Financial Statements
June 30, 2025

Solano Community College District

Independent Auditor's Report

To the Board of Trustees
Solano Community College District
Fairfield, California

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Adoption of New Accounting Standard

As discussed in Note 12 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. Accordingly, a restatement has been made to the business-type activities net position as of July 1, 2024, to restate beginning net position. Our opinions are not modified with respect to this matter.

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Correction of Error

As discussed in Note 12 to the financial statements, certain errors resulting in misstatements of amounts previously reported for accounts receivable, capital assets, deferred outflows of resources, and long-term liabilities as of June 30, 2024, were discovered by management of the District during the current year. Accordingly, a restatement has been made to the business-type activities net position as of July 1, 2024, to correct these errors. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14 and other required supplementary schedules on pages 60 through 67 as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Eide Bailly LLP

Ontario, California
February 6, 2026

SOLANO
COMMUNITY COLLEGE

USING THE INDEPENDENT AUDITOR'S REPORT

The purpose of this annual report is to provide readers with information about the activities, programs, and financial condition of the Solano Community College District (the District) as of June 30, 2025. The report consists of three basic financial statements that provide information about the District as a whole:

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

This section of the annual financial report presents our discussion and analysis of the District's financial performance during the year that ended on June 30, 2025. Please read it in conjunction with District's financial statements, which immediately follow this section. Responsibility for the completeness and accuracy of this information rests with the District's management.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The California Community Colleges Chancellor's Office has recommended that all State community colleges follow the Business Type Activity model for financial statement reporting purposes. This reporting model does not require fund financial statements to be included with the District's annual financial report.

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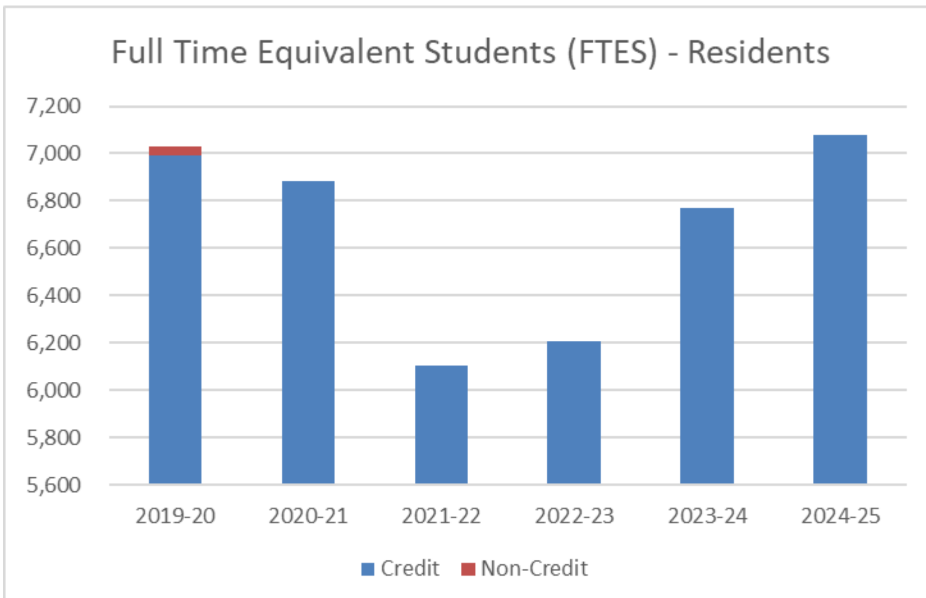
ATTENDANCE HIGHLIGHTS

The 2022-23 fiscal year was the last year the District is in "hold harmless" for SCFF funding. Since then, the District's revenue is solely based on FTES, Supplemental, and Success funding and is eligible for the Cost-of-Living Adjustments (COLA).

A history of the reported resident FTES is provided below.



THE DISTRICT AS A WHOLE

Net Position

Table 1

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

	2025	2024, as restated*	Change
Assets			
Current assets			
Cash, cash equivalents, and investments	$ 208,639,114	$ 227,507,027	$ (18,867,913)
Accounts receivable, net	5,660,955	9,969,348	(4,308,393)
Prepaid expenses	221,243	172,392	48,851
Total current assets	214,521,312	237,648,767	(23,127,455)
Noncurrent assets			
Capital assets, net	208,953,142	185,307,186	23,645,956
Total assets	423,474,454	422,955,953	518,501
Deferred Outflows of Resources	27,663,520	22,396,288	5,267,232
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	14,426,408	16,299,966	(1,873,558)
Unearned revenue	22,294,456	26,121,559	(3,827,103)
Current portion of long-term liabilities	11,965,836	10,684,862	1,280,974
Total current liabilities	48,686,700	53,106,387	(4,419,687)
Noncurrent liabilities			
Noncurrent portion of long-term liabilities	506,080,622	509,121,120	(3,040,498)
Total liabilities	554,767,322	562,227,507	(7,460,185)
Deferred Inflows of Resources	5,049,439	5,446,166	(396,727)
Net Position (Deficit)			
Net investment in capital assets	(123,297,646)	(124,426,571)	1,128,925
Restricted	14,165,609	16,284,804	(2,119,195)
Unrestricted (deficit)	453,250	(14,179,665)	14,632,915
Total net position (deficit)	$ (108,678,787)	$ (122,321,432)	$ 13,642,645

* Amounts have not been restated for the effects of the implementation of GASB Statement No. 101, but have been restated for the correction of errors. See Note 12 for further information.

Assets

The District's primary assets include cash, cash equivalents and investments, including restricted investments from bond proceeds, receivables and capital assets.

Cash, cash equivalents and investments decreased by approximately $18.9 million due to the spending of Measure Q funds for bond projects.

Accounts receivable decreased by approximately $4.3 million primarily due to the timing of grant revenues.

Capital assets increased by approximately $23.6 million primarily due to completion of various bond projects.

Liabilities

The District's primary liabilities include accounts payable, accrued liabilities, unearned revenue and long-term liabilities.

Accounts payable and accrued liabilities decreased by approximately $1.9 million primarily due to the timing of construction activities and therefore payments due to vendors at year-end.

Unearned revenue decreased by approximately $3.8 million primarily due to unspent grant funds.

Long-term liabilities include general obligation bonds, compensated absences, leases, subscription-based IT arrangements (SBITAs), the aggregate net other post employment benefit (OPEB) liability, and the aggregate net pension liability. Long term liabilities decreased by approximately $1.8 million.

Net Position

The unrestricted net position increased by approximately $14.6 million, giving the District a total net position (deficit) of $108.7 million.

Operating Results for the Year

The results of this year's operations for the District as a whole are reported in the *Statement of Revenues, Expenses, and Changes in Net Position* on page 16.

Table 2

	2025	2024, as restated*	Change
Operating Revenues			
Tuition and fees, net	$ 4,849,545	$ 4,489,544	$ 360,001
Grants and contracts, noncapital	23,809,395	16,238,275	7,571,120
Total operating revenues	28,658,940	20,727,819	7,931,121
Operating Expenses			
Salaries and benefits	68,700,962	66,418,416	2,282,546
Supplies and other expenses	44,097,336	45,024,220	(926,884)
Depreciation and amortization	5,549,371	4,604,156	945,215
Total operating expenses	118,347,669	116,046,792	2,300,877
Operating loss	(89,688,729)	(95,318,973)	5,630,244
Nonoperating Revenues (Expenses)			
State apportionments, noncapital	36,352,640	39,049,170	(2,696,530)
Property taxes	50,531,378	44,539,651	5,991,727
Student financial aid grants	18,248,291	14,383,830	3,864,461
State taxes and other revenues	4,949,967	5,722,498	(772,531)
Net interest expense	(4,967,871)	(6,985,811)	2,017,940
Other nonoperating revenues	1,815,332	1,134,820	680,512
Total nonoperating revenues (expenses)	106,929,737	97,844,158	9,085,579
Other Revenues (Losses)			
State and local capital income	1,035,119	985,084	50,035
Change in net position	$ 18,276,127	$ 3,510,269	$ 14,765,858

* Amounts have not been restated for the effects of the implementation of GASB Statement No. 101, but have been restated for the correction of errors. See Note 12 for further information.

Operating Revenues

Operating revenues increased by approximately $7.9 million due to an increase in state categorical programs.

Operating Expenses

Operating expenses increased by approximately $2.3 million primarily due to salary schedule increases, changes in state pension plans and the OPEB deferred inflows and outflows of resources.

Nonoperating Revenues (Expenses)

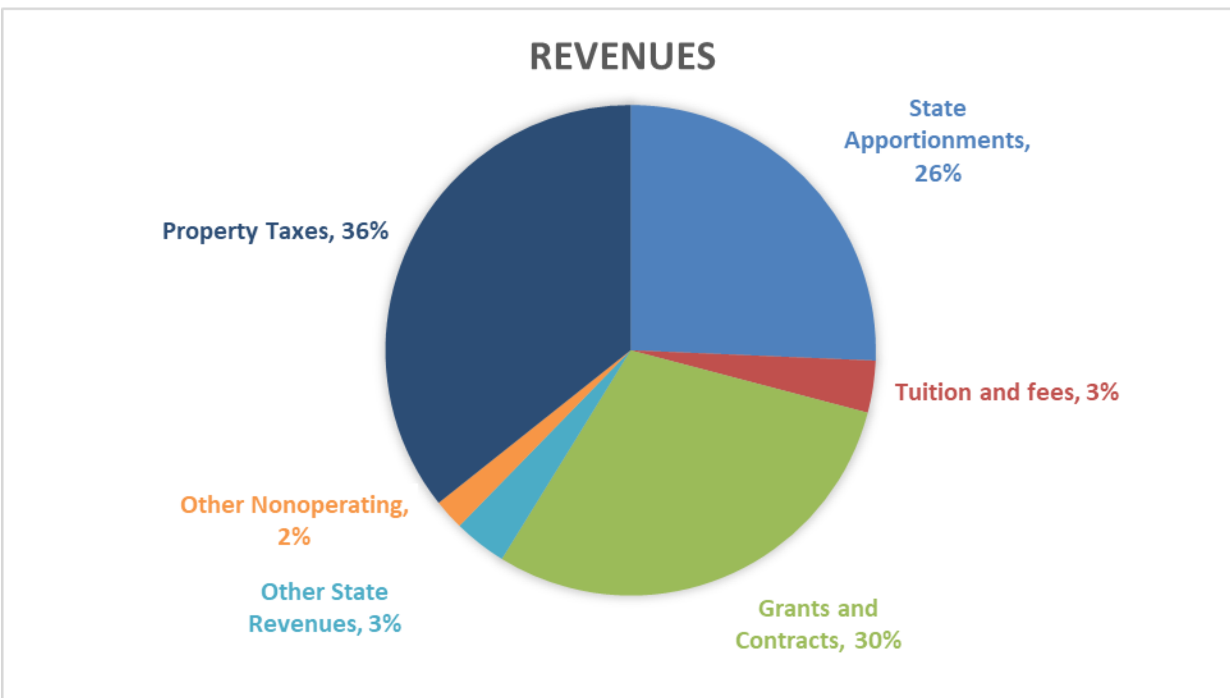
Nonoperating revenues (expenses) increased by approximately $9.1 million primarily due to the following significant changes:

