SOLANO COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2024

SOLANO COMMUNITY COLLEGE DISTRICT
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YEAR ENDED JUNE 30, 2024

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Solano Community College District
Fairfield, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and fiduciary activities of the Solano Community College District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Solano Community College District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the Solano Community College District, as of June 30, 2024, and the respective changes in financial position, and 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Solano Community College 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.

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 Solano Community College 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.

Auditors' 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 auditors' 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 Solano Community College 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 Solano Community College 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, schedule of changes in the postemployment healthcare benefits liability and related ratios, schedule of postemployment healthcare benefit contributions, schedule of postemployment healthcare benefits money-weighted rate of return on plan assets, schedule of the District's proportionate share of the net pension liability, schedule of the District contributions for pensions, and note to the required supplementary information, 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 Solano Community College District's basic financial statements. The schedule of state financial assistance - grants, schedule of workload measures for state general and apportionment annual (actual) attendance, reconciliation of governmental funds to the statement of net position, reconciliation of the 50 percent law calculation, proposition 30 education protection account (EPA) expenditure report, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary section, including the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2024, on our consideration of the Solano Community College District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Solano Community College 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 Solano Community College District's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
December 18, 2024

Using This Annual Report

The purpose of this annual report is to provide readers with information about the activities, programs, and financial condition of Solano Community College District (the District) as of June 30, 2024. The report consists of three basic financial statements: the Statement of Financial Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows and provides information about the District as a whole. This section of the annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2024. Please read it in conjunction with the District's financial statements, which immediately follow this section. Responsibility for the completeness and accuracy of this information rests with the District management.

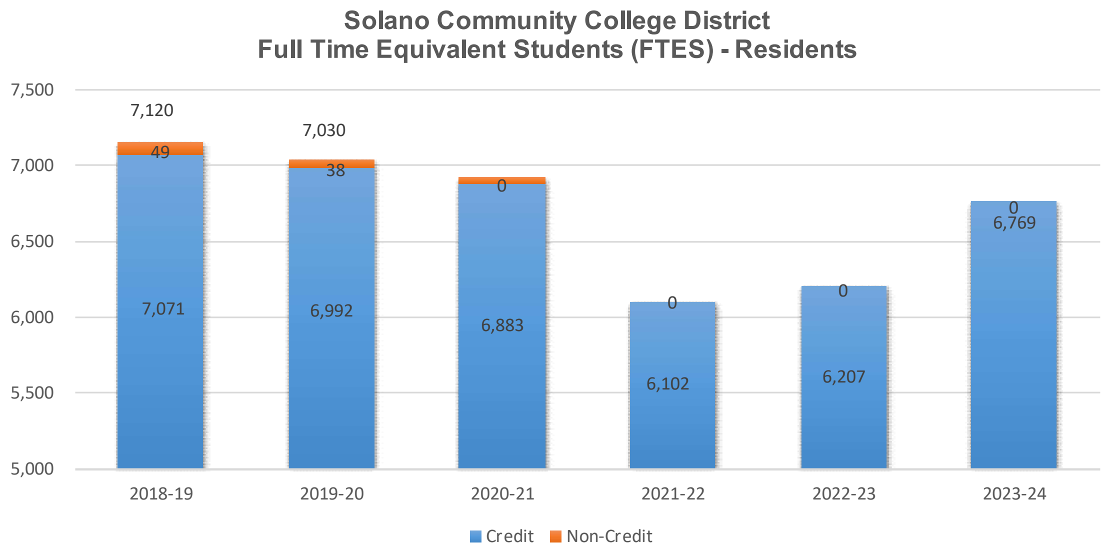
Overview of the Financial Statements

Solano Community College 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's activities are consolidated into one total versus the traditional presentation by fund type. The focus of the Statement of Net Position is designed to be similar to the bottom-line results of the District. This statement combines and consolidates current financial resources with capital assets and long-term liabilities. The Statement of Revenues, Expenses, and Changes in Net Position focuses on the costs of the District's operational activities with revenues and expenses categorized as operating and nonoperating, and expenses are reported by natural classification. The Statement of Cash Flows provides an analysis of the sources and uses of cash within the operations of the District.

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

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 based on FTES, Supplemental, and Success funding and is eligible for the Cost of Living Adjustments (COLA).


Solano Community College District
Full Time Equivalent Students (FTES) - Residents
7,500
7,000
6,500
6,000
5,500
5,000
7,120
49
7,071
7,030
38
6,992
0
6,883
0
6,102
0
6,207
0
6,769
2018-19
2019-20
2020-21
2021-22
2022-23
2023-24
Credit
Non-Credit

THE DISTRICT AS A WHOLE

Net Position

Table 1

	2024	2023	Change
Assets			
Current Assets			
Cash and Investments	$ 58,701,444	$ 71,347,426	$ (12,645,982)
Accounts Receivable, Net	11,046,272	6,048,952	4,997,320
Prepaid Expenses and Other Current Assets	172,392	336,603	(164,211)
Total Current Assets	69,920,108	77,732,981	(7,812,873)
Noncurrent Assets			
Restricted Cash Equivalents and Investments	168,805,583	154,775,101	14,030,482
Capital Assets, Net	188,001,761	174,196,665	13,805,096
Total Noncurrent Assets	356,807,344	328,971,766	27,835,578
Total Assets	$ 426,727,452	$ 406,704,747	$ 20,022,705
Deferred Outflows of Resources	$ 28,553,327	$ 27,396,065	$ 1,157,262
Liabilities			
Current Liabilities			
Accounts Payable and Accrued Liabilities	$ 16,299,966	$ 13,373,224	$ 2,926,742
Unearned Revenue	26,121,559	25,412,899	708,660
Long-Term Liabilities Due Within One Year	10,684,862	13,989,021	(3,304,159)
Total Current Liabilities	53,106,387	52,775,144	331,243
Long-Term Liabilities	500,137,485	475,234,031	24,903,454
Total Liabilities	$ 553,243,872	$ 528,009,175	$ 25,234,697
Deferred Inflows of Resources	$ 5,446,166	$ 9,414,867	$ (3,968,701)
Net Position			
Net Investment in Capital Assets	$ 54,480,830	$ (110,984,220)	$ 165,465,050
Restricted	16,284,804	21,596,597	(5,311,793)
Unrestricted (Deficit)	(174,174,893)	(13,935,607)	(160,239,286)
Total Net Position (Deficit)	$ (103,409,259)	$ (103,323,230)	$ (86,029)

Assets

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

Cash equivalents and investments and restricted cash equivalents and investments increased by a net amount of approximately $1.4 million due principally to the recent bond issuance. Restricted cash equivalents and investments includes amounts restricted for debt service.

Receivables increased by approximately $5.0 million due to the timing and increase in grant revenue.

Capital assets increased by approximately $13.8 million primarily due to the completion of various bond projects.

Liabilities

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

Accounts payable and accrued liabilities increased by approximately $2.9 million primarily due to timing in construction activities and therefore payments due to vendors at year-end.

Unearned revenue increased by approximately $709,000 primarily due to unspent grant funds.

Long-term liabilities include general obligation bonds outstanding, revenue bonds, employee compensated absences, lease and subscription liabilities, and pension and retirement liabilities, increased by approximately $25.0 million primarily due to issuance of new bonds, net of paying down the principal of outstanding bonds.

The unrestricted net position decreased by approximately $160.2 million, giving the district a total net position deficit of approximately $103.4 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*.

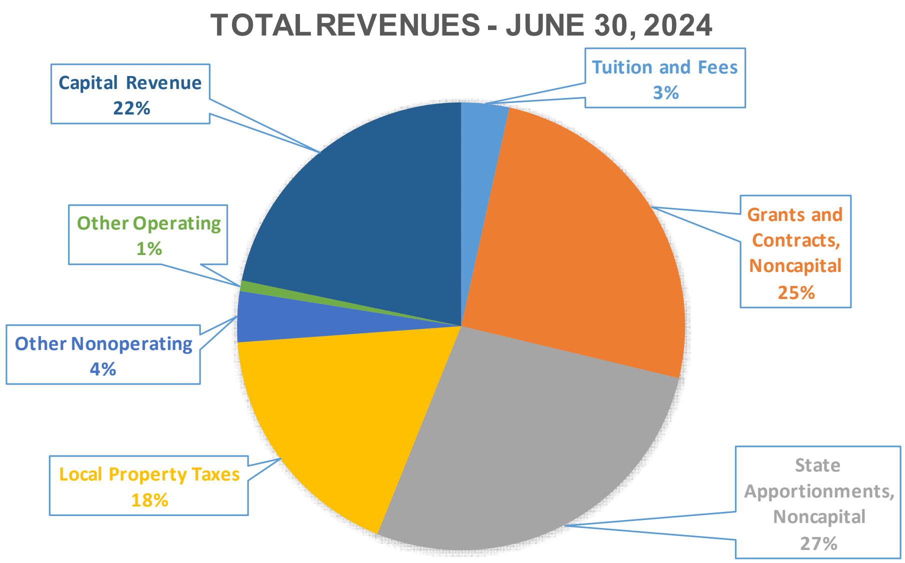
Table 2

	2024	2023	Change
Operating Revenues			
Tuition and Fees	$ 4,489,544	$ 4,979,999	$ (490,455)
Grants and Contracts, Noncapital	23,205,579	20,030,035	3,175,544
Total Operating Revenues	27,695,123	25,010,034	2,685,089
Operating Expenses			
Salaries	47,841,479	38,702,253	9,139,226
Employee Benefits	18,576,937	13,586,056	4,990,881
Supplies, Materials, Other Operating Expenses and Services	45,024,220	36,681,323	8,342,897
Depreciation	4,604,156	4,241,205	362,951
Total Operating Expenses	116,046,792	93,210,837	22,835,955
Operating Loss	(88,351,669)	(68,200,803)	(20,150,866)
Nonoperating Revenues			
Federal Grants	10,538,170	9,529,060	1,009,110
State Apportionments, Noncapital	35,452,872	31,951,889	3,500,983
Local Property Taxes	24,316,707	23,827,585	489,122
State Grants	2,600,854	3,348,553	(747,699)
Investment Income	2,131,901	1,142,977	988,924
Other Nonoperating Revenues (Expenses)	11,002	24,251	(13,249)
Total Nonoperating Revenues (Expenses)	75,051,506	69,824,315	5,227,191
(Loss) Income Before Capital Revenues	(13,300,163)	1,623,512	(14,923,675)
Other Revenues and Expenses, Capital	13,214,134	7,440,558	5,773,576
Increase (Decrease) in Net Position	(86,029)	9,064,070	(9,150,099)
Net Position (Deficit), Beginning of Year	(103,323,230)	(112,387,300)	9,064,070
Net Position (Deficit) - End of Year	$ (103,409,259)	$ (103,323,230)	$ (86,029)

Significant revenue changes between 2024 and 2023 include:

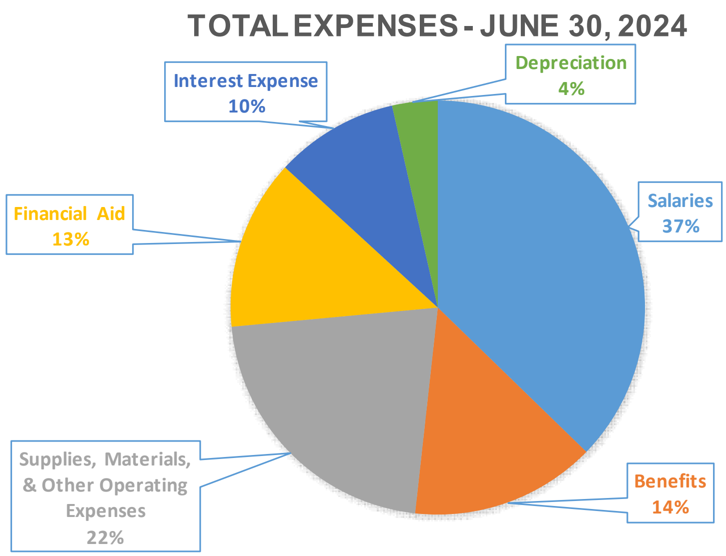
Grants and Contracts increased by approximately $3.2 million; Federal grants increased approximately $1 million, State Apportionments increased by approximately $3.5 million and Investment Income increased approximately $989,000.

Year ended June 30, 2024:



Significant expenditure variances include:

Salaries increased approximately $9.1 million, and benefits increased by approximately $5.0 million. Supplies, materials and other operating expenses increased by approximately $8.4 million. Depreciation remained consistent with the prior year.



Changes in Cash Position

Table 4

	2024	2023	Change
Cash Provided (Used) by			
Operating Activities	$ (91,476,959)	$ (56,459,250)	$ (35,017,709)
Noncapital Financing Activities	72,700,588	70,811,049	1,889,539
Capital Financing Activities	18,276,201	(16,155,190)	34,431,391
Investing Activities	1,884,670	963,925	920,745
Net (Decrease) Increase in Cash	1,384,500	(839,466)	2,223,966
Cash - Beginning of Year	226,122,527	226,961,993	(839,466)
Cash - End of Year	$ 227,507,027	$ 226,122,527	$ 1,384,500

CAPITAL ASSET AND LONG-TERM LIABILITIES

Capital Assets

Note 5 in the financial statements provides additional information on capital assets. A summary of capital assets is presented below.

Table 5

	Balance July 01, 2023	Additions	Deletions	Balance June 30, 2024
Land and Construction in Progress	$ 31,021,905	$ 17,476,576	$ 2,208,297	$ 46,290,184
Buildings and Improvements	193,390,763	2,208,297	-	195,599,060
Equipment and Furniture	9,197,712	863,099	-	10,060,811
Right of Use Equipment	1,482,102	69,577	10,375	1,541,304
Subscription Based Information Technology Arrangements	3,882,993	-	-	3,882,993
Subtotal	238,975,475	20,617,549	2,218,672	257,374,352
Accumulated Depreciation and Amortization	64,778,810	4,604,156	10,375	69,372,591
Total	$ 174,196,665	$ 16,013,393	$ 2,208,297	$ 188,001,761

Long Term Liabilities

Long-term liabilities include general obligation bonds outstanding, employee compensated absences, pension and retirement obligations. General obligation bonds outstanding increased approximately $19.1 million. Pension liabilities changed as a result of the unfunded status of the PERS and STRS pension plans. Retirement plan liabilities increased approximately $3.5 million.

