of education (CEE) in accordance with §84362 of the Education Code.

423 - Apportionment for Instructional Service Agreements/Contracts

The District did not claim apportionment for classes given through instructional service agreements, except as allowed by the California Community Colleges Chancellor's Office and the California Department of Finance.

424 - State General Apportionment Required Data Elements

The District maintains a separate and complete tabulation for each course section reported on the Apportionment Attendance Report Form CCFS-320.

425 - Residency Determination for Credit Courses

The District claimed only the attendance of California residents for state support of credit courses.

426 - Students Actively Enrolled

The District claimed only the attendance of students actively enrolled in a course section as of the census date for apportionment.

427 - Concurrent Enrollment of K-12 Students in Community College Credit Courses

The District claimed full-time equivalent students for K-12 students in accordance with Education Code §48800–48802, §76000–76002, and §84752 and California Code of Regulations, Title 5, §51004, §51006, §51021, §53410, §55002, §55100, §58100–58108, §58050, §58051(a) (1), §58051.5, §58052, §58056(a), §58058, §58060, and §59300 et seq.

431 - GANN Limit Calculation

The District met the requirements of the GANN Amendment which establishes maximum appropriation limits for public agencies in accordance with Article XIII-B, §1.5, of the California Constitution.

433 - California Work Opportunity and Responsibility to Kids (CalWORKs)

The District expended CalWORKs Program funds to provide specialized student support services, curriculum development, or instruction to eligible CalWORKs students.

435 - Open Enrollment

The District complied with the Title 5 provisions of the California Code of Regulations related to open enrollment by the general public for all courses being submitted for state apportionment funding.

437 - Instructional and Other Materials Fees

The District charges mandatory fees based on express statutory authority in accordance with §70902, §76355, and §76365 of the Education Code and California Code of Regulations, Title 5, §51012 and §59400-59408. During the year 2011 - 2012, no non-mandatory fees were charged.

438 - Health Fees and Use of Health Fee Funds

The District charges mandatory fees based on express statutory authority in accordance with §70902 and §76365 of the Education Code and California Code of Regulations, Title 5, §51012 and §54700-54710. During the year 2011 - 2012, no non-mandatory fees were charged.

474 - Extended Opportunity Programs and Services (EOPS)/Cooperative Agencies Resources for Education/CARE

The District expended Extended Opportunity Programs and Services (EOPS) and CARE funds to provide services that are specifically designed to supplement the college's existing support programs and to help EOPS eligible and eligible academically under-prepared, welfare-dependent, single head-of-household students complete their educational goals.

475 - Disabled Student Programs and Services (DSPS)

The District served eligible DSPS student and submitted accurate student-count data for fiscal year 2011-12 to document eligible DSPS students served.

476 - Curriculum and Instruction

The District complied with the California Code of Regulations, Title 5, Parts 1 & 2, *Guidelines Related to Curriculum and Instruction* regarding the "non-credit" full-time equivalent student calculation included on the District's Apportionment Attendance Report Form CCFS-320.

479 - To Be Arranged Hours (TBA)

The District listed TBA hours in the schedule of classes and described them in the course outline and tracked TBA hour student participation carefully and did not claim apportionment for TBA hours for students that had documented zero hours as of the census point for the particular course.

Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institution of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied with the compliance requirements for the state programs listed and tested above, in all material respects with the aforementioned requirements for the year ended June 30, 2012.

To the Board of Trustees
of the San Diego Community College District
San Diego, California
Page 4

This report is intended solely for the information and use of the District's management, the Board of Trustees and others within the District, the California Community Colleges Chancellor's Office, the California Department of Finance, the California Department of Education and is not intended to be and should not be used by anyone other than these specified parties.

RUN $\frac{1}{2}$ Mc GEADY LLP

San Diego, California
November 20, 2012



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

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

We have audited the basic financial statements of the San Diego Community College District (District) as of and for the year ended June 30, 2012, and have issued our report thereon dated November 20, 2012. We conducted our audit in accordance with generally accepted auditing standards in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

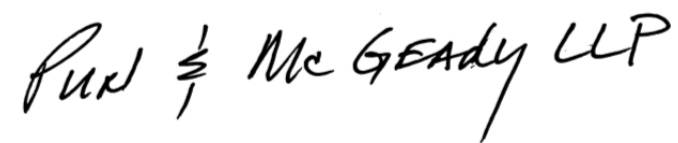
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

To the Board of Trustees
of the San Diego Community College District
San Diego, California
Page 2

Compliance and Other Matters

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

This report is intended solely for the information and use of the management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink that reads "Paul J. McGeady LLP". The signature is written in a cursive style with a vertical line through the letter 'J'.