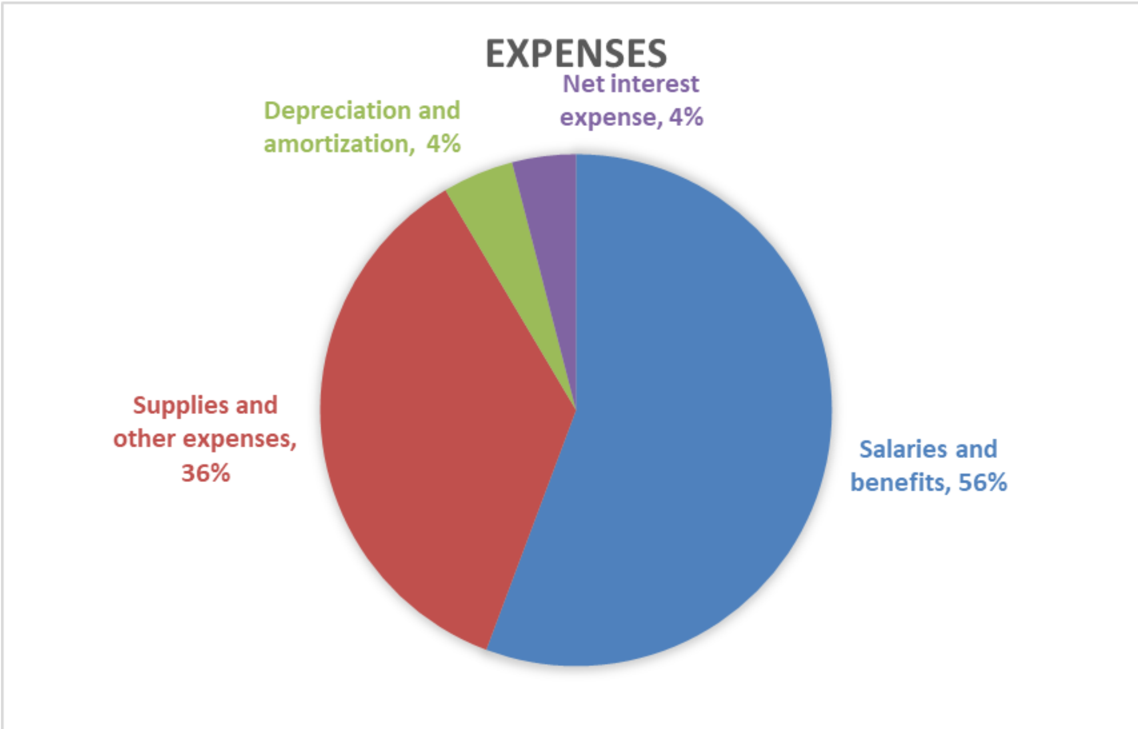
- Increase in property taxes by approximately $6.0 million primarily due to assessments completed by the county.
- Increase in student financial aid grants of approximately $3.9 million due to increased enrollment and student aid grants.
- Decrease in state taxes and other revenues of approximately $0.8 million due to state tax collections and the deferral of state tax due dates for fire-inflicted families.
- Decreases in net interest expense of approximately $2.0 million due to the market conditions being slightly more favorable than the prior year.

Other Revenues

Other revenues consist primarily of local capital revenues which remained consistent with the prior year.

The following graphs show the components of the District's revenues and expenses in all funds.





In accordance with requirements set forth by the California Community Colleges Chancellor's Office, the District reports operating expenses by object code. Operating expenses by functional classification for the year ended June 30, 2025 were:

Table 3

	Salaries and Employee Benefits	Supplies, Material, and Other Expenses and Services	Student Financial Aid	Equipment, Maintenance, and Repairs	Depreciation and Amortization	Total
Instructional activities	$ 35,311,294	$ 3,022,592	$ -	$ 7,211	$ -	$ 38,341,097
Academic support	5,609,959	361,552	-	72	-	5,971,583
Student services	11,625,396	4,080,297	-	505	-	15,706,198
Plant operations and maintenance	3,871,042	6,457,286	-	154	-	10,328,482
Instructional support services	9,919,437	4,632,457	-	125	-	14,552,019
Community services and economic development	2,705	8,482	-	-	-	11,187
Ancillary services and auxiliary operations	1,777,728	768,284	-	1,123	-	2,547,135
Student aid	-	-	24,209,306	-	-	24,209,306
Physical property and related acquisitions	583,401	409,848	-	138,042	-	1,131,291
Unallocated depreciation and amortization	-	-	-	-	5,549,371	5,549,371
Total	$ 68,700,962	$ 19,740,798	$ 24,209,306	$ 147,232	$ 5,549,371	$ 118,347,669

The Statement of Cash Flows on pages 17 and 18 provides information about cash receipts and payments during the year. This statement also assists users in assessing the District's ability to meet its obligations as they come due and its need for external financing. The District's primary operating receipts are student tuition and fees and Federal, State, and local grants and contracts. The primary operating expense of the District is the payment of salaries and benefits to instructional and classified support staff. The statement of cash flows is summarized below.

Table 4

	2025	2024, as Restated*	Change
Net Cash Flows from			
Operating activities	$ (92,630,009)	$ (91,476,959)	$ (1,153,050)
Noncapital financing activities	92,891,289	72,700,588	20,190,701
Capital financing activities	(27,962,393)	(43,345,661)	15,383,268
Investing activities	6,713,831	1,884,670	4,829,161
Change in Cash and Cash Equivalents	(20,987,282)	(60,237,362)	39,250,080
Cash and cash equivalents, Beginning of Year	165,885,165	226,122,527	(60,237,362)
Cash and cash equivalents, End of Year	$ 144,897,883	$ 165,885,165	$ (20,987,282)

* Amounts have not been restated for the effects of the implementation of GASB Statement No. 101, but have been restated for the correction of errors. See Note 12 for further information.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

At June 30, 2025, the District had $209.0 million in a broad range of capital assets, including land, buildings, furniture and equipment, right-to-use leased assets, and right-to-use subscription IT assets. As a comparison, at June 30, 2024, the District's net capital assets were $185.3 million. The District continues its major capital improvement program with construction ongoing throughout the college campus.

Note 6 in the financial statements provides additional information on capital assets. A summary of capital assets is presented below.

Table 5

	2025	2024, as restated*
Land and improvements	$ 22,530,742	$ 22,611,424
Buildings and improvements	137,826,866	128,201,664
Furniture, equipment and vehicles	9,711,699	5,781,875
Construction in progress	35,284,928	24,626,205
Right-to-use leased assets	1,463,601	1,384,804
Right-to-use subscription IT assets	2,135,306	2,701,214
Total capital assets, net	$ 208,953,142	$ 185,307,186

Long-Term Liabilities

At June 30, 2025, the District had $446.3 million in general obligation bonds outstanding. These bonds are repaid annually in accordance with the obligation requirements through an increase in the assessed property taxes on property within the District's boundaries.

In addition to the above obligation, the District is obligated to employees or vendors for leases, subscription-based IT arrangements, compensated absences, retiree health benefits, and its share of unfunded pension and MPP Program OPEB liabilities for the CalSTRS and CalPERS retirement systems. Table 6 summarizes these obligations.

Note 7, Note 8, and Note 10 in the financial statements provide additional information on long-term liabilities. A summary of long-term liabilities is presented below.

Table 6

	2025	2024, as restated*
General obligation bonds	$ 446,271,803	$ 456,496,124
Leases	1,562,120	1,451,471
Subscription-based IT arrangements	2,362,131	2,896,785
Compensated absences	7,341,869	1,619,583
Aggregate net OPEB liability	11,304,011	7,451,717
Aggregate net pension liability	49,204,524	49,890,302
Total long-term liabilities	518,046,458	519,805,982
Less current portion	(11,965,836)	(10,684,862)
Total long-term portion	$ 506,080,622	$ 509,121,120

* Amounts have not been restated for the effects of the implementation of GASB Statement No. 101, but have been restated for the correction of errors. See Note 12 for further information.

BUDGETARY HIGHLIGHTS

Following the significant operational and enrollment disruptions caused by the COVID-19 pandemic beginning in March 2020, the District has continued to stabilize and strengthen its financial position. While enrollment declines persisted statewide in the years immediately following the pandemic, the District experienced a smaller decline than the statewide average and has shown steady progress toward recovery.

For fiscal year 2024–25, the District operated under a fully implemented Student-Centered Funding Formula (SCFF), with revenues based on current-year FTES, supplemental, and student success metrics, rather than hold harmless protections. Budget development remained conservative, incorporating cautious enrollment projections, prudent expenditure controls, and the maintenance of adequate reserves to manage economic uncertainty, enrollment volatility, and potential changes in state funding.

Overall, the District’s budgetary approach continues to emphasize fiscal stability, long-term sustainability, and alignment of financial resources with institutional priorities while maintaining the flexibility necessary to respond to changing conditions.

CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact Solano Community College District, Susan Wheet, Vice President of Finance & Administration; 707-864-7209; susan.wheet@solano.edu.

Assets	
Cash and cash equivalents	$ 7,396,543
Investments	201,242,571
Accounts receivable	2,766,180
Student receivables, net	2,894,775
Prepaid expenses	221,243
Capital assets not being depreciated or amortized	56,948,907
Capital assets, net of accumulated depreciation and amortization	152,004,235
Total assets	423,474,454
Deferred Outflows of Resources	
Deferred outflows of resources related to debt refunding	5,068,095
Deferred outflows of resources related to OPEB	4,443,157
Deferred outflows of resources related to pensions	18,152,268
Total deferred outflows of resources	27,663,520
Liabilities	
Accounts payable	8,430,308
Accrued interest payable	5,996,100
Unearned revenue	22,294,456
Long-term liabilities	
Long-term liabilities other than OPEB and pensions, due within one year	11,965,836
Long-term liabilities other than OPEB and pensions, due in more than one year	445,572,087
Aggregate net other postemployment benefits (OPEB) liability	11,304,011
Aggregate net pension liability	49,204,524
Total liabilities	554,767,322
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	634,348
Deferred inflows of resources related to pensions	4,415,091
Total deferred inflows of resources	5,049,439
Net Position	
Net investment in capital assets	(123,297,646)
Restricted for	
Debt service	2,594,422
Capital projects	5,717,971
Educational programs	4,795,917
Other activities	1,057,299
Unrestricted	453,250
Total net position	$ (108,678,787)

Operating Revenues	
Tuition and fees	$ 9,278,103
Less: Scholarship discounts and allowances	(4,428,558)
Net tuition and fees	4,849,545
Grants and contracts, noncapital	
Federal	792,878
State	23,016,517
Total grants and contracts, noncapital	23,809,395
Total operating revenues	28,658,940
Operating Expenses	
Salaries	49,550,007
Employee benefits	19,150,955
Supplies, materials, and other operating expenses and services	19,740,798
Student financial aid	24,209,306
Equipment, maintenance, and repairs	147,232
Depreciation and amortization	5,549,371
Total operating expenses	118,347,669
Operating Loss	(89,688,729)
Nonoperating Revenues (Expenses)	
State apportionments, noncapital	36,352,640
Local property taxes, levied for general purposes	26,212,825
Taxes levied for debt service	24,318,553
Federal and state financial aid grants	18,248,291
State taxes and other revenues	4,949,967
Investment income, net	8,798,775
Interest expense on capital related debt	(14,446,756)
Investment income on capital asset-related debt, net	680,110
Other nonoperating revenues	1,815,332
Total nonoperating revenues (expenses)	106,929,737
Income Before Other Revenues (Losses)	17,241,008
Other Revenues	
Local revenues, capital	1,035,119
Change In Net Position	18,276,127
Net Position, Beginning of Year, as previously reported	(103,409,259)
Adjustments (Note 12)	(23,545,655)
Net Position, Beginning of Year, as restated	(126,954,914)
Net Position, End of Year	$ (108,678,787)

Operating Activities	
Tuition and fees	$ 3,965,735
Federal, state, and local grants and contracts, noncapital	20,527,301
Payments to or on behalf of employees	(69,403,879)
Payments to vendors for supplies and services	(23,509,860)
Payments to students for scholarships and grants	(24,209,306)
Net cash flows from operating activities	(92,630,009)
Noncapital Financing Activities	
State apportionments	38,072,481
Federal and state financial aid grants	20,291,231
Property taxes - nondebt related	26,212,825
State taxes and other apportionments	4,894,419
Other nonoperating activities	3,420,333
Net cash flows from noncapital financing activities	92,891,289
Capital Financing Activities	
Purchase of capital assets	(28,672,114)
Property taxes - related to capital debt	24,318,553
Local revenues, capital	1,035,119
Principal paid on capital debt	(10,742,218)
Interest paid on capital debt	(14,547,418)
Interest received on capital asset-related debt	645,685
Net cash flows from capital financing activities	(27,962,393)
Investing Activities	
Purchase of investments	(2,119,369)
Change in fair value of cash in county treasury	177,916
Interest received from investments	8,655,284
Net cash flows from investing activities	6,713,831
Change In Cash and Cash Equivalents	(20,987,282)
Cash and Cash Equivalents, Beginning of Year	165,885,165
Cash and Cash Equivalents, End of Year	$ 144,897,883