Note 6 in the financial statements provides additional information on long-term liabilities. A summary of long-term liabilities is presented below.

Table 6

	Balance July 01, 2023	Additions	Deletions	Balance June 30, 2024
General Obligation Bonds, Accreted Interest and Bond Premiums	$ 428,374,492	$ 33,141,856	$ 14,003,859	$ 447,512,489
Compensated Absences	1,619,583	-	-	1,619,583
Leases Payable	1,401,819	49,652	-	1,451,471
Subscriptions Payable	3,499,187	-	602,402	2,896,785
OPEB Aggregate Net	7,731,660	-	419,524	7,312,136
Medicare Premium Payment Program	177,882	-	38,301	139,581
Aggregate Net Pension Liability	46,418,429	3,471,873	-	49,890,302
Total Long-Term Liabilities	$ 489,223,052	$ 36,663,381	$ 15,064,086	$ 510,822,347
Amount Due Within One Year				$ 10,684,862

NET PENSION LIABILITY (NPL)

At year-end, the District has a net pension liability of $49.9 million versus $46.4 million last year, an increase of $3.5 million or 7.48%.

BUDGETARY HIGHLIGHTS

Budget Overview

While the COVID-19 shut down in March 2020 impacted the college, it impacts seemed to be less impactful on the college's ability to recover. The enrollment decline in the following years for the college was less than the state-wide average and is growing back to the pre-pandemic state. The budget is conservative in nature, ensuring a healthy reserve in the event of an economic downturn.

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.

BASIC FINANCIAL STATEMENTS

SOLANO COMMUNITY COLLEGE DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government
ASSETS	
CURRENT ASSETS	
Cash, Cash Equivalents, and Investments	$ 58,701,444
Accounts Receivable, Net	11,046,272
Prepaid Expenses and Other	172,392
Total Current Assets	69,920,108
NONCURRENT ASSETS	
Restricted Cash, Cash Equivalents, and Investments	168,805,583
Capital Assets, Net of Depreciation and Amortization	188,001,761
Total Noncurrent Assets	356,807,344
Total Assets	426,727,452
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charge on Refunding	11,553,793
Deferred Outflows - Pension	15,924,039
Deferred Outflows - Other Postemployment Benefits Plan	1,075,495
Total Deferred Outflows of Resources	28,553,327
Total Assets and Deferred Outflows of Resources	$ 455,280,779

See accompanying Notes to Financial Statements.

SOLANO COMMUNITY COLLEGE DISTRICT
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2024

	Primary Governmental
LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable	$ 9,916,778
Accrued Interest Payable	6,182,018
Accrued Liabilities	201,170
Unearned Revenue	26,121,559
Current Portion of Long-Term Debt	10,684,862
Total Current Liabilities	53,106,387
NONCURRENT LIABILITIES	
General Obligation Bonds Payable - Noncurrent Portion	437,717,489
Compensated Absences Payable	1,410,488
Leases Payable	1,419,262
Subscriptions Payable	2,248,227
Net OPEB and MPP Liability	7,451,717
Net Pension Liability	49,890,302
Total Noncurrent Liabilities	500,137,485
Total Liabilities	553,243,872
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows of Resources Related to Pensions	4,323,820
Deferred Inflows of Resources Related to OPEB	1,122,346
Total Deferred Inflows of Resources	5,446,166
NET POSITION	
Net Investment in Capital Assets	54,480,830
Restricted for:	
Debt Service	4,418,028
Capital Projects	6,122,860
Other Special Services	5,743,916
Unrestricted Deficit	(174,174,893)
Total Net Position (Deficit)	(103,409,259)
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 455,280,779

See accompanying Notes to Financial Statements.

SOLANO COMMUNITY COLLEGE DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024

	Primary Governmental
OPERATING REVENUES	
Student Tuition and Fees	$ 8,639,912
Less: Scholarship Discounts and Allowance	(4,150,368)
Net Tuition and Fees	4,489,544
Grants and Contracts, Noncapital:	
Federal	1,868,862
State	20,339,201
Local	968,876
Sales and Commissions	28,640
Total Operating Revenues	27,695,123
OPERATING EXPENSES	
Salaries	47,841,479
Employee Benefits	18,576,937
Supplies, Materials, and Other Operating Expenses and Services	24,852,616
Financial Aid	17,082,037
Utilities	3,089,567
Depreciation and Amortization	4,604,156
Total Operating Expenses	116,046,792
OPERATING LOSS	(88,351,669)
NONOPERATING REVENUES	
Federal Grants and Contracts	10,538,170
State Apportionments, Noncapital	35,452,872
Local Property Taxes	24,316,707
States Taxes and Other Revenue	2,600,854
Interest and Investment Income	2,131,901
Contributions	11,002
Total Nonoperating Revenues	75,051,506
LOSS BEFORE OTHER REVENUES AND EXPENSES	(13,300,163)
OTHER REVENUES AND EXPENSES	
Local Property Taxes and Revenues, Capital	22,331,807
Interest and Investment Income, Capital	5,810,360
Interest Paid on Capital Related Debt	(14,928,072)
Other Non-Operating Revenue	39
Total Other Revenues and Expenses	13,214,134
CHANGES IN NET POSITION	(86,029)
Net Position (Deficit), Beginning of Year	(103,323,230)
NET POSITION (DEFICIT) - END OF YEAR	$ (103,409,259)

See accompanying Notes to Financial Statements.

SOLANO COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024

	Primary Governmental
CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and Fees, Net	$ 5,934,116
Federal Grants and Contracts	962,432
State Grants and Contracts	21,002,086
Local Grants and Contracts	(2,209,011)
Sales and Commissions	28,640
Payments to Suppliers	(31,183,340)
Payments to/On-Behalf of Employees	(68,939,195)
Payments to/On-Behalf of Students	(17,072,687)
Net Cash Used by Operating Activities	(91,476,959)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Apportionments and Receipts	35,452,872
Federal Grants and Contracts	10,538,170
State Taxes and Other Revenue	2,392,839
Local Property Taxes	24,316,707
Net Cash Provided by Noncapital Financing Activities	72,700,588
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Local Revenue for Capital Purposes	22,331,807
Proceeds of debt issuance	30,000,000
Interest on Investments, Capital Funds	4,534,079
Net Purchases of Capital Assets	(16,096,828)
Principal Paid on Capital Related Debt	(13,747,402)
Interest Paid on Capital Related Debt	(8,745,455)
Net Cash Provided by Capital Financing Activities	18,276,201
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received from Investments	1,884,670
Net Cash Provided by Investing Activities	1,884,670
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,384,500
Cash and Cash Equivalents - Beginning of Year	226,122,527
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 227,507,027

See accompanying Notes to Financial Statements.

SOLANO COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2024

	Primary Governmental
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	$ (88,351,669)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation and Amortization	4,604,156
Changes in Assets and Liabilities:	
Receivables, Net	(2,940,753)
Prepaid Expenses	164,211
Deferred Outflows of Resources - Pensions	(1,890,881)
Accounts Payable	(2,826,748)
Accrued Liabilities	79,935
Unearned Revenue	394,623
Net Other Postemployment Retiree Benefits (OPEB)	(457,825)
Net Pension Liabilities	3,471,873
Deferred Inflows of Resources - Pensions	(3,331,515)
Deferred Inflows of Resources - OPEB	(392,366)
Net Cash Used by Operating Activities	$ (91,476,959)
RECONCILIATION OF CASH AND CASH EQUIVALENTS, END OF YEAR TO AMOUNTS IN THE STATEMENT OF NET POSITION	
Cash, Cash Equivalents, and Investments	$ 58,701,444
Restricted Cash, Cash Equivalents, and Investments	168,805,583
Total	$ 227,507,027
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES	
Amortization of Deferred Charges	$ (733,619)
Amortization of Debt Premiums	$ (858,859)

See accompanying Notes to Financial Statements.

SOLANO COMMUNITY COLLEGE DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2024

	Retiree Benefits Trust
ASSETS	
Investments	$ 6,718,815
Total Assets	$ 6,718,815
NET POSITION	
Restricted for Postemployment Benefits	$ 6,718,815
Total Net Position	$ 6,718,815

See accompanying Notes to Financial Statements.

SOLANO COMMUNITY COLLEGE DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2024

	Retiree Benefits Trust
ADDITIONS	
Interest and Investment Income	$ 688,192
NET INCREASE IN NET POSITION	688,192
Net Position - Beginning of Year	6,030,623
NET POSITION - END OF YEAR	$ 6,718,815

See accompanying Notes to Financial Statements.

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 of California, it is legally separate and is independent of other state and local governments, and it is not a component unit of the state in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61. The District is classified as a Public Educational Institution under Internal Revenue Code Section 115 and is, therefore, exempt from federal taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The District considered its financial and operational relationships with potential component units under the reporting entity definition of GASB. The basic, but not the only, criterion for including another organization in the District's reporting entity for financial reports is the ability of the District's elected officials to exercise oversight responsibility over such agencies. Oversight responsibility implies that one entity is dependent on another and a financial benefit or burden relationship is present and that the dependent unit should be reported as part of the other. The three components used to determine the presentation are: providing a "direct benefit," the "environment and ability to access/influence reporting," and the "significance" criterion. The District has determined that it does not have any component units meeting all three of these criteria.

Measurement Focus and Financial Statement Presentation

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 entity-wide perspective of the District's assets, liabilities, activities, and cash flows and replaces the fund group perspective previously required. Fiduciary activities, with the exception of the Retiree Benefit Trust Fund, are included in the basic financial statements. Accordingly, 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 prescribed by GASB. Additionally, the District's policies comply with the California Community Colleges Chancellor's Office *Budget and Accounting Manua*l. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All intra-agency and intra-fund transactions have been eliminated.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Financial Statement Presentation (Continued)

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are classified as operating revenues. These transactions are recorded on the accrual basis when the exchange takes place. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, operating revenues consist primarily of student fees, auxiliary activities through the bookstore and cafeteria, and certain noncapital grants and contracts.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include state apportionments, property taxes, certain federal and state grants, entitlements, and donations. Property tax revenue is recognized in the fiscal year received. state apportionment revenue is earned based upon criteria set forth from the Community Colleges Chancellor's Office and includes reporting of full-time equivalent student (FTES) attendance. The corresponding apportionment revenue is recognized in the period the FTES are generated. Revenue from federal and state grants and entitlements are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements may include time and/or purpose requirements.

Operating expenses are costs incurred to provide instructional services including support costs, auxiliary services, and depreciation of capital assets. All other expenses not meeting this definition are reported as nonoperating. Expenses are recorded on the accrual basis as they are incurred, when goods are received, or services are rendered.

Cash and Cash Equivalents

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

Investments

Investments with original maturities greater than one year 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 are stated at cost or amortized cost.

Restricted Assets

Restricted assets arise when restrictions on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets represent investments required by debt covenants to be set aside by the District for the purpose of satisfying certain requirements of the bonded debt issuance.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable include amounts due from the federal, state and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff, the majority of each residing in the state of California. 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 as of June 30, 2024.

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 and Depreciation

Capital assets are long-lived assets of the District as a whole and include land, construction-in-progress, buildings, leasehold improvements, and equipment. The District maintains an initial unit cost capitalization threshold of $5,000. 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 and recorded utilizing 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; vehicles, 5 to 10 years.

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received form the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Liabilities and Long-Term Liabilities

All payables, accrued liabilities, and long-term liabilities are reported in the primary government financial statements.

Compensated Absences

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported in the primary government financial statements. The current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignation and retirements that occur prior to year-end that have not yet been paid within the fund from which the employees who have accumulated the leave are paid.

Sick leave is accumulated without limit for each employee based upon negotiated contracts. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, retirement credit for unused sick leave is applicable to all classified members who retire after January 1, 1999. At retirement, each member will receive .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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense until then. The District reports deferred outflows of resources for deferred charges on refunding of debt and for pension related items. The deferred charges on 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 related to pension related items relate to differences between expected and actual earnings on investments, changes of assumptions, contributions made subsequent to the measurement date, and other pension related changes. These amounts are deferred and amortized as detailed in the Notes to the financial statements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

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 deferred charges on refunding of debt, for pension related items and for OPEB items. The deferred charges on 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 related to pension and OPEB related items relate to differences between expected and actual earnings on investments, changes of assumptions, and other pension related changes. These amounts are deferred and amortized as detailed in the Notes to the financial statements.

Net Pension Liability

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) plan for schools (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value. The aggregate net pension liability attributable to the governmental activities will be paid by the fund in which the employee worked.

Postemployment Benefits Other Than Pensions (OPEB)

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Medicare Premium Liability

For purposes of measuring the District's liability related to the Medicare Premium Payment (MPP) Program, the fiduciary net position of the MPP Program and additions to/deductions from the MPP Program fiduciary net position have been determined on the same basis as they are reported by the MPP Program. There are no significant deferred outflows of resources or deferred inflows of resources related to the MPP Program or for MPP Program expenses. For this purpose, the MPP Program recognizes benefit payments when due and payable in accordance with the benefit terms. The MPP Program reports its investments at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The related liability for the District's proportionate share of the MPP Program is reported in the financial statements. The plan is not material, and additional disclosures are not included.

Unearned Revenue

Unearned revenue arises 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 expenditures. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized. Unearned revenue includes (1) amounts received for tuition and fees prior to the end of the fiscal year that are related to the subsequent fiscal year and (2) amounts received from federal and state grants received before the eligibility requirements are met.

Noncurrent Liabilities

Noncurrent liabilities include bonds, compensated absences, the aggregate net OPEB liability, and the aggregate pension liability, with maturities greater than one year.