San Diego, California
November 20, 2012



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance and Other Matters

We have audited the San Diego Community College District's (District) compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2012. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express our opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance


The management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

To the Board of Trustee
of the San Diego Community College District
San Diego, California
Page 2

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

 Paul J. McGeady LLP

San Diego, California
November 20, 2012

**San Diego Community College District
 Schedule of Findings and Questioned Costs
 For the year ended June 30, 2012**

Section I – Summary of Audit Results

Financial Statements

Types of auditors’ report issued: **Unqualified**

Internal control over financial reporting:

- Material weakness(es) identified? **No**
- Significant deficiency(ies) identified? **None Reported**

Noncompliance material to financial statements noted? **No**

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? **No**
- Significant deficiency(ies) identified? **None Reported**

Type of auditor’s report issued on compliance for major programs **Unqualified**

Any audit findings disclosed that are required to be reported in
 Accordance with section 510(a) of OMB Circular A-133 **No**

San Diego Community College District
Schedule of Findings and Questioned Costs, Continued
For the year ended June 30, 2012

Section I – Summary of Audit Results, Continued

Identification of major programs:

<u>Major Program</u>	<u>CFDA</u>	<u>Expenditures</u>
Financial Aid Cluster:		
PELL	84.063	\$ 51,831,101
SEOG	84.007	942,839
Direct Loans	84.268	8,924,620
ACG	84.375	12,563
Federal Work Study	84.033	807,482
Total Financial Aid Cluster		<u>62,518,605</u>
ARRA - HiTech Community College Consortium 11/12	93.721	<u>387,445</u>
Total Major Program Expenditures		<u>\$ 62,906,050</u>
Total Expenditures of Federal Awards		<u>\$ 82,461,775</u>
Percent of Total Expenditures of Federal Awards		<u>76.29%</u>

Dollar threshold used to distinguish between type A and type B program **\$2,473,853**

Auditee qualified as low-risk auditee under section 530 of OMB Circular A-133? **Yes**

San Diego Community College District
Schedule of Findings and Questioned Costs, Continued
For the year ended June 30, 2012

Section II - Financial Statement Findings

No financial statements findings were noted.

Section III- Federal Awards Findings

A. Current Year Findings and Questioned Costs - Major Federal Award Program Audit

No findings or questioned costs were noted on the District's major programs for the year ended June 30, 2012.

B. Prior Year Findings and Questioned Costs - Major Federal Award Program Audit

No findings or questioned costs were noted on the District's major programs for the year ended June 30, 2011.

San Diego Community College District
Continuing Disclosures
For the year ended June 30, 2012

This section provides additional information for disclosures required by various Official Statements, to be incorporated in the District's Annual Report:

CONTENT OF ANNUAL REPORT

Please see the accompanying table of contents for the locations of statements and schedules referenced below.

For the audited basic financial statements prepared in accordance with generally accepted accounting principles in the United States, see the basic financial statements.

Information related to state grants, contracts and apportionments received by the District for the year ended June 30, 2011 may be derived from the Statement of Activities and Changes in Net Assets in the basic financial statements. Expenditures under various state grants and contracts may be found in the Schedule of Expenditures of Federal, State and Local Awards under State Funding.

Enrollment of the District for the year ended June 30, 2012 by full time equivalency and apprenticeship clock hours may be found in the Schedule of Workload Measures for State General Apportionment and the Schedule of Annual Apprenticeship Hours of Instruction.

Outstanding District indebtedness information can be found in the Notes 6 to the Basic Financial Statements.

Assessed gross valuations applicable to the area in which the District is established, as defined by the County of San Diego, are as follows:

San Diego Community College District Fund 4455-01

Secured			Unsecured
Locally Assessed	State Assessed	Total Secured	Total Unsecured
\$ 126,974,382,418	\$ 24,984,976	\$ 126,999,367,394	\$ 6,105,182,523

The San Diego Community College District is within the City of San Diego, which consists of the following Tax Rate Areas and Tax Rates:

Tax Rate Area	Tax Rate		
	2009/2010	2010/2011	2011/2012
8001	1.10195	1.10150	1.11280
8254	1.10195	1.10150	1.11280
8988	1.09765	1.09780	1.10910
8999	1.09765	1.09780	1.10910

San Diego Community College District
Continuing Disclosures, Continued
For the year ended June 30, 2012

CONTENT OF ANNUAL REPORT, Continued

The ten largest taxpayers and their amounts of tax, assessed property values and percentage of the total assessed value (before exemptions) within the County of San Diego are as follows for the year 2011-2012:

<u>Property Owner</u>	<u>Amount of Tax</u>	<u>Assessed Value</u>
San Diego Gas & Electric Company	\$ 72,700,025	Not Available
Southern California Edison Co.	29,326,274	Not Available
San Diego Family Housing LLC	14,971,827	Not Available
Kilroy Realty LP	14,827,846	Not Available
Qualcomm Inc.	14,298,177	Not Available
Irvine Company	13,623,558	Not Available
Pacific Bell Telephone Company *	11,548,983	Not Available
O C/S Holdings LLC	6,426,527	Not Available
Arden Realty Ltd. Partnership	6,213,806	Not Available
Genentech Inc.	5,604,151	Not Available

* Pacific Bell Telephone Company changed and is now AT&T, however, County tax records still show property owners as Pacific Bell Telephone Company.