Reconciliation of Net Operating Loss to Net Cash Flows from Operating Activities	
Operating Loss	$ (89,688,729)
Adjustments to reconcile operating loss to net cash flows from operating activities	
Depreciation and amortization expense	5,549,371
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources	
Accounts receivable	2,942,989
Student receivables, net	(1,238,850)
Prepaid expenses	(48,851)
Deferred outflows of resources related to OPEB	(3,367,662)
Deferred outflows of resources related to pensions	(2,228,229)
Accounts payable	(2,538,598)
Unearned revenue	(5,870,043)
Compensated absences	1,088,804
Aggregate net OPEB liability	3,852,294
Aggregate net pension liability	(685,778)
Deferred inflows of resources related to OPEB	(487,998)
Deferred inflows of resources related to pensions	91,271
Total adjustments	(2,941,280)
Net cash flows from operating activities	$ (92,630,009)
Cash and Cash Equivalents Consist of the Following:	
Cash on hand and in banks	$ 7,396,543
Cash in county treasury	137,501,340
Total cash and cash equivalents	$ 144,897,883
Noncash Transactions	
Amortization of deferred outflows of resources related to debt refunding	$ 328,659
Amortization of debt premiums	$ 429,321
Recognition of lease liabilities arising from obtaining right-to-use leased assets	$ 359,117
Recognition of subscription-based IT arrangement liabilities arising from obtaining right-to-use subscription IT assets	$ 164,096

	Retiree OPEB Trust
Assets	
Investments	$ 7,431,748
Net Position	
Restricted for postemployment benefits other than pensions	$ 7,431,748

	Retiree OPEB Trust
Additions	
District contributions	$ 1,316,683
Interest and investment income	222,587
Net realized and unrealized gains	496,432
Total additions	2,035,702
Deductions	
Benefit payments	1,316,683
Administrative expenses	6,087
Total deductions	1,322,770
Change in Net Position	712,932
Net Position, Beginning of Year	6,718,816
Net Position, End of Year	$ 7,431,748

Note 1 - Organization

Solano Community College District (the District) was established in 1945 as a political subdivision of the State of California and is a comprehensive, public, two-year institution offering educational services to residents of the surrounding area. The District operates under a locally elected seven-member Board of Trustees form of government, which establishes the policies and procedures by which the District operates. The Board must approve the annual budgets for the General Fund, special revenue funds, and capital project funds, but these budgets are managed at the department level. Currently, the District operates one college and two education centers located within Solano, California. While the District is a political subdivision of the State, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61. The District is classified as a Public Educational Institution under *Internal Revenue Code* Section 115 and is, therefore, exempt from Federal taxes.

Note 2 - Summary of Significant Accounting Policies

Financial Reporting Entity

The District has adopted accounting policies to determine whether certain organizations, for which the District is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the District, as defined by accounting principles generally accepted in the United States of America and established by the Governmental Accounting Standards Board (GASB). The District identified no component units that met the criteria listed above.

Based upon the application of the criteria listed above, the following potential component unit has been excluded from the District's reporting entity:

- Solano Community College Educational Foundation - The Foundation is a separate not-for-profit corporation created for the benefit of the District and its students and organized for educational purposes. The Board of Directors are elected by their own Board and independent of any District Board of Trustee's appointments. The Board is responsible for approving its own budget, accounting and finance related activities.

Separate financial statements for the Foundation can be obtained through the District office.

Basis of Accounting

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

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

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

Cash and Cash Equivalents

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

Investments

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

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

Accounts Receivable

Accounts receivable include amounts due from Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. The District provides for an allowance for uncollectible accounts as an estimation of amounts that may not be received. This allowance is based upon management's estimates and analysis. The allowance was estimated at $3,293,025 for the year ended June 30, 2025.

Prepaid Expenses

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

Capital Assets, Depreciation, and Amortization

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

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

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

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

Unearned Revenue

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

Noncurrent Liabilities

Noncurrent liabilities include general obligation bonds, lease liabilities, SBITA liabilities, and compensated absences, with maturities greater than one year.

Debt Premiums

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

Lease Liabilities

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

Subscription-based IT Arrangement (SBITA) Liabilities

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

Compensated Absences

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

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Pensions

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

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position related to net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report $14,165,609 of restricted net position and the fiduciary fund financial statements report $7,431,748 of restricted net position.

Operating and Nonoperating Revenues and Expenses

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

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

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

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

State Apportionments

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

Property Taxes

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

The voters of the District passed General Obligation Bonds in 2002 and 2012 for the acquisition, construction, and rehabilitation of facilities. As a result of the passage of the Bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are assessed, billed, and collected by the Counties of Solano and Yolo and remitted to the District.

Scholarship Discounts and Allowances

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

Financial Assistance Programs

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

Estimates

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

Interfund Activity

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

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

Adoption of New Accounting Standard

Implementation of GASB Statement No. 101

As of June 30, 2025, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provide guidance for a consistent recognition and measurement of the compensated absence liability. The effect of the implementation of this standard on beginning net position is disclosed in Note 12.

Implementation of GASB Statement No. 102

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

Note 3 - Deposits and Investments

Policies and Practices

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

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

General Authorizations

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

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

Authorized Under Debt Agreements

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

Summary of Deposits and Investments

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

	Primary Government	Fiduciary Fund
Cash on hand and in banks	$ 7,396,543	$ -
Investments - cash in county treasury	137,501,340	7,431,748
Investments - crossover refunding	63,741,231	-
Total deposits and investments	$ 208,639,114	$ 7,431,748

Interest Rate Risk

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

Specific Identification

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

Investment Type	Fair Value	Weighted Average Maturity in Days	Credit Rating
Solano County Investment Pool	$ 137,501,340	391	AA+
Money market funds	5,451	No maturity	Not rated
Mutual Funds	7,431,748	No maturity	Not rated
U.S. Treasury STRIPs	15,157,789	1,115	Not rated
U.S. Treasury notes	48,577,991	42	Aa1
Total	$ 208,674,319		

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in money market funds, mutual funds, and government bonds are not required to be rated, nor have they been rated as of June 30, 2025.

Custodial Credit Risk

Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California *Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2025, the District's bank balance of approximately $7.2 million was exposed to custodial credit risk because it was collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

Investments

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. As of June 30, 2025, the District's investment balance of approximately $70.2 million was exposed to custodial credit risk because it was uninsured, unregistered, and held by the brokerage firm which is also the counterparty for these securities. The District does not have a policy limiting the amount of securities that can be held by counterparties.

Note 4 - Fair Value Measurements

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

- Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

- Level 2 - Observable inputs, other than Level 1 prices, such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

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

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

Investment Type	Fair Value	Fair Value Measurements Using Level 1 Inputs	Fair Value Measurements Using Level 2 Inputs
Mutual funds	$ 7,431,748	$ 7,431,748	$ -
U.S. Treasury STRIPs	15,157,789	-	15,157,789
U.S. Treasury notes	48,577,991	-	48,577,991
Total	$ 71,167,528	$ 7,431,748	$ 63,735,780

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

Note 5 - Accounts Receivable

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

	Primary Government
Federal Government	
Categorical aid	$ 392,003
State Government	
Apportionment	186,361
Categorical aid	492,462
Lottery	974,604
Local Sources	
Other local sources	720,750
Total accounts receivable	$ 2,766,180
Student receivables	$ 6,187,800
Less: allowance for bad debt	(3,293,025)
Total student receivables, net	$ 2,894,775

Note 6 - Capital Assets

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

	Balance, July 1, 2024, as restated	Additions	Deductions	Balance, June 30, 2025
Capital Assets Not Being Depreciated or Amortized				
Land	$ 21,663,979	$ -	$ -	$ 21,663,979
Construction in progress	24,626,205	23,623,855	(12,965,132)	35,284,928
Total capital assets not being depreciated or amortized	46,290,184	23,623,855	(12,965,132)	56,948,907
Capital Assets Being Depreciated and Amortized				
Land improvements	9,855,801	-	-	9,855,801
Buildings and improvements	185,378,620	12,965,132	-	198,343,752
Furniture and equipment	7,282,233	3,935,059	(30,914)	11,186,378
Vehicles	958,578	1,113,200	(25,056)	2,046,722
Right-to-use leased buildings & property	1,522,048	359,117	-	1,881,165
Right-to-use leased equipment	19,256	-	-	19,256
Right-to-use subsciption IT assets	3,882,993	164,096	-	4,047,089
Total capital assets being depreciated or amortized	208,899,529	18,536,604	(55,970)	227,380,163
Less Accumulated Depreciation and Amortization				
Land improvements	(8,908,356)	(80,682)	-	(8,989,038)
Buildings and improvements	(57,176,956)	(3,339,930)	-	(60,516,886)
Furniture and equipment	(1,757,278)	(1,005,254)	30,914	(2,731,618)
Vehicles	(701,658)	(113,181)	25,056	(789,783)
Right-to-use leased buildings & property	(156,086)	(276,469)	-	(432,555)
Right-to-use leased equipment	(414)	(3,851)	-	(4,265)
Right-to-use subsciption IT assets	(1,181,779)	(730,004)	-	(1,911,783)
Total accumulated depreciation and amortization	(69,882,527)	(5,549,371)	55,970	(75,375,928)
Total capital assets, net	$ 185,307,186	$ 36,611,088	$ (12,965,132)	$ 208,953,142

Note 7 - Long-Term Liabilities other than OPEB and Pensions

Summary

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

	Balance, July 1, 2024, as restated	Additions	Deductions	Balance, June 30, 2025	Due in One Year
General obligation bonds	$ 447,735,000	$ -	$ (9,795,000)	$ 437,940,000	$ 10,055,000
Bond premium	8,761,124	-	(429,321)	8,331,803	-
Leases	1,451,471	359,117	(248,468)	1,562,120	177,527
Subscription-based IT arrangements	2,896,785	164,096	(698,750)	2,362,131	751,575
Compensated absences	6,253,065	1,088,804	-	7,341,869	981,734
Total	$ 467,097,445	$ 1,612,017	$ (11,171,539)	$ 457,537,923	$ 11,965,836

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

Description of Long-Term Liabilities

Payments on the general obligation bonds are made by the bond interest and redemption fund with local property tax revenues. Payments on leases and subscription-based IT arrangements are made by the fund which receives the benefit of the underlying asset or software.

General Obligation Bonds

Measure Q

General obligation bonds were approved by a local election in 2012. The total amount approved by the voters was $348,000,000. The bonds were authorized for the purpose of construction and repairing the District's education facilities.

In June 2013, the District issued the 2012 Series A General Obligation Bonds for $89,996,899. Interest rates range from 2.00% to 5.49% payable semiannually on August 1 and February 1. The bonds were issued with original maturity dates from August 1, 2014 through August 1, 2047. The principal balance outstanding at June 30, 2025 was $16,535,000.

In April 2017, the District issued 2012 General Obligation Bonds, Series C, for $90,000,000. Interest rates range from 2.00% to 5.25% payable semiannually on August 1 and February 1. The bonds were issued with maturity dates from August 1, 2018 through August 1, 2046. The principal balance outstanding at June 30, 2025 was $35,100,000.

In November 2020, the District issued 2012 General Obligation Bonds, Series D, for $30,000,000. Interest rates range from 3.00% to 4.00% payable semiannually on August 1 and February 1. The bonds were issued with maturity dates from August 1, 2021 through August 1, 2050. The principal balance outstanding at June 30, 2025 was $23,040,000.

In October 2021, the District issued 2012 General Obligation Bonds, Series E, for $50,000,000. Interest rates range from 2.63% to 4.00% payable semiannually on August 1 and February 1. The bonds were issued with maturity dates from August 1, 2024 through August 1, 2050. The principal balance outstanding at June 30, 2025 was $49,000,000.