Net Position

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position (Continued)

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

Operating Revenues and Expenses

Classification of Revenues

The District has classified its revenues as either operating or nonoperating revenue according to the following criteria:

Operating Revenues – Operating revenues include activities that have the characteristics of exchange transactions such as student tuition and fees, net of scholarship discounts and allowances, federal, state, and local grants and contracts, and sales and services of auxiliary enterprises.

Nonoperating Revenues – Nonoperating revenues include activities that have the characteristics of nonexchange transactions such as state apportionments, property taxes, investment income, gifts and contributions, and other revenue sources that are defined as nonoperating resources 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. The County Assessor is responsible for assessment of all taxable real property. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of Solano 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 remodeling of certain District property. As a result of the passage of the Bonds, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are billed and collected as noted above and remitted to the District when collected.

Scholarships, Discounts, and Allowances

Student tuition and fee revenue is reported net of scholarships, discounts, and allowances. Fee waivers approved by the Board of Governors are included within the scholarships, 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.

Federal Financial Assistance Programs

The District participates in federally funded Pell Grants, SEOG Grants, and Federal Work-Study programs, as well as other programs funded by the federal government. Financial aid to students is either reported as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to students in the form of reduced tuition. These programs are audited in accordance with Title 2 U.S. Code of Federal Regulations (CFR) 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Activity

Interfund transfers and interfund receivables and payables are eliminated during the consolidation process in the Primary government and Fiduciary Funds' financial statements, respectively.

Adoption of New Accounting Standards – GASB Statement No. 99, *Omnibus 2022*

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. There was not a significant impact on the District's financial statements with the adoption of this standard.

Adoption of New Accounting Standards – GASB Statement No. 100, *Accounting Changes and Errors Corrections – An Amendment of GASB Statement No. 62*

The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. There was not a significant impact on the District's financial statements with the adoption of this standard.

NOTE 3 DEPOSITS AND INVESTMENTS

Deposits – Custodial Credit Risk

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2024, approximately $11.6 million of the District's bank balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Cash in County Treasury

In accordance with the Budget and Accounting Manual, the District maintains substantially all of its cash in the Solano County Treasury as part of the common investment pool. The District is considered an involuntary participant in the investment pool. These pooled funds are recorded at amortized cost which approximates fair value. Fair value of the pooled investments at June 30, 2024 is measured at the amortized cost. The District's investments in the fund are considered to be highly liquid and reflected in the financial statements as cash and cash equivalents in the statement of net position.

The County is authorized to deposit cash and invest excess funds by California Government Code Sections 53601, 53635, 53534 and 53648. The county is restricted to invest time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The funds maintained by the county are either secured by federal depository insurance or are collateralized.

The county investment pool is not required to be rated. Interest earned is deposited quarterly into participating funds, except for the student financial aid fund and the restricted general fund, in which case interest earned is credited to the general fund. Any investment losses are proportionately shared by all funds in the pool.

The county investment pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool. California Government Code statutes and the County Board of Supervisors set forth the various investment policies that the Country Treasurer follow. The method used to determine the value of the participant's equity withdrawn is based on the book value, which is amortized cost, of the participant's percentage participation on the date of such withdrawals.

The pool sponsor's annual financial report may be obtained from Solano County-Auditor/Controller's Office 675 Texas Street Suite 2810, Fairfield CA 94533.

Investments with Fiscal Agent

The Series 2021B and 2021C Refunding Series were Crossover Refundings and the proceeds from issuance of refunding (new) debt were placed in the escrow account. The escrow account will pay all or a portion of the refunding (new) debt's interest until a crossover date when the refunded (old) debt can be called, or it matures, and the amount accumulated in escrow is sufficient to repay it. Amounts held with the fiscal agent totaled $61,621,862 at June 30, 2024 and consist of U.S. Government securities.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments 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. As of June 30, 2024, $548,082 of investments with fiscal agent mature in less than one year and $61,073,780 mature in one to five years.

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments with Fiscal Agent (Continued)

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligations. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. Investments with fiscal agent consist of U.S. government securities and are therefore not considered to have credit risk exposure.

Concentration of Credit Risk

Concentration of credit risk is the risk of a loss attributed to the magnitude of a government's investment in a single issuer. In accordance with GASB, investments with fiscal agent are exposed to concentration of credit risk whenever investments in any one issuer exceed 5%. Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement. Investments with fiscal agent consist of U.S. government securities and are therefore excluded from this requirement.

Custodial Credit Risk

Custodial Credit Risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments that are in he possession of the counterparty. As of June 30, 2024, all investments are in the name of the District, therefore the District is not exposed to custodial credit risk associated with its investments with fiscal agent.

Investments – The Retiree Benefits Trust

Policies

Investments held by the Retiree Health Benefit OPEB Trust (the Retiree Benefit Trust) are limited to those within the terms of the trust agreement, any applicable plan documents and in accordance with California Government Code Section 53620 through 53622. The Retiree Benefit Trust did not violate any provisions of the investment policy during the fiscal year ended June 30, 2024. See Note 9.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments 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 Retiree Benefit Trust investment policy follows California Government Code Section 53601 and limits investment maturities to five years.

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – The Retiree Benefits Trust (Continued)

Credit Risk (Continued)

Credit risk is the risk that an issuer of an investment will not fulfill its obligations. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The Retiree Benefit Trust's investments are in master trusts which are not rated.

The Retiree Benefit Trust authorizes the use of a broad range of investment choices that have distinctly different risk and return characteristics, with the provision that all investments must continue to adhere to the underlying requirements of California Government Code Section 53600.5 and, in particular, its emphasis on preservation of capital.

Concentration of Credit Risk

Concentration of credit risk is the risk of a loss attributed to the magnitude of a government's investment in a single issuer. In accordance with GASB, the Retiree Benefit Trust is exposed to concentration of credit risk whenever investments in any one issuer exceed 5%. Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement.

The Retiree Benefit Trust's investment policy limits investments in any single equity security to be not more than 10%. This limitation is not intended to apply to the percentage of the Retiree Benefit Trust assets invested in an external investment pools. Nor does the limitation apply to obligations of the U.S. government and its agencies, U.S. agency mortgage-backed pass-through securities or to a mutual fund that invests in such obligations or securities. At June 30, 2024, the Retiree Benefit Trust had not invested more than 10% of its portfolio in one issuer.

Custodial Credit Risk

Custodial Credit Risk is the risk that, in the event of the failure of the counterparty, the Retiree Benefit Trust will not be able to recover the value of its investments that are in possession of an outside party. As of June 30, 2024, the District's investment balance of $6,718,815 was exposed to custodial credit risk because it was uninsured, unregistered, and held by the brokerage firm which is also the counterparty for those securities. The Retiree Benefit Trust does not have a policy limiting the amount of securities that can be held by counterparties.

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2024 consist of the following:

Student Receivables	$ 4,948,740
Less: Allowance for Bad Debt	(3,292,815)
Federal and State	4,746,510
EPA	2,983,126
Miscellaneous	1,660,711
Student Receivables, Net	$ 11,046,272

NOTE 5 CAPITAL ASSETS

Capital asset activity for the District for the fiscal year ended June 30, 2024, was as follows:

	Balance July 01, 2023	Additions/ Adjustments	Deductions/ Adjustments	Balance June 30, 2024
Capital Assets:				
Not Being Depreciated:				
Land	$ 21,663,979	$ -	$ -	$ 21,663,979
Construction in Progress	9,357,926	17,476,576	2,208,297	24,626,205
Total Not Being Depreciated	31,021,905	17,476,576	2,208,297	46,290,184
Being Depreciated:				
Land Improvements	9,855,801	-	-	9,855,801
Buildings and Improvements	183,534,962	2,208,297		185,743,259
Furniture and Equipment	9,197,712	863,099	-	10,060,811
Total Being Depreciated	202,588,475	3,071,396	-	205,659,871
Total Capital Assets	233,610,380	20,547,972	2,208,297	251,950,055
Less Accumulated Depreciation:				
Land Improvements	8,733,923	80,682	-	8,814,605
Buildings and Improvements	53,230,855	3,079,370	-	56,310,225
Furniture and Equipment	2,192,780	716,702	-	2,909,482
Total Accumulated Depreciation	64,157,558	3,876,754	-	68,034,312
Net Capital Assets Being Depreciated	138,430,917	(805,358)	-	137,625,559
Net Capital Assets	169,452,822	16,671,218	2,208,297	183,915,743
Right-to-Use Lease Assets:				
Buildings	10,374	50,321	(10,375)	50,320
Equipment	-	19,256	-	19,256
Real Estate	1,471,728	-	-	1,471,728
Total Right-to-Use Lease Assets	1,482,102	69,577	(10,375)	1,541,304
Less Accumulated Amortization:				
Buildings	10,375	1,194	(10,375)	1,194
Equipment	-	414	-	414
Real Estate	104,400	50,492	-	154,892
Total Accumulated Amortization	114,775	52,100	(10,375)	156,500
Total Right-to-Use Lease Assets, Net	1,367,327	17,477	-	1,384,804
Subscription Based Information Technology Arrangement Assets				
Subscription Based Information Technology Arrangements	3,882,993	-	-	3,882,993
Less Accumulated Amortization:				
Subscription Based Information Technology Arrangements	506,477	675,302	-	1,181,779
Total Subscription Based Information Technology Arrangement Assets, Net	3,376,516	(675,302)	-	2,701,214
Total Capital Assets, Net	$ 174,196,665	$ 16,013,393	$ 2,208,297	$ 188,001,761

Depreciation and amortization expense for the year was $4,604,156.

NOTE 6 LONG-TERM LIABILITIES

Summary

The changes in the District's long-term liabilities during the June 30, 2024 fiscal year consisted of the following:

	Balance July 01, 2023	Additions	Deductions	Balance June 30, 2024	Due in One Year
Bonds and Notes Payable:					
General Obligation Bonds	$ 411,675,886	$ 30,000,000	$ 13,145,000	$ 428,530,886	$ 9,795,000
Accreted Interest	9,076,820	1,143,659	-	10,220,479	-
Bond Premiums	7,621,786	1,998,197	858,859	8,761,124	-
Total Bonds Payable	428,374,492	33,141,856	14,003,859	447,512,489	9,795,000
Other Liabilities:					
Compensated Absences	1,619,583	-	-	1,619,583	209,095
Leases Payable	1,401,819	49,652	-	1,451,471	32,209
Subscriptions Payable	3,499,187	-	602,402	2,896,785	648,558
Other Postemployment Benefit Plan	7,731,660	-	419,524	7,312,136	-
Medicare Premium Payment (MPP) Program	177,882	-	38,301	139,581	-
Net Pension Liability	46,418,429	3,471,873	-	49,890,302	-
Total Long-Term Liabilities	$ 489,223,052	$ 36,663,381	$ 15,064,086	$ 510,822,347	$ 10,684,862

Liabilities are liquidated by the General Fund for governmental activities, including capital leases, compensated absences, net pension liability, net OPEB obligations and supplemental employee retirement plan. General obligation bond liabilities are liquidated through property tax collections as administered by the County Controller's office through the Bond Interest and Redemption Fund.

The District participates in the Medicare Premium Payment (MPP) Program of the California State Teachers' Retirement Plan (the STRP). The District's proportionate share of the liability is 0.046%. As the plan activity and the District's proportionate share of the total OPEB liability is not significant, additional disclosures regarding the plan are not included in these financial statements.

NOTE 7 LEASES PAYABLE

The District leases equipment as well as certain office equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through August 2050. Total future minimum lease payments under lease agreements are as follows:

Fiscal Year	Principal	Interest	Total
2025	$ 32,209	$ 30,794	$ 63,003
2026	34,668	29,760	64,428
2027	37,237	28,659	65,896
2028	39,922	27,486	67,408
2029	40,125	26,254	66,379
2030-2034	172,161	120,141	292,302
2035-2039	240,329	98,529	338,858
2040-2044	323,794	69,036	392,830
2045-2049	425,475	29,922	455,397
2050-2051	105,551	314	105,865
Total	$ 1,451,471	$ 460,895	$ 1,912,366

NOTE 8 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The District has entered into a subscription based-information technology arrangement (SBITA) for an enterprise resource planning software system. The SBITA arrangement expires in June 2028 and provides for renewal options.

As of June 30, 2024, the SBITA asset and the related accumulated amortization totaled $3,882,993 and $1,181,780, respectively. The SBITA has been discounted using the five year Treasury rate of 3.90%.

The future subscription payments under the SBITA agreement is as follows:

Fiscal Year	Principal	Interest	Total
2025	$ 648,558	$ 85,856	$ 734,414
2026	697,217	59,231	756,448
2027	748,494	30,647	779,141
2028	802,516	26,592	829,108
Total	$ 2,896,785	$ 202,326	$ 3,099,111

NOTE 9 GENERAL OBLIGATION BONDS

General Obligation Bonds – Measure G (2002)

General obligation bonds were approved by a local election in 2002. The total amount approved by the voters was $124,500,000. The bonds were authorized for the purpose of construction and repairing college education facilities.

In May 2003, the District issued 2002 General Obligation Bonds, Series A in the amount of $80,000,000.

NOTE 9 GENERAL OBLIGATION BONDS (CONTINUED)

General Obligation Bonds – Measure G (2002) (Continued)

In March 2005, the District issued $81,349,812 of General Obligation Refunding to advance refund the outstanding portion of the 2002 General Obligation Bonds, Series A. Proceeds associated with refundings were deposited into an irrevocable escrow account for future repayments. The outstanding balance of the defeased debt was paid by the escrow agent. The refunded bonds have been fully defeased and are not recorded on the financial statements.

In August 2006, the District issued 2002 General Obligation Bonds, Series B in the amount of $44,495,279.

In March 2014, the District issued $10,645,000 and $41,165,000 of General Obligation Refunding Bonds, Series A and B, to advance refund a portion of the 2002 General Obligation Bonds, Series B and 2005 Refunding, Series A. Proceeds associated with refundings were deposited into an irrevocable escrow account for future repayments. The outstanding balance of the defeased debt was paid by the escrow agent on August 1, 2016. The refunded bonds have been fully defeased and are not recorded on the financial statements.