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San Diego Community College District
Continuing Disclosures - Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual - General Funds
For the year ended June 30, 2012

	General Fund Unrestricted		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Federal	\$ -	\$ -	\$ -
State	103,656,546	98,542,029	(5,114,517)
Local	68,764,630	69,443,692	679,062
Tuition and fees	17,142,386	14,791,687	(2,350,699)
State taxes and other revenues	5,364,597	6,792,952	1,428,355
Total revenues	194,928,159	189,570,360	(5,357,799)
EXPENDITURES:			
Salaries	131,924,350	131,160,873	763,477
Employee benefits	43,399,728	42,517,709	882,019
Books, supplies and replacement equipment	26,311,788	19,180,714	7,131,074
Contingencies	10,878,972	-	10,878,972
Student grants and loans	-	-	-
Total expenditures	212,514,838	192,859,296	19,655,542
REVENUES OVER (UNDER) EXPENDITURES	(17,586,679)	(3,288,936)	14,297,743
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers out	(3,144,797)	(3,139,714)	5,083
Total other financing sources (uses)	(3,144,797)	(3,139,714)	5,083
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ (20,731,476)	(6,428,650)	\$ 14,302,826
FUND EQUITY:			
Beginning of year		20,731,473	
End of year		\$ 14,302,823	

San Diego Community College District
Continuing Disclosures - Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual - General Funds
For the year ended June 30, 2012

	General Fund Restricted		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Federal	\$ 25,151,659	\$ 20,525,264	\$ (4,626,395)
State	14,826,758	14,922,885	96,127
Local	10,492,794	11,492,403	999,609
Tuition and fees	-	-	-
State taxes and other revenues	-	-	-
Total revenues	50,471,211	46,940,552	(3,530,659)
EXPENDITURES:			
Salaries	35,329,121	29,531,882	5,797,239
Employee benefits	9,765,116	7,064,130	2,700,986
Books, supplies and replacement equipment	21,667,299	8,759,613	12,907,686
Contingencies	21,526,124	-	21,526,124
Student grants and loans	-	499,513	(499,513)
Total expenditures	88,287,660	45,855,138	42,432,522
REVENUES OVER (UNDER) EXPENDITURES	(37,816,449)	1,085,414	38,901,863
OTHER FINANCING SOURCES (USES):			
Transfers in	5,142,213	6,134,925	992,712
Transfers out	(3,165,761)	(4,240,150)	(1,074,389)
Total other financing sources (uses)	1,976,452	1,894,775	(81,677)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ (35,839,997)	2,980,189	\$ 38,820,186
FUND EQUITY:			
Beginning of year		35,839,998	
End of year		\$ 38,820,187	

San Diego Community College District
Continuing Disclosures - Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual - General Funds
For the year ended June 30, 2012

	Total		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES:			
Federal	\$ 25,151,659	\$ 20,525,264	\$ (4,626,395)
State	118,483,304	113,464,914	(5,018,390)
Local	79,257,424	80,936,095	1,678,671
Tuition and fees	17,142,386	14,791,687	(2,350,699)
State taxes and other revenues	5,364,597	6,792,952	1,428,355
Total revenues	<u>245,399,370</u>	<u>236,510,912</u>	<u>(8,888,458)</u>
EXPENDITURES:			
Salaries	167,253,471	160,692,755	6,560,716
Employee benefits	53,164,844	49,581,839	3,583,005
Books, supplies and replacement equipment	47,979,087	27,940,327	20,038,760
Contingencies	32,405,096	-	32,405,096
Student grants and loans	-	499,513	(499,513)
Total expenditures	<u>300,802,498</u>	<u>238,714,434</u>	<u>62,088,064</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(55,403,128)</u>	<u>(2,203,522)</u>	<u>53,199,606</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	5,142,213	6,134,925	992,712
Transfers out	(6,310,558)	(7,379,864)	(1,069,306)
Total other financing sources (uses)	<u>(1,168,345)</u>	<u>(1,244,939)</u>	<u>(76,594)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ (56,571,473)</u>	<u>(3,448,461)</u>	<u>\$ 53,123,012</u>
FUND EQUITY:			
Beginning of year		<u>56,571,471</u>	
End of year		<u>\$ 53,123,010</u>	