In December 2023, the District issued 2012 General Obligation Bonds, Series F, for $30,000,000. Interest rates range from 4.00% to 5.00% payable semiannually on August 1 and February 1. The bonds were issued with maturity dates from August 1, 2024 through August 1, 2045. The principal balance outstanding at June 30, 2025 was $29,170,000.

General Obligation Refunding Bonds

In October 2015, the District issued 2015 General Obligation Refunding Bonds for $47,677,453, to advance refund a portion of the District's outstanding general obligation bonds. Interest rates range from 2.00% to 5.00% payable semiannually on August 1 and February 1. The bonds were issued with maturity dates from August 1, 2024 through August 1, 2031. The principal balance outstanding at June 30, 2025 was $53,970,000.

In November 2019, the District issued 2019 General Obligation Refunding Bonds for $112,650,000 to advance refund a portion of the District's outstanding general obligation bonds. Interest rates range from 1.83% to 3.19% payable semiannually on August 1 and February 1. The bonds were issued with maturity dates from August 1, 2020 through August 1, 2047. The principal balance outstanding at June 30, 2025 was $109,250,000.

In October 2021, the District issued 2021 General Obligation Refunding Bonds, Series A, for $56,915,000 to advance refund a portion of the District's outstanding general obligation bonds. Interest rates range from 0.18% to 2.82% payable semiannually on August 1 and February 1. The bonds were issued with maturity dates from August 1, 2022 through August 1, 2041. The principal balance outstanding at June 30, 2025 was $53,610,000.

In October 2021, the District issued 2021 Crossover General Obligation Refunding Bonds, Series B, for $49,440,000 to advance refund a portion of the District's outstanding 2015 General Obligation Refunding Bonds on the crossover date of August 1, 2025. Interest rates range from 1.03% to 1.86% payable semiannually on August 1 and February 1. The bonds were issued with maturity dates from August 1, 2026 through August 1, 2031. The principal balance outstanding at June 30, 2025 was $49,440,000.

In October 2021, the District issued 2021 Crossover General Obligation Refunding Bonds, Series C, for $18,825,000 to advance refund a portion of the District's outstanding 2012 General Obligation Bonds, Series A, on the crossover date of August 1, 2028. Interest rates range from 1.86% to 2.82% payable semiannually on August 1 and February 1. The bonds were issued with maturity dates from August 1, 2031 through August 1, 2041. The principal balance outstanding at June 30, 2025 was $18,825,000.

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

Issuance	Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding, July 1, 2024, as restated	Issued	Redeemed	Bonds Outstanding, June 30, 2025
2013A	6/18/2013	8/1/2041	2.00%-5.13%	$ 89,996,899	$ 16,535,000	$ -	$ -	$ 16,535,000
2017C	4/26/2017	8/1/2046	2.00%-5.25%	90,000,000	35,290,000	-	(190,000)	35,100,000
2020D	11/17/2020	8/1/2050	3.00%-4.00%	30,000,000	23,040,000	-	-	23,040,000
2021E	10/6/2021	8/1/2050	2.63%-4.00%	50,000,000	50,000,000	-	(1,000,000)	49,000,000
2023F	12/19/2023	8/1/2045	4.00%-5.00%	30,000,000	30,000,000	-	(830,000)	29,170,000
2015R	10/6/2015	8/1/2031	2.00%-5.00%	47,677,453	60,140,000	-	(6,170,000)	53,970,000
2019R	11/27/2019	8/1/2047	1.83%-3.19%	112,650,000	109,840,000	-	(590,000)	109,250,000
2021R, A	10/6/2021	8/1/2041	0.18%-2.82%	56,915,000	54,625,000	-	(1,015,000)	53,610,000
2021R, B	10/6/2021	8/1/2031	1.03%-1.86%	49,440,000	49,440,000	-	-	49,440,000
2021R, C	10/6/2021	8/1/2041	1.86%-2.82%	18,825,000	18,825,000	-	-	18,825,000
					$ 447,735,000	$ -	$ (9,795,000)	$ 437,940,000

Debt Service Requirements to Maturity

The bonds mature through 2051 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2026	$ 10,055,000	$ 14,171,209	$ 24,226,209
2027	18,085,000	13,690,405	31,775,405
2028	18,380,000	13,152,961	31,532,961
2029	19,430,000	12,571,741	32,001,741
2030	20,965,000	11,926,331	32,891,331
2031-2035	68,760,000	51,223,118	119,983,118
2036-2040	63,270,000	43,124,488	106,394,488
2041-2045	101,200,000	27,751,349	128,951,349
2046-2050	98,600,000	9,553,595	108,153,595
2051	19,195,000	267,359	19,462,359
Total	$ 437,940,000	$ 197,432,556	$ 635,372,556

Leases

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

	Balance, July 1, 2024	Additions	Deductions	Balance, June 30, 2025
Equipment	$ 18,633	$ -	$ (3,523)	$ 15,110
Modular Building	48,716	-	(9,210)	39,506
Nut Tree Airport	1,384,122	-	(19,477)	1,364,645
Solano Innovation Center	-	359,117	(216,258)	142,859
Total	$ 1,451,471	$ 359,117	$ (248,468)	$ 1,562,120

Equipment

The District has entered into an agreement to lease radio equipment for five years, beginning May 23, 2024. Under the terms of the lease, the District makes monthly payments of $358, which amount to total principal and interest costs of $4,291 for the year ended June 30, 2025. The annual intrest rate charge on the lease is 4.50%. At June 30, 2025, the District has recognized a right to use asset, net of accumulated amortization of $14,991 and a lease liability of $15,110 related to this agreement. During the year, the District recorded $3,851 in amortization expense and $768 in interest expense for the right to use of the equipment.

Modular Building Lease

The District has entered into an agreement to lease a modular building for five years, beginning May 19, 2024. Under the terms of the lease, the District makes monthly payments of $935, which amount to total principal and interest costs of $11,220 for the year ended June 30, 2025. The annual intrest rate charge on the lease is 4.50%. At June 30, 2025, the District has recognized a right to use asset, net of accumulated amortization of $39,062 and a lease liability of $39,506 related to this agreement. During the year, the District recorded $10,064 in amortization expense and $2,010 in interest expense for the right to use of the modular building.

Nut Tree Airport

The District has entered into an agreement to lease land at the Vacaville Nut Tree Airport for thirty years, beginning August 25, 2020. Under the terms of the lease, the District makes annual payments which are subject to a 3% increase each year. The annual payment amounted to total principal and interest costs of $47,492 for the year ended June 30, 2025. The annual intrest rate charge on the lease is 2.06%. At June 30, 2025, the District has recognized a right to use asset, net of accumulated amortization of $1,269,891 and a lease liability of $1,364,645 related to this agreement. During the year, the District recorded $46,945 in amortization expense and $28,015 in interest expense for the right to use of the property.

Solano Innovation Center

The District has entered into an agreement to lease a building to be used as the Solano Innovation Center for eighteen months, beginning August, 2024. Under the terms of the lease, the District makes monthly payments of $20,750, which amount to total principal and interest costs of $228,250 for the year ended June 30, 2025. The annual intrest rate charge on the lease is 5.00%. At June 30, 2025, the District has recognized a right to use asset, net of accumulated amortization of $139,657 and a lease liability of $142,859 related to this agreement. During the year, the District recorded $219,460 in amortization expense and $11,992 in interest expense for the right to use of the building.

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

Fiscal Year	Principal	Interest to Maturity	Total
2026	$ 177,527	$ 32,152	209,679
2027	37,237	28,659	65,896
2028	39,922	27,486	67,408
2029	40,125	26,254	66,379
2030	29,626	25,430	55,056
2031-2035	184,695	116,375	301,070
2036-2040	255,712	93,312	349,024
2041-2045	342,570	62,044	404,614
2046-2050	448,290	20,769	469,059
2051	6,416	11	6,427
Total	$ 1,562,120	$ 432,492	$ 1,994,612

Subscriptions-based IT Arrangements (SBITAs)

The District entered into SBITAs for the use of various software. At June 30, 2025, the District has recognized a right-to-use subscription IT asset, net of accumulated amortization of $2,135,306 and a SBITA liability of $2,362,131 related to these agreements. Under the terms of the SBITAs, the District makes payments ranging from $52,284 to $734,415 annually, which amounted to total principal and interest costs of $789,698 for the year ending June 30, 2025. During the year, the District recorded $730,004 in amortization expense and $90,948 in interest expense for the SBITAs. The District used discount rates ranging from 3.90 to 5.00% based on the estimated incremental borrowing rate for financing over a similar time period.

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

Fiscal Year	Principal	Interest to Maturity	Total
2026	$ 751,575	$ 62,368	813,943
2027	808,040	30,895	838,935
2028	802,516	-	802,516
Total	$ 2,362,131	$ 93,263	$ 2,455,394

Note 8 - Aggregate Net Other Postemployment Benefits (OPEB) Liability

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

OPEB Plan	Aggregate Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 11,173,956	$ 4,443,157	$ 634,348	$ 6,160
Medicare Premium Payment (MPP) Program	130,055	-	-	(9,526)
Total	$ 11,304,011	$ 4,443,157	$ 634,348	$ (3,366)

The details of each plan are as follows:

District Plan

Plan Administration

The District's governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses. Management of the Plan is vested in the District management. Management of the trustee assets is vested with the Retirement Board of Authority.

Plan Membership

At June 30, 2025, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	99
Active employees	320
Total	419

Retiree Health Benefit OPEB Trust

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

Benefits Provided

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

The following summarizes benefits provided under the Plan for the year ended June 30, 2025:

	Faculty	Classified	Management	Operating Engineers
Benefits provided	Medical, Dental, and Vision*	Medical, Dental, and Vision*	Medical, Dental, and Vision*	Medical, Dental, and Vision*
Duration of benefits	10 years	5 years**	5, 8 or 10 years	5 years**
Required service	15 years***	15 years***	10 years	15 years***
Minimum age	Retirement	Retirement	Retirement	Retirement
Dependent Coverage	Spouse****	Spouse	Spouse	Single
District contribution	100%	100%	100%	100%
District cap	Highest 2-Party Rate	2-Party Access + HMO Rate	2-Party Access + HMO Rate	2-Party Access + HMO Rate

* Some retirees do not receive all benefit types.
** Classified and operating engineers hired before July 1, 20217 may choose between 5, 8, and 10 year coverage periods.
*** Faculty hired before July 1, 2004 and classified/operating engineers hired before July 1, 2017 only need 10 years of service.
**** Faculty hired after January 1, 2023 receive employee-only coverage.

Contributions

The contribution requirements of Plan members and the District are established and may be amended by the District and the bargaining units. Voluntary contributions are based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined feasible by District management and the District's Governing Board. For the measurement period ending June 30, 2025, the District contributed $1,316,683 to the Plan, all of which was used for current premiums.

Investment

Investment Policy

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

Asset Class	Target Allocation
U.S. large cap	29%
U.S. small cap	13%
All foreign stock	9%
Other fixed income	49%

Rate of Return

For the year ended June 30, 2025, the annual money-weighed rate of return on investments, net of investment expense, was 10.61%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the District

The District's net OPEB liability of $11,173,956 was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The components of the net OPEB liability of the District at June 30, 2025, were as follows:

Total OPEB liability	$ 18,605,704
Plan fiduciary net position	(7,431,748)
Net OPEB liability	$ 11,173,956
Plan fiduciary net position as a percentage of the total OPEB liability	39.94%

Actuarial Assumptions

The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	2.75%
Investment rate of return	5.75%
Healthcare cost trend rate	4.00%

The discount rate was based on the long-term expected return on plan assets assuming 100% funding through the Trust, using the building block method.