In September 2015, The District issued $47,677,452 of General Obligation Refunding Bonds to advance refund a portion of the 2002 General Obligation Bonds, Series B. Proceeds associated with refundings were deposited into an irrevocable escrow account for future repayments. The outstanding balance of the defeased debt was paid by the escrow agent on August 1, 2016. The refunded bonds have been fully defeased and are not recorded on the financial statements.

The difference between the reacquisition price and the net carrying amount on refunded debt is deferred and amortized as a component of interest expense over the life of the new debt. For the 2014 Refunding, Series A, the existing carrying value of the refunded debt exceeded the payments to the refunding escrow agent by $2,448,210 which was accrued as a deferred inflow. Amortization of $244,820 was recognized during the fiscal year ended June 30, 2024. For the 2015 Refunding, payments to the refunding escrow agent exceeded the existing carrying value of the refunded debt by $1,251,540 which was accrued as a deferred outflow. Amortization of $733,619 was recognized during the fiscal year ended June 30, 2024.

In October 2021, The District issued $49,440,000 of General Obligation Refunding Bonds Series B to advance refund a portion of the 2002 General Obligation Bonds, 2015 Refunding. The 2021 Refunding, Series B are issued on a crossover basis to retire $39,591,350 of convertible capital appreciation debt of 2002 General Obligation Bonds, 2015 Refunding. The crossover date is August 1, 2025; the bonds remain as a long-term debt and will continue to accrete interest until the crossover date. Proceeds from the debt issuance of $49,167,066 have been deposited in an escrow account to defease the debt on the crossover date. Deferred outflows associated with the refunding will be recognized at the crossover date.

NOTE 9 GENERAL OBLIGATION BONDS (CONTINUED)

General Obligation Bonds – Measure G (2002) (Continued)

Proceeds received in excess of debt are added to the maturity amount and amortized to interest expense over the life of the liability. The collective Measure G (2002) Bonds included total premiums of $12,747,667. This amount will be amortized using the straight-line method. Amortization of $241,154 was recognized during the fiscal year ended June 30, 2024.

General Obligation Bonds – Measure Q (2012)

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 college education facilities.

In June 2013, the District issued 2012 General Obligation Bonds, Series A in the amount of $89,996,899 and Series B for $30,000,000.

In April 2017, the District issued 2012 General Obligation Bonds, Series C in the amount of $90,000,000.

In November 2019, the District issued $112,650,000 of General Obligation Refunding Bonds to advance refund a portion of the 2012 General Obligation Bonds Series A and Series B. Proceeds associated with refundings were deposited into an irrevocable escrow account for future repayments. The outstanding balance of the defeased debt, to be paid by the escrow agent had a redemption date of August 1, 2023. The refunded bonds have been fully defeased and are not recorded on the financial statements.

In November 2020, the District issued 2012 General Obligation Bonds, Series D in the amount of $30,000,000.

In October 2021, the District issued $56,915,000 of General Obligation Refunding Bonds, Series A to advance refund a portion of the 2012 General Obligation Bonds, Series A. Proceeds associated with the refunding were deposited into an irrevocable escrow account for future repayments. The outstanding balance of the defeased debt, to be paid by the escrow agent has an expected redemption date of August 1, 2027. The refunded bonds have been fully defeased and are not recorded on the financial statements.

The difference between the reacquisition price and the net carrying amount on refunded debt will be deferred and amortized as a component of interest expense over the life of the new debt. For the 2021 Refunding, Series A, payments to the refunding escrow agent exceeded the existing carrying value of the refunded debt by $6,501,893 which was accrued as a deferred outflow. Amortization of $650,189 was recognized during the fiscal year ended June 30, 2024.

NOTE 9 GENERAL OBLIGATION BONDS (CONTINUED)

General Obligation Bonds – Measure Q (2012) (Continued)

In October 2021, The District issued $18,825,000 of General Obligation Refunding Bonds Series C to advance refund a portion of the 2002 General Obligation Bonds, Series A. The 2021 Refunding Series C Refunding are issued on a crossover basis to retire $9,908,433 of certain portions of the 2022 General Obligation Bonds, Series A. The crossover date is August 1, 2028; the bonds remain as a long-term debt and will continue to accrete interest until the crossover date. Proceeds from the debt issuance of $18,720,069 have been deposited in an escrow account to defease the debt on the crossover date. Deferred outflows associated with the refunding will be recognized at the crossover date. A correction to deferred outflows of $1,630,335 was recognized during the fiscal year ended June 30, 2023 as a result.

In December 2023, the District issued 2023 General Obligation Bonds, Series F in the amount of $30,000,000.

Proceeds received in excess of debt are added to the maturity amount and amortized to interest expense over the life of the liability. The collective Measure Q (2012) Bonds included total premiums of $16,261,031. This amount will be amortized using the straight-line method. Amortization of $617,700 was recognized during the fiscal year ended June 30, 2024.

General Obligation Bonds – Measure G (2002) and Measure Q (2012)

The outstanding general obligation bonded debt was as follows:

General Obligation Bonds Date	Date of Issue	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding June 30, 2024
2002 Election					
2015 Refunding Bonds	10/06/2015	8/1/2031	2.0%-5.0%	$ 47,677,453	$ 47,562,453
2021 Refunding Bonds, Series B	10/06/2021	8/1/2031	1.025%-1.861%	49,440,000	49,440,000
Subtotal					97,002,453
2012 Election					
Series A	6/18//2013	8/1/2041	2.0%-5.49%	$ 89,996,899	$ 9,908,433
Series C	4/26/2017	8/1/2047	2.0%-5.25%	90,000,000	35,290,000
2019 Refunding Bonds	11/27/2019	8/1/2047	3.094%-3.194%	112,650,000	109,840,000
Series D	11/17/2020	8/1/2050	4.0%	30,000,000	23,040,000
Series E	10/06/2021	8/1/2050	2.625%-4.0%	50,000,000	50,000,000
2021 Refunding Bonds, Series A	10/06/2021	8/1/2041	0.183%-2.819%	56,915,000	54,625,000
2021 Refunding Bonds, Series C	10/06/2021	8/1/2041	1.861%-2.819%	18,825,000	18,825,000
Series 2023F	12/19/2023	8/1/2045	4.00% - 5.00%	30,000,000	30,000,000
Subtotal					331,528,433
Total					$ 428,530,886

NOTE 9 GENERAL OBLIGATION BONDS (CONTINUED)

General Obligation Bonds – Measure G (2002) and Measure Q (2012) (Continued)

The annual debt service requirements to maturity for general obligation bonds are as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2025	$ 8,513,306	$ 14,622,817	$ 23,136,123
2026	8,617,796	14,228,421	22,846,217
2027	16,478,451	13,797,992	30,276,443
2028	16,580,530	13,277,674	29,858,204
2029	17,469,855	12,696,452	30,166,307
2030-2034	76,767,515	54,300,461	131,067,976
2035-2039	53,905,028	46,235,476	100,140,504
2040-2044	91,158,406	34,199,475	125,357,881
2045-2049	101,905,000	14,261,759	116,166,759
2050-2051	37,135,000	1,051,913	38,186,913
Total	428,530,886	$ 218,672,440	$ 647,203,326
Accretions to Date	10,220,479		
Total	$ 438,751,365		

NOTE 10 OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY

Plan Administration

The District's Governing Board administers an Other 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 Solano Community College District Board, which consists of seven locally elected Plan members. Management of the trustee assets is vested with the Retiree Health Benefit Funding Program Joint Powers Agency.

Plan Membership

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

Inactive Employees or Beneficiaries Currently Receiving Benefits Payments	94
Active Employees	305
Total	399

NOTE 10 OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY (CONTINUED)

Health Benefit OPEB Trust

The Retiree Health Benefit OPEB Trust (the Retiree Benefit Trust) is an irrevocable governmental trust pursuant to Section 115 of the Internal Revenue Code for the purpose of funding certain postemployment benefits other than pensions. The Retiree Benefit Trust is administered by the Retiree Health Benefit Funding Program Joint Powers Agency (the Investment JPA) as directed by the investment alternative choice selected by the District. The District retains the responsibility to oversee the management of the Retiree Benefit Trust, including the requirement that investments and assets held within the Investment JPA 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 Retiree Benefit Trust. The financial activity of the Retiree Benefit Trust has been discretely presented. Separate financial statements are not prepared for the Retiree Benefit Trust.

Benefits Provided

The Plan provides medical, dental, and vision insurance benefits to eligible retirees and their spouses. The District is a member of the California Community College League Retiree Health Benefit Program, which is an investment program used to set aside funds for future retiree benefits. Separate financial statements for the Investment JPA can be obtained by contacting the California Community College League Retiree Health Benefit Funding Program at 2017 O Street, Sacramento, CA 95811. The Governing Board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

Contributions

The contribution requirements of Plan members and the District are established and may be amended by the District and the bargaining units. Voluntary contributions based on projected pay-as-you-go financing requirements, and any additional amounts to prefund benefits are based on the availability of funds. For fiscal year 2023-24, the District contributed $1,062,126 to the Plan all of which was used for current premiums with no additional contributions to the Retiree Benefit Trust.

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, expect for liquidity purposes, and aims to refrain from dramatically shifting asset class allocation over short time spans.

NOTE 10 OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY (CONTINUED)

Investment (Continued)

Investment Policy (Continued)

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

	Target Allocation
U.S. Large Cap	29 %
U.S. Small Cap	13
All Foreign Stock	9
Other Fixed Income	49
Total	100 %

Rate of Return

For the year ended June 30, 2024, the rate of return on investments, net of investment expense, was 5.75%.

Net OPEB Liability of the District

The District's net OPEB liability of $7,312,136 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 that date.

The components of the net OPEB liability of the District at June 30, 2024, were as follows:

Total OPEB Liability	$ 14,030,951
Plan Fiduciary Net Position	(6,718,815)
District's Net OPEB Liability	$ 7,312,136

Actuarial Assumptions

The total OPEB liability in the June 30, 2024 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%, Average, Including Inflation
Investment Rate of Return	5.75%, Net of OPEB Plan Investment Expense, Including Inflation
Healthcare Cost Trend Rates	4.00%

The discount rate was based on the Bond Buyer 20-bond General Obligation Index.

NOTE 10 OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY (CONTINUED)

Net OPEB Liability of the District (Continued)

Actuarial Assumptions (Continued)

Mortality rates were based on the 2020 CalSTRS Mortality Table for certificated employees and the 2021 CalPERS Mortality for Miscellaneous and Schools Employees Table for classified employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reeducation. 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, 2024 valuation were based on the results of an actual experience study for the period July 1, 2023 to June 30, 2024.

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

Asset Class	Long-Term Expected Real Rate of Return
U.S. Large Cap	7.545 %
U.S. Small Cap	7.545 %
All Foreign Stock	7.545 %
Other Fixed Income	3.000 %

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.

NOTE 10 OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY (CONTINUED)

Changes in the Net OPEB Liability

	Increase (Decrease)		
OPEB Plan	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance - June 30, 2023	$ 13,762,283	$ 6,030,623	$ 7,731,660
Service Cost	554,069	-	554,069
Interest	776,725	696,409	80,316
Employer Contributions as Benefit Payments	-	1,062,126	(1,062,126)
Expected Investment Income	-	-	-
Investment Gains/(Losses)	-	-	-
Experience (Gains)/Losses	-	-	-
Changes in Assumptions	-	-	-
Benefit Payments	(1,062,126)	(1,062,126)	-
Administrative Expense	-	(8,217)	8,217
Net Change in Total OPEB Liability	268,668	688,192	(419,524)
Balance - June 30, 2024	$ 14,030,951	$ 6,718,815	$ 7,312,136

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 1-percentage-point lower (4.75%) or 1-percentage-point higher (6.75%) than the current discount rate:

Discount Rate	Net OPEB Liability
1% Decrease (4.75%)	$ 8,349,080
Current Discount Rate (5.75%)	7,312,136
1% Increase (6.75%)	6,377,151

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using health care cost trend rates that are 1-percentage-point lower (3.00%) or 1-percentage-point higher (5.00%) than the current health care cost trend rates:

Healthcare Cost Trend Rates	Net OPEB Liability
1% Decrease (3.00%)	$ 5,953,989
Current Healthcare Cost Trend Rate (4.00%)	7,312,136
1% Increase (5.00%)	8,888,092

NOTE 10 OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY (CONTINUED)

OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the District recognized OPEB expense of $574,539.

At June 30, 2024, the District reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 512,073	$ (574,421)
Changes of Assumptions	163,442	(30,552)
Investment Gains and Losses	399,980	(517,373)
Total	$ 1,075,495	$ (1,122,346)

The deferred inflows of resources related to the difference between expected and actual earnings on pension plan investments and changes in assumptions will be amortized over a six-year period while investment gains and losses will be amortized over a five-year period. Deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows/ Inflows of Resources
2025	$ (241,721)
2026	6,609
2027	(79,517)
2028	267,778
Total	$ (46,851)

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS

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

As of June 30, 2024, the District's net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the retirement plans are as follows:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS (STRP)	$ 23,609,910	$ 6,945,807	$ 2,824,441	$ 4,197,233
CalPERS (Schools Pool Plan)	26,280,392	8,978,232	1,499,379	3,436,561
Total	$ 49,890,302	$ 15,924,039	$ 4,323,820	$ 7,633,794

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 the California State Teachers' Retirement System (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.

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 nonemployer contributing entity to the STRP.

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

California State Teachers' Retirement System (CalSTRS) (Continued)

Benefits Provided (Continued)

The STRP provisions and benefits in effect at June 30, 2024 are summarized as follows:

Provisions and Benefits	STRP Defined Benefit Program and Supplement Program	
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 detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. The contribution rates for each plan for the year ended June 30, 2024 are presented above and the total District contributions were $4,531,679.

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

At June 30, 2024, 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:

	Balance June 30, 2024
District Proportionate Share of the Net Pension Liability	$ 23,609,910
State's Proportionate Share of the Net Pension Liability Associated with the District	11,312,376
Total	$ 34,922,286

The net pension liability was measured as of June 30, 2023. 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 school districts and the state, actuarially determined. At June 30, 2023, the District's proportion was 0.0310% which is the same proportion measured as of June 30, 2022.

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

California State Teachers' Retirement System (CalSTRS) (Continued)

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

For the year ended June 30, 2024, the District recognized pension expense of $2,658,437 and revenue and corresponding expense of $1,538,796 for contributions provided by the state representing total pension expense of $4,197,233. At June 30, 2024, 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	$ 4,531,679	$ -
Differences Between Expected and Actual Experience	1,855,350	1,263,250
Changes of Assumptions	136,710	-
Changes in Proportion	321,008	1,561,191
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	101,060	-
Total	$ 6,945,807	$ 2,824,441

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 year ended June 30, 2025. The net difference between projected and actual earnings on plan investments is amortized over a five year period on a straight-line basis. All other deferred outflows of resources and deferred inflows of resources are amortized over the expected average remaining service life (EARSL) of the plan participants. The EARSL for the STRP for the June 30, 2023 measurement date is seven years.

The remaining amount will be recognized to pension expense as follows:

Year Ending June 30,	Amortization
2025	$ (829,128)
2026	(1,566,465)
2027	1,613,391
2028	(58,487)
2029	121,151
2030	309,225
Total	$ (410,313)

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

California State Teachers' Retirement System (CalSTRS) (Continued)

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The financial reporting actuarial valuation as of June 30, 2022 used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Experience Study	July 1, 2015 through June 30, 2018
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 involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

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 investment staff and investment consultants and adopted by the CalSTRS Board in January 2020. Best estimates of 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return 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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

California State Teachers' Retirement System (CalSTRS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.10%, which was unchanged from the prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments, and administrative expense occur midyear. Based on 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 the 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	$ 39,603,740
Current Discount Rate	23,609,910
1% Increase	10,325,170

Plan Fiduciary Net Position

Detailed information about the STRP's plan fiduciary net position is available in a separate annual comprehensive financial report on the CalSTRS website. Copies of the CalSTRS annual comprehensive financial report may be obtained from CalSTRS.

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

California Public Employees Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the Schools Pool Plan under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law.

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 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 provisions and benefits in effect at June 30, 2024 are summarized as follows:

Provisions and Benefits	Schools Pool Plan (CalPERS)	
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	26.68%	26.68%

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

California Public Employees' Retirement System (CalPERS) (Continued)

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 the July 1 following notice of a change in the rate. Total plan contributions are determined 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 contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2024 are as presented above and the total District contributions were $3,938,334.

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

As of June 30, 2024, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $26,280,392. The net pension liability was measured as of June 30, 2023. 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 school districts, actuarially determined. At June 30, 2023, the District's proportion was 0.0726% which is an increase of 0.0003% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized pension expense of $3,436,561. At June 30, 2024, 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	$ 3,938,334	$ -
Differences Between Expected and Actual Experience	959,046	403,628
Changes of Assumptions	1,210,727	-
Changes in Proportion	63,003	1,095,751
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	2,807,122	-
Total	$ 8,978,232	$ 1,499,379

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

California Public Employees' Retirement System (CalPERS) (Continued)

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

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 year ended June 30, 2025. The net difference between projected and actual earnings on plan investments is amortized over a five-year period on a straight-line basis. All other deferred outflows of resources and deferred inflows of resources are amortized over the expected average remaining service life (EARSL) of the plan participants. The EARSL for the CalPERS Schools Pool Plan for the June 30, 2023 measurement date is 3.8 years.

The remaining amount will be recognized in pension expense as follows:

Year Ending June 30,	Amortization
2025	$ 561,025
2026	716,500
2027	2,175,633
2028	87,361
Total	$ 3,540,519

Actuarial Methods and Assumptions

Total pension liability for the Schools Pool Plan was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The financial reporting actuarial valuation as of June 30, 2022 used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Experience Study	2000 through 2019
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

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS experience study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those rates include generational mortality improvements using 80% of scale MP 2020 published by the Society of Actuaries.

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

California Public Employees' Retirement System (CalPERS) (Continued)

Actuarial Methods and Assumptions (Continued)

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 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%, which was unchanged from the prior fiscal year. This rate reflects the long-term expected rate of return for the Schools Pool Plan net of investment expenses and without reduction for administrative expenses. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the Schools Pool Plan 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 plan investments was applied to all periods of projected benefit payments to determine total pension liability.

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

California Public Employees' Retirement System (CalPERS) (Continued)

Discount Rate (Continued)

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	$ 37,994,654
Current Discount Rate	26,280,392
1% Increase	16,598,822

Plan Fiduciary Net Position

Detailed information about CalPERS Schools Pool Plan fiduciary net position is available in a separate annual comprehensive financial report available on the CalPERS website. Copies of the CalPERS annual comprehensive financial report may be obtained from CalPERS.

NOTE 12 JOINT POWERS AGREEMENT

The District participates in two joint powers agreements (JPA) entities: Northern California Community College Pool (NCCCP) and the Schools Association for Excess Risk (SAFER). Property and Liability Insurance Coverages.

Property and Liability Insurance Coverage

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

During fiscal year ended June 30, 2024, the District contracted with the Northern Community Colleges Self Insurance Authority, a Joint Powers Authority for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

SAFER provides excess liability insurance from $5,000,000-$50,000,000. The Board elects from its members a President, Vice-President, Secretary, Treasurer, five representatives, and nine alternates. The Board controls the operations of SAFER, including selection of management and approval of operating budgets, independent of any influence by the members beyond their representation on the Board. Each member pays an annual contribution based upon that calculated by SAFER's board of directors and shares surpluses and deficits proportionately to its participation in SAFER.

NOTE 12 JOINT POWERS AGREEMENT (CONTINUED)

Workers' Compensation

NCCCP's intent is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the JPA. The workers' compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in the JPA. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated, and each participant's individual performance is compared to the overall saving. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the JPA. Participation in the JPA is limited to K-12 and community college districts that can meet the JPA's selection criteria.

Insurance and other limits are as follows:

Joint Power Authority	Type of Coverage	Limits
Northern California Community College Pool (NCCCP)	Workers' Compensation	$1,000,000
Northern California Community College Pool (NCCCP)	Property	$5,000,000
Schools Association for Excess Risk (SAFER)	Excess Liability	$5,000,000 - $50,000,000
Northern California Community College Pool (NCCCP)	Property	$250,250,000

Each JPA is governed by a board consisting of a representative from each member district. Each governing board controls the operations of its JPA independent of any influence by the District beyond the District's representation on the governing boards. Each JPA is independently accountable for its fiscal matters. All JPAs maintains its own accounting records. Budgets are not subject to any approval other than that of the respective governing boards. Member districts share surpluses and deficits proportionately to their participation in the JPA. The relationships between the District and the JPAs are not considered to be that of a component unit for financial reporting purposes.

The most current condensed financial information derived from the JPAs financial statements for the fiscal year ended June 30, 2023 is as follows:

	NCCCP 6/30/2023 (Audited)	SAFER 6/30/2023 (Audited)
Total Assets and Deferred Outflows	$ 3,136,749	$ 35,643,366
Total Liabilities and Deferred Inflows	1,575,075	34,378,599
Fund Balance	$ 1,561,674	$ 1,264,767
Total Revenues	$ 3,843,954	$ 135,089,468
Total Expenditures	4,266,136	135,289,156
Change in Fund Balance	$ (422,182)	$ (199,688)

Separate financial statements for the JPAs can be obtained through the District.

NOTE 13 FUNCTIONAL EXPENSE

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

	Salaries	Employee Benefits	Supplies, Materials, Utilities, Other Expenses and Services	Student Aid and Other Uses	Depreciation and Amortization	Total
Instruction	$ 25,341,895	$ 8,862,484	$ 2,828,769	$ -	$ -	$ 37,033,148
Academic Support	8,606,863	3,045,374	2,616,280	-	-	14,268,517
Student Services	3,418,842	1,308,281	2,270,059	-	-	6,997,182
Operation and Maintenance	2,555,807	1,388,606	5,394,016	-	-	9,338,429
Institutional Support	6,773,673	3,571,563	13,983,565	-	-	24,328,801
Public Service	1,144,398	400,629	767,895	-	-	2,312,922
Auxiliary Enterprises	-	-	81,600	-	-	81,600
Scholarships and Fellowships	-	-	-	17,082,037	-	17,082,037
Depreciation and Amortization	-	-	-	-	4,604,156	4,604,156
Totals by Object	$ 47,841,478	$ 18,576,937	$ 27,942,184	$ 17,082,037	$ 4,604,156	$ 116,046,792

NOTE 14 COMMITMENTS AND CONTINGENCIES

Grants

The District receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2024.

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, 2024.

NOTE 14 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Construction Commitments

As of June 30, 2024, the District had the following commitments with respect to the capital projects:

Capital Project	Remaining Construction Commitment	Expected Date of Completion
Solar Energy (5 Megawatt Solar Installation)	$ 5,880,894	November 2024
Central Plant Replacement	3,915,363	February 2025
Replacement Substations #3 & #4	2,414,355	December 2024
Building 300 Modernization	1,897,941	November 2024
Quad Water Conservation	1,033,934	September 2024
Campus-Wide Interior Refresh	633,171	August 2024
Fairfield Campus Swing Space	562,339	August 2024
Vacaville Water Intrusion (	364,880	October 2024
Early Learning Center Expansion	187,173	August 2024
Vallejo Center Security Enhancement	109,947	September 2024
Gym Audio Visual Enhancement	66,583	November 2024
B1400 Audio Visual Modernization	28,929	August 2024
Total	$ 17,095,509	

The projects are funded through a combination of general obligation bonds and capital project apportionments from the California State Chancellor's Office.

REQUIRED SUPPLEMENTARY INFORMATION

SOLANO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN THE POSTEMPLOYMENT HEALTHCARE BENEFITS LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2024

Total OPEB Liability	2017	2018	2019	2020	2021	2022	2023	2024
Service Cost	$ 962,203	$ 988,664	$ 1,015,852	$ 555,653	$ 570,933	$ 515,631	$ 529,811	$ 554,069
Interest	590,814	874,856	800,703	747,113	760,154	697,187	711,514	776,725
Experience (Gains)/Losses	-	-	(1,411,659)	-	(762,696)	-	682,765	-
Changes of Assumptions	-	(2,067,466)	-	-	(75,824)	-	217,924	-
Benefit Payments	(1,044,653)	(1,086,439)	(1,004,606)	(1,131,324)	(1,054,795)	(963,504)	(977,981)	(1,062,126)
Net Change in Total OPEB Liability	508,364	(1,290,385)	(599,710)	171,442	(562,228)	249,314	1,164,033	268,668
Total OPEB Liability - Beginning	14,121,453	14,629,817	13,339,432	12,739,722	12,911,164	12,348,936	12,598,250	13,762,283
Total OPEB Liability - Ending (a)	$ 14,629,817	$ 13,339,432	$ 12,739,722	$ 12,911,164	$ 12,348,936	$ 12,598,250	$ 13,762,283	$ 14,030,951
Plan Fiduciary Net Position								
Contributions - Employer	$ 1,044,653	$ 1,406,528	$ 1,324,606	$ 1,451,324	$ 1,054,795	$ 963,504	$ 1,617,981	$ 1,062,126
Net Investment Income	263,321	229,336	234,826	200,006	279,833	-	-	-
Benefit Payments	(1,044,653)	(1,086,439)	(1,004,606)	(1,131,324)	(1,054,795)	(963,504)	(977,981)	(1,062,126)
Investment Gains/(Losses)	-	-	-	-	669,373	(677,626)	473,981	696,409
Administrative Expense	(5,029)	-	(6,494)	(6,636)	(6,999)	(7,703)	(7,626)	(8,217)
Net Change in Plan Fiduciary Net Position	258,292	549,425	548,332	513,370	942,207	(685,329)	1,106,355	688,192
Plan Fiduciary Net Position - Beginning	2,797,971	3,056,263	3,605,688	4,154,020	4,667,390	5,609,597	4,924,268	6,030,623
Plan Fiduciary Net Position - Ending (b)	$ 3,056,263	$ 3,605,688	$ 4,154,020	$ 4,667,390	$ 5,609,597	$ 4,924,268	$ 6,030,623	$ 6,718,815
Net OPEB Liability- Ending (a) - (b)	$ 11,573,554	$ 9,733,744	$ 8,585,702	$ 8,243,774	$ 6,739,339	$ 7,673,982	$ 7,731,660	$ 7,312,136
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	20.89%	27.03%	32.61%	36.15%	45.43%	39.09%	43.82%	47.89%
Covered Employee Payroll	$ 24,660,729	$ 28,120,651	$ 25,918,991	$ 26,729,239	$ 26,012,336	$ 26,082,598	$ 26,920,858	$ 33,010,333
Net OPEB Liability as a Percentage of Covered-Employee Payroll	46.93%	34.61%	33.13%	30.84%	25.91%	29.42%	28.72%	22.15%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

See accompanying Note to Required Supplementary Information.

SOLANO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF POSTEMPLOYMENT HEALTHCARE BENEFIT CONTRIBUTIONS
YEAR ENDED JUNE 30, 2024

OPEB Contributions	2017	2018	2019	2020	2021*	2022*	2023*	2024*
Actuarially Determined Contribution (ADC)	$ 1,044,653	$ 1,406,528	$ 1,324,606	$ 1,451,324	$ -	$ -	$ -	$ -
Contributions in Relation to the ADC	1,044,653	1,406,528	1,324,606	1,451,324	-	-	-	-
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Employee Payroll	$ 24,660,729	$ 28,120,651	$ 25,918,991	$ 26,729,239	$ -	$ -	$ -	$ -
Contributions as a Percentage of Covered-Employee Payroll	4.24%	5.00%	5.11%	5.43%	0.00%	0.00%	0.00%	0.00%

*The District has not calculated an ADC for these years.