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actual experience study as of August 2025.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2025, (see the discussion of the Plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
U.S. large cap	7.25%
U.S. small cap	7.25%
All foreign stock	7.25%
Other fixed income	3.00%

Discount Rate

The discount rate used to measure the total OPEB liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance, June 30, 2024	$ 14,030,951	$ 6,718,815	$ 7,312,136
Service cost	774,025	-	774,025
Interest	791,178	-	791,178
Difference between expected and actual experience	2,502,793	-	2,502,793
Contributions - employer	-	1,316,683	(1,316,683)
Expected investment income	-	386,157	(386,157)
Differences between projected and actual earnings on OPEB plan investments	-	332,863	(332,863)
Changes of assumptions	1,823,440	-	1,823,440
Benefit payments	(1,316,683)	(1,316,683)	-
Administrative expense	-	(6,087)	6,087
Net change in total OPEB liability	4,574,753	712,933	3,861,820
Balance, June 30, 2025	$ 18,605,704	$ 7,431,748	$ 11,173,956

Changes of assumptions reflect the inclusion of an implicit rate subsidy since the previous valuation. There were no changes in benefit terms since the previous valuation.

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

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

Discount Rate	Net OPEB Liability
1% decrease (4.75%)	$ 12,637,924
Current discount rate (5.75%)	11,173,956
1% increase (6.75%)	9,861,534

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

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

Healthcare Cost Trend Rate	Net OPEB Liability
1% decrease (3.00%)	$ 9,457,101
Current healthcare cost trend rate (4.00%)	11,173,956
1% increase (5.00%)	13,167,655

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,671,500	$ 269,820
Changes of assumptions	1,771,657	19,234
Net difference between projected and actual earnings on OPEB plan investments	-	345,294
Total	$ 4,443,157	$ 634,348

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	$ 28,907
2027	(171,081)
2028	(136,549)
2029	(66,571)
Total	$ (345,294)

The deferred outflows/(inflows) of resources related to differences between expected and actual experience in the measurement of the total OPEB liability and changes of assumptions will be amortized over the expected average remaining service life (EARSL) of all members that are provided benefits as of the beginning of the measurement period. The EARSL for the measurement period is 9.7 years and will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	$ 357,133
2027	470,995
2028	558,591
2029	558,591
2030	558,584
Thereafter	1,650,209
Total	$ 4,154,103

Medicare Premium Payment (MPP) Program

Plan Description

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

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

Benefits Provided

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

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

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

Net OPEB Liability and OPEB Expense

At June 30, 2025, the District reported a liability of $130,055 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating entities, actuarially determined. The District's proportionate share for the measurement periods ending June 30, 2024 and June 30, 2023, was 0.0488% and 0.0464%, respectively, resulting in a net increase in the proportionate share of 0.0024%.

For the year ended June 30, 2025, the District recognized OPEB expense of $(9,526).

Actuarial Methods and Assumptions

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

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

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

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

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

Discount Rate

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

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

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

Discount Rate	Net OPEB Liability
1% decrease (2.93%)	$ 140,326
Current discount rate (3.93%)	130,055
1% increase (4.93%)	121,023

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

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

Medicare Costs Trend Rates	Net OPEB Liability
1% decrease (4.00% Part A and 5.50% Part B)	$ 120,482
Current Medicare costs trend rates (5.00% Part A and 6.50% Part B)	130,055
1% increase (6.00% Part A and 7.50% Part B)	140,742

Note 9 - Risk Management

Property and Liability

The District is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District's property and liability coverage is self-insured through the Northern California Community Colleges Self Insurance Authority (NCCCSIA). The NCCCSIA retains the risk up to $5,000,000 on property and liability. Insurance above these levels is ceded to another joint powers authority, Statewide Association of Community Colleges (SWACC) to a level of $50 million on liability and $250 million on property. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been significant reduction in coverage from the prior year.

Workers' Compensation

The District is also a member of the NCCCSIA for its workers' compensation coverage. Workers' compensation coverage is funded to 99% confidence levels with aggregate losses capped at $150,000,000 through the Protected Insurance Program for Schools (PIPS) JPA.

Participation in Public Entity Risk Pools and JPAs

The District pays annual premiums for its property liability and workers' compensation coverage. The relationship between the District and the JPA is such that it is not a component unit of the District for financial reporting purposes. The JPAs have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, transactions between the JPAs and the District are included in these statements. Audited financial statements are available from respective entities.

Note 10 - Employee Retirement Systems

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

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

Pension Plan	Aggregate Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 22,463,813	$ 9,502,050	$ 3,847,101	$ 2,194,122
CalPERS	26,740,711	8,650,218	567,990	4,100,201
Total	$ 49,204,524	$ 18,152,268	$ 4,415,091	$ 6,294,323

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

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

Benefits Provided

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

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

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

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

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

Contributions

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and are detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with California Assembly Bill 1469, employer contributions into CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2025, are presented above, and the District's total contributions were $4,873,802.

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

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

Total net pension liability, including State share:	
District's proportionate share of net pension liability	$ 22,463,813
State's proportionate share of net pension liability associated with the District	10,306,474
Total	$ 32,770,287

The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating member districts and the State, as actuarially determined. The District's proportionate share for the measurement periods of June 30, 2024 and June 30, 2023, was 0.0334% and 0.0314%, respectively, resulting in a net increase in the proportionate share of 0.0020%.

For the year ended June 30, 2025, the District recognized pension expense of $2,194,122. In addition, the District recognized pension expense and revenue of $938,284, for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 4,873,802	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	1,988,969	1,239,929
Differences between projected and actual earnings on pension plan investments	-	90,641
Differences between expected and actual experience in the measurement of the total pension liability	2,540,946	982,331
Changes of assumptions	98,333	1,534,200
Total	$ 9,502,050	$ 3,847,101

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	$ (1,505,910)
2027	1,813,675
2028	(147,973)
2029	(250,433)
Total	$ (90,641)

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	$ 41,883
2027	(30,657)
2028	(20,091)
2029	252,961
2030	433,153
Thereafter	194,539
Total	$ 871,788

Actuarial Methods and Assumptions

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

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

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

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

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public equity	38%	5.25%
Real estate	15%	4.05%
Private equity	14%	6.75%
Fixed income	14%	2.45%
Risk mitigating strategies	10%	2.25%
Inflation sensitive	7%	3.65%
Cash/liquidity	2%	0.05%

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 39,955,772
Current discount rate (7.10%)	22,463,813
1% increase (8.10%)	7,857,301

California Public Employees' Retirement System (CalPERS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023, annual actuarial valuation report, and the Schools Pool Actuarial Valuation. These reports and CalPERS audited financial information are publicly available reports that may be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/forms-publications.

Benefits Provided

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

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

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

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2025, are presented above and the total District contributions were $4,243,257.

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

As of June 30, 2025, the District reported a net pension liability for its proportionate share of the CalPERS net pension liability totaling $26,740,711. The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating member districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2024 and June 30, 2023, was 0.0748% and 0.0726%, respectively, resulting in a net increase in the proportionate share of 0.0022%.

For the year ended June 30, 2025, the District recognized pension expense of $4,100,201. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 4,243,257	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	535,362	376,608
Differences between projected and actual earnings on pension plan investments	1,038,722	-
Differences between expected and actual experience in the measurement of the total pension liability	2,241,817	191,382
Changes of assumptions	591,060	-
Total	$ 8,650,218	$ 567,990

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	$ (8,954)
2027	1,614,976
2028	(238,634)
2029	(328,666)
Total	$ 1,038,722

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	$ 1,122,032
2027	1,024,452
2028	653,765
Total	$ 2,800,249

Actuarial Methods and Assumptions

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

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

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

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

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity - cap-weighted	30%	4.54%
Global equity - non-cap-weighted	12%	3.84%
Private equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed securities	5%	0.50%
Investment grade corporates	10%	1.56%
High yield	5%	2.27%
Emerging market debt	5%	2.48%
Private debt	5%	3.57%
Real assets	15%	3.21%
Leverage	(5%)	(0.59%)

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (5.90%)	$ 39,723,549
Current discount rate (6.90%)	26,740,711
1% increase (7.90%)	16,015,853

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of $2,081,094 (10.828% of annual payroll). Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Note 11 - Commitments and Contingencies

Grants

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

Litigation

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

Construction Commitments

As of June 30, 2025, the District had committed under various capital expenditure purchase agreements for various projects totaling approximately $9.5 million to be funded through a combination of general obligation bonds and capital project apportionments from the California State Chancellor's Office.

Note 12 - Restatement

Change in Accounting Principle

As of June 30, 2025, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. Therefore, the current and noncurrent portions of compensated absences were increased by $692,129 and $3,941,353, respectively, as of July 1, 2024. The effect of this change in accounting principle is described in the table below.

Correction of Error in Previously Issued Financial Statements

During the year ended June 30, 2025, the District determined that there were certain errors in amounts previously reported in the 2023-2024 financial statements resulting in a restatement of the beginning net position. The corrections consist of the following:

1. The District overstated accounts receivable due to an error in prior year's accruals for general state apportionment.
2. The District overstated capital assets as the balances reported did not reconcile to the underlying details and due to miscalculations in accumulated depreciation.
3. The District overstated deferred outflows of resources related to the deferred charges on refunding due to manual calculation errors.
4. The District understated general obligation bonds due to an error in the debt schedules.

Primary Government	Governmental Activities
Net position - Beginning, as previously reported on July 1, 2024	$(103,409,259)
Change in accounting principle - adoption of GASB Statement No. 101	(4,633,482)
Overstatement of accounts receivable	(1,076,924)
Overstatement of capital assets, net	(2,694,575)
Overstatement of deferred outflows of resources - deferred charges on refunding	(6,157,039)
Understatement of long-term liabilities - general obligation bonds	(8,983,635)
Net Position - Beginning, as restated on July 1, 2024	$(126,954,914)

Additionally, if the amounts associated with the correction of error had been properly recorded in the prior year, the impact on the net change in net position would have increased by $3,596,298.

Note 13 - Subsequent Events

In January 2026, the District issued 2012 General Obligation Bonds, Series G, for $28,000,000. The bonds bear an interest rate of 5.00% payable semiannually on August 1 and February 1. The bonds were issued with maturity dates from August 1, 2026 through August 1, 2050.

Required Supplementary Information
June 30, 2025

Solano Community College District

	2025	2024	2023	2022	2021
Total OPEB Liability					
Service cost	$ 774,025	$ 554,069	$ 529,811	$ 515,631	$ 570,933
Interest	791,178	776,725	711,514	697,187	760,154
Difference between expected and actual experience	2,502,793	-	682,765	-	(762,696)
Changes of assumptions	1,823,440	-	217,924	-	(75,824)
Benefit payments	(1,316,683)	(1,062,126)	(977,981)	(963,504)	(1,054,795)
Net change in total OPEB liability	4,574,753	268,668	1,164,033	249,314	(562,228)
Total OPEB Liability - Beginning	14,030,951	13,762,283	12,598,250	12,348,936	12,911,164
Total OPEB Liability - Ending (a)	$ 18,605,704	$ 14,030,951	$ 13,762,283	$ 12,598,250	$ 12,348,936
Plan Fiduciary Net Position					
Contributions - employer	$ 1,316,683	$ 1,062,126	$ 1,617,981	$ 963,504	$ 1,054,795
Expected investment income	386,157	696,409	-	-	279,833
Differences between projected and actual earnings on OPEB plan investments	332,863	-	473,981	(677,626)	669,373
Benefit payments	(1,316,683)	(1,062,126)	(977,981)	(963,504)	(1,054,795)
Administrative expense	(6,087)	(8,217)	(7,626)	(7,703)	(6,999)
Net change in plan fiduciary net position	712,933	688,192	1,106,355	(685,329)	942,207
Plan Fiduciary Net Position - Beginning	6,718,815	6,030,623	4,924,268	5,609,597	4,667,390
Plan Fiduciary Net Position - Ending (b)	$ 7,431,748	$ 6,718,815	$ 6,030,623	$ 4,924,268	$ 5,609,597
Net OPEB Liability - Ending (a) - (b)	$ 11,173,956	$ 7,312,136	$ 7,731,660	$ 7,673,982	$ 6,739,339
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	39.94%	47.89%	43.82%	39.09%	45.43%
Covered Employee Payroll	$ 41,204,005	$ 33,010,333	$ 26,920,858	$ 26,082,598	$ 26,012,336
Net OPEB Liability as a Percentage of Covered Employee Payroll	27.12%	22.15%	28.72%	29.42%	25.91%
Measurement Date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021

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

	2020	2019	2018	2017
Total OPEB Liability				
Service cost	$ 555,653	$ 1,015,852	$ 988,664	$ 962,203
Interest	747,113	800,703	874,856	590,814
Difference between expected and actual experience	-	(1,411,659)	-	-
Changes of assumptions	-	-	(2,067,466)	-
Benefit payments	(1,131,324)	(1,004,606)	(1,086,439)	(1,044,653)
Net change in total OPEB liability	171,442	(599,710)	(1,290,385)	508,364
Total OPEB Liability - Beginning	12,739,722	13,339,432	14,629,817	14,121,453
Total OPEB Liability - Ending (a)	$ 12,911,164	$ 12,739,722	$ 13,339,432	$ 14,629,817
Plan Fiduciary Net Position				
Contributions - employer	$ 1,451,324	$ 1,324,606	$ 1,406,528	$ 1,044,653
Expected investment income	200,006	234,826	229,336	263,321
Differences between projected and actual earnings on OPEB plan investments	-	-	-	-
Benefit payments	(1,131,324)	(1,004,606)	(1,086,439)	(1,044,653)
Administrative expense	(6,636)	(6,494)	-	(5,029)
Net change in plan fiduciary net position	513,370	548,332	549,425	258,292
Plan Fiduciary Net Position - Beginning	4,154,020	3,605,688	3,056,263	2,797,971
Plan Fiduciary Net Position - Ending (b)	$ 4,667,390	$ 4,154,020	$ 3,605,688	$ 3,056,263
Net OPEB Liability - Ending (a) - (b)	$ 8,243,774	$ 8,585,702	$ 9,733,744	$ 11,573,554
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	36.15%	32.61%	27.03%	20.89%
Covered Employee Payroll	$ 26,729,239	$ 25,918,991	$ 28,120,651	$ 24,660,729
Net OPEB Liability as a Percentage of Covered Employee Payroll	30.84%	33.13%	34.61%	46.93%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

	2025	2024	2023	2022	2021
Annual money-weighted rate of return, net of investment expense	10.61%	11.41%	9.47%	(12.22%)	20.19%
Measurement Date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021

	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	4.60%	6.33%	7.50%	9.23%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

Year ended June 30,	2025	2024	2023	2022
Proportion of the net OPEB liability	0.0488%	0.0464%	0.0478%	0.0480%
Proportionate share of the net OPEB liability	$ 130,055	$ 139,581	$ 157,324	$ 191,409
Covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	(1.02%)	(0.96%)	(0.94%)	(0.80%)
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021

Year ended June 30,	2021	2020	2019	2018
Proportion of the net OPEB liability	0.0583%	0.0606%	0.0593%	0.0541%
Proportionate share of the net OPEB liability	$ 246,876	$ 225,523	$ 226,926	$ 227,608
Covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	(0.71%)	(0.81%)	(0.40%)	0.01%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

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

	2025	2024	2023	2022	2021
CalSTRS					
Proportion of the net pension liability	0.0334%	0.0314%	0.0310%	0.0320%	0.0330%
Proportionate share of the net pension liability	$ 22,463,813	$ 23,609,910	$ 21,540,660	$ 14,562,560	$ 31,979,970
State's proportionate share of the net pension liability associated with the District	10,306,474	11,312,376	10,787,626	7,327,468	16,485,545
Total	$ 32,770,287	$ 34,922,286	$ 32,328,286	$ 21,890,028	$ 48,465,515
Covered payroll	$ 23,231,950	$ 20,048,291	$ 19,103,141	$ 18,525,752	$ 18,741,009
Proportionate share of the net pension liability as a percentage of its covered payroll	96.69%	117.77%	112.76%	78.61%	170.64%
Plan fiduciary net position as a percentage of the total pension liability	84%	81%	81%	87%	72%
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
CalPERS					
Proportion of the net pension liability	0.0748%	0.0726%	0.0723%	0.0777%	0.0828%
Proportionate share of the net pension liability	$ 26,740,711	$ 26,280,392	$ 24,877,769	$ 15,799,854	$ 25,405,586
Covered payroll	$ 14,857,724	$ 12,621,423	$ 11,222,342	$ 11,179,672	$ 11,640,226
Proportionate share of the net pension liability as a percentage of its covered payroll	179.98%	208.22%	221.68%	141.33%	218.26%
Plan fiduciary net position as a percentage of the total pension liability	72%	70%	70%	81%	70%
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020

	2020	2019	2018	2017	2016
CalSTRS					
Proportion of the net pension liability	0.0340%	0.0350%	0.0320%	0.0330%	0.0390%
Proportionate share of the net pension liability	$ 30,918,568	$ 31,725,887	$ 29,295,937	$ 29,062,671	$ 26,512,169
State's proportionate share of the net pension liability associated with the District	16,868,143	18,164,554	17,331,229	16,544,860	14,022,015
Total	$ 47,786,711	$ 49,890,441	$ 46,627,166	$ 45,607,531	$ 40,534,184
Covered payroll	$ 18,881,543	$ 19,389,388	$ 16,730,462	$ 17,309,532	$ 16,914,388
Proportionate share of the net pension liability as a percentage of its covered payroll	163.75%	163.63%	175.11%	167.90%	156.74%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
CalPERS					
Proportion of the net pension liability	0.0841%	0.0865%	0.0861%	0.0960%	0.1048%
Proportionate share of the net pension liability	$ 24,499,485	$ 23,058,683	$ 20,545,045	$ 18,955,292	$ 15,451,644
Covered payroll	$ 11,704,107	$ 11,406,864	$ 10,977,418	$ 11,535,397	$ 11,747,308
Proportionate share of the net pension liability as a percentage of its covered payroll	209.32%	202.15%	187.16%	164.32%	131.53%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	79%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015

	2025	2024	2023	2022	2021
CalSTRS					
Contractually required contribution	$ 4,873,802	$ 4,531,679	$ 3,903,335	$ 3,247,203	$ 2,986,309
Contributions in relation to the contractually required contribution	(4,873,802)	(4,531,679)	(3,903,335)	(3,247,203)	(2,986,309)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 25,517,288	$ 23,231,950	$ 20,048,291	$ 19,103,141	$ 18,525,752
Contributions as a percentage of covered payroll	19.10%	19.10%	19.10%	16.92%	16.15%
CalPERS					
Contractually required contribution	$ 4,243,257	$ 3,938,334	$ 3,187,438	$ 2,557,383	$ 2,308,736
Contributions in relation to the contractually required contribution	(4,243,257)	(3,938,334)	(3,187,438)	(2,557,383)	(2,308,736)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 15,686,717	$ 14,857,724	$ 12,621,423	$ 11,222,342	$ 11,179,672
Contributions as a percentage of covered payroll	27.05%	26.68%	25.37%	22.91%	20.70%

	2020	2019	2018	2017	2016
CalSTRS					
Contractually required contribution	$ 3,203,865	$ 3,082,822	$ 2,806,691	$ 2,111,185	$ 1,846,655
Contributions in relation to the contractually required contribution	(3,203,865)	(3,082,822)	(2,806,691)	(2,111,185)	(1,846,655)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 18,741,009	$ 18,881,543	$ 19,389,388	$ 16,730,462	$ 17,309,532
Contributions as a percentage of covered payroll	17.10%	16.28%	14.43%	12.58%	10.73%
CalPERS					
Contractually required contribution	$ 2,313,629	$ 2,108,935	$ 1,771,599	$ 1,524,484	$ 1,367,714
Contributions in relation to the contractually required contribution	(2,313,629)	(2,108,935)	(1,771,599)	(1,524,484)	(1,367,714)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 11,640,226	$ 11,704,107	$ 11,406,864	$ 10,977,418	$ 11,535,397
Contributions as a percentage of covered payroll	19.72%	18.06%	15.53%	13.89%	11.85%

Note 1 - Purpose of Schedules

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

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

- *Changes in Benefit Terms* - There were no changes in benefit terms since the previous valuation.
- *Changes of Assumptions* - The valuation was updated to reflect the inclusion of an implicit rate subsidy since the previous valuation.

Schedule of OPEB Investment Returns

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

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

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

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

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

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

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

Schedule of District Contributions for Pensions

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

Supplementary Information
June 30, 2025

Solano Community College District

Solano Community College District was established in 1945, and is comprised of one 192-acre campus and two education centers located in Vacaville and Vallejo in Solano County. There were no changes in the boundaries of the District during the current year. The District's college is accredited by the Accrediting Commission for Community and Junior Colleges Western Association of Schools and Colleges, which is one of six regional associations that accredit public and private schools, colleges, and universities in the United States.

Board of Trustees as of June 30, 2025

Member	Office	Term Expires
Denis Honeychurch, J.D.	President	2026
Amber Cargo-Reed	Vice President	2026
Karimah Karah, J.D.	Member	2026
A. Marie Young	Member	2026
Rosemary Thurston	Member	2028
Quinten R. Voyce, Ed.D.	Member	2028
Jacqui Nguyen Greer	Member	2028
Veronica Rodriguez	Student Trustee	2026

Administration as of June 30, 2025

Kellie Sims Butler, Ph.D.	Superintendent-President / Board Secretary
Susan Wheet	Vice President of Finance and Administration
Lisa Neeley	Vice President of Student Services
David Williams	Vice President of Academic Affairs
Salvatore Abbate	Director of Human Resources

Auxiliary Organizations in Good Standing

The District did not identify any auxiliary organizations in good standing.

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Student Financial Assistance Cluster			
Federal Pell Grant Program	84.063		$ 14,282,730
Federal Pell Grant Program Administrative Allowance	84.063		17,865
Federal Direct Student Loans	84.268		1,607,530
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		254,804
Federal Work-Study Program	84.033		232,130
Subtotal Student Financial Assistance Cluster			16,395,059
Passed through California Community Colleges Chancellor's Office			
Career and Technical Education Act (CTEA), Title I, Part C	84.048A	24-C01-280	370,541
Total U.S. Department of Education			16,765,600
U.S. Department of Agriculture			
Passed through California Department of Education			
Child and Adult Care Food Program	10.558	04386-CACFP-48-CC-IC	72,767
U.S. Department of Veterans Affairs			
Post-9/11 Veterans Educational Assistance	64.028		6,529
U.S. Department of Health and Human Services			
Child Care and Development Fund (CCDF) Cluster			
Passed through California Department of Social Services			
Child Care and Development Block Grant	93.575	25136	198,447
Child Care Mandatory and Matching Funds of the Child Care and Development Funds	93.596	24568	15,689
Subtotal CCDF Cluster			214,136
Passed through California Community Colleges Chancellor's Office			
Temporary Assistance for Needy Families (TANF)	93.558	[1]	40,638
Foster Care-Title IV-E	93.658	[1]	75,685
Total U.S. Department of Health and Human Services			330,459
Total Federal Financial Assistance			$ 17,175,355