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

See accompanying Note to Required Supplementary Information.

SOLANO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF POSTEMPLOYMENT HEALTHCARE BENEFITS
MONEY-WEIGHTED RATE OF RETURN ON PLAN ASSETS
YEAR ENDED JUNE 30, 2024

	2017	2018	2019	2020	2021	2022	2023	2024
Annual Money-Weighted Rate of Return, Net of Investment Expense	Not Determined	Not Determined	6.00%	6.00%	5.75%	5.75%	5.75%	5.75%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

See accompanying Note to Required Supplementary Information.

SOLANO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
YEAR ENDED JUNE 30, 2024

CalSTRS - STRP	2024	2023	2022	2021	2020
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
District's Proportion of the Net Pension Liability (NPL)	0.031%	0.031%	0.032%	0.033%	0.034%
District's Proportionate Share of the NPL	$ 23,609,910	$ 21,540,660	$ 14,562,560	$ 31,979,970	$ 30,918,568
State's Proportionate Share of the NPL Associated with the District	11,312,376	10,787,626	7,327,468	16,485,545	16,868,143
Total	$ 34,922,286	$ 32,328,286	$ 21,890,028	$ 48,465,515	$ 47,786,711
District's Covered Payroll	$ 20,048,291	$ 19,103,141	$ 18,525,752	$ 18,741,009	$ 18,881,543
District's Proportionate Share of the NPL as a Percentage of its Covered Payroll	118%	113%	79%	171%	164%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81%	81%	87%	72%	73%

	2019	2018	2017	2016	2015
Measurement Date	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
District's Proportion of the NPL	0.035%	0.032%	0.033%	0.039%	0.041%
District's Proportionate Share of the NPL	$ 31,725,887	$ 29,295,937	$ 29,062,671	$ 26,512,169	$ 23,649,968
State's Proportionate Share of the NPL Associated with the District	18,164,554	17,331,229	16,544,860	14,022,015	14,280,872
Total	$ 49,890,441	$ 46,627,166	$ 45,607,531	$ 40,534,184	$ 37,930,840
District's Covered Payroll	$ 19,389,388	$ 16,730,462	$ 17,309,532	$ 16,914,388	$ 16,407,382
District's Proportionate Share of the NPL as a Percentage of its Covered Payroll	164%	175%	168%	157%	144%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71%	69%	70%	74%	77%

See accompanying Note to Required Supplementary Information.

SOLANO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)
YEAR ENDED JUNE 30, 2024

CalPERS - Schools Pool Plan	2024	2023	2022	2021	2020
Measurement Period	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
District's Proportion of the Net Pension Liability (NPL)	0.0726%	0.0723%	0.0777%	0.0828%	0.0841%
District's Proportionate Share of the NPL	$ 26,280,392	$ 24,877,769	$ 15,799,854	$ 25,405,586	$ 24,499,485
District's Covered Payroll	$ 12,621,423	$ 11,222,342	$ 11,179,672	$ 11,640,226	$ 11,704,107
District's Proportionate Share of the NPL as a Percentage of its Covered Payroll	208%	222%	141%	218%	209%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70%	70%	81%	70%	70%

	2019	2018	2017	2016	2015
Measurement Period	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
District's Proportion of the NPL	0.0865%	0.0861%	0.0960%	0.1048%	0.1085%
District's Proportionate Share of the NPL	$ 23,058,683	$ 20,545,045	$ 18,955,292	$ 15,451,644	$ 12,322,720
District's Covered Payroll	$ 11,406,864	$ 10,977,418	$ 11,535,397	$ 11,747,308	$ 11,365,881
District's Proportionate Share of the NPL as a Percentage of its Covered Payroll	202%	187%	164%	132%	108%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71%	72%	74%	79%	83%

See accompanying Note to Required Supplementary Information.

SOLANO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT CONTRIBUTIONS FOR PENSIONS
YEAR ENDED JUNE 30, 2024

CalSTRS - STRP	2024	2023	2022	2021	2020
Contractually Required Contribution	$ 4,531,679	$ 3,903,335	$ 3,247,203	$ 2,986,309	$ 3,203,865
Contributions in Relation to the Contractually Required Contribution	4,531,679	3,903,335	3,247,203	2,986,309	3,203,865
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 23,231,950	$ 20,048,291	$ 19,103,141	$ 18,525,752	$ 18,741,009
Contributions as a Percentage of Covered Payroll	19.10%	19.10%	16.92%	16.15%	17.10%

	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 3,082,822	$ 2,806,691	$ 2,111,185	$ 1,846,655	$ 1,508,056
Contributions in Relation to the Contractually Required Contribution	3,082,822	2,806,691	2,111,185	1,846,655	1,508,056
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 18,881,543	$ 19,389,388	$ 16,730,462	$ 17,309,532	$ 16,914,388
Contributions as a Percentage of Covered Payroll	16.28%	14.43%	12.58%	10.73%	8.88%

See accompanying Note to Required Supplementary Information.

SOLANO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT CONTRIBUTIONS FOR PENSIONS (CONTINUED)
YEAR ENDED JUNE 30, 2024

CalPERS - Schools Pool Plan	2024	2023	2022	2021	2020
Contractually Required Contribution	$ 3,938,334	$ 3,187,438	$ 2,557,383	$ 2,308,736	$ 2,313,629
Contributions in Relation to the Contractually Required Contribution	3,938,334	3,187,438	2,557,383	2,308,736	2,313,629
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 14,857,724	$ 12,621,423	$ 11,222,342	$ 11,179,672	$ 11,640,226
Contributions as a Percentage of Covered Payroll	26.68%	25.37%	22.91%	20.70%	19.72%

	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 2,108,935	$ 1,771,599	$ 1,524,484	$ 1,367,714	$ 1,357,277
Contributions in Relation to the Contractually Required Contribution	2,108,935	1,771,599	1,524,484	1,367,714	1,357,277
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 11,704,107	$ 11,406,864	$ 10,977,418	$ 11,535,397	$ 11,747,308
Contributions as a Percentage of Covered Payroll	18.06%	15.53%	13.89%	11.85%	11.77%

See accompanying Note to Required Supplementary Information.

NOTE 1 PURPOSE OF SCHEDULES

Schedule of Changes in the Net OPEB Liability and Related Ratios

The schedule is intended to show trends about the changes in the District's actuarially determined liability for postemployment benefits other than pensions.

Benefit changes – None.

2023-24
Changes in Assumptions – None.

2022-23
Changes in Assumptions – None.

2021-22
Changes in Assumptions – None.

2020-21
Changes in Assumptions – The discount rate and expected rate of return on assets was changed from 6.00% to 5.75%.

2019-20
Changes in Assumptions – None.

2018-19
Changes in Assumptions – None.

Schedule of Postemployment Healthcare Benefits Employer Contributions

The schedule is intended to show trends about the amounts contributed in relation to the actuarially determined contribution.

Schedule of Postemployment Healthcare Benefits Money-Weighted Rate of Return on Plan Assets

The schedule is intended to show trends about the rate of return on plan assets.

NOTE 1 PURPOSE OF SCHEDULES (CONTINUED)

Schedules of District's Proportionate Share of the Net Pension Liability – CalSTRS (STRP) and CalPERS (Schools Pool Plan)

The schedule presents information on the District's proportionate share of the net pension liability, the plans' fiduciary net position and, when applicable, the state's proportionate share of the net pension liability associated with the District for the last 10 years.

Benefit changes – None.

Changes of Assumptions:

June 30, 2023 Measurement Period:
There were no assumption changes.

June 30, 2022 Measurement Period:
CalPERS Board adopted new mortality assumptions and new mortality tables for the plan. Assumption for inflation rate was reduced from 2.50% to 2.30%. A new discount rate was applied decreasing the rate from 7.15% to 6.90%.

June 30, 2020 Measurement Period:
CalSTRS Board adopted a new experience study which updated assumptions for termination rates and service rates.

June 30, 2019 Measurement Period:
CalPERS Board adopted new mortality assumptions for the plan. Assumption for inflation rate was reduced from 2.75% to 2.50%. Assumption for individual salary increases and overall payroll growth was reduced from 3.00% to 2.75%.

June 30, 2018 Measurement Period:
CalSTRS Board adopted new mortality assumptions and new mortality tables for the plan. Assumption for inflation rate was reduced from 3.00% to 2.75%. Assumption for payroll growth was reduced from 3.75% to 3.50%. CalPERS applied a new discount rate decreasing the rate from 7.65% to 7.15%.

June 30, 2016 Measurement Period:
CalPERS applied a new discount rate increasing the rate from 7.50% to 7.65%.

Schedules of District Contributions – CalSTRS (STRP) and CalPERS (Schools Pool Plan)

The schedule presents information on the District's required contribution, the amounts actually contributed and any excess or deficiency related to the required contribution for the last 10 years.

OTHER INFORMATION

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.

The Board of Trustees and the District Administrators for the fiscal year ended June 30, 2024 were as follows:

BOARD OF TRUSTEES

Member	Office	Term Expires
Denis Honeychurch	President	2026
Amanda Lopez-Lara	Vice President	2024
Celia Esposito-Noy	Secretary	2024
Rosemary Thurston	Member	2024
Karimah Karah, J.D.	Member	2026
A. Marie Young	Member	2026
Quinten R. Voyce	Member	2024
Amber Cargo-Reed	Member	2026
Sriya P. Srinivasan	Student Trustee	2024

ADMINISTRATION

Celia Esposito-Noy, Ed.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 ORGANIZATION IN GOOD STANDING

None

SUPPLEMENTARY INFORMATION

SOLANO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2024

Program Name	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Program Expenditures
U.S. Department of Education			
Direct:			
Student Financial Assistance Cluster:			
Supplemental Educational Opportunities Grant (SEOG)	84.007	(1)	$ 165,834
Pell Grant	84.063	(1)	10,538,170
Federal Work Study (FWS)	84.033	(1)	159,229
William D. Ford Direct Loan Program	84.268	(1)	1,420,150
Total Student Financial Assistance Cluster			12,283,383
Pass-Through Program from the California Community College Chancellor's Office:			
Career Technical Education:			
Perkins Title I-C (Basic Grants to States)	84.048	(2)	428,190
Total U.S. Department of Education			12,711,573
U.S. Department of Agriculture			
Pass-Through Program from the California Department of Education			
Child Care Food Program	10.558	(2)	39,739
U.S. Department of Treasury			
Pass-Through Program from the California Community College Chancellor's Office:			
COVID-19 SFRF Emergency Financial Assistance	21.027	(2)	889,843
U.S. Department of Health and Human Services			
Pass-Through Program from the California Community College Chancellor's Office:			
Temporary Assistance for Needy Families (TANF)	93.558	(2)	42,453
Foster-Kinship Care Education	93.658	(2)	75,791
Pass-Through Program from the California Department of Education			
Child Care Development Fund (CCTR) Cluster	93.575	(2)	66,897
Total U.S. Department of Health and Human Services			185,141
U.S. Department of Veteran's Affairs			
Direct:			
Veteran Assistance Title 38	64.028	(1)	885
Total Federal Grants			$ 13,827,182

(1) Pass-through number not applicable
(2) Pass-through number not available

See note to Supplementary Information.

SOLANO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE – GRANTS
YEAR ENDED JUNE 30, 2024

Program Name	Program Entitlements: Current Year	Program Entitlements: Prior Year	Program Entitlements: Total Entitlement	Program Revenues: Cash Received	Program Revenues: Accounts Receivables	Program Revenues: Unearned Revenue	Program Revenues: Total Revenue	Program Expenditures
State Categorical Aid Programs:								
Adult Education Block Grant	$ 44,638	$ 146	$ 44,784	$ 44,774	$ -	$ 44,774	$ -	$ -
Asian American, Native Hawaiian and Pacific Islander	129,600	150,697	280,297	280,297	-	260,597	19,700	19,700
Basic Needs Center	298,117	271,117	569,234	569,234	-	365,707	203,527	203,527
CA College Promise	903,832	751,009	1,654,841	1,654,841	-	985,164	669,677	669,677
California State PreSchool Program (CSPP)	795,291	-	795,291	795,291	-	-	795,291	795,291
Cal Works	204,068	94,082	298,150	298,150	-	36,078	262,072	262,072
CARE	160,868	106,273	267,141	267,141	-	149,915	117,226	117,226
Culturally Competent Professional Development	-	2,461	2,461	2,461	-	600	1,861	1,861
Child Care Food Program	2,508	-	2,508	2,048	460	-	2,508	2,048
Child Care Development Fund (CCTR) Cluster	153,073	31,341	184,414	193,093	144,393	-	337,486	337,486
Disabled Students Programs and Services	749,102	121,755	870,857	870,857	-	220,786	650,071	650,072
Emergency Financial Assistance Supplemental	-	121,426	121,426	121,426	-	121,426	-	-
Extended Opportunity Program and Services	690,649	431,048	1,121,697	1,121,697	-	535,055	586,642	586,642
Financial Aid Technology	48,072	116,496	164,568	165,228	-	95,948	69,280	69,279
Foster Care Education	158,099	11,526	169,625	169,625	-	9,552	160,073	160,073
Guided Pathways Program	-	308,004	308,004	308,004	-	90,090	217,914	217,915
Instruction Equipment (one-time)	-	107,562	107,562	107,562	-	29,696	77,866	77,866
Local and Systemwide Technology and Data Security	175,000	335,000	510,000	510,000	-	203,388	306,612	306,612
Lottery Prop 20	-	2,488,190	2,488,190	2,488,190	-	1,911,085	577,105	577,105
Mental Health Services	210,244	144,715	354,959	354,959	-	59,425	295,534	295,535
NextUp	684,402	666,874	1,351,276	1,351,276	-	1,153,994	197,282	197,282
Nursing Enroll Growth	178,670	-	178,670	178,670	-	20,301	158,369	158,369
SFAA	371,290	-	371,290	371,290	-	-	371,290	371,290
Student Success Completion	1,224,587	410,485	1,635,072	1,635,072	-	6,490	1,628,582	1,628,582
Staff Diversity - Equal Employment Opportunity	138,888	122,381	261,269	261,269	-	144,401	116,868	144,401
Strong Workforce Program	1,300,687	3,618,332	4,919,019	4,919,019	-	3,525,195	1,393,824	1,393,824
Strong Workforce Regional Venture	687,878	1,874,352	2,562,230	199,858	1,430,208	960,886	669,180	113,848
Student Equity & Achievement Program	3,238,962	3,846,109	7,085,071	7,085,071	-	4,160,209	2,924,862	2,924,823
Student Food and Housing Support	283,364	406,216	689,580	689,580	-	505,187	184,393	184,393
Student Hunger @ Community College	-	11,631	11,631	11,631	-	10,516	1,115	1,115
Systemwide Technology and Data Security	600,000	9,138	609,138	609,138	-	609,138	-	-
Undocumented Resources Liaisons	83,444	160,248	243,692	243,692	-	213,719	29,973	29,973
Veterans Resource Center (one-time fund)	-	40,373	40,373	40,373	-	1,661	38,712	38,712
Zero Textbook Cost	-	1,879	1,879	1,879	-	691	1,188	1,189
Zero Textbook Cost (one-time funds)	-	180,000	180,000	180,000	-	151,144	28,856	28,856
Total State Categorical Aid Programs	$ 13,515,333	$ 16,940,866	$ 13,852,317	$ 28,102,696	$ 1,575,061	$ 16,582,818	$ 7,705,968	$ 12,566,644

See note to Supplementary Information.