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

Program	Program Revenues: Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue	Total Revenue	Program Expenditures
A2MEND	$ 35,584	$ -	$ -	$ 11,978	$ 23,606	$ 23,606
Adult Education Block Grant	90,880	-	-	46,096	44,784	44,784
Asian American, Native Hawaiian and Pacific Islander	383,236	-	-	271,829	111,407	111,407
Basic Needs Center	659,898	-	-	259,479	400,419	400,419
Basic Needs Services	19,628	-	-	3,967	15,661	15,661
Cal Grant	1,915,557	-	-	90,391	1,825,166	1,825,166
Cal Law	54,208	-	-	54,208	-	-
California College Promise	1,891,729	-	-	986,252	905,477	905,477
California State Preschool Program	537,495	102,627	-	-	640,122	640,122
CalWorks	278,430	-	-	45,666	232,764	232,764
Campus Safe	17,581	-	-	17,581	-	-
CARE	331,682	-	-	172,051	159,631	159,631
CCC Equitable Placement & Completion Grant	486,850	-	-	335,905	150,945	150,945
Child and Adult Care Food Program	3,491	267	-	-	3,758	3,758
Classified Employees Summer Assistance Program (CESAP)	8,763	6,597	-	-	15,360	15,360
Classified Professional Development	3,405	-	-	-	3,405	3,405
Common Course Numbering	913,043	-	-	893,629	19,414	19,414
Cost of Care CSPP	155,718	-	-	-	155,718	155,718
Covid Recovery Block Grant	247,552	-	-	-	247,552	247,552
Culturally Competent Faculty Professional Development	600	-	-	600	-	-
Culturally Responsive Pedagogy & Practices	70,800	-	-	1,618	69,182	69,182
Deaf and Hard of Hearing	110,833	-	-	110,833	-	-
DSPS/Access to Print & Electronic Information	1,062,774	-	-	368,303	694,471	694,471
EEO Innovative Best Practice	159,233	-	-	123,089	36,144	36,144
EOPS	1,209,343	-	-	279,904	929,439	929,439
Equal Employment Opportunity	281,387	-	-	280,508	879	879
Financial Aid Technology	144,049	-	-	94,586	49,463	49,463
Foster and Kinship Care	176,163	-	-	18,557	157,606	157,606
General Child Care and Development (CCTR)	320,187	-	11,473	-	308,714	308,714
Guided Pathways Program	90,090	-	-	-	90,090	90,090
Hire UP	2,600,119	-	-	407,551	2,192,568	2,192,568
Hunger Free Campus	10,516	-	-	10,516	-	-

See Notes to Supplementary Information

Program	Program Revenues: Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue	Total Revenue	Program Expenditures
Instruction Equipment (One-Time Funds)	$ 29,676	$ -	$ -	$ 270	$ 29,406	$ 29,406
LGBTQ+	170,513	-	-	108,401	62,112	62,112
Local and Systemwide Technology and Data Security	378,388	-	-	353,972	24,416	24,416
Mathematics, Engineering, Science Achievement (MESA) Program	1,083,177	-	-	727,270	355,907	355,907
Mental Health Services	278,889	-	-	235,556	43,333	43,333
NextUp	1,747,626	-	-	1,451,708	295,918	295,918
Nursing Enrollment Growth	180,443	-	-	27,515	152,928	152,928
Physical Plant & Instructional Support	2,619,503	-	-	2,020,237	599,266	599,266
Rising Scholars	256,328	-	-	50,470	205,858	205,858
Rising Scholars-Juvenile Justice	913,678	-	-	731,080	182,598	182,598
SFAA	375,954	-	-	-	375,954	375,954
SFAA (One-Time Funds)	139,541	-	-	14,856	124,685	124,685
State Stipends AB140 CCTR	33,506	-	-	-	33,506	33,506
Strong Workforce Program	4,555,625	-	-	1,533,671	3,021,954	3,021,954
Strong Workforce Regional Venture	805,924	281,996	-	188,122	899,798	899,798
Student Equity and Achievement Program	7,399,171	-	-	3,492,961	3,906,210	3,906,210
Student Food and Housing Support	505,187	-	-	314,934	190,253	190,253
Student Retention and Outreach	667,116	-	-	385,367	281,749	281,749
Student Success Completion	1,750,522	-	-	37,042	1,713,480	1,713,480
Student Transfer Achievement	558,365	-	-	526,809	31,556	31,556
Systemwide Technology and Data Security	609,138	-	-	383,577	225,561	225,561
Textbook Reimbursement for Colleges Teaching Incarcerated Students	31,852	100,975	-	-	132,827	132,827
Transfer Ed and Articulation-Seamless Transfer	18,059	-	-	2,387	15,672	15,672
Undocumented Resources Liaisons	296,646	-	-	282,254	14,392	14,392
Veterans Resource Center	351,076	-	-	220,383	130,693	130,693
Veterans Resource Center (One-Time Funds)	1,662	-	-	454	1,208	1,208
Zero Textbook Cost Program (One-Time Funds)	151,144	-	-	99,706	51,438	51,438
Zero Textbook Cost	320,690	-	-	319,959	731	731
Total state programs	$ 40,500,223	$ 492,462	$ 11,473	$ 18,394,058	$ 22,587,154	$ 22,587,154

CATEGORIES	Reported Data**	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2024 only)			
1. Noncredit*	-	-	-
2. Credit	863.92	-	863.92
B. Summer Intersession (Summer 2025 - Prior to July 1, 2025)			
1. Noncredit*	-	-	-
2. Credit	-	-	-
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	3,128.58	-	3,128.58
(b) Daily Census Contact Hours	127.93	-	127.93
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit*	-	-	-
(b) Credit	114.29	-	114.29
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Procedure Courses	2,437.12	-	2,437.12
(b) Daily Census Procedure Courses	404.58	-	404.58
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	7,076.42	-	7,076.42
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. Inservice Training Courses (FTES)	-	-	-
F. Basic Skills Courses and Immigrant Education			
1. Noncredit*	-	-	-
2. Credit	-	-	-
CCFS-320 Addendum			
CDCP Noncredit FTES	-	-	-
Centers FTES			
1. Noncredit*	-	-	-
2. Credit	2,519.08	-	2,519.08

*Including Career Development and College Preparation (CDCP) FTES.
**Annual report revised as of October 31, 2025.

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110 Reported Data	Audit Adjustments	Revised Data	ECS 84362 B Total CEE AC 0100 - 6799 Reported Data	Audit Adjustments	Revised Data
Academic Salaries							
Instructional Salaries							
Contract or Regular	1100	$ 13,291,122	$ -	$ 13,291,122	$ 13,291,122	$ -	$ 13,291,122
Other	1300	9,939,756	-	9,939,756	9,941,378	-	9,941,378
Total Instructional Salaries		23,230,878	-	23,230,878	23,232,500	-	23,232,500
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	3,483,165	-	3,483,165
Other	1400	-	-	-	809,066	-	809,066
Total Noninstructional Salaries		-	-	-	4,292,231	-	4,292,231
Total Academic Salaries		23,230,878	-	23,230,878	27,524,731	-	27,524,731
Classified Salaries							
Noninstructional Salaries							
Regular Status	2100	-	-	-	11,126,918	-	11,126,918
Other	2300	-	-	-	1,006,911	-	1,006,911
Total Noninstructional Salaries		-	-	-	12,133,829	-	12,133,829
Instructional Aides							
Regular Status	2200	1,187,919	-	1,187,919	1,187,919	-	1,187,919
Other	2400	181,729	-	181,729	181,729	-	181,729
Total Instructional Aides		1,369,648	-	1,369,648	1,369,648	-	1,369,648
Total Classified Salaries		1,369,648	-	1,369,648	13,503,477	-	13,503,477
Employee Benefits	3000	10,776,008	-	10,776,008	20,496,003	-	20,496,003
Supplies and Material	4000	-	-	-	587,485	-	587,485
Other Operating Expenses	5000	541,670	-	541,670	8,845,386	-	8,845,386
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures Prior to Exclusions		35,918,204	-	35,918,204	70,957,082	-	70,957,082

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Exclusions							
Activities to Exclude							
Instructional Staff - Retirees' Benefits and Retirement Incentives	5900	$ 587,198	$ -	$ 587,198	$ 587,198	$ -	$ 587,198
Student Health Services Above Amount Collected	6441	-	-	-	1,145	-	1,145
Student Transportation	6491	-	-	-	-	-	-
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	6740	-	-	-	750,671	-	750,671
Objects to Exclude							
Rents and Leases	5060	-	-	-	382,647	-	382,647
Lottery Expenditures							-
Academic Salaries	1000	1,427,822	-	1,427,822	1,427,822	-	1,427,822
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines, and Periodicals	4200	-	-	-	-	-	-
Instructional Supplies and Materials	4300	-	-	-	-	-	-
Noninstructional Supplies and Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	-	-	-

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Other Operating Expenses and Services	5000	$ -	$ -	$ -	$ -	$ -	$ -
Capital Outlay	6000						
Library Books	6300	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay		-	-	-	-	-	-
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		2,015,020	-	2,015,020	3,149,483	-	3,149,483
Total for ECS 84362, 50% Law		$ 33,903,184	$ -	$ 33,903,184	$ 67,807,599	$ -	$ 67,807,599
% of CEE (Instructional Salary Cost/Total CEE)		50.00%		50.00%	100.00%		100.00%
50% of Current Expense of Education					$ 33,903,800		$ 33,903,800

Activity Classification	Object Code			Unrestricted	
EPA Revenues:	8630				$ 9,483,873
Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	1000-5900	$ 9,483,873	$ -	$ -	$ 9,483,873
Total Expenditures for EPA		$ 9,483,873	$ -	$ -	$ 9,483,873
Revenues Less Expenditures					$ -

Amounts reported for governmental activities in the Statement of Net Position are different because		
Total fund balance and retained earnings		
General Funds	$ 42,582,374	
Special Revenue Funds	929,849	
Capital Project Funds	53,090,231	
Debt Service Funds	8,834,292	
Internal Service Funds	127,449	
Fiduciary Fund	7,431,748	
Total fund balance and retained earnings - all District funds		$ 112,995,943
Amounts held in trust on behalf of others (OPEB Trust)		(7,431,748)
Amounts held in escrow for crossover refunding bonds		63,741,231
The District's investment in the Solano County investment pool is reported at fair market value in the Statement of Net Position.		219,954
Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	284,329,070	
Accumulated depreciation and amortization is	(75,375,928)	
Total capital assets, net		208,953,142
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the District's funds. Deferred outflows of resources at year-end consist of:		
Deferred outflows of resources related to debt refunding	5,068,095	
Deferred outflows of resources related to OPEB	4,443,157	
Deferred outflows of resources related to pensions	18,152,268	
Total deferred outflows of resources		27,663,520
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide statements, unmatured interest on long-term liabilities is recognized when it is incurred.		(526,011)

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
General obligation bonds and bond premium	$ (437,653,103)	
Leases	(1,562,120)	
Subscription-based IT arrangements	(2,362,131)	
Compensated absences	(5,722,286)	
Aggregate net OPEB liability	(11,304,011)	
Aggregate net pension liability	(49,204,524)	
In addition, the District has issued 'capital appreciation' general obligation bonds. The accretion of interest unmatured on the general obligation bonds to date is	(1,437,204)	
Total long-term liabilities		$ (509,245,379)
Deferred inflows of resources represent an acquisition of net position in a future period and is not reported in the District's funds. Deferred inflows of resources amount to and related to:		
Deferred inflows of resources related to OPEB	(634,348)	
Deferred inflows of resources related to pensions	(4,415,091)	
Total deferred inflows of resources		(5,049,439)
Total net position		$ (108,678,787)

Note 1 - Purpose of Schedules

District Organization

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

Schedule of Expenditures of Federal Awards (SEFA)

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

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

Indirect Cost Rate
The District has not elected to use the 10% de minimis cost rate. The District has used its federally negotiated indirect cost rate.

Schedule of Expenditures of State Awards

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

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

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

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

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

Proposition 30 Education Protection Account (EPA) Expenditure Report

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

Reconciliation of the Governmental Funds to the Statement of Net Position

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

Independent Auditor's Reports
June 30, 2025

Solano Community College District

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

To the Board of Trustees
Solano Community College District
Fairfield, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities and fiduciary activities of Solano Community College District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 6, 2026.

Adoption of New Accounting Standard

As discussed in Note 12 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences,* for the year ended June 30, 2025. Accordingly, a restatement has been made to the business-type activities net position as of July 1, 2024, to restate beginning net position. Our opinions are not modified with respect to this matter.