SOLANO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL AND APPORTIONMENT ANNUAL (ACTUAL) ATTENDANCE
YEAR ENDED JUNE 30, 2024

	Revised Annual - Factored FTES		
Categories	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2023 only)			
1. Noncredit[1]	-	-	-
2. Credit	796.00	-	796.00
B. Summer Intersession (Summer 2024 - Prior to July 1, 2024)			
1. Noncredit[1]	-	-	-
2. Credit	24.36	-	24.36
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	2,671.57	-	2,671.57
(b) Daily Census Contact Hours	117.51	-	117.51
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit[1]	-	-	-
(b) Credit	107.46	-	107.46
3. Independent Study/Work Experience			
(a) Weekly Census Contact Hours	2,711.40	-	2,711.40
(b) Daily Census Contact Hours	341.06	-	341.06
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	6,769.36	-	6,769.36
Supplemental Information (Subset of Above Information)			
E. In-service Training Courses (FTES)	-	-	-
H. Basic Skills Courses and Immigrant Education			
(a) Noncredit[1]	-	-	-
(b) Credit	-	-	-
CCFS 320 Addendum			
CDCP Noncredit FTES	-	-	-
Centers FTES			
(a) Noncredit[1]	-	-	-
(b) Credit	-	-	-

[1] Including Career Development and College Preparation (CDCP) FTES

See note to Supplementary Information.

SOLANO COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF 50 PERCENT LAW CALCULATION
YEAR ENDED JUNE 30, 2024

		Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 and AC 6110			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Academic Salaries							
Instructional Salaries - Contract or Regular	1100	$ 12,313,633	$ -	$ 12,313,633	$ 12,313,633	$ -	$ 12,313,633
Instructional Salaries - Other	1300	10,725,323	-	10,725,323	10,727,419	-	10,727,419
Total Instructional Salaries		23,038,956	-	23,038,956	23,041,052	-	23,041,052
Non-Instructional Salaries - Contract or Regular	1200	-	-	-	3,810,558	-	3,810,558
Non-Instructional Salaries - Other	1400	-	-	-	993,418	-	993,418
Total Non-Instructional Salaries		-	-	-	4,803,976	-	4,803,976
Total Academic Salaries		23,038,956	-	23,038,956	27,845,028	-	27,845,028
Classified Salaries							
Non-Instructional Salaries - Regular Status	2100	-	-	-	11,682,501	-	11,682,501
Non-Instructional Salaries - Other	2300	-	-	-	805,897	-	805,897
Total Non-Instructional Salaries		-	-	-	12,488,398	-	12,488,398
Instructional Aides - Regular Status	2200	1,246,751	-	1,246,751	1,246,751		1,246,751
Instructional Aides - Other	2400	142,662	-	142,662	142,662		142,662
Total Instructional Aides		1,389,413	-	1,389,413	1,389,413		1,389,413
Total Classified Salaries		1,389,413	-	1,389,413	13,877,811	-	13,877,811
Employee Benefits	3000	9,910,489	-	9,910,489	19,023,847	-	19,023,847
Supplies and Materials	4000	-	-	-	782,290	-	782,290
Other Operating Expenses	5000	382,213	-	382,213	8,723,795	-	8,723,795
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures Prior to Exclusions		34,721,071	-	34,721,071	70,252,771	-	70,252,771
Exclusions							
Activities to Exclude				70,252,771	35,531,700		
Instructional Staff–Retirees' Benefits and Retirement Incentives	5900	-	-	-	482,069	-	482,069
Student Health Services Above Amount Collected	6441	-	-	-	4,024	-	4,024
Student Transportation	6491	-	-	-	-	-	-
Non-instructional Staff-Retirees' Benefits and Retirement Incentives	6740	-	-	-	565,263	-	565,263
Objects to Exclude							
Rents and Leases	5060	-	-	-	344,697	-	344,697
Lottery Expenditures							
Academic Salaries	1000	906,000	-	906,000	1,220,440	-	1,220,440
Classified Salaries	2000	-	-	-		-	-
Employee Benefits	3000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines, and Periodicals	4200	-	-	-	-	-	-
Instructional Supplies and Materials	4300	-	-	-	-	-	-
Noninstructional, Supplies and Materials	4400	-	-	-	-	-	-
Other Operating Expenses and Services	5000	-	-	-	-	-	-
Capital Outlay	6000	-	-	-	-	-	-
Library Books	6300	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		906,000	-	906,000	2,616,493	-	2,616,493
Total for ECS 84362, 50% Law		$ 33,815,071	$ -	$ 33,815,071	$ 67,636,278	$ -	$ 67,636,278
Percent of CEE (Instructional Salary Cost/Total CEE)		50.00%	0%	50.00%	100%	0%	100%
50% of Current Expense of Education					$ 33,818,139	$ -	$ 33,818,139

See note to Supplementary Information.

SOLANO COMMUNITY COLLEGE DISTRICT
PROPOSITION 30 EDUCATION PROTECTION ACCOUNT (EPA) EXPENDITURE REPORT
YEAR ENDED JUNE 30, 2024

Activity Classification	**Object Code**				**Unrestricted**
EPA Proceeds:	8630				$ 5,855,780
Activity Classification	**Object Code**	**Salaries and Benefits (1000-3000)**	**Operating Expenses (4000-5000)**	**Capital Outlay (6000)**	**Total**
Instructional Activities	0100-5900	$ 5,855,780	$ -	$ -	$ 5,855,780
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
Total Expenditures for EPA*		$ 5,855,780	-	-	5,855,780
Revenue less Expenditures					-
*Total Expenditures for EPA may not include Administrator Salaries and Benefits or other administrative costs.					

See note to Supplementary Information.

SOLANO COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
YEAR ENDED JUNE 30, 2024

Unrestricted General Fund Balance	$ 35,577,135
Restricted General Fund Balance	5,174,835
Bond Interest and Redemption Fund Balance	4,197,283
Capital Projects Fund Balance	6,122,861
Revenue Bond Construction	72,967,745
Child Development Fund Balance	471,815
Internal Service Fund Balance (Retiree Benefits)	819,125
Associated Students Fund Balance	191,998
Investment Trust Fund - OPEB	6,718,815
Student Center Fee Fund Balances	378,731
Total fund balances as reported on the Annual Financial and Budget Report (CCFS-311)	$ 132,620,343

Business Type Activity Funds	$ 125,901,528
Fiduciary Funds - OPEB Trust	6,718,815
Adjusted Total Ending Fund Balance	$ 132,620,343

See note to Supplementary Information.

SOLANO COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION (CONTINUED)
YEAR ENDED JUNE 30, 2024

Total Fund Balances as Reported on the Annual Financial and Budget Report (CCFS-311) - Business Type Activity Funds	$ 125,901,528
Cash and investments with fiscal agent for crossover refunding bonds.	61,621,862
Capital and leased assets used for governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital assets, net of accumulated depreciation are added to total net assets.	188,001,761
Deferred outflows associated with advanced refunding of debt increases total net position reported.	11,553,793
Deferred outflows associated with other postemployment retirement benefits costs result from contributions made during the fiscal year and from actuarially determined adjustments. These amounts will be recognized as a reduction of the net other postemployment retirement benefits liability or amortized to benefits expense, as applicable, in subsequent periods.	1,075,495
Deferred outflows associated with pension costs result from pension contributions made during the fiscal year and from actuarially determined adjustments. These amounts will be recognized as a reduction of the net pension liability or amortized to pension expense, as applicable, in subsequent periods.	15,924,039
Liabilities related to bonds, leases and subscriptions payable are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Bond related liabilities are added to the statement of net position which reduces the total net assets reported.	(444,699,552)
The liability of employers and nonemployers contributing to employees for benefits provided through a defined benefit pension plan is recorded as net pension liabilities.	(49,890,302)
Deferred inflows associated with advanced refunding of debt increases total net position reported. Deferred inflows of resources associated with other postemployment retirement benefits result from actuarially determined adjustments. These amounts will be amortized to other postemployment retirement benefits expense in subsequent periods.	(1,122,346)
Deferred inflows of resources associated with pensions result from actuarially determined adjustments. These amounts will be amortized to pension expense in subsequent periods.	(4,323,820)
The liability associated with other postemployment retirement benefits, is recognized as a liability, which reduces the total net position reported.	(7,312,136)
The liability associated with Medicare Premium Payment (MPP) Program of the California State Teachers' Retirement Plan (the STRP), is recognized as a liability, which reduces the total net position reported.	(139,581)
Total Net Position	$ (103,409,259)

See Note to Supplementary Information.

NOTE 1 PURPOSE OF SCHEDULES

District Organization

This schedule provides information about the District's Governing Board members, administration members, and auxiliary organizations as of June 30, 2024.

Schedule of Expenditures of Federal Awards

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (Part 200), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Federal financial assistance has not been provided to a subrecipient.

The following schedule provides a reconciliation between revenues reported on the statement of revenues, expenses, and changes in net position – primary government and the related expenditures reported on the schedule of expenditures of federal awards that have not been expended as of June 30, 2024.

Program Name	Federal Assistance Listing Number	Amount
Federal Revenues per Statement of Revenues, Expenditures, and Changes in Net Position Primary Government:		
Operating Federal Revenues	Various	$ 1,868,862
Nonoperating Federal Revenues	84.063	10,538,170
Total Federal Revenues		12,407,032
William D. Ford Direct Loan Program	84.268	1,420,150
		$ 13,827,182

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

The District uses an indirect cost rate, approved by the U.S. Department of Health and Human Services, as allowed under the Uniform Guidance. The District has not elected to use the 10-percent de minimis cost rate as covered in Section 200.414 Indirect (F&A) costs of the Uniform Guidance.

NOTE 1 PURPOSE OF SCHEDULES (CONTINUED)

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 the students based on various methods of accumulating attendance data.

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

ECS 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.

Reconciliation of Annual Financial and Budget Report (CCFS-311) With Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Form CCFS-311 to the District's internal fund financial statements.

Proposition 30 Education Protection Account (EPA) Expenditure Report

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

Reconciliation of Government 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 entity-wide full accrual basis financial statements required under GASB Statements No. 34 and No. 35 business-type activities reporting model.

OTHER INDEPENDENT AUDITORS' REPORTS

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

Board of Trustees
Solano Community College District
Fairfield, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the fiduciary activities of Solano Community College District (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 18, 2024.

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 procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Board of Trustees
Solano Community College District

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
December 18, 2024

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
Solano Community College District
Fairfield, California

Report on Compliance for Each Major Federal Program

Opinion on Each 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 each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2024-001, 2024-002, 2024-003, 2024-004 and 2024-005. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

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

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-001, 2024-002, 2024-003, 2024-004 and 2024-005 to be significant deficiencies.

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

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

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
December 18, 2024

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Trustees
Solano Community College District
Fairfield, California

We have audited the Solano Community College District's (the District) compliance with the types of compliance requirements described in the *2023-24 Contracted District Audit Manual,* published by the California Community Colleges Chancellor's Office for the fiscal year ended June 30, 2024. The District's state compliance requirements are identified in the table provided.

In our opinion, the District complied with the laws and regulations of the state programs referred to above in all material respects for the year ended June 30, 2024.

Basis for Opinion on State Compliance

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; and the *2023-24 Contracted District Audit Manual,* published by the California Community Colleges Chancellor's Office. Our responsibilities under those standards and the Audit Manual are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Solano Community College 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 state compliance. Our audit does not provide a legal determination of Solano Community College 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 with the types of compliance requirements described in the *2023-24 Contracted District Audit Manual*.

Auditors' 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 Solano Community College 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 *2023-24 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 Solano Community College District's compliance with the types of compliance requirements described in the *2023-24 Contracted District Audit Manual* as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2023-24 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 Solano Community College 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 Solano Community College 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 with the types of compliance requirements described in the *2023-24 Contracted District Audit Manual*, but not for the purpose of expressing an opinion on the effectiveness of Solano Community College 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.