Correction of Error

As discussed in Note 12 to the financial statements, certain errors resulting in misstatements of amounts previously reported for accounts receivable, capital assets, deferred outflows of resources, and long-term liabilities as of June 30, 2024, were discovered by management of the District during the current year. Accordingly, a restatement has been made to the business-type activities net position as of July 1, 2024, to correct these errors. Our opinions are not modified with respect to this matter.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

The District's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Eide Bailly LLP

Ontario, California
February 6, 2026

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

To the Board of Trustees
Solano Community College District
Fairfield, California

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

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

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

Basis for Opinion on the Major Federal Program

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

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

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Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Eide Bailly LLP

Ontario, California
February 6, 2026

Independent Auditor's Report on State Compliance

To the Board of Trustees
Solano Community College District
Fairfield, California

Report on State Compliance

Opinion on State Compliance

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

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

Basis for Opinion

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

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

Responsibilities of Management for Compliance

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

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Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Compliance Requirements Tested

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

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

The District reports no Apportionment for Activities Funded from Other Sources; therefore, the compliance tests within this section were not applicable.

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

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

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

Eide Bailly LLP

Ontario, California
February 6, 2026

Schedule of Findings and Questioned Costs
June 30, 2025

Solano Community College District

FINANCIAL STATEMENTS

Internal control over financial reporting:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a):	No

Identification of major program:

Name of Federal Program or Cluster	Federal Financial Assistance Listing
Student Financial Assistance Cluster	84.007, 84.033, 84.063, 84.268

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	No

STATE COMPLIANCE

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

The following finding represents a material weakness in internal control over financial reporting that is required to be reported in accordance with *Government Auditing Standards*.

2025-001 Restatement of Net Position, Audit Adjustments and Preparation of the Financial Statements

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

Condition
Several audit adjustments were identified during the audit that resulted in changes in certain accounts on the original trial balance, including the restatement of beginning net position. Material adjustments were proposed and posted to accounts receivable, capital assets, deferred outflows of resources related to deferred charges on refunding and general obligation bonds, which affected net position as of July 1, 2024.

Questioned Costs
There were no questioned costs associated with the condition identified.

Context
Several audit adjustments were posted to ensure accuracy of account balances.

Effect
Material adjustments to the general ledger were proposed as a result of audit procedures, including a restatement of beginning net position for the business-type activities. These adjustments were accepted by management to ensure the financial statements were presented fairly. This deficiency may result in financial information that is not available as timely or accurately as it would otherwise be if account balances were reconciled and reported accurately. Additionally, this deficiency may have been corrected if the financial statements were internally prepared.

Cause
The internal controls in place during the closing process, including preparation and review of account reconciliations, were not sufficient to ensure accurate reporting of balances for reporting.

Repeat Finding (Yes or No)
No.

Recommendation
We recommend that the District implement more comprehensive review processes and controls to ensure that account balances are reconciled to the underlying source documentation. Additionally, the financial statements prepared by external accountants should be reviewed and reconciled back to the District's records to ensure amounts presented accurately reflect the District's records.

Views of Responsible Officials and Corrective Action Plan
The District concurs with this finding. While standard year-end closing procedures were in place, internal controls related to the review of certain account balances were not sufficient to ensure that calculations prepared by the prior year's auditors were fully reviewed and validated against the District's supporting records. This resulted in audit adjustments, including the restatement of beginning net position.

- To address this finding and strengthen internal controls over financial reporting, the District has taken and will continue to take the following actions:
- Enhanced the year-end closing process to require formal review and documentation of prior-year balances and related calculations, including those prepared by external auditors.
- Implemented additional supervisory review and approval requirements to ensure externally prepared schedules and calculations are independently validated against District source documentation.
- Increased internal involvement in the preparation and review of draft financial statements and supporting schedules prior to submission to external auditors.
- Established a formal process to reconcile externally prepared financial statements back to the District's general ledger and supporting schedules before final issuance.
- Provided additional training and guidance to accounting staff related to complex accounting areas, including capital assets, long-term debt, and deferred outflows of resources.
- Incorporated post-audit review discussions into the closing cycle to identify process improvements and reduce the likelihood of similar adjustments in future years.

These actions are intended to improve the consistency and accuracy of year-end financial reporting and strengthen the District's review and validation processes.

None reported.

None reported.

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

Financial Statement Findings

None reported.

Federal Award Findings

2024-001 Return of Title IV Funds

Federal Agency: Department of Education
Pass-Through Entity: Direct Funded by the U.S. Department of Education (ED)
Program Name: Student Financial Assistance Cluster
Assistance Listing Number: Various
Award Identification Number: Various
Award Year: July 1, 2023 through June 30, 2024

Criteria
According to 34 CFR Section 668.173 (b) and 2 CFR 200.303, the institutional portion of unearned aid must be returned to the appropriate Title IV, HEA program or Federal Family Education Loan ("FFEL") lender no later than 45 days after the date of the institution's determination that the student withdrew. Furthermore, the institution must determine the amount of Title IV grant or loan assistance that the student earned as of the student's withdrawal date. The Compliance Supplement issued by the Office of Management and Budget requires auditors to review the return of Title IV funds determinations/calculations for conformity with Title IV requirements. Furthermore, according to 34 CFR 668.22, all grant funds relating to post-withdrawal disbursements that are not disbursed to the student's account, must be disbursed to the student no later than 180 days after the date of the institution's determination that the student withdrew.

Condition
The institutional portion of unearned aid was not returned to the Department of Education within 45 days. This was noted for 11 out of 40 samples tested, which is a statistically valid sample.

Questioned Costs
None.

Context
The District disbursed $12,283,383 in Title IV awards during fiscal year 2023-24. The value of the sample tested was $6,689, and the portion of the unearned aid not returned timely was $3,683.

Effect
The cause identified resulted in noncompliance with Title IV regulations.

Cause
The District's internal controls did not ensure compliance with the applicable Title IV regulations.

Repeat Finding (Yes or No)
Yes, see finding 2023-002.

Recommendation
We recommend that the District improve the existing procedures and controls to ensure compliance with the aforementioned criteria.

Views of Responsible Officials and Corrective Action Plan
Management concurs with the finding.

Current Status
Implemented.

2024-002 NSLDS Enrollment Reporting

Federal Agency: Department of Education
Pass-Through Entity: Direct Funded by the U.S. Department of Education (ED)
Program Name: Student Financial Assistance Cluster
Assistance Listing Number: Various
Award Identification Number: Various
Award Year: July 1, 2023 through June 30, 2024

Criteria
In accordance with 34 CFR 685.309(b), 2 CFR 200.303 and the National Student Loan Data System (NSLDS) Enrollment Reporting Guide published by the Department of Education, schools must review, update, and verify student enrollment statuses, program information, and effective dates that appear on the Enrollment Reporting Roster file or on the Enrollment Maintenance page of the NSLDS Professional Access (NSLDSFAP) website. In addition, schools must report enrollment status changes within 30 days of becoming aware of the status change or in its next scheduled enrollment submission if the scheduled submission is within 60 days.

Condition
During our testing of 40 students, which is a statistically valid sample, we noted one instance of change in status not reported timely during the Fall 2023 semester.

Questioned Costs
None.

Context
One exception was noted out of the 40 students tested, which is a statistically valid sample.

Effect
Inaccurate information is reflected on the NSLDS database. A student's enrollment data protects the rights of borrowers by ensuring that loan interest subsidies are based on accurate enrollment data, ensures loan repayment dates are accurately based on the last data of attendance, allows in-school deferments to be automatically granted using NSLDS enrollment data, and provides vast amounts of critical data about the effectiveness of Title IV aid programs, including completion data.

Cause
The District revised its enrollment reporting controls after the June 30, 2023 audit and implemented those controls during the Fall 2023 semester. However, prior to this implementation the internal controls that were in place did not identify the errors for compliance with the criteria mentioned above.

Repeat Finding (Yes or No)
Yes, see finding 2023-003.

Recommendation
We recognize the District made corrective action after the June 30, 2023 audit and implemented those controls during the Fall 2023 semester. We recommend the District continue to follow those controls put in place to ensure compliance with the aforementioned criteria.

Views of Responsible Officials and Corrective Action Plan
Management concurs with the finding.

Current Status
Implemented.

2024-003 **240 Days Outstanding Check**

Federal Agency: Department of Education
Pass-Through Entity: Direct Funded by the U.S. Department of Education (ED)
Program Name: Student Financial Assistance Cluster
Assistance Listing Number: Various
Award Identification Number: Various
Award Year: July 1, 2023 through June 30, 2024

Criteria
The Code of Federal Regulations, 34 CFR 668.164 states that an institution must return to the Department of Education, any Title IV funds that it attempts to disburse directly to a student or parent that are not received by the student or parent. If an EFT to a student's or parent's financial account is rejected, or a check to a student or parent is returned, the institution may make additional attempts to disburse the funds, provided that those attempts are made not later than 45 days after the EFT was rejected or the check returned. In cases where the institution does not make another attempt, the funds must be returned to the Department of Education before the end of this 45-day period. If a check is sent to a student or parent is not returned to the institution but is not cashed, the institution must return the funds to the Department of Education no later than 240 days after the date it first issued the check. In addition, 2 CFR 200.303, nonfederal entities receiving federal awards are required to establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations and program compliance requirements.

Condition
Our audit identified checks were being cancelled within the 240-day timeframe, however the District was not able to provide support that the Department of Education's Common Origination and Disbursement (COD) website was being updated within the allowable timeframe.

Questioned Costs
$66,864

Context
The District disbursed $12,283,383 in Title IV awards during fiscal year 2023-24. There were a total of 75 checks outside the 240-day timeframe, totaling $66,864.

Effect
The District was unable to establish compliance with the Title IV regulation.

Cause
The District's existing procedures do not provide sufficient documentation to support compliance with Title IV regulations.

Repeat Finding
Yes, see finding 2023-004.

Recommendation
We recommend the District re-evaluate their procedures for processing and documenting outstanding Title IV funds to the Department of Education.

Views of Responsible Officials
Management concurs with the finding.

Current Status
Implemented.

2024-004 **Third Party Servicer Publication**

Federal Agency: Department of Education
Pass-Through Entity: Direct Funded by the U.S. Department of Education (ED)
Program Name: Student Financial Assistance Cluster
Assistance Listing Number: Various
Award Identification Number: Various
Award Year: July 1, 2023 through June 30, 2024

Criteria
In accordance with 2 CFR 200.303, the District must establish and maintain effective internal controls over federal awards that provide reasonable assurance that the District is managing the federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award. Additionally, the Code of Federal Regulations, 34 CFR 668.164 states that a school must provide to the Department of Education an up-to-date URL for the contract publication in a centralized database accessible to the public.

Condition
During our testing, we noted the District did not provide an up-to-date URL to the Department of Education.

Questioned Costs
None

Context
The District did not provide an up-to-date URL to the Department of Education within the current fiscal year.

Effect
The District was unable to establish compliance with the Title IV regulation.

Cause
The District's existing procedures do not provide sufficient documentation to support compliance with Title IV regulations.

Repeat Finding
No.

Recommendation
We recommend the District re-evaluate their procedures for providing up-to-date URL information to the Department of Education.

Views of Responsible Officials
Management concurs with the finding.

Current Status
Implemented.

2024-005 Student Eligibility and Awarding

Federal Agency: Department of Education
Pass-Through Entity: Direct Funded by the U.S. Department of Education (ED)
Program Name: Student Financial Assistance Cluster
Assistance Listing Number: 84.063
Award Identification Number: Various
Award Year: July 1, 2023 through June 30, 2024

Criteria
In accordance with 2 CFR 200.303, the District must establish and maintain effective internal controls over federal awards that provide reasonable assurance that the District is managing the federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award. Additionally, the Code of Federal Regulations, 34 CFR 668.164 states that a school must provide to the Department of Education an up-to-date URL for the contract publication in a centralized database accessible to the public.

Condition
The District awarded an incorrect Pell award amount for this student one out of the 40 students tested, which is a statistically valid sample.

Questioned Costs
$2,185

Context
The District awarded $10,538,170 in Pell Grant during the year.

Cause
The overpayment of Pell Grant was due to the District not using information updated by the student for EFC.

Effect
One student was over-awarded Pell Grant funds.

Repeat finding
No.

Recommendation
We recommend that the District implements a process that will ensure all Title IV funds are awarded at proper amounts.

Views of Responsible Officials
Management concurs with the finding.

Current Status
Implemented.

State Compliance Findings

None reported.