Board of Trustees
Solano Community College District

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 the laws and regulations applicable to the following items:

Section	Description	Procedures Performed
411	SCFF Data Management Control Environment	Yes
412	SCFF Supplemental Allocation Metrics	Yes
413	SCFF Success Allocation Metrics	Yes
421	Salaries of Classroom Instructors (50 Percent Law)	Yes
423	Apportionment for Activities Funded from Other Sources	(Not applicable)
424	Student Centered Funding Formula Base Allocation: FTES	Yes
425	Residency Determination for Credit Courses	Yes
426	Students Actively Enrolled	Yes
427	Dual Enrollment – College and Career Access Pathways (CCAP)	Yes
430	Scheduled Maintenance Program	Yes
431	Gann Limit Calculation	Yes
444	Apprenticeship Related and Supplemental Instruction (RSI) Funds	(Not applicable)
475	Disabled Student Programs and Services (DSPS)	Yes
490	Proposition 1D and 51 State Bond Funded Projects	Yes
491	Education Protection Account (EPA) Funds	Yes
492	Student Representation Fee	Yes
494	State Fiscal Recovery Fund Emergency Grants	Yes
499	COVID-19 Response Block Grant Expenditures	Yes

Purpose of this Report

The purpose of this report on state compliance is solely to describe the results of testing based on the requirements of the *2023-24 Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
December 18, 2024

FINDINGS AND QUESTIONED COSTS

SOLANO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SUMMARY OF AUDITOR RESULTS
JUNE 30, 2024

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:

• Material weakness(es) identified?	______	yes	x	no
• Significant deficiency(ies) identified?	______	yes	x	none reported

3. Noncompliance material to financial statements noted? ______ yes ___x___ no

Federal Awards

1. Internal control over major federal programs:

• Material weakness(es) identified?	______	yes	x	no
• Significant deficiency(ies) identified?	x	yes	______	none reported

2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ___x___ yes ______ no

Identification of Major Federal Programs

Assistant Listing Number(s)	Name of Federal Program or Cluster
84.007, 84.033, 84.063, 84.268	Student Financial Assistance Cluster
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

- Auditee qualified as low-risk auditee? ______ yes ___x___ no

Section I – Summary of Auditors' Results (Continued)

State Awards

1. Internal control over state programs:
   - Material weakness(es) identified? ___________ yes ____x______ no
   - Significant deficiency(ies) identified? ___________ yes ____x_____ none reported
2. Type of auditors' report issued on compliance for state programs: Unmodified

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards.*

Section III – Findings and Questioned Costs – Major Federal Programs

U.S. Department of Education
2024-001: Return of Title IV Funds
Federal Agency: Department of Education
Federal Program Name: Student Financial Assistance Cluster
Assistance Listing Number: Various
Federal Award Identification Number and Year: Various
Award Period: July 1, 2023 through June 30, 2024
Type of Finding: Significant Deficiency in Internal Control over Compliance and Other Matters

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.

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

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

Repeat Finding: 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: Management concurs with the finding.

2024-002: NSLDS Enrollment Reporting
Federal Agency: Department of Education
Federal Program Name: Student Financial Assistance Cluster
Assistance Listing Number: Various
Federal Award Identification Number and Year: Various
Award Period: July 1, 2023 through June 30, 2024
Type of Finding: Significant Deficiency in Internal Control over Compliance and Other Matters

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.

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.

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.

Repeat Finding: 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: Management concurs with the finding.

2024-003: 240 Days Outstanding Check
Federal Agency: Department of Education
Federal Program Name: Student Financial Assistance Cluster
Assistance Listing Number: Various
Federal Award Identification Number and Year: Various
Award Period: July 1, 2023 through June 30, 2024
Type of Finding: Significant Deficiency in Internal Control over Compliance and Other Matters

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.

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

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

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.

2024-004: Third Party Servicer Publication
Federal Agency: Department of Education
Federal Program Name: Student Financial Assistance Cluster
Assistance Listing Number: Various
Federal Award Identification Number and Year: Various
Award Period: July 1, 2023 through June 30, 2024
Type of Finding: Significant Deficiency in Internal Control over Compliance and Other Matters

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.

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

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

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.

<u>2024-005: Student Eligibility and Awarding</u>
Federal Agency: Department of Education
Federal Program Name: Student Financial Assistance Cluster
Assistance Listing Number: 84.063
Federal Award Identification Number and Year: Various
Award Period: July 1, 2023 through June 30, 2024
Type of Finding: Significant Deficiency in Internal Control over Compliance and Other Matters

Criteria or specific requirement: The Code of Federal Regulations, 34 CFR 690.62 states the Pell grant for an academic year is based upon the payment and disbursement schedules published by the Secretary for each award year. The payment schedules take into account the cost of attendance, the student's Estimated Family Contribution (EFC) and the enrollment status of the student. 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: 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: This is not a repeat finding.

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.

Section IV – Findings and Questioned Costs – State Award

There were no findings and questioned costs related to state awards for the fiscal year ended June 30, 2024.

FINDINGS—FINANCIAL STATEMENT AUDIT

There were no findings and questioned costs related to the financial statement audit for the year ended June 30, 2023

FINDINGS—FEDERAL AWARDS PROGRAM AUDITS

2023-001: Student Eligibility and Awarding

Federal agency: U.S. Department of Education
Federal program title: Student Financial Assistance Cluster
Assistance Listing Number: 84.268

Recommendation: We recommend the District to evaluate its procedures related to the manual input of information from the student loan request

Current Status: The Corrective Action Plan was implemented by the District during the 2023-24 fiscal year.

2023-002: Return of Title IV Funds

Federal agency: U.S. Department of Education
Federal program title: Student Financial Assistance Cluster
Assistance Listing Number: Various

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

Current Status: Repeat finding, see 2024-001.

2023-003: NSLDS Enrollment Reporting

Federal agency: U.S. Department of Education
Federal program title: Student Financial Assistance Cluster
Assistance Listing Number: Various

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.

Current Status: Repeat finding, see 2024-002.

2023-004: 240 Days Outstanding Check

Federal agency: U.S. Department of Education
Federal program title: Student Financial Assistance Cluster
Assistance Listing Number: Various

Recommendation: We recommend the College to update its procedures and procedures for processing and monitoring refund checks to ensure compliance with the Title IV requirements.

Current Status: Repeat finding, see 2024-003.

2023-005: Gramm-Leach-Bliley Act Compliance
Federal agency: U.S. Department of Education
Federal program title: Student Financial Assistance Cluster
Assistance Listing Number: Various

Recommendation: We recommend the District review and finalize its information security policy and ensure it contains all seven elements required for compliance with Gramm-Leach-Bliley.

Current Status: The Corrective Action Plan was implemented by the District during the 2023-24 fiscal year.

2023-006: Unallowable Costs
Federal agency: U.S. Department of Education
Federal program title: COVID-19 Higher Education Emergency Relief Funds (HEERF)/Coronavirus Aid, Relief and Economic Security (CARES) Act – Institutional Portion
Assistance Listing Number: 84.425F

Recommendation: Implement procedures to ensure all grant expenditures are reviewed by fiscal management for additional review.

Current Status: The Corrective Action Plan was implemented by the District during the 2023-24 fiscal year.

FINDINGS—STATE AWARDS

There were no findings and questioned costs related to state awards for the year ended June 30, 2023.

Solano Community College District respectfully submits the following Corrective action plan for the year ended June 30, 2024.

Audit period: July 1, 2023 – June 30, 2024

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

There were no findings and questioned costs related to the financial statements for the year ended June 30, 2024.

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS
U.S. Department of Education
2024-001: Return of Title IV Funds
Recommendation: We recommend that the District improve the existing procedures and controls to ensure compliance with the aforementioned criteria.

Action taken in response to finding: As this finding has occurred in multiple years, it is one of the financial aid team's top priorities. Return to Title IV calculations are complex operations—especially in the California Community College system where multiple Pell awards per term and high withdrawal rates are common—that require time and focus.

This year's batch of calculations were problematic due for several reasons:

- *Human error*
- *Insufficient number of staff capable of reliably performing calculations*
- *Failure to retain students who have received financial aid beyond the 60% mark of the term*
- *A typographical error in the college's end date for Fall 2023 required us to re-calculate all Return to Title IV calculations, making each of those calculations a technical violation of Title IV regulations since they were done outside the limited time window*

We have taken the following actions:

- *Increased the number of people in the department who are capable of performing calculations*
- *Provided support for two staff members to obtain their NASFAA certification in Return to Title IV funds calculations*
- *Requested out-of-class status to remunerate one of our student services assistants who obtained that certification so that they can be involved in these calculations going forward*
- *Emphasized the importance of timely calculations in staff meetings and evaluations*
- *Altered our procedures to include deliberate consideration of dates involved to better control the timeliness of both calculations and returning funds to the Title IV programs.*
- *Added a step to the new aid year setup that verifies that the term start, and end dates entered in the Banner® system are correct.*

Names of the contact persons responsible for corrective action: Patrick Scott, Dean – Financial Aid, and Anna Marie Troupe, Financial Aid Supervisor

Planned completion date for corrective action plan: January 2025

SOLANO COMMUNITY COLLEGE

2024-002: NSLDS Enrollment Reporting
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.

Action taken in response to finding: The District reviewed its enrollment reporting procedures and ensured that information—especially the effective date of status changes—is accurately reported to NSLDS as required by regulations.

Name of the contact persons responsible for corrective action: Alysa Borelli, Dean—Enrollment Services, and Patrick Scott, Dean – Financial Aid

Planned completion date for corrective action plan: These corrections were already put into place during Fall 2023 when the issue was discovered in the FY 2023 audit.

2024-003: 240 Days Outstanding Check
Recommendation: We recommend the District re-evaluate their procedures for processing and documenting outstanding Title IV funds to the Department of Education.

Action taken in response to finding: As this is a multi-year finding, the Financial Aid department and the Business Services department have been working closely this term to develop a coordinated approach to avoid the issue going forward.

Our procedures have been changed drastically. Once a student appears on a timeout / stale-dated check report from the vendor responsible for delivering aid to our students, we are reversing the funds and processing that reversal through COD *first*, then reaching out to the student to see if they need to make arrangements for correcting their address. This was done in the opposite fashion in prior years, and while it reduced delays for students who could rectify things, it carried too much risk of being forgotten and the 240 day mark being surpassed.

The financial aid department has committed to placing the reversals and processing them through COD within seven business days of receiving the notification from the vendor and/or Business Services. This is far stricter than the federal regulations, but a seemingly necessary step to ensure compliance.

Additionally, the Business Services team is aware of the impossibility of delivering aid beyond 240 days of the original check issuance and is helping the financial aid team to understand issuance dates in situations where Title IV aids may be commingled with other financial aid across multiple disbursement attempts. This coordination will ensure the District's compliance going forward.

Name of the contact person responsible for corrective action: Patrick Scott, Dean – Financial Aid, Shannon Beckham –Director of Business Services

Planned completion date for corrective action plan: December 2024

2024-004: Third Party Servicer Publication
Recommendation: We recommend the District re-evaluate their procedures for providing up-to-date URL information to the Department of Education.

Action taken in response to finding: This is a relatively new requirement that was overlooked, and we are happy that the auditors found it. The District has submitted the URL for its contracts with BankMobile to the Department's website. If the URL for those contracts should change, then the District will need to update those URLs. Please note that the public-facing database of those URLs is updated irregularly—the last update was in January of 2024—and any future submission should have a date stamp somehow attached for future audits. There is a very real possibility that a school could provide this information, but not have it reflected in the database.

Names of the contact person responsible for corrective action: Patrick Scott, Dean –Financial Aid, Anna Marie Troupe, Financial Aid Supervisor

Planned completion date for corrective action plan: December 2024

2024-005: Student Eligibility and Awarding

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

Action taken in response to finding: Student's award was adjusted to appropriately match the EFC of a subsequent ISIR that had not been processed at the time of awarding. Evidence of that change was provided to auditors in July 2024. Refresher training was provided to analysts to improve monitoring the output files of the ISIR import process (RCRTPxx) that identifies subsequent ISIRs received for students with locked records.

Names of the contact persons responsible for corrective action: Patrick Scott and Anna Marie Troupe

Planned completion date for corrective action plan: July 2024

FINDINGS—STATE AWARDS AUDIT
There were no findings and questioned costs related to state awards for the fiscal year ended June 30, 2024.

If the U.S. Department of Education or the U.S. Department of the Treasury has questions regarding this plan, please call Susan Wheet, VP of Finance and Administration at 707-864-7209.

Solano Community College District respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2023.

Audit period: July 1, 2022 – June 30, 2023

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT
There were no financial statement audit findings in the prior fiscal year that require corrective action plan.

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

U.S. Department of Education
2023-001: Student Eligibility and Awarding
Condition: During our testing, we noted 1 instance out of 40 students tested at the College where the Subsidized Stafford Loan awarded to the student was less than the maximum amount they were eligible for. An Unsubsidized Stafford Loan was then issued before the maximum subsidized loan amount was awarded.

Status: The corrective action plan was implemented during the fiscal year 2023-24.

U.S. Department of Education
2023-002: Return of Title IV Funds
Condition: The institutional portion of unearned aid was not returned to the Department of Education within 45 days. This was noted for 1 out of 40 samples tested, which is a statistically valid sample.

Status: Not implemented – see 2024-01.

U.S. Department of Education
2023-003: NSLDS Enrollment Reporting
Condition: During our testing of 40 students, which is a statistically valid sample, we noted two instances of change in status not reported correctly.

Status: Not implemented – see 2024-002.

U.S. Department of Education
2023-004: 240 Days Outstanding Check
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.

Status: Not implemented – see 2024-003.

SOLANO COMMUNITY COLLEGE

U.S. Department of Education
2023-005: Gramm-Leach-Bliley Act Compliance
Condition: During our testing, we noted the District's information security policy is in draft form and does not include all of the required seven elements.

Status: The corrective action plan was implemented during the fiscal year 2023-24.

U.S. Department of Education
2023-006: Unallowable Costs
Condition: The District charged unallowable costs to the grant related to an employee whose job duties were not related to the pandemic.

Status: The District no longer receives this grant.

FINDINGS—STATE AWARDS

There were no state awards findings in the prior fiscal year that require corrective action plan.

If the U.S. Department of Education or the U.S. Department of the Treasury has questions regarding this plan, please call Susan Wheet, VP of Finance and Administration at 707-864-7209.